

**UNIFIED FRANCHISE AGREEMENT**  
**FOR THE**  
**EXCLUSIVE COLLECTION OF SOLID WASTE AND RECYCLABLES IN**  
**UNINCORPORATED MONTEREY COUNTY**

**BETWEEN**  
**COUNTY OF MONTEREY**

**AND**

**USA Waste of California, Inc. DBA Carmel Marina Corporation**



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**Collection Service Agreement**

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## MONTEREY COUNTY

THIS COLLECTION SERVICE AGREEMENT ("Agreement") is made and entered into as of the last date opposite the respective signatures by and between the County of Monterey, a political subdivision of the State of California ("COUNTY"), and USA Waste of California, Inc., DBA Carmel Marina Corporation a Delaware corporation ("CONTRACTOR"), (hereafter collectively referred to as "the parties").

## RECITALS

WHEREAS, on July 27, 2009, COUNTY issued a Request For Proposals ("RFP") for Collection Services; and

WHEREAS, on September 8, 2009, CONTRACTOR submitted a response to the RFP and the various addenda to the RFP; and

WHEREAS, after consideration of CONTRACTOR'S response and the responses of other proposers for the same services, COUNTY'S staff and the Review Panel have recommended CONTRACTOR to perform the services more fully described in this Agreement; and

WHEREAS, the Board of Supervisors desire to award to CONTRACTOR, and CONTRACTOR has determined to accept such award, an Agreement to perform the services described in this Agreement.

Now, therefore, in consideration of the mutual covenants, conditions and consideration contained herein, COUNTY and CONTRACTOR hereby agree as hereinafter set forth:

## Article 1. Definitions

For the purpose of this Collection Service Agreement, the definitions contained in this Article shall apply unless otherwise specifically stated. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Use of the masculine gender shall include the feminine gender.

1.01 AB 939. The California Integrated Waste Management Act of 1989 (California Public Resources Code Sections 40000 et seq.), as it may be amended from time to time.

1.02 Agreement. The written document and all amendments thereto between COUNTY and CONTRACTOR governing the provision of Collection Services as provided herein, including all exhibits hereto, as it may be amended from time to time.

1.03 Agreement Year. A twelve month period beginning on July 1<sup>st</sup> and ending on June 30<sup>th</sup>.

1.04 Alternative Daily Cover (ADC). Disposal Facility cover material, at least six (6) inches of earthen material, placed on the surface of the active face of the refuse fill area at the end of each operating day to control vectors, fires, odor, blowing litter and scavenging, as defined in Section 20164 of the California Code of Regulations.

1.05 Bin. A Container, with a capacity of at least one (1) cubic yard designed or intended to be mechanically dumped into a loader packer type truck. Bins may also include Compactors that are owned by the Customer wherein the Collection Services occur.

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- 40           1.06 Board. The Board of Supervisors of Monterey County.
- 41           1.07 Bulky Items. Discarded materials, such as large and small household appliances  
42 (including refrigerators), furniture, carpets, mattresses, White Goods, clothing, un-mounted tires,  
43 and oversized Green Waste such as tree trimmings and large branches, and similar large items  
44 which can be handled by two (2) people; or some combination of such items in a Container the  
45 dimensions of which Container does not exceed four feet by four feet by two feet (4'x4'x2') and  
46 weighing no more than seventy-five (75) pounds, which are attributed to the normal activities of  
47 a Customer. Bulky Items must be generated by the Customer and at the service address  
48 wherein the Bulky Items are Collected. Bulky Items do not include items herein defined as  
49 Unacceptable Waste or Construction and Demolition Debris.
- 50           1.08 Calendar Year. A period of twelve (12) months beginning January 1<sup>st</sup> and ending  
51 December 31<sup>st</sup>.
- 52           1.09 Can. A metal or plastic receptacle, with a lid and handles, capable of being  
53 Collected manually of approximately thirty-three (33) gallons.
- 54           1.10 Cart. A heavy plastic receptacle with a rated capacity of at least twenty (20)  
55 gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting lid, and two (2)  
56 wheels, that is approved by COUNTY and is colored and labeled as designated by COUNTY.
- 57           1.11 Change in Law. The adoption, promulgation, or modification of any federal, state  
58 or local rule, law, regulation, ordinance, permit or administrative agency guidelines duly adopted  
59 and promulgated officially in writing for uniform application occurring after the effective date of  
60 this Agreement.
- 61           1.12 Collect/Collection. To pick up, transport, and remove Solid Waste, Recyclables,  
62 Green Waste, Christmas trees, Bulky Items, E-Waste, CED's, Universal Waste, Used Oil and  
63 Used Oil Filters, and/or Construction and Demolition Debris.
- 64           1.13 Collection Services. SFD Collection Services, MFD Collection Services and  
65 Commercial Collection Services.
- 66           1.14 Commercial. A business establishment and/or industrial facility including, but not  
67 limited to, governmental, specifically including COUNTY, religious, and educational facilities.
- 68           1.15 Commercial Bin Collection Services. Commercial Bin Solid Waste Collection  
69 Service and Commercial Bin Recyclables Collection Service.
- 70           1.16 Commercial Bin Customer. Any Commercial entity utilizing a Bin for the set out  
71 and accumulation of Solid Waste.
- 72           1.17 Commercial Bin Recyclables Collection Service. The Collection of Recyclables  
73 from Commercial Bin Customers in the Service Area participating in the recycling program, the  
74 delivery of the Recyclables to a Recyclables Processing Facility, and the processing and  
75 marketing of the Recyclables.
- 76           1.18 Commercial Bin Solid Waste Collection Service. Collection of Solid Waste from  
77 Commercial Bin Customers in the Service Area and delivery of the Solid Waste to the Disposal  
78 Facility.
- 79           1.19 Commercial Cart Collection Service. Commercial Cart Solid Waste Collection  
80 Service and Commercial Cart Recyclables Collection Service.

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- 81           1.20 Commercial Cart Customer. Any Commercial entity utilizing a Cart or Can for the  
82 set out and accumulation of Solid Waste.
- 83           1.21 Commercial Cart Recyclables Collection Service. Collection of Recyclables from  
84 Commercial Cart Customers in the Service Area participating in the recycling program, delivery  
85 of the Recyclables to a Recyclables Processing Facility, and the processing and marketing of  
86 the Recyclables.
- 87           1.22 Commercial Cart Solid Waste Collection Service. Collection of Solid Waste from  
88 Commercial Cart Customers in the Service Area and delivery of the Solid Waste to the Disposal  
89 Facility.
- 90           1.23 Commercial Collection Service. Commercial Cart Collection Service and  
91 Commercial Bin Collection Service.
- 92           1.24 Commercial Customers. Commercial Bin Customers and Commercial Cart  
93 Customers.
- 94           1.25 Compactor. Any Container which has compaction mechanisms whether  
95 stationary or mobile, used or unused, operable or inoperable, all inclusive.
- 96           1.26 Compostable Materials. Food Waste, Green Waste, soiled paper and those  
97 materials designated from time to time in County Code for Collection and recycling under this  
98 Agreement which are segregated from Solid Waste at the source of generation by the Customer  
99 and set out for Collection.
- 100           1.27 Composting. The purposeful or engineered physical, chemical, and biological  
101 degradation of biodegradable Compostable Materials into mature compost as determined by  
102 standard laboratory analysis.
- 103           1.28 Construction and Demolition Debris (C&D). Used or discarded materials  
104 removed from premises during construction or renovation of a structure resulting from  
105 construction, remodeling, repair or demolition operations on any house, or residential property,  
106 commercial building, pavement, or other structure. Construction and Demolition Debris includes  
107 rocks, soils, tree remains and other Green Waste which results from land clearing or land  
108 development operations in preparation for construction. Construction and Demolition Debris is  
109 normally Collected in a Roll-Off Container.
- 110           1.29 Consumer Electronic Device or CED. Discarded electronic devices that the  
111 California Department of Toxic Substances Control (DTSC) has determined to be a covered  
112 electronic device. CEDs include cathode ray tube (CRT) devices (including televisions and  
113 computer monitors); LCD desktop monitors; laptop computers with LCD displays; LCD  
114 televisions; plasma televisions; portable DVD players with LCD screens; and other electronic  
115 devices as may be added by the DTSC from time to time.
- 116           1.30 Container. Carts, Cans, or Bins used for Collection of Solid Waste, Recyclables,  
117 and Green Waste.
- 118           1.31 Contract Administrator. The Director of Health or his/her designee.
- 119           1.32 CONTRACTOR. USA Waste of California, Inc. DBA Carmel Marina Corporation.
- 120           1.33 COUNTY. The County of Monterey, a political subdivision of the State of  
121 California.

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122           1.34 COUNTY Clean-up Service. The Collection of Solid Waste, Recyclables, Green  
123 Waste, Bulky Items, E-Waste, CED's, or Universal Waste, by CONTRACTOR resulting from  
124 written or verbal requests from COUNTY for temporary clean-up of those materials and the  
125 transport and delivery of the Collected materials to the appropriate facilities.

126           1.35 County Code. Codified ordinances adopted by the COUNTY Board, as such  
127 ordinances may be amended from time to time.

128           1.36 COUNTY Facilities. Any building, structure, yard, park, or any other facility  
129 owned, leased, or operated, by the COUNTY, or any subsidiary public entity of the COUNTY, as  
130 set forth in the column titled "Facility" of Exhibit 10 to this Agreement, regardless of where within  
131 the Service Area such facility is located.

132           1.37 Customer. A Generator of Solid Waste, Recyclables, Green Waste, Christmas  
133 trees, Bulky Items, E-Waste, CED's, Universal Waste, Christmas Trees, Used Oil and Used Oil  
134 Filters, or Construction and Demolition Debris within COUNTY'S jurisdiction including  
135 homeowners, managers or owners or rate-paying occupants of rental Single-Family or Multi-  
136 Family Dwellings, and Commercial representatives, who receive Collection Services under this  
137 Agreement.

138           1.38 Difficult to Serve. A set-out site for Carts or Cans via a road (or driveway) which  
139 has any of the following features:

140                   1.38.1 Is less than two 9-foot traffic lanes (or with respect to a driveway, at least  
141 12 feet width);

142                   1.38.2 A grade greater than fifteen (15) percent;

143                   1.38.3 An obstructed vertical clearance of less than fifteen (15) feet;

144                   1.38.4 A turn radius of less than fifty (50) feet; or

145                   1.38.5 Is more than one hundred (100) feet from the public road.

146           1.39 Disposal. The final processing and disposition of materials Collected by  
147 CONTRACTOR under the terms of this Agreement.

148           1.40 Disposal Facility. The MRWMD Disposal Facility and/or the SVSWA Disposal  
149 Facility.

150           1.41 Divert. To make use of discarded materials for any purpose and, therefore, to  
151 avoid Disposal of such material at the Disposal Facility.

152           1.42 Dwelling Unit. Any individual living unit in a Single Family Dwelling (SFD) or  
153 Multi-Family Dwelling (MFD) structure or building, a mobile home, or a motor home located on a  
154 permanent site intended for, or capable of being utilized for, residential living other than a hotel  
155 or motel.

156           1.43 Employee Housing. Premises provided by or on behalf of an agricultural  
157 employer Customer in connection with agricultural employment including not only buildings but  
158 any living quarters, such as a tent, bunkhouse, maintenance-of-way car, mobile home,  
159 manufactured home, recreational vehicle, travel trailer or other housing accommodation as set  
160 forth in Exhibit 8 to this Agreement.

161           1.44 Employee Housing Customer. A Person who provides Employee Housing within  
162 the Service Area.

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163 1.45 E-Waste. Waste that is powered by batteries or electricity, such as computers,  
164 telephones, answering machines, radios, stereo equipment, tape players/recorders,  
165 phonographs, videocassette players/recorders, compact disc players/recorders, calculators and  
166 certain items also defined as CED's.

167 1.46 Fixed Body Vehicle. Any wheeled vehicle that does not rely on a Roll-Off  
168 Container or other detachable Bin or Container to Collect, contain and transport material. Dump  
169 trucks shall be considered Fixed Body Vehicles.

170 1.47 Food Waste. All organic materials of plant or animal origin which are or were  
171 components of human foodstuffs that may be specified in COUNTY Legislation for Collection  
172 and processing. It shall also include non-recyclable and soiled paper, vegetable trimmings,  
173 houseplant trimmings and other compostable organic waste common to the occupancy of Single  
174 Family or Multi-family Dwellings, and, in the event COUNTY implements a Commercial Food  
175 Waste Collection program, Commercial establishments.

176 1.48 Force Majeure. Any acts of God, such as landslides, lightning, fires, storms,  
177 floods, pestilence, freezing, and earthquakes; explosions, sabotage, civil disturbances, acts of a  
178 public enemy, wars, blockades, riots, or other industrial disturbances, eminent domain,  
179 condemnation or other taking, or other events of a similar nature, not caused or maintained by  
180 COUNTY or CONTRACTOR, which event is not reasonably within the control of the party  
181 claiming the excuse from its obligations due to such event, to the extent such event has a  
182 significant and material adverse effect on the ability of a party to perform its obligations  
183 thereunder. Force Majeure shall not include power outages, fuel shortages, strikes, work  
184 stoppage or slowdown, sickout, lockout, picketing or other concerted job action conducted by  
185 CONTRACTOR'S employees or directed at CONTRACTOR or subcontractor. Force Majeure  
186 shall include a Change in Law if such Change in Law prohibits a party's performance hereunder.  
187 Notwithstanding the foregoing, (i) no failure of performance by any subcontractor of  
188 CONTRACTOR shall be a Force Majeure unless such failure was itself caused by a Force  
189 Majeure; (ii) except as provided herein, no event which merely increases CONTRACTOR'S cost  
190 of performance shall be a Force Majeure; and (iii) no event, the effects of which could have  
191 been prevented by reasonable precautions, including compliance with agreements and  
192 applicable laws, shall be a Force Majeure.

193 1.49 Generator. A Person, Commercial business or any other entity that produces  
194 Solid Waste, Recyclables, Green Waste, Bulky Items, Christmas Trees, Universal Waste, E-  
195 Waste, CED's, Used Oil and Used Oil Filters and/or Construction and Demolition Debris.

196 1.50 Green Waste. Untreated and unpainted wood, pruning, brush, leaves, or grass  
197 clippings and such other types of yard waste resulting from normal yard and landscaping  
198 maintenance. Green Waste must be generated by the Customer and at the service address  
199 wherein the Green Waste is Collected, segregated from Solid Waste at the source of generation  
200 and set out by the Customer for Collection. Green Waste does not include items herein defined  
201 as Unacceptable Waste.

202 1.51 Green Waste Processing Facility. The MRWMD Green Waste Processing  
203 Facility and the SVSWA Green Waste Processing Facility.

204 1.52 Hazardous Waste. Any material, substance, waste or component thereof which  
205 poses an actual or potential risk to public health and safety or the environment by virtue of being  
206 actually or potentially toxic, corrosive, bioaccumulative, reactive, ignitable, radioactive, infectious  
207 or otherwise harmful to public health and safety or the environment, and which requires special



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208 handling under any present or future federal, state or local law, excluding de minimis quantities  
209 of waste of a type and amount normally found in residential Solid Waste after implementation of  
210 programs for the safe Collection, recycling, treatment and Disposal of household hazardous  
211 waste in compliance with Sections 41500 and 41802 of the California Public Resources Code.

212 1.53 Large Venue Collection Service. Collection of Solid Waste, Recyclables and  
213 other materials as appropriate at large venue special events.

214 1.54 MFD Bin Collection Service. MFD Bin Solid Waste Collection Service, MFD Bin  
215 Recyclables Collection Service, and On-Call Collection Service.

216 1.55 MFD Bin Customer. A Multi-family Dwelling that provides for the set-out and  
217 accumulation of Solid Waste through the use of shared Bins.

218 1.56 MFD Bin Recyclables Collection Service. Collection of Recyclables from MFD  
219 Bin Customers in the Service Area, the delivery of the Recyclables to the appropriate  
220 Recyclables Processing Facility, and the processing and marketing of the Recyclables.

221 1.57 MFD Bin Solid Waste Collection Service. Collection of Solid Waste from MFD  
222 Bin Customers in the Service Area and the delivery of the Solid Waste to the appropriate  
223 Disposal Facility.

224 1.58 MFD Cart Collection Service. MFD Cart Solid Waste Collection Service, MFD  
225 Cart Recyclables Collection Service, and On-Call Collection Service.

226 1.59 MFD Cart Customer. A Multi-family Dwelling that provides for the set-out and  
227 accumulation of Solid Waste through the use of shared Carts or Cans.

228 1.60 MFD Cart Recyclables Collection Service. Collection of Recyclables from MFD  
229 Cart Customers in the Service Area, the delivery of the Recyclables to the appropriate  
230 Recyclables Processing Facility and the processing and marketing of the Recyclables.

231 1.61 MFD Cart Solid Waste Collection Service. Collection of Solid Waste from MFD  
232 Cart Customers in the Service Area and the delivery of the Solid Waste to the appropriate  
233 Disposal Facility.

234 1.62 MFD Collection Services. MFD Bin Collection Services and MFD Cart Collection  
235 Services.

236 1.63 MFD Customers. MFD Bin Customers and MFD Cart Customers.

237 1.64 Monterey Regional Waste Management District (MRWMD). That portion of the  
238 Service Area as set forth in Exhibit 6.

239 1.65 MRWMD Construction and Demolition Debris Processing Facility. The C&D  
240 Processing facility operated by the MRWMD and located at the Monterey Peninsula Landfill or  
241 such other facility as COUNTY may direct as required by the terms of its joint powers authority  
242 agreement with the Monterey Regional Waste Management District.

243 1.66 MRWMD Disposal Facility. The Monterey Peninsula Landfill located at 14201  
244 Del Monte Blvd., Marina, CA 93933 or such other facility as COUNTY may direct as required by  
245 the terms of its joint powers authority agreement with the Monterey Regional Waste  
246 Management District.

247 1.67 MRWMD Green Waste Processing Facility. The Composting facility operated by  
248 the MRWMD and located at the Monterey Peninsula Landfill or such other facility as COUNTY

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249 may direct as required by the terms of its joint powers authority agreement with the Monterey  
250 Regional Waste Management District.

251 1.68 Multi-family Dwelling or MFD. Any residence, or group of residences, with two  
252 (2) or more Dwelling Units, including any flat, apartment, duplex, triplex, condominium, town  
253 home or other premises, other than a hotel or motel, used for housing persons, including such  
254 premises when combined in the same building with Commercial establishments, and serviced  
255 with one (1) or more common Containers.

256 1.69 Non-Collection Notice. A form developed by CONTRACTOR, in a form and  
257 substance satisfactory to COUNTY, and provided at CONTRACTOR'S cost at least 2" by 6" in  
258 size, on which CONTRACTOR has provided CONTRACTOR'S phone number and indicated the  
259 reasons for CONTRACTOR'S refusal to Collect material, giving reference to the section of this  
260 Agreement which has been violated, and which gives grounds for CONTRACTOR'S refusal  
261 either in writing or by means of a check system.

262 1.70 On-Call Bin. A Bin provided for the Collection of material on a temporary or  
263 irregular basis as set forth in Article 10 of this Agreement.

264 1.71 On-Call Collection Service. The periodic Collection of Bulky items, CED's, E-  
265 Waste, and/or U-Waste from SFD, MFD, Commercial, and Employee Housing Customers in the  
266 Service Area and the delivery of the Collected materials to the appropriate Disposal or  
267 Processing Facility.

268 1.72 Person. An individual, firm, agency, company, cooperative, public or private  
269 corporation, association, partnership, limited partnership, consortium, joint venture, limited  
270 liability company, commercial entity, trust, regulatory authority, governmental entity, or any other  
271 legal entity.

272 1.73 Processing Residues. Materials remaining after the processing of Recyclables,  
273 Green Waste, Bulky Items and Construction and Demolition Debris, which cannot reasonably be  
274 Diverted from the landfill.

275 1.74 Rebuilt Vehicle. For purposes of this Agreement, "rebuilt" means, at a minimum,  
276 replacement of worn parts and reconditioning or replacement of hydraulic systems,  
277 transmissions, differentials, electrical systems, engines, and brake systems. In addition, the  
278 rebuilt vehicle must be repainted and its tires must have at least eighty-five (85) percent of tread  
279 remaining.

280 1.75 Recyclables. Those materials designed in this Agreement for Collection and  
281 recycling under this Agreement which are segregated from Solid Waste by the Customer at the  
282 source of generation and set out for Collection. Recyclables include those materials defined by  
283 COUNTY, including newsprint (including inserts, coupons and store advertisements); mixed  
284 paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, brown bags  
285 and paper, paperboard, paper egg cartons, milk and juice cartons, office ledger paper, legal pad  
286 backing, shoeboxes and telephone books); glass containers, (including brown, clear blue and  
287 green glass bottles and jars); aluminum, (including beverage containers and foil products); small  
288 scrap and cast aluminum (not exceeding forty (40) pounds in weight nor two (2) feet in any  
289 dimension for any single item); steel including "tin" cans, aerosol cans (empty, non-toxic  
290 products) and small scrap (not exceeding forty (40) pounds in weight nor two (2) feet in any  
291 dimension for any single item); bimetal containers; all plastics (#1-7), except expanded  
292 Polystyrene (EPS); aseptic packaging; textiles; dry cell household batteries when placed in or

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293 on the Recyclables Cart in a sealed heavy-duty plastic bag; and those materials as may be  
294 added in accordance with Article 22 of this Agreement.

295 1.76 Recyclables Processing Facility. Any facility selected by CONTRACTOR, and  
296 approved by COUNTY that is designed, operated, and legally permitted for the purpose of  
297 receiving, sorting, processing, storing, or preparing Recyclables, scrap metal, wood, asphalt,  
298 concrete and other inert materials for sale or such other facility as COUNTY may direct as  
299 required by the terms of its joint powers authority agreements with the Salinas Valley Solid  
300 Waste Authority or the Monterey Regional Waste Management District.

301 1.77 Recyclables Processing and Marketing. Recycling, including, but not limited to  
302 the receipt, storage, sorting, cleansing, treating, bailing, shipping, and/or reconstituting of  
303 Recyclables including Recyclables recovered from the Solid Waste stream, at a facility which  
304 has adequate capacity to process the Recyclables Collected pursuant to this Agreement, and to  
305 return those Recyclables to the economic mainstream in a form that meets the requirements for  
306 greatest marketability. Without limiting the foregoing, Recyclables Processing and Marketing  
307 includes the pursuit and/or creation of markets for processed Recyclables in accordance with  
308 the provisions of this Agreement and plans submitted hereunder.

309 1.78 Residential Dwelling. A Single Family Dwelling or Multi-Family Dwelling.

310 1.79 Roll-Off Container. A metal Container of between six (6) and fifty (50) cubic  
311 yards that is normally loaded onto a motor vehicle and transported to an appropriate facility. A  
312 Roll-Off Container may be open topped or enclosed with or without a compaction unit.

313 1.80 Roll-Off Collection Services. The service provided to Customers for the  
314 Collection of discarded material using an On-Call Bin or Roll-Off Container.

315 1.81 Roll-Out Collection Services. The provision of SFD Collection Services to those  
316 Customers requiring or requesting that Collection occur at an on-premises site instead of at the  
317 curb or roadway.

318 1.82 Salinas Valley Solid Waste Authority (SVSWA). That portion of the Service Area  
319 as set forth in Exhibit 6.

320 1.83 Self-Haul Customer. A Generator of Solid Waste, Recyclables, Green Waste,  
321 Bulky Items, E-Waste, CED's, Universal Waste, Christmas Trees, Used Oil and Used Oil Filters,  
322 and/or Construction and Demolition Debris within the COUNTY'S jurisdiction who delivers  
323 materials to a facility permitted to accept the material rather than to CONTRACTOR.

324 1.84 Service Area. The unincorporated areas of the County of Monterey, California  
325 and all the territory lying within its boundaries as presently existing or as such boundaries may  
326 be modified during the term of this Agreement.

327 1.85 Service Commencement Date. November 1, 2010.

328 1.86 SFD Collection Service. SFD Solid Waste Collection Service, SFD Recyclables  
329 Collection Service, SFD Green Waste Collection Service, On-Call Collection Service and Used  
330 Oil Collection Service.

331 1.87 SFD Customer. A Single Family Dwelling, or a Multi-Family Dwelling wherein  
332 each individual Dwelling Unit subscribes for the set-out and accumulation of Solid Waste  
333 through the use of non-shared Carts or Cans.

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334 1.88 SFD Green Waste Collection Service. Collection of Green Waste from SFD  
335 Customers in the Service Area and the delivery of the Green Waste to the appropriate Green  
336 Waste Processing Facility.

337 1.89 SFD Recyclables Collection Service. Collection of Recyclables from SFD  
338 Customers in the Service Area, the delivery of the Recyclables to the appropriate Recyclables  
339 Processing Facility and the processing and marketing of the Recyclables.

340 1.90 SFD Solid Waste Collection Service. Collection of Solid Waste from SFD  
341 Customers in the Service Area and the delivery of the Solid Waste to the appropriate Disposal  
342 Facility.

343 1.91 Single Family Dwelling or SFD. A detached residence containing one (1)  
344 Dwelling Unit.

345 1.92 Solid Waste. Except as provided below, all "Solid Waste" as defined in California  
346 Public Resources Code Section 40191, as that section may be amended from time to time, and  
347 Section 10.41.010 Y. of the County Code, as that section may be amended from time to time,  
348 which is generated within the COUNTY. Solid Waste means all putrescible and non-putrescible  
349 solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes,  
350 industrial wastes, dewatered, treated, or chemically fixed sewage sludge which is not  
351 Hazardous Waste, manure, vegetable or animal solid and semisolid wastes, and other  
352 discarded wastes, but does not include abandoned vehicles, Hazardous Waste or other  
353 Unacceptable Waste. Solid Waste may include Recyclables, Green Waste, Bulky Items and  
354 Construction and Demolition Debris if such materials are not source separated from the Solid  
355 Waste at the site of generation or Collected for Recycling, Composting, processing and  
356 marketing.

357 1.93 Subscription Green Waste Collection Service. The Collection of Green Waste  
358 from MFD or Commercial Customers on a subscription basis and the delivery of the Green  
359 Waste to the appropriate Green Waste Processing Facility.

360 1.94 SVSWA Construction and Demolition Debris Processing Facility. Any facility  
361 located within the boundaries of the SVSWA, designated by CONTRACTOR and approved by  
362 COUNTY for the receipt, storage, and processing of Construction and Demolition Debris or such  
363 other facility as COUNTY may direct as required by the terms of its joint powers authority  
364 agreement with the Salinas Valley Solid Waste Authority.

365 1.95 SVSWA Disposal Facility. The Johnson Canyon Landfill located at 31400  
366 Johnson Canyon Road, approximately 2.5 miles east of Gonzales, and the Sun Street Transfer  
367 Station currently located at 139 Sun Street, Salinas (or at such other address as the transfer  
368 station may move to during the term of this Agreement), if capacity is available, and the Jolon  
369 Road Transfer Station located 52654 Jolon Road, King City or such other facility as COUNTY  
370 may direct as required by the terms of its joint powers authority agreement with the Salinas  
371 Valley Solid Waste Authority.

372 1.96 SVSWA Green Waste Processing Facility. Any facility located within the  
373 boundaries of the SVSWA, selected by CONTRACTOR and approved by COUNTY that is  
374 designed, operated and legally permitted for the purpose of receiving and processing Green  
375 Waste or such other facility as COUNTY may direct as required by the terms of its joint powers  
376 authority agreement with the Salinas Valley Solid Waste Authority.

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377           1.97 Unacceptable Waste. Any and all waste, including but not limited to, Hazardous  
378 Waste, the acceptance or handling of which would cause a violation of any permit condition or  
379 legal or regulatory requirement, damage or threatened damage to CONTRACTOR'S equipment  
380 or facilities, or present a substantial endangerment to the health or safety of the public or  
381 CONTRACTOR'S employees; provided, that de minimis quantities or waste of a type and  
382 amount normally found in residential Solid Waste after implementation of programs for the safe  
383 Collection, recycling, treatment, and Disposal of household Hazardous Waste in compliance  
384 with Sections 41500 and 41802 of the California Public Resources Code shall not constitute  
385 Unacceptable Waste. Unacceptable Waste does not include Used Oil, Used Oil Filters, or  
386 household batteries when placed for Collection as set forth in this Agreement or as otherwise  
387 directed by COUNTY.

388           1.98 Universal Waste. Discarded materials that the California Department of Toxic  
389 Substances Control considers Universal Waste, including materials such as batteries,  
390 thermostats, lamps, cathode ray tubes, computers, telephones, answering machines, radios,  
391 stereo equipment, tape players/recorders, phonographs, video cassette players/recorders,  
392 compact disc players/recorders, calculators, some appliances, aerosol cans, and certain  
393 mercury-containing devices.

394           1.99 Used Oil. Any oil that has been refined from crude oil or has been synthetically  
395 produced, and is no longer useful to the Customer because of extended storage, spillage or  
396 contamination with non-hazardous impurities such as dirt or water; or has been used and as a  
397 result of such use has been contaminated with physical or chemical impurities. Used Oil must  
398 be generated by and at the Single Family Dwelling wherein the Used Oil is Collected. Used Oil  
399 does not include transmission fluid.

400           1.100 Used Oil Collection Service. The Collection of Used Oil in Used Oil Containers  
401 and Used Oil Filters in Used Oil Filter Containers, by CONTRACTOR, from SFD Customers in  
402 the Service Area utilizing Used Oil and Used Oil Filter Containers for the accumulation and set-  
403 out of Used Oil and Used Oil Filters and the appropriate disposition of the Used Oil and Used  
404 Oil Filters in accordance with the requirements of this Agreement.

405           1.101 Used Oil Container. A plain plastic container provided by CONTRACTOR, as set  
406 forth in Section 3.10 of this Agreement, for the accumulation of Used Oil that is at least four (4)  
407 quarts in capacity, leak-proof, has a screw-on lid and has a label designating it for use as a  
408 Used Oil Container.

409           1.102 Used Oil Filter. Any oil filter that is no longer useful to the SFD Customer  
410 because of extended storage, spillage or contamination with non-hazardous impurities such as  
411 dirt or water; or has been used and as a result of such use has been contaminated with physical  
412 or chemical impurities. Used Oil Filters must be generated by and at the Single Family Dwelling  
413 wherein the Used Oil Filter is Collected.

414           1.103 Used Oil Filter Container. A sealable container provided by CONTRACTOR, as  
415 set forth in Section 3.10 of this Agreement, for the accumulation of Used Oil Filters that has a  
416 label designating it for use as a Used Oil Filter Container.

417           1.104 White Goods. Discarded household appliances such as washers, dryers,  
418 refrigerators, stoves, water heaters, freezers, small air conditioning units, and other similar  
419 items.

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420 1.105 Work Day. Any day, Monday through Saturday that is not a holiday as set forth  
421 in Section 3.09 of this Agreement.

422 **Article 2. Term and Scope of Franchise**

423 2.01 Initial Term of Agreement. The initial term of this Agreement for the provision of  
424 Collection Services in the Service Area, as set forth in Exhibit 5, shall be for a period  
425 commencing on November 1, 2010 and terminating at midnight on June 30, 2020.

426 2.02 COUNTY Offer to Extend.

427 2.02.1 On or before January 31, 2019, COUNTY may, upon notice of COUNTY  
428 to CONTRACTOR, offer to extend the term of this Agreement for up to five (5) additional years.  
429 In the event COUNTY offers an extension of less than five (5) years, COUNTY may, at its sole  
430 option, offer additional extensions except that such extension offers shall not extend this  
431 Agreement past June 30, 2025 and such offers shall be made no later than seventeen (17)  
432 months prior to the termination date of the then current Collection Services Agreement.

433 2.02.2 Upon receipt of an offer to extend the Agreement, CONTRACTOR shall  
434 provide written notice to COUNTY as to whether CONTRACTOR accepts or rejects COUNTY'S  
435 offer within twenty (20) Work Days of the date of the offer. If CONTRACTOR fails to provide  
436 such notice to COUNTY within said twenty (20) Work Days, COUNTY'S offer shall be deemed  
437 withdrawn and COUNTY shall have no obligation to extend the term of this Agreement.

438 2.03 CONTRACTOR Request to Extend. On or before January 31, 2019,  
439 CONTRACTOR may submit to COUNTY a request for extension of up to five (5) years, along  
440 with the information, data, records and reports documenting to satisfaction of COUNTY that  
441 CONTRACTOR has met each of the following preconditions during each preceding Agreement  
442 Year (or portion thereof if less than an entire Agreement Year):

443 2.03.1 Increased Diversion. During each Calendar Year, beginning on January  
444 1, 2011 and ending December 31, 2018, calculation of the minimum diversion requirement as  
445 set forth in Article 14 yields at least forty (40) percent Diversion.

446 2.03.2 Low Assessed Damages. COUNTY has not given CONTRACTOR notice  
447 of CONTRACTOR'S obligation to pay liquidated damages in excess of Ten Thousand (\$10,000)  
448 Dollars annually or Fifty Thousand Dollars (\$50,000) in the aggregate.

449 2.03.3 Customer Satisfaction. The results of each Customer satisfaction survey  
450 conducted by or on behalf of COUNTY as required by Section 11.15, concludes that ninety (90)  
451 percent of Customers are satisfied with Collection Services.

452 2.03.4 Timely Payment of Fees. CONTRACTOR has not been delinquent in the  
453 payment of any money due to COUNTY under this Agreement more than once each Agreement  
454 Year or at any time longer than five (5) days. COUNTY has not received written notice that  
455 CONTRACTOR has been delinquent in the payment of any sums or amounts due third parties  
456 with respect to Solid Waste Disposal and processing fees.

457 2.03.5 Timely Implementation of Transition Plan. CONTRACTOR has timely  
458 and fully implemented its transition plan.

459 2.04 Upon receipt of a request to extend the Agreement, COUNTY shall provide  
460 written notice to CONTRACTOR as to whether COUNTY is considering, accepts or rejects  
461 CONTRACTOR'S request within one hundred twenty (120) calendar days of the date of the

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462 request. If COUNTY fails to provide such notice to within said one hundred twenty (120)  
463 calendar days, CONTRACTOR'S request shall be deemed accepted and COUNTY shall extend  
464 the term of this Agreement by a period not to exceed five (5) years as requested by  
465 CONTRACTOR.

466         2.05 Grant of Exclusive Franchise. Subject to the requirements, conditions and  
467 exceptions set forth in this Agreement and Exhibits, COUNTY hereby grants to CONTRACTOR  
468 the exclusive franchise, right, privilege, and duty during the term of this Agreement and any  
469 extension thereof to Collect and transport the following materials to the facilities designated in  
470 this Agreement:

471                 2.05.1 Solid Waste that is accumulated and set out for Collection by Customers  
472 in accordance with COUNTY Code, or which is otherwise legally set out for Collection pursuant  
473 to this Agreement.

474                 2.05.2 Recyclables, Green Waste, Christmas Trees, Bulky Items, Universal  
475 Waste, E-Waste, CED's, Used Oil and Used Oil Filters and Construction and Demolition Debris  
476 set out for Collection by Customers.

477         2.06 Limitations to Scope of Exclusive Franchise.

478                 2.06.1 Nothing in this Agreement shall require that Collection Services be  
479 accepted by COUNTY or any entity governed by the Board; the State of California; any school  
480 district; or any entity that is excluded by law from the obligation to subscribe to the Collection  
481 Services set forth herein.

482                 2.06.2 Nothing in this Agreement shall limit the right of any Person to donate or  
483 sell his or her Recyclables, Green Waste, Bulky Items, Universal Waste, E-Waste, CED's,  
484 Christmas trees, Used Oil and Used Oil Filters and/or Construction and Demolition Debris to  
485 someone other than CONTRACTOR. Similarly, pursuant to Chapter 10.41 of the County Code  
486 nothing in this Agreement shall limit the right of any Person to haul the Solid Waste,  
487 Recyclables, Green Waste, Bulky Items, Universal Waste, E-Waste, CED's Christmas trees,  
488 Used Oil and Used Oil Filters and Construction and Demolition Debris he or she generates on  
489 his or her own premises to a facility that holds all applicable permits required per federal law,  
490 state law and/or County Code.

491                 2.06.3 Notwithstanding CONTRACTOR'S rights under this Agreement as  
492 described above, the following materials may be Collected by Persons other than  
493 CONTRACTOR:

494                 2.06.4 Construction and Demolition Debris that is:

495                         2.06.4.1 removed from a premises by a licensed contractor as an  
496 incidental part of a total construction, remodeling, or demolition service offered by that  
497 contractor, rather than as a separately contracted or subcontracted hauling service; or

498                 2.06.5 Green Waste that is:

499                         2.06.5.1 removed from SFD, MFD or Commercial premises by a  
500 contractor as an incidental part of a total gardening or landscaping service offered by that  
501 contractor, rather than as a separately contracted or subcontracted hauling service;

502                         2.06.5.2 Composted at the site where it is generated (e.g., backyard  
503 composting);

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504 2.06.6 Bulky Items, E-Waste, CED'S or U-Waste that are removed from a  
505 premises by a property cleanup or maintenance company as an incidental part of the total  
506 cleanup or maintenance service offered by the company rather than as a hauling service;

507 2.06.7 Animal remains and grease waste Collected for use as tallow;

508 2.06.8 Animal waste Collected for use as a soil amendment;

509 2.06.9 Recyclables which CONTRACTOR is not required to Collect and process  
510 under this Agreement as of the effective date of this Agreement which subsequently, in  
511 COUNTY'S reasonable judgment, become economically feasible to recycle. In such event,  
512 CONTRACTOR shall have the exclusive right to Collect and process such new Recyclables if  
513 CONTRACTOR agrees to do so without any change in rates. If CONTRACTOR is unwilling to  
514 provide service for such new Recyclables at existing rates, COUNTY may provide for Collection  
515 and processing of new Recyclables in any manner it deems appropriate.

516 2.06.10 Containers delivered for Recycling under the California Beverage  
517 Container Recycling and Litter Reduction Act, Section 14500, et seq., California Public  
518 Resources Code, as such statute may be amended from time to time;

519 2.06.11 Hazardous Waste regardless of its source;

520 2.06.12 By-products of sewage treatment, including sludge, grit, and  
521 screenings;

522 2.06.13 Abandoned Solid Waste discarded on public roads, right of ways  
523 and public parking lots in the Service Area. The County Code does not prohibit persons from  
524 scavenging or picking up abandoned Solid Waste.

525 2.06.14 Exemptions as listed and detailed from time to time in federal and  
526 state law, or County Code, and subject to Article 22 of this Agreement;

527 2.06.15 The provisions allowing COUNTY to provide for Collection,  
528 processing and Disposal as specified elsewhere in this Agreement.

529 2.07 Excluded Services. CONTRACTOR acknowledges and agrees that COUNTY  
530 may permit other persons besides CONTRACTOR to Collect any and all types of materials  
531 excluded from the scope of this Agreement, as set forth above, without seeking or obtaining  
532 approval of CONTRACTOR.

533 2.08 Legal Limitations. This grant to CONTRACTOR of rights, privileges, and duties  
534 shall be interpreted to be consistent with federal and state law and County Code in effect now  
535 and during the term of this Agreement. In the event future interpretations of current law, or  
536 enactment of new laws limit the ability of COUNTY to lawfully provide for the scope of franchise,  
537 rights, privileges, and duties specifically set forth herein, CONTRACTOR agrees the scope will  
538 be limited to that scope which may be lawfully provided for under this Agreement, and COUNTY  
539 shall not be responsible for any lost profits claimed by CONTRACTOR to arise out of further  
540 limitations of the scope as set forth herein. In such event, it shall be the responsibility of  
541 CONTRACTOR to minimize the financial impact to other services being provided as much as  
542 commercially feasible.



543

### Article 3. Service Standards

544           3.01 Service Standards. CONTRACTOR shall perform all Collection Services under  
545 this Agreement in a thorough and professional manner. Collection Services described in this  
546 Agreement shall be performed regardless of weather conditions or difficulty of Collection.

547           3.02 Mandatory Franchise Service. CONTRACTOR will provide Collection Service at  
548 each premise located in the Service Area, unless that premise is exempted from mandatory  
549 service under the County Code.

550           3.03 Collection Service Commencement. CONTRACTOR will begin providing  
551 Collection Services in the Service Area, as set forth in Exhibit 5, on November 1, 2010.

552           3.04 Hours and Days of Collection.

553                 3.04.1 SFD and MFD Collection Services shall be provided commencing no  
554 earlier than 6:00 a.m. and terminating no later than 6:00 p.m. Monday through Saturday with no  
555 service on Sunday. The hours, days, or both of Collection may be temporarily extended due to  
556 extraordinary circumstances or conditions with the prior consent of the Contract Administrator.

557                 3.04.2 Commercial Collection Services shall be provided, commencing no earlier  
558 than 4:00 a.m., and terminating no later than 10:00 p.m., Monday through Saturday except  
559 Collection shall begin no earlier than 6:00 a.m. or end later than 6:00 p.m. within two hundred  
560 (200) feet of Single Family Dwellings. The hours, days, or both of Collection may be temporarily  
561 extended due to extraordinary circumstances or conditions with the prior consent of the Contract  
562 Administrator.

563           3.05 Manner of Collection. CONTRACTOR shall provide Collection Services with as  
564 little disturbance as possible and shall leave any Can, Cart or Bin in an upright position at the  
565 same point it was Collected without obstructing alleys, roadways, driveways, sidewalks or mail  
566 boxes.

567           3.06 Roll-out and Push Service. If CONTRACTOR determines that the set-out  
568 location for Solid Waste Carts or Bins is Difficult to Serve, then CONTRACTOR may provide its  
569 choice of either Roll-Out Collection Service to Customers using Cans, or Carts, or push services  
570 to Customers using Bins, for the surcharge listed on Exhibit 1, Rate Schedule.

571           3.07 Containers.

572                 3.07.1 Purchase and Distribution of Cans, Carts, Bins and Roll-Off Containers.  
573 CONTRACTOR shall be responsible for the purchase and distribution of fully assembled and  
574 functional new Cans, new Carts, new or well-maintained Bins, and new or well maintained Roll-  
575 Off Containers as required to Customers in the Service Area. CONTRACTOR shall also  
576 distribute Cans, Carts, Bins and Roll-Off Containers as required to new Customers that are  
577 added to the Service Area during the term of this Agreement. The distribution shall be  
578 completed within three (3) Work Days of receipt of notification from COUNTY or the Customer.

579                 3.07.2 Replacement of Cans, Carts and Bins. CONTRACTOR'S employees  
580 shall take care to prevent damage to Cans, Carts or Bins by unnecessary rough treatment.  
581 However, any Can, Cart or Bin damaged by CONTRACTOR shall be replaced by  
582 CONTRACTOR, at CONTRACTOR'S expense, within three (3) Work Days at no cost or  
583 inconvenience to the Customer.

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584                   3.07.2.1    Upon notification to CONTRACTOR by COUNTY or a  
585 Customer that the Customer's Can(s), Cart(s) or Bin(s) are faulty, have worn out or have been  
586 stolen or damaged beyond repair through no fault of the Customer, CONTRACTOR shall deliver  
587 a replacement Can(s), Cart(s) or Bin(s) to such Customer no later than the next regularly  
588 scheduled Collection day, or if requested by COUNTY or the Customer, within three (3) Work  
589 Days. CONTRACTOR shall maintain records documenting all Can, Cart and Bin replacements  
590 occurring on a monthly basis.

591                   3.07.2.2    Where such Can or Cart is faulty, has worn out or has been  
592 lost, stolen or damaged beyond repair through no fault of the Customer, each SFD Customer  
593 shall be entitled to the replacement of one (1) lost, destroyed, or stolen Solid Waste Can or  
594 Cart, one (1) lost, destroyed, or stolen Recyclables Can or Cart, and one (1), lost, destroyed, or  
595 stolen Green Waste Can or Cart during the life of this Agreement at no cost to the Customer.

596                   3.07.2.3    Where such Cart or Bin has worn out or has been lost,  
597 stolen or damaged beyond repair through no fault of Customer, each MFD, or Commercial  
598 Customer shall be entitled to the replacement of lost, destroyed, or stolen Solid Waste Cart(s) or  
599 Bin(s), and lost, destroyed, or stolen Recyclables Cart(s) or Bin(s) and lost, destroyed, or stolen  
600 Green Waste Cart(s) or Bin(s), if subscribing to Green Waste service, during the life of this  
601 Agreement at no cost to the Customer. Such replacement shall be limited to a number equal to  
602 the number of Bins and Carts representing the normal service level of the Customer.

603                   3.07.2.4    Where such Can, Cart, or Bin replacement occurs through  
604 no fault of CONTRACTOR, CONTRACTOR shall be compensated by the Customer for the cost  
605 of those replacements in excess of the requirements set forth above in accordance with the  
606 Can, Cart or Bin Replacement service rate, as appropriate, as set forth in Exhibit 1 which is  
607 attached to and included in this Agreement or as may be adjusted under the terms of this  
608 Agreement.

609                   3.07.2.5    In those instances where CONTRACTOR can demonstrate  
610 to the satisfaction of COUNTY that a Can(s), Cart(s) or Bin(s) was stolen as the result or  
611 product of negligence on the part of the Customer, CONTRACTOR shall be entitled to bill the  
612 Customer the cost of the Can(s), Cart(s) or Bin(s) Replacement plus the delivery charge in  
613 accordance with the rates set forth in Exhibit 1 to this Agreement.

614                   3.07.3 Repair of Carts. CONTRACTOR shall be responsible for repair of Carts  
615 in the areas to include but not be limited to, hinged lids, wheels and axles. No later than the  
616 next regularly scheduled Collection day after notification of the need for such repairs,  
617 CONTRACTOR shall repair the Cart or if necessary, remove the Cart for repairs and deliver a  
618 replacement Cart to the Customer.

619                   3.07.4 Repair of Bins and Roll-Off Containers. CONTRACTOR will repair and  
620 otherwise maintain or replace Bins and Roll-Off Containers so that they are functional, and, as  
621 appropriate, have lids, at no inconvenience to the Customer.

622                   3.07.5 Locks. Within one (1) week of receipt of the request, CONTRACTOR will  
623 provide a lock on a Bin for the surcharge listed in Exhibit 1.

624                   3.07.6 Can, Cart or Bin Exchange. Upon notification to CONTRACTOR by  
625 COUNTY, or a Customer, that a change in the size or number of Cans, Carts or Bins is  
626 required, CONTRACTOR shall deliver such Cans, Carts or Bins to such Customer within five (5)  
627 Work Days. Each SFD Customer shall be entitled to receive one (1) free Solid Waste Cart

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628 exchange, one (1) free Recyclables Cart exchange and one (1) free Green Waste Cart  
629 exchange per Agreement Year during the term of this Agreement. Each MFD or Commercial  
630 Customer shall be entitled to receive one (1) free service exchange, per Agreement Year during  
631 the term of this Agreement. For the purposes of this Section, a service exchange represents the  
632 exchange of as few as one (1) and as many as the total number of Bins and Carts provided by  
633 CONTRACTOR and utilized by the Customer. Accordingly CONTRACTOR shall be  
634 compensated for the cost of those exchanges in excess of the limitations set forth herein per  
635 Agreement Year, in accordance with the Can, Cart or Bin Exchange service rate as set forth in  
636 Exhibit 1 of this Agreement.

637           3.07.7 Ownership of Cans and Carts. Ownership of Cans and Carts shall rest  
638 with CONTRACTOR, except that ownership of Cans or Carts in the possession of a Customer  
639 at the end of this Agreement shall rest with COUNTY. At its sole discretion, COUNTY may elect  
640 not to exercise its rights with regards to this Section and in such case the Cans and Carts shall  
641 remain the property of CONTRACTOR upon termination of this Agreement. In this event  
642 CONTRACTOR shall be responsible for removing all Cans and Carts in service from the  
643 Service Area and reusing or Recycling such Cans and Carts. In addition, in the case of the  
644 termination of this Agreement prior to the expiration of the initial term or optional extension  
645 term(s) due to the default of CONTRACTOR as set forth in Article 27 of this Agreement,  
646 COUNTY shall have the right to take possession of the Carts and shall retain such possession  
647 until satisfactory arrangements can be made to provide Collection Services using other  
648 equipment. Such time of possession shall not be limited and regardless of the time of  
649 possession, there shall be no monies owing to CONTRACTOR from COUNTY for the use of the  
650 equipment. Upon the receipt of written notice from COUNTY, CONTRACTOR shall submit to  
651 the Contract Administrator an inventory of Carts, including their locations.

652           3.07.8 Ownership of Bins and Roll-Off Containers. Ownership of Bins and Roll-  
653 Off Containers distributed by CONTRACTOR shall rest with CONTRACTOR except in the case  
654 of the termination of the Agreement prior to the expiration of the initial term or optional extension  
655 term due to the default of CONTRACTOR as set forth in Article 27 of this Agreement. Under  
656 such circumstances, COUNTY shall have the right to take possession of the Bins and Roll-Off  
657 Containers and shall retain such possession until satisfactory arrangements can be made to  
658 provide Collection Services using other equipment. Such time of possession shall not be limited  
659 and regardless of the time of possession there shall be no monies owing to CONTRACTOR  
660 from COUNTY for the use of the equipment. Upon receipt of a written request from COUNTY,  
661 CONTRACTOR shall submit to the Contract Administrator an inventory of Bins and Roll-Off  
662 Containers, including their locations.

663           3.07.9 Compactor Equipment. Compactor equipment may be owned by the  
664 Customer or leased from CONTRACTOR or any other source provided the Compactor  
665 Container is compatible with CONTRACTOR'S Collection vehicles.

666           3.07.10 Organic Waste Pails. In the event COUNTY and CONTRACTOR  
667 agree to offer residential compostable collection service, as requested by the Customer,  
668 CONTRACTOR shall provide each SFD Cart Customer with a pail for use in the kitchen that is  
669 suitable for the collection and storage of Food Waste. The kitchen pail shall have a capacity of  
670 1.5 to 2.5 gallons, a wire or plastic handle, and a lid and must be approved by COUNTY.

671           3.07.11 Compostable Material Containers. In the event COUNTY and  
672 CONTRACTOR agree to offer Commercial Compostable Materials Collection Services, and if  
673 requested by the Commercial Customer, CONTRACTOR shall provide Commercial Customers

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674 receiving Commercial Compostable Materials Collection Services with a watertight Container for  
675 indoor storage of Compostable Materials prior to placing the waste in the Compostable  
676 Materials Cart or Bin. The size of the Container shall be determined by the Customer and  
677 CONTRACTOR. CONTRACTOR shall be responsible for the repair and maintenance of the  
678 Containers. At the request of the Customer, CONTRACTOR shall allow the use of plastic bags  
679 by the Customer for the containment of the Compostable Materials and shall Collect both the  
680 Compostable Materials and the plastic bags as part of the Commercial Compostable Materials  
681 Collection Service provided under the terms of this Agreement.

682         3.08 Labor and Equipment. CONTRACTOR shall provide and maintain all labor,  
683 equipment, tools, facilities, and personnel supervision required for the performance of  
684 CONTRACTOR'S obligations under this Agreement. CONTRACTOR shall at all times have  
685 sufficient backup equipment and labor to fulfill CONTRACTOR'S obligations under this  
686 Agreement. No compensation for CONTRACTOR'S services or for CONTRACTOR'S supply of  
687 labor, equipment, tools, facilities or supervision shall be provided or paid to CONTRACTOR by  
688 COUNTY or by any Customer except as expressly provided by this Agreement.

689         3.09 Holiday Service. CONTRACTOR shall not be required to provide Collection  
690 Services or maintain office hours on the following designated holidays; New Years Day,  
691 Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. In any  
692 week in which one of these holidays falls on a Work Day, SFD Collection Services for the  
693 holiday and each Work Day thereafter will be delayed one Work Day for the remainder of the  
694 week with normally scheduled Friday Collection Services being performed on Saturday. MFD  
695 and Commercial Collection Services shall be adjusted as agreed between CONTRACTOR and  
696 the Customer but must meet the minimum frequency requirement of one (1) time per week.

697         3.10 Used Oil and Used Oil Filter Containers. CONTRACTOR will provide to SFD  
698 Customers at no additional charge to SFD Customer, Used Oil and Used Oil Filter Containers in  
699 design, function and material specifications approved by the COUNTY. CONTRACTOR will not  
700 receive additional compensation for this service.

701         3.11 Recyclables - Contamination. CONTRACTOR shall not be required to Collect  
702 Recyclables if the Customer does not segregate the Recyclables from other materials such as  
703 Solid Waste, Green Waste and Unacceptable Waste. If Recyclables are contaminated through  
704 commingling with other materials, CONTRACTOR shall leave the Recyclables Can, Cart or Bin  
705 un-emptied along with a Non-Collection Notice that contains instructions on the proper  
706 procedures for setting out Recyclables. CONTRACTOR shall not be obligated to Collect the  
707 Recyclables Container until the Customer has removed the contamination.

708         3.12 Green Waste – Contamination. CONTRACTOR shall not be required to Collect  
709 Green Waste if the Customer does not segregate the Green Waste from other materials such as  
710 Solid Waste, and Unacceptable Waste. If Green Waste is contaminated through commingling  
711 with other materials, CONTRACTOR shall leave the Green Waste Can, Cart or Bin un-emptied  
712 along with a Non-Collection Notice that contains instructions on the proper procedures for  
713 setting out Green Waste. CONTRACTOR shall not be obligated to Collect the Green Waste  
714 Container until the Customer has removed the contamination.

715         3.13 Inspections. COUNTY shall have the right to inspect CONTRACTOR'S facilities  
716 or Collection vehicles used in the provision of Collection Services under this Agreement and  
717 their contents at any time while operating inside or outside the Service Area.

718         3.14 Commingling of Materials.

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719                   3.14.1 Solid Waste and Recyclables. CONTRACTOR shall not commingle Solid  
720 Waste Collected pursuant to this Agreement, with any Recyclables separated for Collection  
721 pursuant to this Agreement prior to delivery to the appropriate facility without the express prior  
722 written authorization of the Contract Administrator.

723                   3.14.2 Solid Waste Collected in Service Area. CONTRACTOR shall not  
724 commingle any Solid Waste Collected pursuant to this Agreement with any other material  
725 Collected by CONTRACTOR outside the Service Area prior to delivery to the Disposal Facility  
726 as appropriate, unless CONTRACTOR has provided written documentation, in a form that is  
727 satisfactory to the Contract Administrator, explaining how the mixed material will be allocated to  
728 the jurisdiction(s) of origin and CONTRACTOR has received express, written consent from the  
729 Contract Administrator.

730                   3.14.3 Recyclables. CONTRACTOR shall not commingle Recyclables Collected  
731 pursuant to this Agreement, with any other material Collected by CONTRACTOR inside or  
732 outside the Service Area prior to delivery to the Recyclables Processing Facility without the  
733 express prior written authorization of the Contract Administrator.

734                   3.14.4 Material Separation. Solid Waste, Recyclables, Green Waste, Bulky  
735 Items, Universal Waste, E-Waste, CED's, Used Oil and Used Oil Filters and Construction and  
736 Demolition Debris shall not be mixed together in CONTRACTOR'S Collection equipment unless  
737 such material has been deemed contaminated in which case it shall be Collected as Solid  
738 Waste. Each category of material Collected shall be kept separated according to type or  
739 classification except for such material as has been deemed contaminated which shall be  
740 classified as Solid Waste.

741                   3.15 Spillage and Litter. CONTRACTOR shall not litter premises in the process of  
742 providing Collection Services or while its vehicles are on the road. CONTRACTOR shall  
743 transport all materials Collected under the terms of this Agreement in such a manner as to  
744 prevent the spilling or blowing of such materials from CONTRACTOR'S vehicle.  
745 CONTRACTOR shall exercise all reasonable care and diligence in providing Collection Services  
746 so as to prevent spilling or dropping of Solid Waste, Recyclables, Green Waste, Bulky Items,  
747 Universal Waste, E-Waste, CED's, Used Oil and Used Oil Filters and Construction and  
748 Demolition Debris and shall immediately, at the time of occurrence, clean up such spilled or  
749 dropped materials.

750                   3.15.1 CONTRACTOR will maintain a log of spills that indicates the material  
751 spilled, quantity and remedial actions taken. CONTRACTOR will immediately report any spills  
752 entering or endangering any waterway or storm drain or any spill of forty-two (42) gallons or  
753 more to the State Office of Emergency Service (OES) as required by law.

754                   3.15.2 CONTRACTOR shall not be responsible for cleaning up un-sanitary  
755 conditions caused by the carelessness of the Customer; however, CONTRACTOR shall clean  
756 up any material or residue that is spilled or scattered by CONTRACTOR or its employees.

757                   3.15.3 CONTRACTOR shall clean up any spillage or litter caused by  
758 CONTRACTOR within four (4) hours of spilling or dropping any material or residue, or within  
759 four (4) hours upon notice from Customer, or within four (4) hours upon notice from the Contract  
760 Administrator.

761                   3.15.4 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris  
762 resulting from CONTRACTOR'S operations or equipment repair shall be covered immediately

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763 with an absorbent material and removed from the street surface. When necessary,  
764 CONTRACTOR shall apply a suitable cleaning agent to the street surface to provide adequate  
765 cleaning. To facilitate such cleanup, CONTRACTOR'S vehicles shall at all times carry sufficient  
766 quantities of petroleum absorbent materials along with a broom and shovel.

767 3.15.5 In the event where damage to public streets within the Service Area is  
768 the result of a hydraulic oil spill caused by CONTRACTOR, CONTRACTOR shall be responsible  
769 for all repairs to return the street to the same condition it was in prior to the spill.  
770 CONTRACTOR shall also be responsible for all clean-up activities related to the spill. Repairs  
771 and clean-up shall be performed in a manner satisfactory to the Contract Administrator and at  
772 no cost to COUNTY.

773 3.16 Ownership of Materials. Title to Solid Waste, Recyclables, Green Waste, Bulky  
774 Items, Universal Waste, E-Waste, CED's, Used Oil and Used Oil Filters and Construction and  
775 Demolition Debris shall pass to CONTRACTOR at such time as said materials are placed in  
776 CONTRACTOR'S Collection Container and the Container is set out for Collection. Title to  
777 material Collected as part of the COUNTY Clean-up Service as set forth in Article 11 shall pass  
778 to CONTRACTOR at the time the material is placed in the Roll-Off Container or other Collection  
779 vehicle or Container approved for use.

780 3.17 Hazardous Waste. Under no circumstances shall CONTRACTOR'S employees  
781 knowingly Collect Hazardous Waste, or remove unsafe or poorly containerized Hazardous  
782 Waste, from a Collection Container. If CONTRACTOR determines that material placed in any  
783 Container for Collection is Hazardous Waste, or other material that may not legally be accepted  
784 at the Disposal Facility or one of the processing facilities, or presents a hazard to  
785 CONTRACTOR'S employees, CONTRACTOR shall refuse to accept such material. The  
786 Generator shall be contacted by CONTRACTOR and requested to arrange for proper Disposal.  
787 If the Generator cannot be reached immediately, CONTRACTOR shall, before leaving the  
788 premises, leave a Non-Collection Notice, which indicates the reason for refusing to Collect the  
789 material.

790 3.17.1 If Hazardous Waste is found in a Collection Container that poses an  
791 imminent danger to people or property, CONTRACTOR shall immediately notify the Monterey  
792 County Health Department Hazardous Materials Management Services.

793 3.17.2 If Hazardous Waste is identified at the time of delivery to the Disposal  
794 Facility, or one of the processing facilities and the Generator cannot be identified,  
795 CONTRACTOR shall be solely responsible for handling and arranging lawful transport and  
796 disposition of the Hazardous Waste.

797 3.18 Regulations and Record Keeping. CONTRACTOR shall comply with emergency  
798 notification procedures required by applicable laws and regulatory requirements. All records  
799 required by regulations shall be maintained at CONTRACTOR'S facility.

800 3.19 Transition. CONTRACTOR understands and agrees that the time between the  
801 formal Agreement signing and November 1, 2010 is intended to provide CONTRACTOR with  
802 ample and sufficient time to, among other things, order equipment, prepare necessary routing  
803 schedules and route maps, obtain any permits and licenses, establish/build facilities, and begin  
804 the public awareness campaign part of CONTRACTOR'S transition plan as specified in Exhibit  
805 4 which is attached and incorporated into this Agreement. In addition, CONTRACTOR is  
806 required under the terms of this Agreement to meet the following transition requirements:

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807 3.19.1 obtain approval from COUNTY of the transition plan included in Exhibit 4  
808 of this Agreement prior to April 1, 2010;

809 3.19.2 obtain approval from and provide a copy to COUNTY of the emergency  
810 backup plan included in Exhibit 9 of this Agreement prior to June 30, 2010;

811 3.19.3 obtain approval from COUNTY of the waste assessment protocols as  
812 required by Section 11.14 that are required to be included in the transition plan included in  
813 Exhibit 4 of this Agreement prior to April 1, 2010;

814 3.19.4 obtain approval from COUNTY of the format of all invoices as required by  
815 Section 13.02 prior to September 1, 2010;

816 3.19.5 provide payment of proposal development fee as required by Section  
817 13.17.3, to COUNTY within thirty (30) calendar days of execution of the Agreement;

818 3.19.6 provide Collection route maps as required by Section 15.01 ninety (90)  
819 calendar days prior to commencement of Collection Services;

820 3.19.7 test the noise level of all Collection vehicles prior to utilization of the  
821 vehicle to provide Collection Services as required by Section 16.08;

822 3.19.8 provide equipment inventory on or before September 1, 2010 as required  
823 by Section 16.11;

824 3.19.9 submit the initial public education and outreach program to COUNTY for  
825 approval on or before July 1, 2010 as required by Section 19.01;

826 3.19.10 distribute the initial Collection Service notice to Customers as least thirty  
827 (30) days prior to commencement of services as required by Section 19.02;

828 3.19.11 provide the Contract Administrator with an emergency contact number  
829 prior to October 1, 2010 as required by Section 20.02;

830 3.19.12 develop a website as required by Section 20.06 which will be available  
831 to Customers no later than September 1, 2010;

832 3.19.13 provide the name of the service supervisor to COUNTY no later than  
833 October 1, 2010 as required by Section 24.02;

834 3.19.14 provide evidence of insurance coverage on or before the execution date  
835 of this Agreement as required by Section 29.01.4; and

836 3.19.15 obtain a performance bond or letter of credit no more than thirty (30)  
837 days after the execution date of this Agreement as required by Article 30.

838 3.20 Property Damage. CONTRACTOR shall be responsible for the repair or  
839 replacement, if repair is not adequate, of any damages to public or private property during the  
840 provision of Collection Services and caused by the CONTRACTOR.

841 3.21 Unsafe Collection Conditions. In the event CONTRACTOR believes that it is  
842 unsafe to provide Collection Services to a Customer, CONTRACTOR shall notify the Contract  
843 Administrator of the name and address of the Customer and the conditions which make the  
844 provision of Collection Services unsafe. Pursuant to County Code, the Director of Health shall  
845 perform such review as is deemed necessary and except in those instances where the  
846 conditions can be mitigated to the satisfaction of CONTRACTOR, shall take the appropriate

847 steps to have the Customer exempted from mandatory Collection Service. CONTRACTOR shall  
848 not be obligated to provide Collection Services to the Customer.

## 849 Article 4. Transportation, Processing and Disposal

### 850 4.01 Disposal and Processing Facilities.

851 4.01.1 MRWMD Disposal Facility. All Solid Waste and Bulky Items that cannot  
852 be Diverted, Collected as the result of performing Collection Services within the boundaries of  
853 the MRWMD, shall be transported to the MRWMD Disposal Facility.

854 4.01.2 SVSWA Disposal Facility. All Solid Waste and Bulky Items that cannot  
855 be Diverted, Collected as the result of performing Collection Services within the boundaries of  
856 the SVSWA, shall be transported to the SVSWA Disposal Facility.

857 4.01.3 Recyclables Processing Facility. All Recyclables and Bulky Items that  
858 can be Recycled, Collected as a result of performing Collection Services, shall be delivered to  
859 the Recyclables Processing Facility.

860 4.01.4 MRWMD Green Waste Processing Facility. All Green Waste that can be  
861 processed or composted, Collected as the result of performing Collection Services within the  
862 boundaries of the MRWMD, shall be transported to the MRWMD Green Waste Processing  
863 Facility.

864 4.01.5 SVSWA Green Waste Processing Facility. All Green Waste that can be  
865 processed or composted, Collected as the result of performing Collection Services within the  
866 boundaries of SVSWA, shall be transported to the SVSWA Green Waste Processing Facility.

867 4.01.6 MRWMD Construction and Demolition Debris Processing Facility. All  
868 Construction and Demolition Debris Collected as the result of performing Collection Services  
869 within the boundaries of the MRWMD shall be transported to the MRWMD Construction and  
870 Demolition Debris Processing Facility.

871 4.01.7 SVSWA Construction and Demolition Debris Processing Facility. All  
872 Construction and Demolition Debris, Collected as the result of performing Collection Services  
873 within the boundaries of SVSWA, shall be transported to the SVSWA Construction and  
874 Demolition Debris Processing Facility.

875 4.01.8 Bulky Items Processing and Disposal. CONTRACTOR shall process and  
876 dispose of Bulky Items Collected from Customers pursuant to the terms of this Agreement in  
877 accordance with the following hierarchy:

878 4.01.8.1 Reuse as is (where energy efficiency is not compromised);

879 4.01.8.2 Disassemble for reuse or recycling;

880 4.01.8.3 Recycle; or

881 4.01.8.4 Disposal.

882 4.01.9 CONTRACTOR shall not landfill such Bulky Items unless the Bulky Items  
883 cannot be reused or recycled.

884 4.01.10 Bulky Items Containing Freon. In the event CONTRACTOR  
885 Collects Bulky Items that contain Freon, CONTRACTOR shall handle such Bulky Items in a  
886 manner such that the Bulky Items are not subject to regulation as Hazardous Waste under  
887 applicable state and federal laws or regulations.



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888                   4.01.11        Disposal of Recyclables or Green Waste. CONTRACTOR shall  
889 not deliver Recyclables or Green Waste to a Disposal Facility without the express written  
890 permission of the Contract Administrator.

891                   4.01.12        Used Oil Processing. CONTRACTOR shall recycle all Used Oil  
892 and Used Oil Filters Collected pursuant to this Agreement to the extent feasible and shall  
893 properly dispose of all Used Oil and Used Oil Filters that are contaminated or otherwise cannot  
894 be recycled.

895                   4.01.12.1      CONTRACTOR shall recycle Used Oil only with persons  
896 who are authorized by the State of California to recycle Used Oil. In the event the Used Oil and  
897 Used Oil Filters Collected pursuant to this Agreement are contaminated to the extent that the  
898 Used Oil and Used Oil Filters require disposal as a Hazardous Waste, CONTRACTOR shall  
899 dispose of such Used Oil and Used Oil Filters at CONTRACTOR'S own cost and expense in  
900 accordance with applicable state and federal law.

## 901   Article 5. SFD Collection Services

902                   5.01   SFD Collection Services. These services shall be governed by the following  
903 terms and conditions:

904                   5.01.1 Default Capacity. Except as set forth in Section 5.01.1.1 below,  
905 CONTRACTOR shall provide each SFD Customer with one (1) 35 gallon Solid Waste Cart, One  
906 (1) 64 gallon, (or if requested by Customer, 96 gallon) Recyclables Cart, and one (1) 64 gallon  
907 (or if requested by Customer, 96 gallon) Green Waste Cart.

908                   5.01.1.1      CONTRACTOR shall provide Customers utilizing Cans for  
909 the Collection of Solid Waste, Recyclables and Green Waste with Collection capacity  
910 approximately equal to the Collection capacity that the Customer would have requested in  
911 Carts.

912                   5.01.2 Conditions of Service. CONTRACTOR shall provide SFD Collection  
913 Services to all SFD Customers in the Service Area whose: 1) Solid Waste is containerized in  
914 Cans or Carts, except as set forth in Section 5.05 and 5.10, regardless, of whether or not the lid  
915 of the Container is closed; 2) Recyclables are containerized in Cans or Carts, except as set  
916 forth in Section 5.05 and 5.10, regardless of whether or not the lid of the Container is closed; 3)  
917 Green Waste is containerized in Cans or Carts, except as set forth in Section 5.05 and 5.10,  
918 regardless of whether or not the lid of the Container is closed; and 4) where the Cans or Carts  
919 have been placed within three (3) feet of the curb, swale, paved surface of the public roadway,  
920 closest accessible roadway, or other such location agreed to by CONTRACTOR and Customer,  
921 that will provide safe and efficient accessibility to CONTRACTOR'S Collection crew and vehicle  
922 and where the material in the Cart is not contaminated as set forth in Sections 3.11 and 3.12.

923                   5.02   Non-Subscription Roll-Out Collection Service. Notwithstanding any term or  
924 definition set forth in this Agreement, CONTRACTOR shall provide non-subscription Roll-Out  
925 Collection Service to a SFD Customer if a Customer residing therein has provided  
926 documentation, in a manner satisfactory to CONTRACTOR that all individuals over the age of  
927 sixteen (16) residing in the Customers residence: 1) have handicapped status recognized by the  
928 California Department of Motor Vehicles; and 2) are functionally unable to place their Solid  
929 Waste, Recyclables, and Green Waste Cans or Carts at the curb for Collection. In addition,  
930 COUNTY may direct CONTRACTOR to provide non-subscription Roll-out Collection Service to

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931 Customers who meet the criteria set by COUNTY. No additional monies shall be due to  
932 CONTRACTOR for the provision of non-subscription Roll-Out Collection Service.

933           5.02.1 Subscription Roll-Out Collection Service. CONTRACTOR shall provide  
934 Roll-Out Collection Service to a SFD Customer if requested by the Customer for their  
935 convenience. CONTRACTOR shall be compensated for such services at the rates set forth in  
936 Exhibit 1 for subscription Roll-Out Collection Service.

937           5.02.2 Collection Day. CONTRACTOR shall provide subscription and non-  
938 subscription Roll-Out Collection Service on the same Work Day that curbside Collection would  
939 otherwise be provided to the SFD Customer.

940           5.03 Frequency and Scheduling of Service. Except as set forth in Section 5.10, SFD  
941 Collection Services shall be provided one (1) time per week on a scheduled route basis. SFD  
942 Collection Services shall be scheduled so that a SFD Customer receives Solid Waste Collection  
943 Service, Recyclables Collection Service, Green Waste Collection Service, and Used Oil  
944 Collection Service on the same Work Day.

945           5.04 Non-Collection. Except as set forth in Sections 5.05, and 5.10,  
946 CONTRACTOR shall not be required to Collect any Solid Waste, Recyclables, or Green Waste  
947 that is not placed in a Cart or Can. CONTRACTOR shall also not be required to Collect Carts  
948 (or Cans) whose weight is in excess of sixty (60) pounds. In the event of non-collection,  
949 CONTRACTOR shall affix to the Cart (or Can) a Non-Collection Notice explaining why  
950 Collection was not made. CONTRACTOR shall maintain a copy of such notices during the term  
951 of this Agreement.

952           5.05 Overages. The first time that a SFD Customer does not discard Solid Waste,  
953 Recyclables or Green Waste inside a Cart (or Can), CONTRACTOR will Collect that material  
954 without surcharge, but will leave a Non-Collection Notice indicating that: 1) the Customer must  
955 place Solid Waste, Recyclables or Green Waste in a Cart (or Can), unless he or she has  
956 requested On-call Collection Service; 2) describing how the Customer can arrange for additional  
957 capacity; and 3) warning that if the Customer discards material outside Carts (or Cans) again,  
958 CONTRACTOR will Collect the material and charge the un-containerized surcharge listed on  
959 the Rate Schedule set forth in Exhibit 1.

960           5.05.1 The second time, and each time thereafter, that a Customer does not  
961 discard Solid Waste, Recyclables or Green Waste inside a Cart (or Can), CONTRACTOR will  
962 Collect the Cart (or Can) and the un-containerized material and will charge the un-containerized  
963 surcharge listed on the Rate Schedule set forth in Exhibit 1.

964           5.06 Additional Solid Waste Capacity. In the event a Customer requests Solid Waste  
965 capacity in excess of that provided by the default Cart (or Can) capacity, CONTRACTOR shall  
966 be compensated for the provision of those additional Carts (or Cans) in accordance with the  
967 Rate Schedule set forth in Exhibit 1.

968           5.07 Additional Recycling Capacity. In the event a Customer requests Recyclables  
969 capacity in excess of that provided by the default Cart (or Can) capacity, CONTRACTOR shall  
970 be compensated for the provision of those additional Carts (or Cans) in accordance with the  
971 Rate Schedule set forth in Exhibit 1.

972           5.08 Additional Green Waste Capacity. In the event a Customer requests Green  
973 Waste capacity in excess of that provided by the default Cart (or Can) capacity, CONTRACTOR

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974 shall be compensated for the provision of those additional Carts (or Cans) in accordance with  
975 the Rate Schedule set forth in Exhibit 1.

976           5.09 Pickup of Under-utilized Additional Recyclables or Green Waste Containers. If  
977 CONTRACTOR'S vehicle driver reports, and CONTRACTOR'S customer service representative  
978 enters into Customer's account records that Customer does not set out an additional  
979 Recyclables or Green Waste Container(s) more than once a month for three (3) consecutive  
980 months, then CONTRACTOR may leave a notice stating that CONTRACTOR will pick up the  
981 Customer's unused or under-utilized additional Recyclables or Green Waste Container(s)  
982 unless Customer sets out that additional Container(s) at least every other week.

983           5.10 On-Call Collection Service. This service shall be provided one (1) time per full or  
984 partial Calendar Year at no additional charge to the Customer. CONTRACTOR shall be  
985 compensated for providing On-Call Collection Service more than one (1) time in any full or  
986 partial Calendar Year in accordance with the additional on-call service rate as set forth in Exhibit  
987 1. This service will be governed by the following terms and conditions:

988           5.10.1 General Conditions of Service. CONTRACTOR shall provide On-Call  
989 Collection Service to all SFD Customers in the Service Area whose material has been placed  
990 within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible  
991 roadway, or other such location agreed to by CONTRACTOR and Customer, that will provide  
992 safe and efficient accessibility to CONTRACTOR'S Collection crew and vehicle.

993           5.10.2 Bulky Items. Bulky Items shall be placed loose at the set-out location  
994 and shall be limited to five (5) cubic yards.

995           5.10.3 Other Items. Universal Waste (except fluorescent tubes), E-Waste and  
996 CED's shall be placed in bags, boxes or containers and shall be limited to a total of one half  
997 (0.5) cubic yard.

998           5.10.4 Excess On-Call Collection Capacity. CONTRACTOR shall be  
999 compensated for the cost of Collecting items in excess of these limitations in accordance with  
1000 the "excess on-call collection capacity" service rates as set forth in Exhibit 1 and as may be  
1001 adjusted under the terms of this Agreement.

1002           5.10.5 Scheduling On-Call Collection Service. CONTRACTOR, when  
1003 requested by Customer shall provide each SFD Customer with On-call Collection Service on the  
1004 Customer's next regular Collection day or as agreed to between CONTRACTOR and Customer.

1005           5.10.6 Non-Collection. In the event of non-collection, CONTRACTOR shall affix  
1006 to the item a Non-Collection Notice explaining why Collection was not made and how the item  
1007 may be properly Disposed of and shall maintain a copy of such notice during the term of this  
1008 Agreement. CONTRACTOR shall not be required to Collect the following items as part of On-  
1009 Call Collection service:

1010                   5.10.6.1 Any single item that cannot be handled by two (2) people  
1011 using a dolly (except for the purposes of this Section a box springs and mattress will not be  
1012 considered as a single item);

1013                   5.10.6.2 Hazardous Waste, including anti-freeze;

1014                   5.10.6.3 Unacceptable Waste;

1015                   5.10.6.4 concrete;

1016                   5.10.6.5 dirt; or

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1017 5.10.6.6 more than two (2) tires from any SFD Customer per  
1018 Collection.

1019 5.11 Used Oil Collection Service. This service will be governed by the following  
1020 terms and conditions:

1021 5.11.1 Conditions of Service. CONTRACTOR shall provide Used Oil and Used  
1022 Oil Filter Collection Service to all SFD Customers in the Service Area utilizing Used Oil  
1023 Containers for the accumulation and set-out of their Used Oil, and Used Oil Filter Containers for  
1024 the accumulation and set out of their Used Oil Filters where the Used Oil Containers and Used  
1025 Oil Filter Containers have been placed within three (3) feet of the curb, swale, paved surface of  
1026 the public roadway, closest accessible roadway, or other such location agreed to by  
1027 CONTRACTOR and Customer, that will provide safe and efficient accessibility to  
1028 CONTRACTOR'S Collection crew and vehicle.

1029 5.11.2 Non-Collection. CONTRACTOR shall not be required to Collect material  
1030 placed in Used Oil or Used Oil Filter Containers unless the material is Used Oil or Used Oil  
1031 Filters, as appropriate, and is free of contamination other than contamination normally expected  
1032 to be present as a result of the use, storage or spillage of the oil or filter. In the event of non-  
1033 collection, CONTRACTOR shall affix to the Used Oil or Used Oil Filter Container a Non-  
1034 Collection Notice explaining why Collection was not made and maintain a copy of such notice  
1035 during the term of this Agreement. If non-collection is because the Used Oil or Filter was placed  
1036 in an improper container, CONTRACTOR shall also leave Used Oil or Used Oil Filter Containers  
1037 in a number sufficient to contain the Used Oil or Used Oil Filters set out, but not exceeding  
1038 sixteen (16) quarts, or two (2) Used Oil Filters along with the Non-Collection Notice.

1039 5.11.3 Spillage. CONTRACTOR shall carry oil absorbent material on all vehicles  
1040 used to Collect Used Oil and shall cleanup any Used Oil that spills during Collection, which has  
1041 leaked from the Used Oil or Used Oil Filter Container after setout but prior to Collection, or  
1042 which spills or leaks during the time the Used Oil or Used Oil Filter is in the Collection vehicle.

1043 5.11.4 Used Oil and Used Oil Filter Containers. Upon receipt of a verbal request  
1044 of County or a Customer, CONTRACTOR shall provide the SFD Customer at their residence  
1045 with Used Oil Containers and Used Oil Filter Containers in the number requested by COUNTY  
1046 or the Customer but not exceeding a number sufficient to hold sixteen (16) quarts of Used Oil  
1047 and two (2) Used Oil Filters. CONTRACTOR shall deliver said Containers no later than the next  
1048 regularly scheduled Collection day.

1049 5.11.4.1 At the time CONTRACTOR Collects Used Oil from a SFD  
1050 Customer, CONTRACTOR shall leave at the premises one (1) Used Oil Container for each  
1051 Used Oil Container Collected and one (1) Used Oil Filter Container for each Used Oil Filter  
1052 Container Collected. CONTRACTOR shall keep the outside of all Used Oil and Used Oil Filter  
1053 Containers clean and may re-use the containers until the condition of the container makes it  
1054 inappropriate for re-use.

1055 5.11.5 Home Composting and Worm Bins. For at least thirty (30) consecutive  
1056 Work Days each Agreement Year, CONTRACTOR will offer home composting bins and home  
1057 worm bins, of a make approved by COUNTY, for sale to SFD Customers in at least two  
1058 locations, one inland and one coastal, within the Service Area, or if CONTRACTOR does not  
1059 provide a location within the Service Area, CONTRACTOR will offer said bins for sale to SFD  
1060 Customers for delivery to the Customer without surcharge. CONTRACTOR will charge  
1061 Customer a purchase price no greater than CONTRACTOR'S actual cost of purchase, including

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1062 taxes and vendor's handling or delivery charges. Upon sale, the bin becomes the property of  
1063 the purchaser.

1064 5.11.5.1 On the next regularly scheduled Collection day occurring  
1065 after a SFD Customer's request for delivery of either a home composting bin or home worm bin,  
1066 CONTRACTOR will deliver the bin to that Customer's premises for the surcharge listed in  
1067 Exhibit 1 (except as provided in Section 5.11.5).

1068 5.11.6 Intermittent Occupancy. Within one (1) week of a SFD Customer's  
1069 request, CONTRACTOR will stop or start Collection at that Customer's residence which serves  
1070 as the Customer's vacation or second home. The invoice for such intermittent service shall be  
1071 pro-rated for the actual number of weeks CONTRACTOR provides Collection Service.

## 1072 Article 6. MFD Cart Collection Services

1073 6.01 MFD Cart Collection Services. These services will be governed by the  
1074 following terms and conditions:

1075 6.01.1 Default Capacity. CONTRACTOR shall provide each MFD Cart  
1076 Customer with such number of Solid Waste Carts as are requested, and up to one (1) 64 gallon,  
1077 (or if requested by Customer, 96 gallon) Recyclables Cart for each Solid Waste Cart. Solely for  
1078 the purpose of applying the provisions of Section 13.03.1, the default service level shall be a  
1079 thirty five (35) gallon Solid Waste Cart and a sixty four (64) gallon Recycling Cart for each  
1080 occupied Dwelling Unit.

1081 6.01.2 Subscription Green Waste Collection Service. If requested by MFD Cart  
1082 Customer, CONTRACTOR shall provide subscription Green Waste Collection Service in a  
1083 manner agreed upon between the MFD Cart Customer and CONTRACTOR for the service rate  
1084 as set forth in Exhibit 1 to this Agreement.

1085 6.01.3 Conditions of Service. CONTRACTOR shall provide MFD Cart Collection  
1086 Service to all MFD Cart Customers in the Service Area whose: 1) Solid Waste is containerized  
1087 in Carts, except as set forth in Section 6.03 and 6.06 regardless of whether or not the lid of the  
1088 Cart is closed; 2) Recyclables are containerized in Carts, except as set forth in Section 6.03 and  
1089 6.06, regardless of whether or not the lid of the Cart is closed; 3) Green Waste is containerized  
1090 in Carts, except as set forth in Section 6.03 and 6.06, regardless of whether or not the lid of the  
1091 Cart is closed; and, 4) where the Carts have been placed within three (3) feet of the curb, swale,  
1092 paved surface of the public roadway, closest accessible roadway, or other such location agreed  
1093 to by CONTRACTOR and Customer, that will provide safe and efficient accessibility to  
1094 CONTRACTOR'S Collection crew and vehicle.

1095 6.01.4 Size and Frequency of Service. Each service shall be provided weekly  
1096 on a scheduled route basis. However, in those instances where the scheduled Collection day  
1097 falls on a holiday as set forth in Section 3.09 herein, the Collection day may be adjusted in a  
1098 manner agreed to between the Customer and CONTRACTOR as long as service is received  
1099 one (1) time per week. The size of the Cart, (above the minimum) shall be determined between  
1100 the Customer and CONTRACTOR. However, size shall be sufficient to provide that no Solid  
1101 Waste, Recyclables, or Green Waste need be placed outside the Cart on a regular basis.

1102 6.02 Non-Collection. Except as set forth in Section 6.03 and 6.06, CONTRACTOR  
1103 shall not be required to Collect any Solid Waste, Recyclables or Green Waste from a MFD Cart  
1104 Customer that is not placed in a Cart as appropriate. In the event of non-collection,  
1105 CONTRACTOR shall contact the Customer to discuss the reason for the non-collection and

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1106 shall affix to the Cart a Non-Collection Notice explaining why Collection was not made.  
1107 CONTRACTOR shall maintain a copy of such notices during the term of this Agreement.

1108         6.03 Overages. The first time that a MFD Cart Customer does not discard Solid  
1109 Waste, Recyclables or Green Waste inside a Cart, CONTRACTOR will Collect that material  
1110 without surcharge, but it will leave a Non-Collection Notice indicating that 1) the Customer must  
1111 place Solid Waste, Recyclables or Green Waste in a Cart, unless he or she has requested On-  
1112 Call Collection Service; 2) describing how the Customer can arrange for additional capacity; and  
1113 3) warning that if the Customer discards material outside Carts again, CONTRACTOR will  
1114 Collect the material and charge the un-containerized surcharge listed on the Rate Schedule set  
1115 forth in Exhibit 1.

1116         6.03.1 The second time, and each time thereafter, that a MFD Cart Customer  
1117 does not discard Solid Waste, Recyclables or Green Waste inside a Cart, CONTRACTOR will  
1118 Collect the Cart and the un-containerized material and will charge the un-containerized  
1119 surcharge listed on the Rate Schedule set forth in Exhibit 1.

1120         6.04 Additional Recyclables Capacity. In the event a Customer requests Recyclables  
1121 capacity in excess of that provided by the default Cart capacity, CONTRACTOR shall be  
1122 compensated for the provision of those additional Carts in accordance with the Rate Schedule  
1123 set forth in Exhibit 1.

1124         6.05 Pickup of Under-utilized Additional Recyclables Carts. If CONTRACTOR'S  
1125 vehicle driver reports, and CONTRACTOR'S customer service representative enters into a MFD  
1126 Cart Customer's account records that Customer does not set out an additional Recyclables  
1127 Cart(s) more than once a month for three (3) consecutive months, then CONTRACTOR may  
1128 leave a notice stating that CONTRACTOR will pick up the Customer's unused or under-utilized  
1129 additional Recyclables Cart(s) unless Customer sets out that additional Cart(s) at least every  
1130 other week.

1131         6.06 On-Call Collection Service. This service shall be provided one (1) time per full or  
1132 partial Calendar Year at no additional charge to the MFD Cart Customer. CONTRACTOR shall  
1133 be compensated for providing On-Call Collection Service more than one (1) time in any full or  
1134 partial Calendar Year in accordance with the "additional on-call service rate" as set forth in  
1135 Exhibit 1. This service will be governed by the following terms and conditions:

1136         6.06.1 General Conditions of Service. CONTRACTOR shall provide On-Call  
1137 Collection Service to all MFD Cart Customers in the Service Area whose material has been  
1138 placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest  
1139 accessible roadway, or other such location agreed to by CONTRACTOR and Customer, that will  
1140 provide safe and efficient accessibility to CONTRACTOR'S Collection crew and vehicle.

1141         6.06.2 Bulky Items. Bulky Items shall be placed loose at the set-out location  
1142 and shall be limited to the Collection of a maximum number of cubic yards calculated by  
1143 multiplying the number of occupied Dwelling Units in the MFD receiving the service by three (3)  
1144 cubic yards.

1145         6.06.3 Other Items. Universal Waste (except fluorescent tubes), E-Waste and  
1146 CED's shall be placed in bags, boxes or containers and shall be limited to the Collection of a  
1147 maximum number of cubic yards calculated by multiplying the number of occupied Dwelling  
1148 Units in the MFD receiving the service by one half (.5) cubic yards.

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1149                   6.06.4 Excess On-Call Collection Capacity. CONTRACTOR shall be  
1150 compensated for the cost of Collecting items in excess of these limitations in accordance with  
1151 the "excess on-call collection capacity" service rates as set forth in Exhibit 1 and as may be  
1152 adjusted under the terms of this Agreement.

1153                   6.06.5 Scheduling On-Call Collection Service. CONTRACTOR, when requested  
1154 by the Customer or property manager shall provide the MFD with On-Call Collection Service on  
1155 the Customers next regular Collection day or as agreed to between CONTRACTOR and  
1156 Customer.

1157                   6.06.6 Non-Collection. In the event of non-collection, CONTRACTOR shall affix  
1158 to the item a Non-Collection Notice explaining why Collection was not made and how the item  
1159 may be properly disposed of and shall maintain a copy of such notice during the term of this  
1160 Agreement. CONTRACTOR shall not be required to Collect the following items as part of On-  
1161 Call Collection Service:

1162                   6.06.6.1 Any single item that cannot be handled by two (2) people  
1163 using a dolly (except for the purposes of this Section a box springs and mattress will not be  
1164 considered as a single item);

1165                   6.06.6.2 Hazardous Waste, including anti-freeze;

1166                   6.06.6.3 Unacceptable Waste;

1167                   6.06.6.4 concrete;

1168                   6.06.6.5 dirt; or

1169                   6.06.6.6 more than two (2) tires per occupied Dwelling Unit per  
1170 Collection.

1171                   6.06.7 Bi-ennial Visit. CONTRACTOR shall visit each MFD Cart Customer at  
1172 least once every two (2) years during the term of this Agreement to perform a site waste  
1173 assessment. As part of the assessment, CONTRACTOR shall meet with the property manager  
1174 to review level of service and to discuss Diversion opportunities. The results of each visit shall  
1175 be documented and reported in the monthly report to COUNTY.

1176                   **Article 7. MFD Bin Collection Services**

1177                   7.01 MFD Bin Collection Services. These services will be governed by the following  
1178 terms and conditions:

1179                   7.01.1 Default Capacity. CONTRACTOR shall provide each MFD Bin Customer  
1180 with a minimum of one (1), 1 cubic yard Solid Waste Bin, and up to one half (1/2) of the MFD  
1181 Customer's subscribed Solid Waste capacity in Recyclables capacity.

1182                   7.01.2 Subscription Green Waste Collection Service. If requested by MFD Bin  
1183 Customer, CONTRACTOR shall provide subscription Green Waste Collection Service in a  
1184 manner agreed upon between the MFD Bin Customer and CONTRACTOR for the "Green  
1185 Waste per gallon" service rate as set forth in Exhibit 1 to this Agreement.

1186                   7.01.3 Conditions of Service. CONTRACTOR shall provide MFD Bin Collection  
1187 Service to all MFD Bin Customers in the Service Area whose: 1) Solid Waste is containerized in  
1188 Bins, except as set forth in Section 7.03 and 7.06, regardless of whether or not the lid of the  
1189 Container is closed; 2) Recyclables are containerized in Carts or Bins, except as set forth in  
1190 Section 7.03 and 7.06, regardless of whether or not the lid of the Container is closed; 3) Green  
1191 Waste is containerized in Carts or Bins, except as set forth in Section 7.03 and 7.06, regardless

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1192 of whether or not the lid of the Container is closed; and, 4) where the Carts or Bins are  
1193 accessible as set forth in Section 7.01.5.

1194           7.01.4 Size and Frequency of Service. Each service shall be provided at least  
1195 once every week on a scheduled route basis. However, in those instances where the  
1196 scheduled Collection day falls on a holiday as set forth in Section 3.09 herein, the Collection day  
1197 may be adjusted in a manner agreed to between the Customer and CONTRACTOR as long as  
1198 service is received a minimum of one (1) time per week. The size of the Bin or Cart, (above the  
1199 minimum) and the frequency of Collection, (above the minimum) shall be determined between  
1200 the Customer and CONTRACTOR. However, size and frequency shall be sufficient to provide  
1201 that no Solid Waste, Recyclables, or Green Waste need be placed outside the Bin or Cart on a  
1202 regular basis.

1203           7.01.5 Accessibility. CONTRACTOR shall Collect all Solid Waste, Recyclables  
1204 and Green Waste Bins or Carts that are readily accessible to CONTRACTOR'S crew and  
1205 vehicles and not blocked. However, CONTRACTOR shall provide "push services" as necessary  
1206 during the provision of MFD Bin Collection Services. Push services shall include, but not be  
1207 limited to, dismounting from the Collection vehicle, moving the Bins or Carts from their storage  
1208 location for Collection and returning the Bins or Carts to their storage location. CONTRACTOR  
1209 shall be compensated for such services at the rate set forth in Exhibit 1.

1210           7.02 Non-Collection. Except as set forth in Section 7.03 and 7.06, CONTRACTOR  
1211 shall not be required to Collect any Solid Waste, Recyclables and Green Waste from a MFD Bin  
1212 Customer that is not placed in a Bin or Cart as appropriate. In the event of non-collection,  
1213 CONTRACTOR shall contact the Customer to discuss the reason for the non-collection and  
1214 shall affix to the Bin or Cart a Non-Collection Notice explaining why Collection was not made.  
1215 CONTRACTOR shall maintain a copy of such notices during the term of this Agreement.

1216           7.03 Overages. The first time that a MFD Bin Customer does not discard Solid  
1217 Waste, Recyclables or Green Waste inside a Bin or Cart, CONTRACTOR will Collect that  
1218 material without surcharge, but it will leave a Non-Collection Notice indicating that: 1) the  
1219 Customer must place Solid Waste, Recyclables or Green Waste in a Bin or Cart, unless he or  
1220 she has requested On-Call Collection Service; 2) describing how the Customer can arrange for  
1221 additional capacity; and 3) warning that if the Customer discards material outside Bins or Carts  
1222 again, CONTRACTOR will Collect the material and charge the un-containerized surcharge listed  
1223 on the Rate Schedule set forth in Exhibit 1.

1224           7.03.1 The second time, and each time thereafter, that a Customer does not  
1225 discard Solid Waste, Recyclables or Green Waste inside a Bin or Cart, CONTRACTOR will  
1226 Collect the Bin or Cart and the un-containerized material and will charge the un-containerized  
1227 surcharge listed on the Rate Schedule set forth in Exhibit 1.

1228           7.04 Additional Recyclables Capacity. In the event a Customer requests Recyclables  
1229 capacity in excess of that provided by the default capacity, CONTRACTOR shall be  
1230 compensated for the provision of those additional Carts or Bins in accordance with the Rate  
1231 Schedule set forth in Exhibit 1.

1232           7.05 Pickup of Under-Utilized Additional Containers. If CONTRACTOR'S vehicle  
1233 driver reports, and CONTRACTOR'S Customer service representative enters into Customer's  
1234 account records that Customer does not set out an additional Container(s) more than once a  
1235 month for three (3) consecutive months, then CONTRACTOR may leave a notice stating that



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1236 CONTRACTOR will pick up the Customer's unused or under-utilized additional Container(s)  
1237 unless Customer sets out that additional Container(s) at least every other week.

1238 7.06 On-Call Collection Service. This service shall be provided one (1) time per full or  
1239 partial Calendar Year at no charge to the Customer. CONTRACTOR shall be compensated for  
1240 providing On-Call Collection Service one (1) time in any full or partial Calendar Year in  
1241 accordance with the "additional on-call service rate" as set forth in Exhibit 1. This service will be  
1242 governed by the following terms and conditions:

1243 7.06.1 General Conditions of Service. CONTRACTOR shall provide On-Call  
1244 Collection Service to all MFD Bin Customers in the Service Area whose material has been  
1245 placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest  
1246 accessible roadway, or other such location agreed to by CONTRACTOR and Customer, that will  
1247 provide safe and efficient accessibility to CONTRACTOR'S Collection crew and vehicle.

1248 7.06.2 Bulky Items. Bulky Items shall be placed loose at the set-out location  
1249 and shall be limited to the Collection of a maximum number of cubic yards calculated by  
1250 multiplying the number of occupied Dwelling Units in the MFD receiving the service by three (3)  
1251 cubic yards.

1252 7.06.3 Other Items. Universal Waste (except fluorescent tubes), E-Waste and  
1253 CED's shall be placed in bags, boxes or containers and shall be limited to the Collection of a  
1254 maximum number of cubic yards calculated by multiplying the number of occupied Dwelling  
1255 Units in the MFD receiving the service by one half (.5) cubic yards.

1256 7.06.4 Excess On-Call Collection Capacity. CONTRACTOR shall be  
1257 compensated for the cost of Collecting items in excess of these limitations in accordance with  
1258 the "excess on-call collection capacity" service rates as set forth in Exhibit 1 and as may be  
1259 adjusted under the terms of this Agreement.

1260 7.06.5 Scheduling On-Call Collection Service. CONTRACTOR, when requested  
1261 by the MFD Bin Customer shall provide the MFD with On-Call Collection Service on the  
1262 Customer's next regular Collection day or as agreed to between CONTRACTOR and Customer.

1263 7.06.6 Non-Collection. In the event of non-collection, CONTRACTOR shall affix  
1264 to the item a Non-Collection Notice explaining why Collection was not made and how the item  
1265 may be properly disposed of and shall maintain a copy of such notice during the term of this  
1266 Agreement. CONTRACTOR shall not be required to Collect the following items as part of On-  
1267 Call Collection service:

1268 7.06.6.1 Any single item that cannot be handled by two (2) people  
1269 using a dolly (except for the purposes of this Section a box springs and mattress will not  
1270 be considered as a single item);

1271 7.06.6.2 Hazardous Waste, including anti-freeze;

1272 7.06.6.3 Unacceptable Waste;

1273 7.06.6.4 concrete;

1274 7.06.6.5 dirt; or

1275 7.06.6.6 more than two (2) tires per occupied Dwelling Unit per  
1276 Collection.

1277 7.06.7 Bi-ennial Visit. CONTRACTOR shall visit each MFD Bin Customer at  
1278 least once every two (2) years during the term of this Agreement to perform a site waste

1279 assessment. As part of the assessment, CONTRACTOR shall meet with the MFD Bin  
1280 Customer to review level of service and to discuss Diversion opportunities. The results of each  
1281 visit shall be documented and reported in the monthly report to COUNTY.

## 1282 Article 8. Commercial Cart Collection Services

1283 8.01 Commercial Collection Services. These services will be governed by the  
1284 following terms and conditions:

1285 8.01.1 Default Capacity. CONTRACTOR shall provide each Commercial Cart  
1286 Customer with such number of Solid Waste Carts as are requested, and up to one (1) 64 gallon,  
1287 (or if requested by Customer, 96 gallon) Recyclables Cart for each Solid Waste Cart.

1288 8.01.2 Subscription Green Waste Collection Service. If requested by a  
1289 Commercial Cart Customer, CONTRACTOR shall provide Subscription Green Waste Collection  
1290 Service in a manner agreed upon between the Commercial Cart Customer and CONTRACTOR  
1291 for the service rate as set forth in Exhibit 1 to this Agreement except that there shall be no  
1292 charge for providing Subscription Green Waste Collection Services to those COUNTY Facilities  
1293 listed on Exhibit 10 whose listed services include the Collection of Green Waste. However the  
1294 provision of such service at no charge shall be limited to the Container size and frequency of  
1295 Collection as set forth for each COUNTY Facility on Exhibit 10. Accordingly, CONTRACTOR  
1296 shall have the right to invoice the subscribing County agency for Subscription Green Waste  
1297 Services provided in excess of those limitations set forth on Exhibit 10.

1298 8.01.3 Conditions of Service. CONTRACTOR shall provide Commercial Cart  
1299 Collection Service to all Commercial Cart Customers in the Service Area whose: 1) Solid Waste  
1300 is containerized in Carts, except as set forth in Section 8.03 and 8.05, regardless of whether or  
1301 not the lid of the Cart is closed; 2) Recyclables are containerized in Carts, except as set forth in  
1302 Section 8.03 and 8.05, regardless of whether or not the lid of the Cart is closed; 3) Green  
1303 Waste is containerized in Carts, except as set forth in Section 8.03 and 8.05, regardless of  
1304 whether or not the lid of the Cart is closed; and, 4) where the Carts have been placed within  
1305 three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible  
1306 roadway, or other such location agreed to by CONTRACTOR and Customer, that will provide  
1307 safe and efficient accessibility to CONTRACTOR'S Collection crew and vehicle.

1308 8.01.4 Size and Frequency of Service. Each service shall be provided at least  
1309 once every week on a scheduled route basis. However, in those instances where the  
1310 scheduled Collection day falls on a holiday as set forth in Section 3.09 herein, the Collection day  
1311 may be adjusted in a manner agreed to between the Customer and CONTRACTOR as long as  
1312 service is received a minimum of one (1) time per week. The size of the Cart, (above the  
1313 minimum) and the frequency of Collection, (above the minimum) shall be determined between  
1314 the Customer and CONTRACTOR. However, size and frequency shall be sufficient to provide  
1315 that no Solid Waste, Recyclables, or Green Waste need be placed outside the Cart on a regular  
1316 basis. Regardless of the Container size and frequency selected, as identified on Exhibit 10,  
1317 there shall be no charge for providing Commercial Cart Collection Service to COUNTY  
1318 Facilities.

1319 8.02 Non-Collection. Except as set forth in Section 8.03 and 8.05, CONTRACTOR  
1320 shall not be required to Collect any Solid Waste, Recyclables or Green Waste from a  
1321 Commercial Cart Customer that is not placed in a Cart as appropriate. In the event of non-  
1322 collection, CONTRACTOR shall contact the Customer to discuss the reason for the non-

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1323 collection and shall affix to the Cart a Non-Collection Notice explaining why Collection was not  
1324 made. CONTRACTOR shall maintain a copy of such notices during the term of this Agreement.

1325 8.03 Overages. The first time that a Commercial Cart Customer does not discard  
1326 Solid Waste, Recyclables or Green Waste inside a Cart, CONTRACTOR will Collect that  
1327 material without surcharge, but it will leave a Non-Collection Notice indicating that: 1) the  
1328 Customer must place Solid Waste, Recyclables or Green Waste in a Cart; 2) describing how  
1329 the Customer can arrange for additional capacity; and, 3) warning that if the Customer discards  
1330 material outside Carts again, CONTRACTOR will Collect the material and charge the un-  
1331 containerized surcharge listed on the Rate Schedule set forth in Exhibit 1.

1332 8.03.1 The second time, and each time thereafter that a Customer does not  
1333 discard Solid Waste, Recyclables or Green Waste inside a Cart, CONTRACTOR will Collect the  
1334 Cart and the un-containerized material and will charge the un-containerized surcharge listed on  
1335 the Rate Schedule set forth in Exhibit 1.

1336 8.04 Additional Recyclables Capacity. In the event a Customer requests Recyclables  
1337 capacity in excess of that provided by the default Cart capacity, CONTRACTOR shall be  
1338 compensated for the provision of those additional Carts in accordance with the Rate Schedule  
1339 set forth in Exhibit 1 except that there shall be no charge for providing excess Recycling  
1340 capacity to COUNTY Facilities.

1341 8.05 On-Call Collection Service. CONTRACTOR may offer this service and shall be  
1342 compensated in accordance with the surcharge listed on the Rate Schedule set forth in Exhibit  
1343 1.

1344 8.06 Triennial Visit. CONTRACTOR shall visit each Commercial Cart Customer at  
1345 least once every three (3) years during the term of this Agreement. CONTRACTOR shall meet  
1346 with the Commercial Cart Customer or business owner to review level of service, discuss  
1347 Diversion opportunities, and offer to perform a site waste assessment. The results of each visit  
1348 shall be documented and reported in the monthly report to COUNTY.

## 1349 Article 9. Commercial Bin Collection Services

1350 9.01 Commercial Bin Collection Services. These services will be governed by the  
1351 following terms and conditions:

1352 9.01.1 Default Capacity. CONTRACTOR shall provide each Commercial Bin  
1353 Customer with a minimum of one (1), 1 cubic yard Solid Waste Bin, and up to one half (½) of the  
1354 Customer's subscribed Solid Waste capacity in Recyclables capacity.

1355 9.01.2 Subscription Green Waste Collection Service. If requested by  
1356 Commercial Bin Customer, CONTRACTOR shall provide Subscription Green Waste Collection  
1357 Service in a manner agreed upon between the Commercial Bin Customer and CONTRACTOR  
1358 for the service rate as set forth in Exhibit 1 to this Agreement except that there shall be no  
1359 charge for providing Subscription Green Waste Collection Services to those COUNTY Facilities  
1360 listed on Exhibit 10 whose listed services include the Collection of Green Waste. However the  
1361 provision of such service at no charge shall be limited to the Container size and frequency of  
1362 Collection as set forth for each COUNTY Facility on Exhibit 10. Accordingly, CONTRACTOR  
1363 shall have the right to invoice the subscribing County agency for Subscription Green Waste  
1364 Services provided in excess of those limitations set forth on Exhibit 10.

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1365                    9.01.3 Conditions of Service. CONTRACTOR shall provide Commercial Bin  
1366 Collection Service to all Commercial Bin Customers in the Service Area whose: 1) Solid Waste  
1367 is containerized, except as set forth in Section 9.03 and 9.05, regardless of whether or not the  
1368 lid of the Container is closed; 2) Recyclables are containerized in Carts or Bins, except as set  
1369 forth in Section 9.03, regardless of whether or not the lid of the Container is closed; 3) Green  
1370 Waste is containerized, except as set forth in Section 9.03 and 9.05, regardless of whether or  
1371 not the lid of the Container is closed; and, 4) where the Carts or Bins are accessible as set forth  
1372 in Section 9.01.5.

1373                    9.01.4 Size and Frequency of Service. Each service shall be provided at least  
1374 once every week on a scheduled route basis. However, in those instances where the  
1375 scheduled Collection day falls on a holiday as set forth in Section 3.09 herein, the Collection day  
1376 may be adjusted in a manner agreed to between the Customer and CONTRACTOR as long as  
1377 service is received a minimum of one (1) time per week. The size of the Bin or Cart, (above the  
1378 minimum) and the frequency of Collection, (above the minimum) shall be determined between  
1379 the Customer and CONTRACTOR. However, size and frequency shall be sufficient to provide  
1380 that no Solid Waste, Recyclables, or Green Waste need be placed outside the Bin or Cart on a  
1381 regular basis. Regardless of the Container size and frequency as identified on Exhibit 10, there  
1382 shall be no charge for providing Commercial Bin Collection Service to COUNTY Facilities.

1383                    9.01.5 Accessibility. CONTRACTOR shall Collect all Solid Waste Bins and  
1384 Recyclables and Green Waste Bins or Carts that are readily accessible to CONTRACTOR'S  
1385 crew and vehicles and not blocked. However, CONTRACTOR shall provide "push services" as  
1386 necessary during the provision of Commercial Bin Collection Services. Push services shall  
1387 include, but not be limited to, dismounting from the Collection vehicle, moving the Bins or Carts  
1388 from their storage location for Collection and returning the Bins or Carts to their storage location.

1389                    9.02 Non-Collection. Except as set forth in Section 9.03 and 9.05, CONTRACTOR  
1390 shall not be required to Collect any Solid Waste or Recyclables from a Commercial Bin  
1391 Customer that is not placed in a Bin or Cart as appropriate. In the event of non-collection,  
1392 CONTRACTOR shall contact the Customer to discuss the reason for the non-collection and  
1393 shall affix to the Bin or Cart a Non-Collection Notice explaining why Collection was not made.  
1394 CONTRACTOR shall maintain a copy of such notices during the term of this Agreement

1395                    9.03 Overages. The first time that a Commercial Bin Customer does not discard Solid  
1396 Waste, Recyclables or Green Waste inside a Bin or Cart, CONTRACTOR will Collect that  
1397 material without surcharge, but it will leave a Non-Collection Notice indicating that: 1) the  
1398 Customer must place Solid Waste, Recyclables or Green Waste in a Bin or Cart; 2) describing  
1399 how the Customer can arrange for additional capacity; and 3) warning that if the Customer  
1400 discards material outside Bins or Carts again, CONTRACTOR will Collect the material and  
1401 charge the un-containerized surcharge listed on the Rate Schedule set forth in Exhibit 1.

1402                    9.03.1 The second time, and each time thereafter that a Customer does not  
1403 discard Solid Waste, Recyclables or Green Waste inside a Bin or Cart, CONTRACTOR will  
1404 Collect the Bin or Cart and the un-containerized material and will charge the un-containerized  
1405 surcharge listed on the Rate Schedule set forth in Exhibit 1.

1406                    9.04 Additional Recyclables Capacity. Upon request of a Commercial Bin Customer,  
1407 CONTRACTOR shall provide additional Recyclables capacity by providing Carts or Bins as  
1408 requested by the Customer. CONTRACTOR shall be compensated for the provision of those

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1409 additional Carts or Bins in accordance with the Rate Schedule set forth in Exhibit 1 except that  
1410 there shall be no charge for providing additional Recyclables capacity to COUNTY Facilities.

1411 9.05 On-Call Collection Service. CONTRACTOR may offer this service and shall be  
1412 compensated in accordance with the surcharge listed on the Rate Schedule set forth in Exhibit  
1413 1.

1414 9.06 Triennial Visit. CONTRACTOR shall visit each Commercial Bin Customer at  
1415 least once every three (3) years during the term of this Agreement. CONTRACTOR shall meet  
1416 with the property manager or business owner to review level of service, discuss Diversion  
1417 opportunities, and offer to perform a site waste assessment. The results of each visit shall be  
1418 documented and reported in the monthly report to COUNTY.

## 1419 Article 10. Roll-Off Collection Services

1420 10.01 General. CONTRACTOR shall perform Roll-Off Collection Services as described  
1421 in this Agreement as set forth below.

1422 10.02 Roll-Off Collection Services. The Roll-Off Collection Services to be performed by  
1423 CONTRACTOR shall include the following:

1424 10.02.1 Upon a Customer's request, CONTRACTOR shall deliver or pick-  
1425 up On-Call Bin(s) and Roll-Off Container(s) in the capacity and number agreed upon between  
1426 CONTRACTOR and Customer within two (2) Work Days of any Person's request.  
1427 CONTRACTOR will Collect all Solid Waste, Recyclables, Green Waste and Construction and  
1428 Demolition Debris discarded in said On-Call Bin(s) or Roll-off Container(s) at the frequency  
1429 requested by Customer. CONTRACTOR shall be compensated for such services at the rates  
1430 set forth in Exhibit 1;

1431 10.02.2 Customers may keep On-Call Bins and Roll-off Containers for five  
1432 (5) Work Days, not counting the delivery and removal days. After five (5) Work Days, not  
1433 counting the delivery and removal days, CONTRACTOR may charge the Customer a  
1434 demurrage surcharge as set forth in Exhibit 1;

1435 10.02.3 Provision, maintenance, and replacement of all Containers and  
1436 receptacles required for the provision of all On-Call Bin and Roll-Off Collection Services; and

1437 10.02.4 Transfer of Construction and Demolition Debris to the appropriate  
1438 Construction and Demolition Debris Processing Facility designated under this Agreement for  
1439 separation and processing.

1440 10.03 Processing of Construction and Demolition Debris.

1441 10.03.1 All Construction and Demolition Debris Collected shall be visually  
1442 inspected by CONTRACTOR to estimate if the load contains seventy (70) percent or more of  
1443 divertible Construction and Demolition Debris. If so, the Construction and Demolition Debris  
1444 shall be delivered to a Construction and Demolition Debris Processing Facility for the purpose of  
1445 maximizing the rate of Diversion from the landfill. This processing must, on a Calendar Year  
1446 basis beginning January 1, 2011 during the term of this Agreement, Divert a minimum of ninety  
1447 (90) percent of all asphalt and concrete and a minimum of fifty (50) percent of all other  
1448 Construction and Demolition Debris Collected under the terms of this Agreement by weight from  
1449 being landfilled.

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1450                     10.04 Rates. The rates for On-Call Bins and Roll-Off Containers shall be as specified  
1451 in the rate schedule set forth in Exhibit 1.

1452                     10.05 Records. CONTRACTOR will conduct proper record keeping to be sure that the  
1453 Construction and Demolition Debris materials are Diverted to the extent possible and the  
1454 amount disposed and amount Diverted are properly recorded and reported.

1455   **Article 11. Other Services**

1456                     11.01 Christmas Tree Collection. Except as set forth in Section 11.01.1,  
1457 CONTRACTOR shall Collect Christmas trees from SFD Customers, MFD Customers and  
1458 Commercial Customers within the Service Area during the period beginning January 1<sup>st</sup> and  
1459 ending January 31<sup>st</sup> of each Calendar Year during the term of this Agreement at no additional  
1460 charge to the Customer or to COUNTY. Christmas trees, which are stripped of ornaments,  
1461 garlands, tinsel, flocking and stands shall be Collected at the curb or designated set out site.

1462                     11.01.1                 Contaminated Christmas Trees. Christmas trees that are flocked,  
1463 contain tinsel or other decorations, or are attached to a tree stand are not required to be  
1464 Collected. In the event of non-collection CONTRACTOR shall affix to the Christmas tree a Non-  
1465 Collection Notice explaining why Collection was not made and how the tree may be properly  
1466 disposed of and shall maintain a copy of such notice during the term of this Agreement.

1467                     11.02 Diversion. CONTRACTOR shall Divert all Christmas trees that it Collects.

1468                     11.03 On-Call Collection Services for Employee Housing Sites. This service shall be  
1469 provided up to two (2) times per full or partial Calendar Year at no additional charge to the  
1470 Customer. CONTRACTOR shall be compensated for providing On-Call Collection Service more  
1471 than two (2) times in any full or partial Calendar Year in accordance with the "additional on-call  
1472 service rate" as set forth in Exhibit 1. This service will be governed by the following terms and  
1473 conditions:

1474                     11.03.1                 General Conditions of Service. CONTRACTOR shall provide On-  
1475 Call Collection Service to all Employee Housing sites, as defined in Section 1.44 of this  
1476 Agreement, in the Service Area whose material has been placed within three (3) feet of the  
1477 curb, swale, paved surface of the public roadway, closest accessible roadway, or other such  
1478 location agreed to by CONTRACTOR and Customer, that will provide safe and efficient  
1479 accessibility to CONTRACTOR'S Collection crew and vehicle.

1480                     11.03.2                 Bulky Items. Bulky Items shall be placed loose at the set-out  
1481 location and shall be limited to the Collection of a maximum number of cubic yards calculated by  
1482 multiplying the actual number of employees permitted to be housed at the Employee Housing  
1483 site by one (1) cubic yard per Collection event, per site. The actual number of employees  
1484 permitted to be housed at the Employee Housing site shall be as provided in Exhibit 8 to this  
1485 Agreement, or in the event the Employee Housing Site is not listed on Exhibit 8 as provided by  
1486 COUNTY or Customer.

1487                     11.03.3                 Other Items. Universal Waste (except fluorescent tubes), E-  
1488 Waste, and CED's shall be placed in bags, boxes or Containers and shall be limited to the  
1489 Collection of a maximum number of gallons calculated by multiplying the actual number of  
1490 employees permitted to be housed at the Employee Housing site by thirty-five (35) gallons per  
1491 Collection event, per site. The actual number of employees permitted to be housed at the  
1492 Employee Housing site shall be as provided in Exhibit 8 to this Agreement, or in the event the  
1493 Employee Housing Site is not listed on Exhibit 8 as provided by COUNTY or Customer.

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1494 11.03.4 Excess On-Call Collection Capacity. CONTRACTOR shall be  
1495 compensated for the cost of Collecting items in excess of these limitations in accordance with  
1496 the "excess on-call collection capacity" service rates as set forth in Exhibit 1 and as may be  
1497 adjusted under the terms of this Agreement.

1498 11.03.5 Non-Collection. In the event of non-collection CONTRACTOR  
1499 shall affix to the item a Non-Collection Notice explaining why Collection was not made and how  
1500 the item may be properly disposed of and shall maintain a copy of such notice during the term of  
1501 this Agreement. CONTRACTOR shall not be required to Collect the following items as part of  
1502 providing On-Call Collection Service to Employee Housing Customers:

1503 11.03.5.1 Any single item that cannot be handled by two (2) people  
1504 using a dolly (except for the purposes of this Section a box springs and mattress will not be  
1505 considered as a single item);

1506 11.03.5.2 Hazardous Waste, including anti-freeze;

1507 11.03.5.3 Unacceptable Waste;

1508 11.03.5.4 concrete;

1509 11.03.5.5 dirt; or

1510 11.03.5.6 more than two (2) tires per actual employee permitted to be  
1511 housed at the site per Collection event.

1512 11.03.6 Notice to Customers and Workers. If On-Call Collection Service is  
1513 requested at least thirty (30) days prior to the Collection Day, CONTRACTOR will provide  
1514 Employee Housing Customers with the following written information in English and Spanish:

1515 11.03.6.1 (1) The specific date and approximate time, (2) educational  
1516 materials encouraging Customers' workers to set out Recyclables, (3) a list of sample  
1517 Recyclables (such as books and clothing), Bulky Items, E-Waste, CED's and Universal Waste,  
1518 and (4) description of the manner of setting out these materials (such as in open boxes) where  
1519 CONTRACTOR'S personnel can readily see and separate Recyclables, Bulky Items, E-Waste,  
1520 CED's and Universal Waste from other Solid Waste.

1521 11.03.6.2 Such written material shall be provided to Customer in  
1522 reasonable quantities as requested by Customer. CONTRACTOR shall not be responsible for  
1523 the placement of the written materials at the Employee Housing site.

1524 11.03.7 Participation in Central Coast Recycling Media Coalition  
1525 (CCRMC). CONTRACTOR will regularly participate in activities of the CCRMC, including the  
1526 following: attending meetings, helping develop media campaigns, contributing to subcommittee  
1527 activities, and making an annual financial contribution of at least Six Thousand Dollars (\$6,000)  
1528 adjusted by the CPI (as defined in Exhibit 2) at the same time as the service rates under Article  
1529 13.

1530 11.04 COUNTY Clean-Up Services.

1531 11.04.1 Each full or partial Calendar Year during the term of this  
1532 Agreement CONTRACTOR shall, at no charge to COUNTY, provide for a maximum four  
1533 hundred eighty (480) cubic yards of COUNTY Clean-up Service capacity.

1534 11.04.2 CONTRACTOR shall, in response to the written request of the  
1535 Contract Administrator, deliver and collect Roll-Off Containers for use in COUNTY clean-up  
1536 programs. Each clean-up event shall consist of a single Collection day beginning at 6:00 a.m.

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1537 and ending at 6:00 p.m. The Contract Administrator shall notify CONTRACTOR in writing not  
1538 less than five (5) Work Days prior to the date of the service. The notice to CONTRACTOR shall  
1539 specify the date of delivery and Collection of the Roll-Off Containers, the location(s) for delivery,  
1540 and the number of and size of the Roll-Off Containers to be delivered. As part of this service,  
1541 CONTRACTOR shall provide supervision of the Roll-Off Containers for COUNTY Clean-Up  
1542 Services. At such time as the Roll-Off Container is full, but not later than the end of the  
1543 COUNTY Clean-Up Service day, CONTRACTOR shall transport and deliver the Collected  
1544 materials to such facilities as are appropriate for the disposition of the Collected materials.

1545           11.04.3       With the prior written consent of the Contract Administrator,  
1546 CONTRACTOR may provide for the Collection of materials at a COUNTY Clean-up Service  
1547 event in a vehicle or Container other than a Roll-Off Container. However, in the event  
1548 CONTRACTOR elects to utilize this alternative Collection process, CONTRACTOR is  
1549 responsible for obtaining documentation of the weight of the materials Collected, Diverted and  
1550 Disposed in a manner that is acceptable to COUNTY.

1551           11.05 Large Venue Collection Service. CONTRACTOR shall provide for the  
1552 Collection, transportation and processing or Disposal of Solid Waste and Recyclables at large  
1553 venue type events each full or partial Calendar Year as requested by Customer.  
1554 CONTRACTOR shall provide each large venue event Customer with such number of Solid  
1555 Waste Bins or Roll-off Containers as requested and the equivalent volume of Recyclables  
1556 Containers. For those events not included in Exhibit 11, CONTRACTOR shall be compensated  
1557 for the provision of Solid Waste Containers at the service rates as set forth in Exhibit 1 to this  
1558 Agreement. For those events included in Exhibit 11, CONTRACTOR shall not be compensated.

1559           11.05.1       Prior to providing these services at an event, CONTRACTOR will  
1560 meet with the event promoter to determine the best way to maximize diversion at the event. At  
1561 Customer's request, CONTRACTOR shall provide effective means to differentiate Solid Waste  
1562 from Recyclables Containers including signs, magnets, banners or other methods. At a  
1563 minimum, CONTRACTOR will maintain at least one (1) employee on site the last three (3) hours  
1564 of each day of each event to monitor the Recyclables Roll-Off Containers or Bins used to  
1565 consolidate Recyclables Collected during the event in individual Recyclables receptacles. The  
1566 employee will be responsible for determining that only materials from Recyclables receptacles  
1567 are emptied into the Recyclables Roll-Off Containers or Bins provided by CONTRACTOR. In  
1568 the event CONTRACTOR or the promoter determines that material in the Recyclables  
1569 receptacles is contaminated to the extent that it should not be emptied into the Recyclables  
1570 Roll-Off Containers or Bins provided by CONTRACTOR, the contaminated Recyclables shall be  
1571 treated as Solid Waste. CONTRACTOR shall use its best judgment to determine when the Bins  
1572 are to be emptied, except that Bins shall be emptied prior to overflowing or when in the opinion  
1573 of the Contract Administrator they are creating a public nuisance.

1574           11.05.2       Additional Recyclables Capacity. Upon request of a large venue  
1575 Customer, CONTRACTOR shall provide additional Recyclables capacity as requested. For  
1576 those events not included in Exhibit 11, CONTRACTOR shall be compensated for the provision  
1577 of those additional Bins or Roll-off Containers in accordance with the Rate Schedule set forth in  
1578 Exhibit 1. For those events included in Exhibit 11, CONTRACTOR shall not be compensated for  
1579 the provision of additional Recyclables capacity.

1580           11.06 Modifications to Exhibit 11. Exhibit 11 may be modified as set forth in Section  
1581 22.16.



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1582           11.07 Abandoned Waste. CONTRACTOR shall direct its Collection vehicle drivers to  
1583 note (i) the addresses of any public property at which the driver observes that Solid Waste,  
1584 Recyclables, Green Waste, Bulky Items, Universal Waste, E-Waste, CED's and/or Construction  
1585 and Demolition Debris are accumulating; and (ii) the address, or other location description  
1586 (including county roadways), at which the materials have been dumped in an apparently  
1587 unauthorized manner.

1588           11.07.1       CONTRACTOR'S drivers will report any abandoned waste that  
1589 they observe while on route, or in transit to and from their route. Reporting will be accomplished  
1590 through either direct communication to dispatch, and through a written log, which will be turned  
1591 in to dispatch as well as the compliance team. The reported data will include the location,  
1592 approximate size, and if possible general description of the material abandoned. This  
1593 information will be summarized and provided to the Contract Administrator or other designated  
1594 COUNTY staff daily, by e-mail.

1595           11.07.2       Each week, using information provided by both CONTRACTOR'S  
1596 drivers, and COUNTY crews in the field, COUNTY staff will identify and mark up to four (4)  
1597 abandoned waste sites to be collected by CONTRACTOR with a "CMC" in fluorescent colored  
1598 spray paint. Selected abandoned waste sites shall be within ten (10) feet of the curb or swale of  
1599 the roadway on public property with reasonable truck access, and will be limited to those that  
1600 meet the basic parameters of the agreed upon SFD On-Call Waste and Recycling Collection  
1601 Program, including any safety guidelines. No later than 3:00 pm one (1) day prior to the required  
1602 day of Collection, the Contract Administrator or his designee shall provide CONTRACTOR with  
1603 a list of the four (4) locations selected, by e-mail to designated CONTRACTOR staff.

1604           11.07.3       After receiving the information on the four (4) abandoned waste  
1605 locations selected by the COUNTY, the abandoned waste locations will be assigned to  
1606 CONTRACTOR On-Call collection drivers to Collect on a weekly basis. On-Call Collection  
1607 drivers will Collect all abandoned waste sites selected by COUNTY on the designated day of  
1608 Collection. On-Call collection drivers shall document that the selected sites have either been  
1609 fully Collected, or not fully Collected as a result of Unacceptable Waste. On-Call Collection  
1610 drivers shall take photos of all abandoned waste collection sites after Collection and will identify  
1611 the location of any abandoned waste sites not fully Collected. By 10:00 am on the day after  
1612 scheduled Collection, this information will be e-mailed to the Contract Administrator or other  
1613 designated COUNTY staff for follow up and resolution.

1614           11.08 Emergency Services. In the event of a "Declared Emergency," the Contract  
1615 Administrator may grant CONTRACTOR a variance from regular routes and schedules. As soon  
1616 as practicable after such event, CONTRACTOR shall advise the Contract Administrator when it  
1617 is anticipated that normal routes and schedules can be resumed. The Contract Administrator  
1618 shall make an effort through the local news media to inform the public when regular services  
1619 may be resumed.

1620           11.08.1       Emergency Service Compensation. CONTRACTOR shall provide  
1621 emergency services (i.e., special collections, transport, processing and disposal) at COUNTY'S  
1622 request in the event of major accidents, disruptions, or natural calamities. CONTRACTOR shall  
1623 be capable of providing emergency services within twenty-four (24) hours of notification by  
1624 COUNTY or as soon thereafter as is reasonably practical in light of the circumstances.  
1625 Emergency services which exceed the scope of work under this Agreement and which are not  
1626 compensated as special services in accordance with Exhibit 1, or through reimbursement by the

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1627 Federal Emergency Management Agency (FEMA) shall be compensated through extraordinary  
1628 rate review procedures as set forth in this Agreement.

1629                   11.08.2       Emergency Service Backup Plan. Except for the occurrence of  
1630 strikes, lockouts and other labor disturbances which are governed by the provision of Article 32  
1631 of this Agreement, CONTRACTOR shall implement the emergency service backup plan  
1632 provided by CONTRACTOR and approved by COUNTY as set forth Exhibit 9 to this Agreement,  
1633 if for any reason CONTRACTOR fails, or is unable for a period of forty-eight (48) hours to  
1634 Collect and/or at any time to transport Solid Waste or any portion thereof to an appropriate  
1635 facility and the County Director of Health determines there is danger to the public health, safety,  
1636 or welfare.

1637                   11.08.3       Reporting. CONTRACTOR will cooperate with COUNTY, the  
1638 State of California and federal agencies in filing information related to a regional, state or federal  
1639 declared state of emergency or disaster as to which CONTRACTOR has provided Collection  
1640 Services under this Section.

1641                   11.09   Recycling Coordinator. CONTRACTOR shall provide one (1) full-time equivalent  
1642 (FTE) recycling coordinator whose time shall be dedicated full time to COUNTY during the term  
1643 of the Agreement and whose function during normal business hours of each Work Day shall be  
1644 to provide services related to meeting the diversion requirements of the Collection Service  
1645 Agreement.

1646                   11.10   County Source Reduction and Recycling Element (SRRE) Strategic Plan.  
1647 Beginning on January 31, 2011 and annually thereafter during the term of this Agreement  
1648 CONTRACTOR will provide COUNTY with a strategic plan with specific programs goals and  
1649 objectives to increase diversion rates consistent with the SRRE. The plan should be based on  
1650 the results of the prior years activities and include a discussion of those year programs,  
1651 including strengths and weaknesses.

1652                   11.11   News Media Relations. CONTRACTOR shall notify the Contract Administrator  
1653 by Fax, e-mail or phone of all requests for news media interviews related to the Collection  
1654 Services program within twenty-four (24) hours of CONTRACTOR'S receipt of the request.  
1655 Before responding to any inquiries involving controversial issues or any issues likely to affect  
1656 participation or Customer perception of services, CONTRACTOR will discuss CONTRACTOR'S  
1657 proposed response with the Contract Administrator.

1658                   11.11.1       Copies of draft news releases or proposed trade journal articles  
1659 related to the provision of Collection Services under this Agreement shall be submitted to  
1660 COUNTY for prior review and approval at least five (5) Work Days in advance of release, except  
1661 where CONTRACTOR is required by any law or regulation to submit materials to any regulatory  
1662 agency in a shorter period of time, in which case CONTRACTOR shall submit such materials to  
1663 COUNTY simultaneously with CONTRACTOR'S submittal to such regulatory agency.

1664                   11.11.2       Copies of articles resulting from media interviews or news  
1665 releases shall be provided to COUNTY within five (5) Work Days after publication.

1666                   11.12   Waste Generation and Characterization Studies. CONTRACTOR agrees to  
1667 participate and cooperate with COUNTY and its agents in all Solid Waste generation and  
1668 characterization studies conducted no more frequently than once each Agreement Year, at no  
1669 cost to COUNTY, including modification of routes, separate Collection of an individual

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1670 Customer's Solid Waste, and delivering targeted loads of Solid Waste to a location or locations  
1671 designated by COUNTY.

1672 11.13 Waste Assessments. Within Twenty-four (24) months of commencement of  
1673 service in the Service Area, CONTRACTOR will conduct a waste generation and  
1674 characterization assessment of each MFD and Commercial Customer to identify Customer's  
1675 potential to Recycle and Divert the Customer's Solid Waste. The assessments shall be  
1676 performed in accordance with the protocol developed by CONTRACTOR and approved by  
1677 COUNTY which protocol shall be developed and provided to COUNTY as part of the transition  
1678 plan set forth in Exhibit 4 of this Agreement.

1679 11.14 Customer Satisfaction Survey. Biannually, at COUNTY'S request and at  
1680 CONTRACTOR'S expense, CONTRACTOR will mail to Customers together with Customers'  
1681 bills a survey returnable to COUNTY. CONTRACTOR may review and comment upon the form  
1682 and content of the survey. CONTRACTOR will cooperate with COUNTY and its surveyor in the  
1683 conduct of the survey, including distributing surveys with bills to Customers. CONTRACTOR  
1684 may obtain a copy of the results of the survey.

1685 11.15 Special Services. COUNTY and CONTRACTOR understand and agree that  
1686 rates must be approved by the Board pursuant to County Code. In addition to the services  
1687 described in this Agreement, CONTRACTOR shall provide to Customers in the Service Area  
1688 such Special Services as may be agreed upon between CONTRACTOR and Board pursuant to  
1689 Title 10 of the County Code. The additional charge to the Customer for provision of such  
1690 Special Services shall be determined between CONTRACTOR and the Customer and  
1691 presented to Contract Administrator and shall be subject to approval by Board prior to provision  
1692 of such Special Services. Rates for Special Services shall be established in conformity with the  
1693 rates set out in Exhibit 1, or such parameters as presented by CONTRACTOR to Contract  
1694 Administrator and subject to approval by Board. Upon request to the Contract Administrator by  
1695 the CONTRACTOR and/or Customer charges for Special Services shall be subject to review  
1696 and adjustment, subject to approval by COUNTY Board pursuant to Title 10 of the County  
1697 Code. If CONTRACTOR is unwilling to provide Special Services or COUNTY and  
1698 CONTRACTOR are unable to agree on a price for Special Services, Customer may seek  
1699 Special Services from another vendor.

1700 11.16 Service Materials Belong to COUNTY. COUNTY may use without restriction the  
1701 work product (whether computerized, written, printed or photographic) that CONTRACTOR  
1702 develops in connection with the provision of Collection Services, including reports and public  
1703 education/community relations materials.

1704 11.17 Recycled Materials.

1705 11.17.1 Supplies. CONTRACTOR will use reasonable business effort to  
1706 purchase office supplies and all paper products with post-consumer recycled content.

1707 11.17.2 Paper. CONTRACTOR will use paper having not less than 30%  
1708 recycled paper content and 10% post-consumer recycled paper content for all correspondence  
1709 with Customers (including Customer subscriptions billing, newsletters and notices) and  
1710 COUNTY.

1711 11.17.3 Recycled Content Policies. CONTRACTOR will use reasonable  
1712 business efforts to comply with any recycled content procurement policy that COUNTY may  
1713 adopt.

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## Article 12. Billing and Performance Reviews

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12.01 Annual Performance and Billing Review. At COUNTY'S sole discretion, within thirty (30) days after written notification to CONTRACTOR, COUNTY may conduct an annual performance and billing review. The review will be performed by COUNTY or a qualified firm under contract with COUNTY. COUNTY shall have the final responsibility for the selection of the firm but shall seek and accept comments and recommendations from CONTRACTOR.

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12.02 Purpose. The review shall be designed to meet the following objectives:

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12.02.1 Verify that Customer billing rates have been properly calculated and they correspond to the level of service received by the Customer.

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12.02.2 Verify that franchise fees, and other fees required under this Agreement have been properly calculated and paid to COUNTY.

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12.02.3 Verify CONTRACTOR'S compliance with the reporting requirements and performance standards of the Collection Service Agreement.

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12.02.4 Verify the diversion percentages reported by CONTRACTOR.

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12.03 Funding of the Performance and Billing Reviews. During the initial term of this Agreement as set forth in Section 2.01, CONTRACTOR shall be responsible for the cost of one (1) review up to a maximum of **Seventy Thousand Dollars (\$70,000.00)** adjusted by the CPI (as defined in Exhibit 2) at the same time as the Collection Service rates under Article 13. However, in the event that this Agreement is extended as provided in Section 2.02 or 2.03 CONTRACTOR shall be responsible for the cost of a second review up to a maximum of **Seventy Thousand Dollars (\$70,000.00)** adjusted by the CPI (as defined in Exhibit 2) at the same time as the Service Fee under Article 13. Nothing in this section shall prohibit COUNTY from conducting additional performance and billing reviews at COUNTY'S own expense.

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12.04 CONTRACTOR'S Cooperation. CONTRACTOR shall cooperate fully with the review and provide all requested data, including operational data, financial data and other data requested by COUNTY within thirty (30) Work Days of receipt of the request. Failure of CONTRACTOR to cooperate or provide the requested documents in the required time shall be considered an event of default.

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## Article 13. Billing and Payment

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13.01 Generally. CONTRACTOR shall: (i) bill Customers for Collection Services; (ii) collect payment for those services; (iii) maintain billing and payment records; (iv) provide for the collection of delinquent payments and bad debts; and (v) remit franchise and diversion program and contract administration fees to COUNTY monthly in accordance with this Article.

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13.02 Invoices. SFD Collection Services and MFD Cart Collection Services shall be invoiced quarterly in advance of services provided or as otherwise scheduled by CONTRACTOR and approved by the COUNTY. MFD Bin Collection Services and Commercial Collection Services shall be billed monthly in advance of services provided or as otherwise scheduled by CONTRACTOR and approved by the COUNTY. Roll-Off Collection Services shall be billed in arrears of the provision of service although a deposit may be required in advance. Invoices shall be in format approved by COUNTY and shall not separately identify, list or itemize the Contractor service fee component, franchise fee component, the diversion programs and

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1755 administration fee, or such other components as may be added by COUNTY during the term of  
1756 this Agreement.

1757       13.03 Delinquent Service Accounts. CONTRACTOR may consider a Customer  
1758 account to be delinquent sixty (60) days from the date of an invoice for SFD Collection Services  
1759 or MFD Cart Collection Services, and thirty (30) days from the date of an invoice for MFD Bin  
1760 Collection Services, Commercial Collection Services or Roll-Off Collection Services.  
1761 CONTRACTOR may charge a delinquent Customer a late fee which is the greater of \$5.00  
1762 dollars, or 1.5% per month (not compounded). CONTRACTOR may take such action as is  
1763 legally available to collect or cause collection of such past due amounts.

1764       13.03.1       In its monthly reports, CONTRACTOR will provide Contract  
1765 Administrator with a list of those Customers whose accounts have become delinquent in the  
1766 current month and a status update on those Customers whose accounts were listed as  
1767 delinquent in the prior months report. In no event, shall CONTRACTOR cease provision of  
1768 Solid Waste or Recyclables Collection Services to any SFD Customer due to non-payment.  
1769 However, CONTRACTOR may reduce SFD Customers whose accounts have become  
1770 delinquent to the default service level. CONTRACTOR may request authorization from  
1771 COUNTY to reduce or stop service for MFD or Commercial Customers whose accounts have  
1772 become delinquent.

1773       13.04 Minimum Account Collection Procedures. If there is no payment of the bill after  
1774 sixty (60) days or more from the original invoice date, CONTRACTOR shall undertake collection  
1775 of the bill (including penalties and expenses of collection) for a period of one (1) year from the  
1776 invoice date. CONTRACTOR shall make reasonable efforts to obtain payment through  
1777 issuance of late payment notices, telephone request for payment, establishment of payment  
1778 plans, and assistance from collection agencies (who shall make at least two (2) attempts at  
1779 collection). CONTRACTOR shall ensure that a copy of all correspondence and notifications  
1780 related to the collection of delinquent accounts or the reduction or cancellation of Collection  
1781 Services is maintained and available for review by the Contract Administrator during the term of  
1782 this Agreement. This requirement includes correspondence or notifications generated by  
1783 CONTRACTOR or CONTRACTOR'S agents including collection agencies assisting  
1784 CONTRACTOR in the collection of delinquent accounts.

1785       13.05 Court Collection Actions. If CONTRACTOR'S or CONTRACTOR'S agent's  
1786 collection efforts, as set forth above in Section 13.04 fail, CONTRACTOR shall pursue court  
1787 collection actions through the State of California, Superior Court of the County of Monterey, or  
1788 the Small Claims Court, as applicable, within the timeframe for the applicable statute of  
1789 limitations pursuant to State law and pursuant to any local Rules of Court as applicable.  
1790 CONTRACTOR understands and agrees that court collection actions are the sole responsibility  
1791 of CONTRACTOR. CONTRACTOR further understands and agrees that it is the sole  
1792 responsibility of CONTRACTOR to timely initiate court collection actions within the applicable  
1793 statute of limitations. Upon completion of any court collections actions, entry of judgment in  
1794 favor of CONTRACTOR, and preparation, processing and recordation of an Abstract of  
1795 Judgment in favor of CONTRACTOR, CONTRACTOR shall forward a copy of the recorded  
1796 Abstract of Judgment to the Contract Administrator. The parties understand and agree that  
1797 there is no contractual relationship between COUNTY and CONTRACTOR'S Customers. The  
1798 parties further understand and agree that the County Code does not provide for any process  
1799 which would authorize COUNTY to place CONTRACTOR'S Customers delinquent accounts on  
1800 the County Tax Roll. Therefore, CONTRACTOR'S sole remedy to pursue collection of

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1801 delinquent accounts is through CONTRACTOR'S or CONTRACTOR'S agent's collection efforts  
1802 and/or through court collections actions initiated by CONTRACTOR or by CONTRACTOR'S  
1803 collection agent.

1804           13.06 COUNTY information on invoices. At COUNTY direction, at least four (4) times  
1805 each Agreement Year, CONTRACTOR will print textual information provided by COUNTY on  
1806 Customer invoices.

1807           13.07 COUNTY inserts. At COUNTY direction, up to four (4) times each Agreement  
1808 Year, CONTRACTOR will enclose inserts provided by COUNTY with invoices that  
1809 CONTRACTOR mails to Customers.

1810           13.08 Partial Month Service. If, during a month, a Customer is added to or deleted  
1811 from CONTRACTOR'S Service Area, CONTRACTOR'S billing shall be pro-rated based on the  
1812 weekly service rate (the weekly service rate shall be the service rate established in Exhibit 1  
1813 divided by four (4), times the number of actual weeks in the month that service was provided to  
1814 the Customer.

1815           13.09 Low Income Discount. To qualify for the low income discount, SFD Customers  
1816 must submit their power, water or telephone bills indicating that their Residential Dwelling  
1817 qualifies for discounted rates from the power, water or telephone provider on the basis of  
1818 financial need, such as commonly referred to "Life-line" services. CONTRACTOR may require  
1819 SFD Customers to re-qualify each twelve (12) months. CONTRACTOR will report to the  
1820 Contract Administrator the names, addresses and service information of those customers that  
1821 qualify for low income discount. CONTRACTOR shall invoice Customers qualifying for the low  
1822 income discount at an amount equal to eighty-five (85) percent of the standard Collection  
1823 Service rate as set forth in Exhibit 1.

1824           13.10 Methods of Payment. CONTRACTOR shall provide the means for Customers to  
1825 pay bills through the following methods: cash, checks, credit cards, internet payment service  
1826 and/or automatic withdrawal from bank account. CONTRACTOR shall accept Customer  
1827 payments at CONTRACTOR'S payment site.

1828           13.11 Service Rate Components. Collection Service rates, fees and surcharges shall  
1829 consist of some combination of the following elements: a Contractor service fee component, a  
1830 franchise fee component, a diversion programs and contract administration fee component, and  
1831 such other components as may be added by COUNTY during the term of this Agreement.

1832           13.12 Full Compensation. The Contractor service fee component of the Collection  
1833 service rates, fees and surcharges charged and collected by CONTRACTOR as provided for in  
1834 this Article and as set forth in Exhibit 1 shall be the full, entire, and complete compensation due  
1835 to CONTRACTOR pursuant to this Agreement for all costs necessary to perform all the services  
1836 required by this Agreement in the manner and at the times prescribed.

1837           13.13 Adjustments to Service Rates, Surcharges and Fees. Beginning on July 1, 2011  
1838 and annually thereafter, subject to CONTRACTOR'S compliance with all provisions of this  
1839 Article, each Collection Service rate, fee or surcharge as set forth in Exhibit 1 to this Agreement  
1840 shall be adjusted by the Refuse Rate Index as set forth in Section 13.13.1 below.

1841                   13.13.1 Refuse Rate Index (RRI) Adjustment. The RRI adjustment shall be  
1842 the sum of the weighted percentage change in the annual average of each RRI index number  
1843 between the base fiscal year, which shall be the prior preceding Calendar Year ending  
1844 December 31<sup>st</sup> and the preceding Calendar Year ending December 31<sup>st</sup> and the percentage

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1845 change in the prior year and current year Disposal tip fee charged to CONTRACTOR at the  
1846 SVSWA Disposal Facility and/or the MRWMD Disposal Facility as appropriate. Therefore, the  
1847 first rate adjustment will be based on the percentage changes between the Annual Average of  
1848 the RRI indices for the Calendar Year 2009 and the Annual Average of the RRI indices for the  
1849 Calendar Year 2010. The RRI shall be calculated using the RRI methodology included in  
1850 Exhibit 2.

1851 13.13.2 Annual Rate Adjustment.

1852 13.13.2.1 On July 1, 2011, and annually thereafter, the service rates,  
1853 fees and surcharges set forth in Exhibit 1 shall be adjusted by multiplying them by the RRI  
1854 percentage adjustment.

1855 13.13.2.2 However, in any year that the calculation of the RRI results  
1856 in a negative number, there shall be no adjustment of those service rates, fees and surcharges.

1857 13.13.2.3 In the subsequent year the negative RRI number from the  
1858 prior year shall be added to the result of the subsequent years RRI calculation and the result  
1859 shall be the RRI percentage for that subsequent year, ("adjusted RRI percentage").

1860 13.13.2.4 The subsequent year rate adjustment shall consist of  
1861 multiplying the appropriate service rate, fee or surcharge by the adjusted RRI percentage.

1862 13.13.2.5 Annual adjustments shall be made only in units of one cent  
1863 (\$0.01). Fractions of less than one cent (\$0.01) shall not be considered in making adjustments.  
1864 The indices shall be truncated at four (4) decimal places for the adjustment calculations.

1865 13.14 Financial Information. On or before February 15, 2011, and annually thereafter  
1866 during the term of this Agreement, CONTRACTOR shall deliver to COUNTY financial  
1867 information for the specific services performed under this Agreement for the preceding full or  
1868 partial Calendar Year. Such financial information shall be in the format as set forth in Exhibit 2,  
1869 or as may be further revised by COUNTY from time to time. If CONTRACTOR fails to submit  
1870 the financial information in the required format by February 15<sup>th</sup>, it is agreed that  
1871 CONTRACTOR shall be deemed to have waived the annual rate adjustment for that year.

1872 13.14.1 If CONTRACTOR'S failure to submit the financial information  
1873 required under Section 13.14 is the result of extraordinary or unusual circumstances as  
1874 demonstrated by CONTRACTOR to the satisfaction of the Contract Administrator, COUNTY, at  
1875 its sole discretion, may consider the request for the annual rate adjustment.

1876 13.14.2 As of June 1, 2011 and annually thereafter during the term of this  
1877 Agreement, the Contract Administrator shall notify CONTRACTOR of the adjustment to the  
1878 affected service rates to take place on the subsequent July 1<sup>st</sup>.

1879 13.15 Retroactive Adjustments. In the event of a change in a governmental, quasi-  
1880 governmental, franchise, regulatory fee, or tipping fee which becomes effective at some time  
1881 other than July 1<sup>st</sup> of any year, CONTRACTOR shall be compensated for such increase through  
1882 the inclusion of a "retro element" in the next rate adjustment. COUNTY and CONTRACTOR  
1883 agree that the "retro element" shall be an amount needed to compensate CONTRACTOR for  
1884 increases in fees paid during the period from the inception of the fee increase through the  
1885 subsequent June 30<sup>th</sup> and shall not include interest, overhead, or any other costs of any type.  
1886 The "retro element" shall only be included in the rate structure for twelve (12) months or that  
1887 period necessary to allow CONTRACTOR to recover all retroactive amounts, if less than twelve

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1888 (12) months, and shall be removed prior to calculating the rates to be set as of the subsequent  
1889 July 1<sup>st</sup>.

1890 13.16 Adjustments to Franchise Fee Component. The franchise fee component shall  
1891 be adjusted as needed so that it always equals:

1892 13.16.1 the Contractor service fee component

1893 13.16.2 divided by

1894 13.16.3 1 minus the authorized franchise fee percentage

1895 13.16.4 multiplied by

1896 13.16.5 the authorized franchise fee percentage.

1897 13.17 CONTRACTOR'S Payments to COUNTY. CONTRACTOR shall make payment  
1898 to COUNTY of the diversion programs and administration fee, and the franchise fee, as set forth  
1899 below, and such other fees as may be specified in this Section or as provided for in Section  
1900 13.18 below, and any other outstanding fees or obligations, together with a late fee equal to one  
1901 and one half (1.5) percent per month (not compounded) of the amount of any payment  
1902 obligations that are delinquent.

1903 13.17.1 Franchise Fee. The franchise fee shall be a percentage of  
1904 CONTRACTOR'S gross revenue collected each month under the terms of this Agreement.  
1905 Except as set forth below, gross revenue shall specifically include revenue received by  
1906 CONTRACTOR from any entity, including Federal, State, County or other local facilities within  
1907 the Service Area for the provision of Collection Services by CONTRACTOR. Payment to  
1908 COUNTY of the franchise fee shall be due on the twentieth (20<sup>th</sup>) day of the month following the  
1909 month the franchise fees are collected. Each such franchise fee payment shall be accompanied  
1910 by an accounting, which sets forth CONTRACTOR'S gross revenues collected, during the  
1911 preceding month. Such accounting shall be in a form and manner that is acceptable to  
1912 COUNTY. The franchise fee percentage shall be ten (10) percent during the term of this  
1913 Agreement unless adjusted by COUNTY.

1914 13.17.1.1 Revenues derived from Collection Services provided to  
1915 Federal, State or County local agencies at the rates set forth under the terms of this Collection  
1916 Service Agreement shall be considered "gross revenues" for purposes of calculating franchise  
1917 fees. Notwithstanding the foregoing, if the Federal, State or County local agency receives  
1918 Collection and/or Disposal services outside the scope of this Collection Agreement, or otherwise  
1919 invokes its legal rights to pay fees for services excluding any portion of franchise fees, then  
1920 such revenues shall not be considered "gross revenues" hereunder for purpose of payment of  
1921 franchise fees to COUNTY.

1922 13.17.2 Diversion Programs and Administration Fee. For the period  
1923 beginning November 1, 2010 through the term of this Agreement, the diversion programs and  
1924 administration fee shall be Five Hundred Twenty Thousand Dollars (\$520,000) per Agreement  
1925 Year (adjusted by the CPI index as set forth in Exhibit 2 RRI at the same time as the Collection  
1926 Service rates as set forth in Section 13.13.2), payable to COUNTY on the twentieth (20<sup>th</sup>) day of  
1927 each month beginning November 1, 2010 and monthly thereafter during the term of this  
1928 Agreement in twelve (12) equal installments each Agreement Year. Diversion programs and  
1929 administration fee payments shall not be based on gross revenues billed or collected.

1930 13.17.3 Proposal Development Fee. No later than thirty (30) calendar  
1931 days of the execution of this Agreement by the Board, CONTRACTOR shall submit proposal



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1932 development fees to COUNTY in the amount of **One Hundred and Seventy Thousand Dollars**  
1933 **(\$170,000.00).**

1934 13.18 Other Fees. COUNTY may set such other fees as it deems necessary.

1935 13.19 Acceptance of Payment. No acceptance by COUNTY of any payment shall be  
1936 construed as an accord that the amount is in-fact the correct amount, nor shall such acceptance  
1937 of payment be construed as a release of any claim COUNTY may have against CONTRACTOR  
1938 for any additional sums payable under the provisions of this Agreement. All amounts paid shall  
1939 be subject to audit and recompilation by COUNTY. If, after the audit, such recompilation  
1940 indicates an underpayment CONTRACTOR shall pay to COUNTY the amount of the  
1941 underpayment and shall reimburse COUNTY for all reasonable costs and expenses incurred in  
1942 connection with the audit and recompilation within ten (10) Work Days of receipt of written  
1943 notice from COUNTY. If, after the audit, such recompilation indicates an overpayment,  
1944 COUNTY shall notify CONTRACTOR in writing of the amount of the overpayment.  
1945 CONTRACTOR may offset the amounts next due following receipt of notice of overpayment by  
1946 the amount specified therein.

1947 13.20 Billing Records. CONTRACTOR shall keep records, electronically or paper, of all  
1948 billing documents and Customer account records, including but not limited to, invoices, receipts,  
1949 and collection notices, each in chronological order, for a period of three (3) years after the date  
1950 of receipt or issuance.

1951 13.21 Extraordinary Rate Review. CONTRACTOR may petition COUNTY in writing at  
1952 any time for an adjustment in the maximum rates on the basis of extraordinary and unusual  
1953 changes in the costs of operations or programs that satisfy all of the following conditions: (i)  
1954 materially alters CONTRACTOR'S operations or overall costs; (ii) could not reasonably have  
1955 been foreseen by a prudent operator; (iii) by all reasonable expectations will continue for a  
1956 period of at least six (6) months; and (iv) is not addressed pursuant to Article 22.  
1957 CONTRACTOR'S request shall contain substantial proof and justification to support the need for  
1958 the adjustment. COUNTY may request from CONTRACTOR such further information as it  
1959 deems necessary to fully evaluate the request and make its determination. COUNTY shall in  
1960 the exercise of its reasonable discretion approve or deny the request, in whole or in part, within  
1961 one hundred twenty (120) calendar days of receipt of the written request and all other additional  
1962 information requested by COUNTY.

1963 13.21.1.1 No extraordinary adjustment shall occur or rate adjustment  
1964 be provided due to CONTRACTOR'S use of any facility or subcontractor other than as approved  
1965 or designated by COUNTY. Any variation from CONTRACTOR'S estimate for the tonnages of  
1966 Solid Waste, Recyclables or Green Wastes to be Collected, processed or Disposed, shall not  
1967 provide a basis for a rate adjustment through an extraordinary adjustment or otherwise, except  
1968 as specifically provided for in this Article.

1969 13.22 Rates for Additional Services. If Customer requests Collection Services at a  
1970 Container capacity and/or Collection frequency not provided in the rates adopted by the Board  
1971 of Supervisors, following COUNTY Board approval of the Contractor Service Fee Component of  
1972 that Rate, CONTRACTOR may charge Customer that Rate agreed upon with Customer.  
1973 COUNTY and CONTRACTOR understand and agree that rates must be approved and  
1974 established by the Board pursuant to County Code and that CONTRACTOR cannot charge  
1975 Customer that Rate agreed upon with Customer until such time as said Rate is approved and  
1976 established by the Board.

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1977            13.23 Change in Travel Costs. In the event a change in travel costs has been  
1978 calculated as set forth in Section 22.14 of this Agreement, the calculated change shall be added  
1979 to the RRI percentage if it is positive or subtracted from the RRI percentage if it is negative. The  
1980 adjusted RRI percentage shall then be applied as set forth in Section 13.13.1.

### 1981                                    Article 14. Diversion Requirements

1982            14.01 Minimum Requirements. COUNTY requires CONTRACTOR to use its best  
1983 efforts to achieve a minimum annual diversion rate of forty (40) percent, for the combination of  
1984 SFD Collection Services, MFD Collection Services, and Commercial Collection Services and  
1985 ninety (90) percent for all asphalt and concrete and fifty (50) percent for all other Construction  
1986 and Demolition Debris Collection Services, or such other amount as may be set in accordance  
1987 with the provisions of Article 22 of this Agreement, over each full Calendar Year beginning  
1988 January 1, 2011. The annual diversion rate will be calculated as "the tons of materials Collected  
1989 by CONTRACTOR from the provision of Collection Services that are sold or delivered to a  
1990 recycler or reuser, or delivered to the appropriate processing facility as required by this  
1991 Agreement, divided by the total tons of materials Collected by CONTRACTOR in each full or  
1992 partial Calendar Year." Such diversion shall be reported in a form and manner that is  
1993 acceptable to COUNTY.

1994            14.02 Failure to Meet Minimum Requirements. CONTRACTOR'S failure to meet the  
1995 minimum diversion requirements set forth above in Section 14.01 may result in the termination  
1996 of this Agreement or the imposition of liquidated damages. In determining whether or not to  
1997 assess liquidated damages or terminate this Agreement, COUNTY shall consider the good faith  
1998 efforts put forth by CONTRACTOR to meet the minimum diversion requirements. Good faith  
1999 efforts of the CONTRACTOR shall include the delivery of materials to the appropriate facility as  
2000 required under the conditions of this Agreement. CONTRACTOR shall not be responsible for  
2001 the actual diversion level achieved by the facility. COUNTY shall also consider the methods  
2002 and level of effort of CONTRACTOR to meet the diversion requirements.

### 2003                                    Article 15. Collection Routes

2004            15.01 Collection Routes. Ninety (90) calendar days prior to commencement of  
2005 Collection Services, CONTRACTOR shall provide COUNTY with maps precisely defining  
2006 Collection routes, by number, together with the days and the times at which Collection shall  
2007 regularly commence, start and end points, number of accounts and collection vehicle type. To  
2008 the extent possible, CONTRACTOR will provide the map data in a GIS format that is compatible  
2009 with the format used by COUNTY.

2010            15.02 Street Sweeping. CONTRACTOR will work with COUNTY staff and use good  
2011 faith efforts to establish routes that allow for Collection on the day immediately preceding any  
2012 street sweeping schedules in effect on the effective date of this Agreement.

2013            15.03 Subsequent Collection Route Changes. CONTRACTOR shall submit to  
2014 COUNTY, in writing, any proposed route change (including maps thereof) not less than sixty  
2015 (60) calendar days prior to the proposed date of implementation. To the extent possible,  
2016 CONTRACTOR will provide the map data in a GIS format that is compatible with the format  
2017 used by COUNTY. CONTRACTOR shall not implement any route changes without the prior  
2018 approval of the Contract Administrator. If the route change will change the Collection day for a  
2019 Customer, CONTRACTOR shall notify those Customers in writing of route changes not less  
2020 than thirty (30) calendar days before the proposed date of implementation.

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2021 15.04 CONTRACTOR Audit of Routes. In addition to any other auditing requirements  
2022 under this Agreement, CONTRACTOR shall perform a comprehensive audit of all Customer  
2023 Routes every full or partial three (3) Calendar Years, and submit to COUNTY a written report on  
2024 the results of that audit, no later than thirty (30) calendar days after the completion of the audit.  
2025 The purpose of this audit is to ensure that each Customer is receiving the service for which the  
2026 Customer is being billed. The report should include the testing protocols, and the details of the  
2027 route audit findings along with recommendations, if any, on how CONTRACTOR will modify the  
2028 current system to correct any errors noted during the audit. If COUNTY requests,  
2029 CONTRACTOR shall cooperate fully with COUNTY to allow COUNTY to verify the accuracy of  
2030 CONTRACTOR'S route audit report.

2031 **Article 16. Collection Equipment**

2032 16.01 General Provisions. All equipment used by CONTRACTOR in the performance  
2033 of services under this Agreement shall be of a high quality. The vehicles shall be designed and  
2034 operated so as to prevent Collected materials from escaping from the vehicles. Hoppers shall  
2035 be closed on top and on all sides with screening material to prevent Collected materials from  
2036 leaking, blowing or falling from the vehicles. The bodies of any vehicle, or any Container, used  
2037 in Collection or transportation of Solid Waste must have watertight beds of metal or impervious  
2038 material that can be cleaned as required by Section 10.41.070 of the County Code.  
2039 CONTRACTOR shall not use any Collection vehicle that has more than 250,000 miles unless  
2040 such vehicle is a Rebuilt Vehicle.

2041 16.02 Clean Air Vehicles. During the term of this Agreement, to the extent required by  
2042 law, CONTRACTOR shall ensure that its Collection vehicles are in full compliance with local,  
2043 State and federal clean air requirements that were adopted or proposed to be adopted,  
2044 including, but not limited to, the California Air Resources Board Heavy Duty Engine Standards  
2045 as currently proposed to be contained in CCR Title 13, Section 2020 et seq; the Federal EPA's  
2046 Highway Diesel Fuel Sulfur regulations and any other applicable air pollution control laws.  
2047 Changes in regulations adopted or enacted after the effective date of this Agreement shall be  
2048 subject to Section 22.01 of this Agreement.

2049 16.03 Bulky Items. Vehicles used for Collection of Bulky Items containing Freon or  
2050 other gases shall not use compactor mechanisms or mechanical handling equipment that may  
2051 release Freon or other gases from pressurized appliances.

2052 16.04 Safety Markings. All Collection equipment used by CONTRACTOR shall have  
2053 appropriate safety markings including, but not limited to, highway lighting, flashing and warning  
2054 lights, clearance lights, and warning flags. All such safety markings shall be subject to the  
2055 approval of COUNTY and shall be in accordance with the requirements of the California Vehicle  
2056 Code, as may be amended from time to time.

2057 16.05 Vehicle Signage and Painting. Collection vehicles shall be painted and  
2058 numbered consecutively without repetition and shall have CONTRACTOR'S name,  
2059 CONTRACTOR'S toll-free customer service telephone number, and the number of the vehicle  
2060 painted in letters of contrasting color, at least six (6) inches high, on each side and the rear of  
2061 each vehicle. CONTRACTOR shall repaint all vehicles (including vehicles striping if  
2062 appropriate) during the term of this Agreement on a frequency as necessary to maintain a  
2063 positive public image as reasonably determined by the Contract Administrator. CONTRACTOR  
2064 will equip both sides of vehicles used for Collection with frames capable of securing signs  
2065 measuring 29 3/16" by 93 3/16" or other dimension directed by COUNTY. Within two (2) weeks

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2066 of COUNTY direction, no more than two (2) times each Agreement Year, CONTRACTOR will  
2067 prepare educational signs (such as promoting Diversion or safe Disposal of Unacceptable  
2068 Waste) with text, graphics and design specified by COUNTY and deliver them to COUNTY for  
2069 COUNTY review. Within two (2) weeks of COUNTY approval, CONTRACTOR will produce and  
2070 post the signs.

2071           16.06 Bin and Container Signage, Painting, and Cleaning. All metal Bins and  
2072 Containers of any service type furnished by CONTRACTOR shall be either painted or  
2073 galvanized. All Bins and Containers shall display CONTRACTOR'S name, CONTRACTOR'S  
2074 toll-free customer service telephone number, and the number of the Bin and shall be kept free of  
2075 graffiti and in a clean and sanitary condition. Bins and Roll-Off Containers provided by  
2076 CONTRACTOR shall be steam cleaned by CONTRACTOR as frequently as necessary to  
2077 maintain them in a sanitary condition. Upon receipt of notification by CONTRACTOR of graffiti  
2078 on a Bin or Container, CONTRACTOR shall clean or replace such Bin or Container within two  
2079 (2) Work Days. Bins and Containers will be subject to periodic, unscheduled inspections by  
2080 COUNTY and determination as to sanitary condition shall be made by COUNTY.

2081           16.07 Cart and Can Signage, Painting, and Cleaning. All metal Cans of any service  
2082 type furnished by CONTRACTOR shall be either painted or galvanized. All Cans and Carts  
2083 shall display CONTRACTOR'S name and CONTRACTOR'S toll-free customer service  
2084 telephone number.

2085           16.07.1           In addition each Cart or Can shall include a household hazardous  
2086 waste disposal prohibition on the inside of the container lid in substantially the following form,  
2087 approved by COUNTY: "*State law prohibits disposal of hazardous materials (such as batteries,*  
2088 *paint and motor oil) and certain electronic devices (such as TV and computer monitors) in your*  
2089 *trash. If these items are identified in your trash, your container will be tagged and not collected.*  
2090 *For safe and lawful disposal options, call Salinas Valley Solid Waste Authority 831-775-3000*  
2091 *(Inland), Monterey Regional Waste Management District 831-384-5313 (Coastal), [Contractor]."*

2092           16.07.2           Recyclables Containers (and other Containers at  
2093 CONTRACTOR'S option), shall include on the inside of the Container lid, an anti-scavenging  
2094 notice in substantially the following form, approved by COUNTY: "*The recyclable materials in*  
2095 *this container are the property of your authorized recycling contractor. It is illegal to remove*  
2096 *recyclable materials from this container pursuant to California Public Resources Code Section*  
2097 *41950 et seq. Only County's authorized recycling contractor may collect these recyclable*  
2098 *materials. Persons other than the authorized recycling contractor who remove materials from*  
2099 *this container are subject to treble damages or civil penalty, whichever is greater, for each*  
2100 *unauthorized removal."*

2101           16.08 Collection Vehicle Noise Level. The noise level generated by vehicles using  
2102 compaction mechanisms during the stationary compaction process will not exceed seventy (75)  
2103 decibels at a distance of twenty five (25) feet from the vehicle measured at an elevation of five  
2104 (5) feet above ground level using the "A" scale of a standard sound level meter at slow  
2105 response, or applicable law, whichever is more stringent. All Collection vehicles shall be tested  
2106 prior to providing Collection Services and thereafter upon notification by COUNTY of a noise  
2107 complaint.

2108           16.09 Vehicle Registration, Licensing and Inspection. CONTRACTOR shall maintain  
2109 documentation to verify that each of CONTRACTOR'S Collection vehicles are in compliance  
2110 with all registration, licensing and inspection requirements of the California Highway Patrol, the

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2111 California Department of Motor Vehicles, and any other applicable laws or regulations, including  
2112 a permit issued by County Department of Health, Environmental Health Division. Upon written  
2113 request by the Contract Administrator, copies of such documentation shall be provided to  
2114 COUNTY within two (2) Work Days of the request. CONTRACTOR shall not use any vehicle to  
2115 perform Collection Services that is not in compliance with applicable registration, licensing and  
2116 inspection requirements.

2117           16.10 Equipment Maintenance. CONTRACTOR shall maintain Collection equipment in  
2118 a clean condition and in good repair at all times. All parts and systems of the Collection  
2119 equipment shall operate properly and be maintained in a condition satisfactory to COUNTY.  
2120 CONTRACTOR shall wash all Collection vehicles at least once a week. All washings shall be  
2121 conducted in a manner that conforms to the BMP Guidelines for Non-Point Source Pollutants in  
2122 the publication entitled Storm Water Best Management Practices Handbook for Industrial  
2123 Commercial and shall comply with other regulations set forth by the jurisdiction in which the  
2124 Collection vehicle is washed.

2125           16.10.1 Maintenance Log. CONTRACTOR shall maintain a maintenance  
2126 log for all Collection vehicles. The log shall at all times be accessible to COUNTY by physical  
2127 inspection upon request of Contract Administrator, and shall show, at a minimum, each vehicle's  
2128 CONTRACTOR assigned identification number, date purchased or initial lease, dates of  
2129 performance of routine maintenance, dates of performance of any additional maintenance, and  
2130 description of additional maintenance performed.

2131           16.11 Equipment Inventory. On or before September 1, 2010, CONTRACTOR shall  
2132 provide to COUNTY an inventory of Collection vehicles and major equipment used by  
2133 CONTRACTOR for Collection or transportation and performance of services under this  
2134 Agreement. The inventory shall indicate each Collection vehicle used by CONTRACTOR,  
2135 assigned identification number, DMV license number, the age of the chassis and body, type of  
2136 fuel used, the type and capacity of each vehicle, the number of vehicles by type, the date of  
2137 acquisition, the date of noise testing, the decibel rating, the maintenance status, and proof of  
2138 compliance with Article 16.02. CONTRACTOR shall submit a written updated inventory annually  
2139 on or before each succeeding September 1, to the Contract Administrator.

2140           16.12 Reserve Equipment. CONTRACTOR shall have available to it, at all times, a  
2141 reasonable number of reserve Collection equipment which can, to the extent needed to  
2142 complete the Collection route, be dispatched within one (1) hour of any breakdown. Such  
2143 reserve equipment shall correspond in size and capacity to the equipment used by  
2144 CONTRACTOR to perform the contractual duties.

2145           16.13 Covering of Loads. All loads not in covered body trucks shall be tarped or  
2146 restrained to prevent spilling.

2147           16.14 Weight Restrictions. CONTRACTOR shall not load vehicles in excess of the  
2148 manufacturer's recommendations or limitations imposed by state or local weight restrictions on  
2149 vehicles. CONTRACTOR acknowledges that COUNTY may document compliance with this  
2150 provision of the Agreement through review of scale tickets and records of the Disposal and  
2151 processing facilities.

## 2152           Article 17. CONTRACTOR'S Personnel

2153           17.01 Personnel Requirements. CONTRACTOR shall employ and assign qualified  
2154 personnel to perform all services set forth herein. CONTRACTOR shall be responsible for

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2155 ensuring that its employees comply with all applicable laws and regulations and meet all federal,  
2156 state and local requirements related to their employment and position.

2157 17.02 Transfer of Personnel. COUNTY may request the transfer of any employee of  
2158 CONTRACTOR who materially violates any provision hereof, or who is wanton, negligent, or  
2159 discourteous in the performance of their duties.

2160 17.03 Identification Badge. CONTRACTOR shall require its drivers, and all other  
2161 employees who come into contact with the public, to wear a uniform or an identification badge  
2162 clearly identifying the employee as an employee of CONTRACTOR. Employees shall also have  
2163 embroidered on the uniform or prominently displayed on the badge, their name for identification  
2164 by the Customer.

2165 17.04 Valid License. Each driver of a Collection vehicle shall at all times carry a valid  
2166 California driver's license and all other required licenses for the type of vehicle that is being  
2167 operated.

2168 17.05 Applicable Laws. Each driver of a Collection vehicle shall at all times comply  
2169 with all applicable state and federal laws, regulations and requirements.

2170 17.06 Representation. CONTRACTOR'S employees, officers, and agents shall at no  
2171 time be allowed to identify themselves or in any way represent themselves as being employees  
2172 of COUNTY.

2173 17.07 Safety Training. CONTRACTOR shall provide suitable operational and safety  
2174 training for all of its personnel, including those who drive vehicles or operate other Collection  
2175 equipment. Training will include live, on-job-training by supervisors. CONTRACTOR will train  
2176 its drivers to identify Unacceptable Waste and comply with the Waste Screening Protocol set  
2177 forth below.

2178 17.07.1 Waste Screening Protocol. CONTRACTOR will develop and  
2179 implement a Waste Screening Protocol in compliance with applicable law and including the  
2180 following provisions:

2181 17.07.1.1 For all drivers: Hazardous Waste Operations and  
2182 Emergency Response (HAZWOPER) First Responder, Awareness Level training meeting the  
2183 requirements of 29 CFR 1919.120(q)(6)(i), including hazard evaluation methods, emergency  
2184 preparedness, and emergency response plan implementation techniques with the intent that  
2185 they learn who, what and how to report on the incident;

2186 17.07.1.2 For all route supervisors: 24-Hour HAZWOPER General Site  
2187 Worker training meeting the requirements of 29 CFR 1919.120(e) (Hazardous Waste  
2188 Operations and Emergency Response), including hazard recognition and measurement, as well  
2189 as personal protective equipment and work practices in keeping with the risk level;

2190 17.07.1.3 For all employees specified in 29 CFR 1919.120(e)(8), at  
2191 least 8 hours of refresher training annually;

2192 17.07.1.4 Means of driver inspection, such as visual inspection during  
2193 tipping of Containers into vehicles;

2194 17.07.1.5 Immediate driver response, such as load segregation and  
2195 notification procedures, including leaving Non-Collection notices, when safe;

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- 2196                            17.07.1.6    Driver notification, such as calling CONTRACTOR'S  
2197 dispatcher or route supervisor;
- 2198                            17.07.1.7    Customer notification, including description of proper means  
2199 to dispose of Unacceptable Waste, by phone call and/or written material;
- 2200                            17.07.1.8    Notification of appropriate local agency or department (with  
2201 contact phone number);
- 2202                            17.07.1.9    Appropriate action, such as segregation and containerization  
2203 for manifesting and transport for Disposal as required by applicable law or securing services of  
2204 permitted handling and transport company; and
- 2205                            17.07.1.10   Form, content and placement of labels on Containers that  
2206 prohibit discard of Unacceptable Waste.

2207

### Article 18. Worker Retention

- 2208                            18.01 Worker Retention. CONTRACTOR acknowledges that when Collection Services  
2209 are transferred to CONTRACTOR, workers who perform services for COUNTY'S current  
2210 contractor may be displaced from their employment. In this event, upon signing this Agreement,  
2211 CONTRACTOR shall make a good faith effort to offer full-time employment (at wages and  
2212 benefits commensurate with those of CONTRACTOR'S existing employees as required by any  
2213 collective bargain agreement) to all displaced workers that provided Collection Services in the  
2214 Service Area under the prior Franchise Agreement, if the employees meet CONTRACTOR'S  
2215 existing hiring standards and policies. CONTRACTOR shall not be required to create additional  
2216 positions that CONTRACTOR does not need, displace any of its current employees or modify its  
2217 employee selection requirements.

2218

### Article 19. Public Education Programs

- 2219                            19.01 Public Education and Outreach. CONTRACTOR, at its own expense, shall  
2220 prepare, submit to COUNTY, and implement an annual (Calendar Year) Public Education and  
2221 Outreach Program. The initial proposed action plan must be submitted for COUNTY approval  
2222 on or before July 1, 2010 and annually thereafter no later than November 1<sup>st</sup> for the next  
2223 Calendar Year. The program must include a minimum of four (4) campaigns per year, designed  
2224 to increase diversion and resident participation. Campaigns should target certain Recyclables  
2225 or "problem" areas of CONTRACTOR'S Service Area where improvements can be maximized.  
2226 Targets of outreach should be based on local trends and recycling patterns based on  
2227 information obtained by both the Contract Administrator and CONTRACTOR staff, and should  
2228 be part of the SRRE strategic plan and report prepared and submitted by CONTRACTOR.  
2229 CONTRACTOR shall provide space in CONTRACTOR'S public outreach materials, such as  
2230 mailers, flyers and newsletters, for COUNTY to include announcements, community information,  
2231 articles, and photographs.

- 2232                            19.01.1        School Education and Outreach. CONTRACTOR'S Public  
2233 Education and Outreach program will include recycling and diversion education and outreach  
2234 services to all schools in the Service Area which subscribe to some or all of the Collection  
2235 Services offered by CONTRACTOR. Such services may include classroom presentations,  
2236 distribution of diversion and recycling materials, classroom curriculum, and provision of  
2237 technical assistance to establish school facility recycling programs.

2238           19.02 Annual Collection Service Notice. Each Calendar Year during the term of this  
2239 Agreement, CONTRACTOR shall provide information to all SFD, MFD Cart and Commercial  
2240 Cart Customers regarding the Cart Collection Service programs and to all MFD Bin and  
2241 Commercial Bin Customers regarding Bin Collection Service programs. To the extent  
2242 appropriate, based on the category of Customers receiving the notice, said information shall  
2243 contain at a minimum, definitions of the materials to be Collected, procedures for setting out the  
2244 materials, maps of the Service Area indicating the day that Solid Waste, Recyclables, including  
2245 Used Oil, Green Waste, and Christmas trees will be Collected, the availability of on-call  
2246 Collection of Bulky Items, Universal Waste, E-Waste, CEDs, and Construction and Demolition  
2247 Debris and CONTRACTOR'S toll-free customer service phone number. The information shall  
2248 be provided in English and Spanish and shall be distributed by CONTRACTOR at least thirty  
2249 (30) days prior to commencement of Collection Services in the Service Area and by January 1<sup>st</sup>  
2250 annually thereafter.

2251           19.03 Additional Programs and Services. CONTRACTOR shall provide additional  
2252 services and programs as requested by COUNTY pursuant to Article 22 of this Agreement. In  
2253 the event CONTRACTOR and COUNTY cannot reach an agreement for the requested service  
2254 or program, COUNTY shall have the right to procure the service of other vendors or contractors  
2255 to provide the requested service.

2256           19.04 Home Composting and Worm Bin. At least thirty (30) calendar days prior to  
2257 offering bins for sale as set forth in Section 5.11.5. CONTRACTOR shall insert in each SFD and  
2258 MFD Cart Customers bill a notice satisfactory to COUNTY, that includes 1) an offer to sell a  
2259 Home Composting Bin or Home Worm Bin, 2) the purchase price (with and without the delivery  
2260 option surcharge), 3) the purchase location, and 4) educational material promoting composting.

## 2261    Article 20. CONTRACTOR'S Facilities

2262           20.01 CONTRACTOR Facilities.

2263                                    20.01.1 Administrative Offices and Operation & Maintenance Yard.  
2264 CONTRACTOR'S administrative offices and its operation and maintenance yard, to include the  
2265 vehicle parking area, must be located within thirty-five (35) miles of the County Department of  
2266 Health, Environmental Health Division primary office in Salinas, California at the address  
2267 referenced in Section 34.05.3 of this Agreement. CONTRACTOR'S office shall provide a toll-  
2268 free telephone access to residents of COUNTY, shall be staffed by trained and experienced  
2269 Customer Service Representatives (CSR's), and shall be located where Customers can pay  
2270 bills for service in person. Such office shall have responsible persons in charge during  
2271 Collection hours and shall be open during normal business hours, 8:00 a.m. to 5:00 p.m. on all  
2272 Work Days. CONTRACTOR shall provide either a telephone answering service or mechanical  
2273 device to receive Customer inquiries during those times when the office is closed. Calls  
2274 received after normal business hours shall be addressed the morning of the next Work Day.

2275           20.02 Emergency Contact. Prior to October 1, 2010, CONTRACTOR shall provide the  
2276 Contract Administrator with an emergency phone number where CONTRACTOR can be  
2277 reached outside of the required office hours.

2278           20.03 Multilingual/TDD Service. CONTRACTOR shall at all times maintain the  
2279 capability of responding to telephone calls in English and Spanish. CONTRACTOR shall at all  
2280 times maintain the capability of responding to telephone calls through Telecommunications  
2281 Device for the Deaf (TDD) Services.



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2282            20.04 Customer Calls.        During office hours, CONTRACTOR shall maintain a  
2283 telephone answering system capable of accepting at least fifteen (15) incoming calls at one (1)  
2284 time. CONTRACTOR shall record all calls including any inquiries, service requests and  
2285 complaints into a customer service log.

2286            20.04.1            All incoming calls will be answered within five (5) rings. Any call  
2287 "on-hold" in excess of one and one half (1.5) minutes shall have the option to remain "on-hold"  
2288 or to be switched to a message center where Customer can leave a message. Customers  
2289 electing to remain on-line shall not wait longer than two (2) minutes on the average from the  
2290 time their call was originally answered, but in no case longer than ten (10) minutes from the time  
2291 their call was originally answered to speak to a CSR. CONTRACTOR'S CSR shall return  
2292 Customer calls. For all messages left before 3:00 p.m., all "call backs" shall be attempted a  
2293 minimum of one time prior to 5:00 p.m. on the day of the call. For messages left after 3:00 p.m.,  
2294 all "call backs" shall be attempted a minimum of one time prior to noon the next Work Day.  
2295 CONTRACTOR shall make a minimum of three (3) attempts within twenty-four (24) hours of the  
2296 receipt of the call. If CONTRACTOR is unable to reach the Customer on the next Work Day,  
2297 CONTRACTOR shall send a postcard to the Customer on the second Work Day after the call  
2298 was received, indicating that CONTRACTOR has attempted to return the call.

2299            20.04.2            Customer Service Log. CONTRACTOR will utilize a Customer  
2300 Service Log to maintain a record of all inquiries and complaints in a manner approved by  
2301 COUNTY. The log shall include the information in a form and manner agreeable to COUNTY.

2302            20.05 Bilingual Customer Correspondence. CONTRACTOR will print all letters,  
2303 invoices, notices, bulletins, educational materials, and other correspondence with Customers in  
2304 English and Spanish.

2305            20.06 Website. CONTRACTOR shall develop and maintain a website describing  
2306 services provided in the Service Area that is accessible by the public. The site shall be available  
2307 to Customers no later than September 1, 2010 and include answers to frequently asked  
2308 questions, rates for all Collection Services, specifications for Recyclables and Green Waste,  
2309 Collection Service schedules and maps, and other related topics. CONTRACTOR shall arrange  
2310 for COUNTY'S website to include an e-mail link to CONTRACTOR'S website and  
2311 CONTRACTOR'S website shall contain a link to COUNTY'S web site. CONTRACTOR'S  
2312 website shall contain all public education and outreach materials and correspondence  
2313 distributed to Customers during the Calendar Year. CONTRACTOR'S website shall provide the  
2314 public the ability to e-mail complaints to CONTRACTOR and to pay bills on-line.

## 2315            Article 21. Service Inquiries and Complaints

2316            21.01 CONTRACTOR'S Customer Service. All service inquiries and complaints shall  
2317 be directed to CONTRACTOR. A representative of CONTRACTOR shall be available to receive  
2318 the complaints during normal business hours. All service complaints will be handled by  
2319 CONTRACTOR in a prompt and efficient manner. CONTRACTOR shall not refer or forward  
2320 Customers to COUNTY for resolution of Complaints or answers to inquiries unless Customer  
2321 insists, in which event CONTRACTOR will refer Customers to the Contract Administrator.

2322            21.02 Response Requirements. For those complaints related to missed Collections  
2323 that are received by 3:00 p.m. on a Work Day, CONTRACTOR will return to the Customer  
2324 address and Collect the missed materials before leaving the Service Area for the day. For  
2325 those complaints related to missed Collections that are received after 3:00 p.m. on a Work Day,

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2326 CONTRACTOR shall have until the end of the following Work Day to resolve the complaint. For  
2327 those complaints related to repair or replacement of Carts or Bins, the appropriate Articles of  
2328 this Agreement shall apply.

2329 21.03 Missed Collections. CONTRACTOR agrees that it is in the best interest of  
2330 COUNTY that all Solid Waste, Recyclables, Green Waste, Bulky Items, U-Waste, E-Waste,  
2331 CED's and Used Oil and Used Oil Filters be Collected on the scheduled Collection day.  
2332 Accordingly, missed Collections will normally be Collected as set forth above regardless of the  
2333 reason that the Collection was missed. However, in the event a Customer requests and  
2334 receives missed Collection Services more than two (2) times each full or partial Calendar Year  
2335 during the term of this Agreement, CONTRACTOR shall have the right to invoice the Customer  
2336 for further missed Collection Services during the remainder of that Calendar Year at the rate set  
2337 forth in Exhibit 1.

2338 **Article 22. Modifications to the Agreement**

2339 22.01 Agreement Modifications and Change in Law. COUNTY and CONTRACTOR  
2340 understand and agree that the California legislature and the federal government have the  
2341 authority to make comprehensive changes in solid waste management legislation and that these  
2342 and other changes in state and federal law in the future which mandate certain actions or  
2343 programs for counties or municipalities may require changes or modifications in some of the  
2344 terms, conditions or obligations under this Agreement. CONTRACTOR agrees that the terms  
2345 and provisions of local ordinances or regulations, including the County Code and any Joint  
2346 Powers Authorities Agreement (hereafter, "JPA Agreement") between COUNTY, Monterey  
2347 Regional Waste Management District and the Salinas Valley Solid Waste Authority (hereafter,  
2348 collectively referred to as "Joint Powers Authorities" or "JPA") as said JPA Agreement now  
2349 exists or as it may be amended in the future, shall apply to all of the provisions of this  
2350 Agreement and the Customers of CONTRACTOR located within the Service Area. In the event  
2351 any future Change in Law, modifications to the JPA Agreement, or directed changes by  
2352 COUNTY, materially alter the obligations of CONTRACTOR, then the affected compensation as  
2353 established under this Agreement shall be adjusted. Nothing contained in this Agreement shall  
2354 require any party to perform any act or function contrary to law. COUNTY and CONTRACTOR  
2355 agree to enter into good faith negotiations regarding modifications to this Agreement which may  
2356 be required in order to implement changes in the interest of the public welfare or due to Change  
2357 in Law. When such modifications are made to this Agreement, COUNTY and CONTRACTOR  
2358 shall negotiate in good faith, a reasonable and appropriate compensation adjustment for any  
2359 increase or decrease in the services or other obligations required of CONTRACTOR due to any  
2360 modification in this Agreement pursuant to this Article. COUNTY and CONTRACTOR shall not  
2361 unreasonably withhold agreement to such compensation adjustment. Modifications to this  
2362 Agreement shall be made pursuant to Article 22 of this Agreement.

2363 22.02 COUNTY Directed Service and Program Changes. COUNTY may direct  
2364 CONTRACTOR to perform additional services (including new diversion programs, additional  
2365 public education activities, etc.), eliminate programs, or modify the manner in which it performs  
2366 existing services. Changes in the minimum diversion requirement set forth in Article 14 of this  
2367 Agreement, pilot programs and innovative services, which may entail new Collection methods,  
2368 targeted routing, different kinds of services, different types of Collection vehicles, and/or new  
2369 requirements for Customers are included among the kinds of changes which COUNTY may  
2370 direct. Upon approval by the County Board, CONTRACTOR shall be entitled to an adjustment

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2371 in its compensation for providing such additional or modified services but not for the preparation  
2372 of its proposal to perform such services.

2373       22.03 COUNTY Required Service and Program Changes. In the event CONTRACTOR  
2374 fails to meet the Diversion requirements as set forth in Article 14, CONTRACTOR shall prepare  
2375 a service proposal in the manner set forth in Section 22.05 below. The service proposal shall  
2376 include specific program changes to allow CONTRACTOR to meet the minimum Diversion  
2377 requirements of Article 14 in the subsequent year. CONTRACTOR shall not receive additional  
2378 compensation for any additional or modified services performed as part of this program change  
2379 nor for the preparation of its proposal to perform such services.

2380       22.04 CONTRACTOR Proposed Changes. CONTRACTOR may propose program  
2381 changes to COUNTY in the manner set forth in Section 22.05 below. Upon approval by the  
2382 County Board, CONTRACTOR shall be entitled to an adjustment in its compensation for  
2383 providing such additional or modified services but not for the preparation of its proposal to  
2384 perform such services.

2385       22.05 Service Proposal. Within thirty (30) calendar days of receipt of a request for a  
2386 service change from COUNTY, or when initiating a voluntary or involuntary proposal to change  
2387 current programs, CONTRACTOR shall submit a proposal to provide such service. At a  
2388 minimum, the proposal shall contain a complete description of the following:

2389               22.05.1       Program objectives and goals to be used in measuring the  
2390 success of the program as discussed in Section 22.08 below;

2391               22.05.2       Collection methodology to be employed (equipment, manpower,  
2392 etc.);

2393               22.05.3       Equipment to be utilized (vehicle number, types, capacity, age,  
2394 etc.);

2395               22.05.4       Labor requirements (number of employees by classification);

2396               22.05.5       Type of Carts or Bins to be utilized;

2397               22.05.6       Provision for program publicity, education, and marketing; and

2398               22.05.7       Five (5) year projection of the financial results of the program's  
2399 operations in an operating statement format including documentation of the key assumptions  
2400 underlying the projections and the support for those assumptions, giving full effect to the  
2401 savings or costs to existing services.

2402       22.06 Incremental Costs. In the event the change(s) in service results in an  
2403 incremental cost increase over the life of the Agreement, CONTRACTOR will be responsible for  
2404 the first ten thousand dollars (\$10,000) of such increase in the aggregate. To the extent costs  
2405 are projected to exceed ten thousand dollars (\$10,000), COUNTY and CONTRACTOR shall  
2406 agree on the amount of additional costs to be reimbursed to CONTRACTOR prior to the  
2407 initiation of the service change.

2408       22.07 Other Contractors. CONTRACTOR acknowledges and agrees that COUNTY  
2409 may permit other contractors or companies besides CONTRACTOR to provide additional  
2410 services not otherwise contemplated by this Agreement if CONTRACTOR and COUNTY cannot  
2411 agree on terms and conditions, including compensation adjustments, of such services in one  
2412 hundred twenty (120) calendar days from the date when COUNTY first requests a proposal from  
2413 CONTRACTOR to perform such services.

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2414           22.08 Monitoring and Evaluation. At COUNTY'S request, CONTRACTOR shall meet  
2415 with COUNTY to describe the progress of each new program and other service issues. At each  
2416 meeting, COUNTY and CONTRACTOR shall have the opportunity to discuss revisions to the  
2417 program. CONTRACTOR shall document the results of the new programs on a monthly basis,  
2418 including at a minimum the tonnage diverted by material type, the end use or processor of the  
2419 diverted materials and the cost per ton for transporting and processing each type of material  
2420 and other such information requested by CONTRACTOR and/or COUNTY necessary to  
2421 evaluate the performance of each program.

2422           22.09 Termination for Cause. COUNTY shall have the right to terminate a program or  
2423 assign the program to a third party for cause at no cost to COUNTY or COUNTY'S ratepayers if  
2424 CONTRACTOR is not achieving the program's agreed to and defined goals and objectives.  
2425 Prior to such termination or assignment, COUNTY shall meet and confer with CONTRACTOR  
2426 for a period of up to ninety (90) calendar days to resolve COUNTY'S concerns. Thereafter,  
2427 COUNTY may terminate the program or utilize a third party to perform these services if  
2428 COUNTY reasonably believes CONTRACTOR cannot meet or is not meeting the agreed to and  
2429 defined project goals and objectives. Notwithstanding these changes, CONTRACTOR shall  
2430 continue the program during the ninety (90) day period and, in the event COUNTY elects to  
2431 utilize a third party to continue the program, thereafter until the third party takes over the  
2432 program.

2433           22.10 Termination without Cause. COUNTY shall also have the right to terminate a  
2434 program without cause. As a condition of the termination, COUNTY shall reimburse  
2435 CONTRACTOR for all costs incurred for implementation and performance of the program that  
2436 were identified in the program proposal prepared and submitted by CONTRACTOR and agreed  
2437 to by COUNTY which have not been funded or otherwise recovered through program  
2438 compensation at the time the program is terminated.

2439           22.11 COUNTY Directed Changes in Facilities. If COUNTY requires that  
2440 CONTRACTOR change Disposal or processing facilities, the Contractor Service Fee  
2441 Component will be adjusted for any increase or decrease in CONTRACTOR'S direct costs of  
2442 transportation between the old and new facility, as follows:

2443                   22.11.1           With respect to changes in the facilities in the boundaries of the  
2444 SVSWA, the increase or decrease in transportation is measured by the shortest route between  
2445 the COUNTY Department of Health, Environmental Health Division, located at 1270 Natividad  
2446 Road, Salinas to the new facility that is legally traversable by Collection vehicles carrying their  
2447 usual load of the appropriate material, although CONTRACTOR may choose a longer route for  
2448 reason of time, traffic or other convenience without additional compensation. Distances from  
2449 1270 Natividad Road, Salinas are as follows:

- 2450                   22.11.2           to Johnson Canyon Landfill, approximately 24.6 miles;
- 2451                   22.11.3           to Sun Street transfer station, approximately 1.84 miles;
- 2452                   22.11.4           to Jolon transfer station, approximately 49.45 miles;
- 2453                   22.11.5           to Carmel Marina Recycling , approximately 10.4 miles;
- 2454                   22.11.6           to Johnson Canyon Landfill Green Waste Processing Facility  
2455 approximately 24.6miles; and
- 2456                   22.11.7           to Johnson Canyon Landfill Construction and Demolition Debris  
2457 Processing Facility, approximately 24.6 miles.

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2458            22.12 With respect to changes in the facilities in the boundaries of the MRWMD, the  
2459 increase or decrease in transportation is measured by the shortest route between the County  
2460 Health Department located at 1200 Aguajito Road, Monterey to the new facility that is legally  
2461 traversable by Collection vehicles carrying their usual load of the appropriate material, although  
2462 CONTRACTOR may choose a longer route for reason of time, traffic or other convenience  
2463 without additional compensation. The distances from the County Health Department located at  
2464 1200 Aguajito Road are as follows:

2465            22.12.1            to Monterey Peninsula landfill, approximately 8.4 miles;

2466            22.12.2            to Carmel Marina Recycling , approximately 21.4 miles;

2467            22.12.3            to Monterey Peninsula Green Waste Processing Facility,  
2468 approximately 8.4 miles; and

2469            22.12.4            to Monterey Peninsula Construction and Demolition Debris  
2470 Processing Facility, approximately 8.4 miles.

2471            22.13 CONTRACTOR will submit documentation to the satisfaction of COUNTY  
2472 demonstrating the number of Collection vehicles from identified routes, with dated weight  
2473 tickets, establishing the increase or decrease in mileage for a one (1) month period.

2474            22.14 The total increase or decrease in miles will be multiplied by the Collection vehicle  
2475 travel cost per mile as set forth in Exhibit 1 to this Agreement to calculate the change in cost for  
2476 one (1) month and annualized to calculate the change in cost for one (1) year. The one (1) year  
2477 change in cost will then be divided by the gross revenue for the last complete twelve (12) month  
2478 period to calculate the percentage change in travel costs. The percentage change shall be  
2479 truncated at the second decimal point and shall be added to or subtracted from, as appropriate,  
2480 in the next RRI calculation as set forth in Section 13.13.

2481            22.15 Modification to Exhibit 10, COUNTY Facilities. In the event COUNTY requests a  
2482 modification to Exhibit 10 to this Agreement due to an addition or deletion to the COUNTY  
2483 Facilities, or a change in the container size or frequency of Collection as set forth in Exhibit 10,  
2484 COUNTY shall notify CONTRACTOR of the change in writing at least thirty (30) days prior to  
2485 the date of such change. The written notification shall include a revised Exhibit 10 for the  
2486 review of CONTRACTOR. CONTRACTOR shall respond to the request for modification of  
2487 Exhibit 10 by signing the revised Exhibit 10 and returning it to the COUNTY or requesting that a  
2488 meeting be held between CONTRACTOR and COUNTY to discuss the requested modification.  
2489 In the event COUNTY and CONTRACTOR are unable to agree on the modification, Exhibit 10  
2490 shall remain unmodified and COUNTY shall have the right to secure the services from another  
2491 contractor. For purposes of this Section a change of the address of a COUNTY Facility  
2492 included in Exhibit 10 is not considered a modification of Exhibit 10.

2493            22.16 Modification to Exhibit 11, Large Venue Events. On or before October 1, 2010  
2494 and annually thereafter during the term of this Agreement, COUNTY shall provide  
2495 CONTRACTOR with an amended Exhibit 11 showing the name, date and location of all large  
2496 venue events for the upcoming Calendar Year. COUNTY shall have the right to unilaterally  
2497 modify the specific events included on Exhibit 11 as long as the total number of "COUNTY  
2498 sponsored" annual events does not exceed twelve (12) and as long as the estimated Collection  
2499 capacity, in tons, of the added event does not exceed the median level of required Collection  
2500 capacity, of four (4) tons of the events set forth on Exhibit 11 prior to the modification. In the  
2501 event the COUNTY requests that CONTRACTOR provide Collection Services at large venue

2502 events in excess of the limitations set forth in this Section, CONTRACTOR shall provide such  
2503 services at a price to be mutually agreed upon between CONTRACTOR and COUNTY. In the  
2504 event CONTRACTOR and COUNTY cannot reach a mutually agreed price for the requested  
2505 services CONTRACTOR shall provide such services in accordance with the rates set forth in  
2506 Exhibit 1 to this Agreement.

## 2507 Article 23. Recordkeeping, Inspections, and Reporting

### 2508 23.01 Record Keeping.

2509 23.01.1 Accounting Records. CONTRACTOR shall maintain any and all  
2510 letters, books of account, invoices, vouchers, canceled checks, and other records or documents  
2511 evidencing or relating to charges for services or expenditures and disbursements charged to  
2512 Customers for a minimum period of five (5) years, or for any longer period required by law, from  
2513 the date of final payment to CONTRACTOR pursuant to this Agreement.

2514 23.02 Agreement Performance Records. CONTRACTOR shall maintain all documents  
2515 and records which demonstrate performance under this Agreement for a minimum period of five  
2516 (5) years, or for any longer period required by law, from the date of termination or completion of  
2517 this Agreement.

2518 23.03 Reporting Requirements. Monthly and annual reports shall be prepared and  
2519 submitted as set forth in Exhibit 7 in a form and manner acceptable to COUNTY. This list of  
2520 requested information may be amended during the term of this Agreement at the discretion of  
2521 the Contract Administrator.

2522 23.03.1 Upon notification by the Contract Administrator that information  
2523 reported by CONTRACTOR is incorrect, CONTRACTOR shall provide corrected information in  
2524 the original format within three (3) Work Days unless a longer time is agreed to by COUNTY  
2525 and CONTRACTOR.

2526 23.04 Inspection. Any records or documents required to be maintained pursuant to this  
2527 Agreement shall be made available for inspection or audit, at any time during regular business  
2528 hours, upon written request by the Contract Administrator, COUNTY Counsel, COUNTY  
2529 Auditor, or designee of any of these officers. Copies of such documents shall be provided to  
2530 COUNTY for inspection at COUNTY offices when it is practical to do so. Otherwise, unless an  
2531 alternative site is mutually agreed upon, the records shall be available at CONTRACTOR'S  
2532 address indicated for receipt of notices in this Agreement.

2533 23.05 Records Security. Where COUNTY has reason to believe that such records or  
2534 documents may be lost or discarded due to the dissolution, disbandment or termination of  
2535 CONTRACTOR'S business, COUNTY may, by written request or demand of the Contract  
2536 Administrator, require that custody of the records be given to COUNTY and that the records and  
2537 documents be maintained at COUNTY offices. Access to such records and documents shall be  
2538 granted to any party authorized by CONTRACTOR, CONTRACTOR'S representatives, or  
2539 CONTRACTOR'S successor-in-interest.

## 2540 Article 24. Quality of Performance of CONTRACTOR

2541 24.01 Intent. CONTRACTOR acknowledges and agrees that one of COUNTY'S  
2542 primary goals in entering into this Agreement is to ensure that Collection Services are of the  
2543 highest caliber, that Customer satisfaction remains at the highest level, that maximum diversion

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2544 levels are achieved, and that materials Collected are put to the highest and best use to the  
2545 extent feasible.

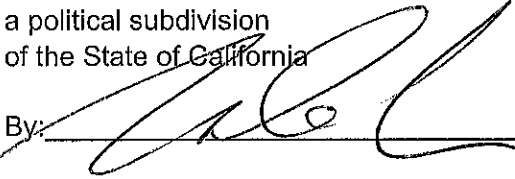
2546       24.02 Service Supervisor. CONTRACTOR will provide the name of the service  
2547 supervisor to be in charge of the Collection Services within the Service Area to COUNTY no  
2548 later than October 1, 2010. At least thirty (30) calendar days prior to replacing the service  
2549 supervisor, CONTRACTOR shall notify COUNTY in writing of the name and qualifications of the  
2550 new service supervisor. CONTRACTOR shall insure that such replacement is qualified and  
2551 experienced. The service supervisor's work place shall be physically located in the Service  
2552 Area, at all times that CONTRACTOR is providing Collection Services. In addition the  
2553 supervisor shall be available to the Contract Administrator through the use of telecommunication  
2554 equipment, and be able to respond to voice messages within one (1) hour at all times that  
2555 CONTRACTOR is providing Collection Services. In the event the service supervisor is  
2556 unavailable due to illness or vacation, CONTRACTOR shall designate an acceptable substitute  
2557 who shall be available and who has the authority to act in the same capacity as the service  
2558 supervisor. The service supervisor shall provide COUNTY with an emergency phone number  
2559 where the service supervisor can be reached outside of normal business hours.


2560       24.03 Liquidated Damages. The parties further acknowledge that consistent and  
2561 reliable Collection Services are of utmost importance to COUNTY and that COUNTY has  
2562 considered and relied on CONTRACTOR'S representations as to its quality of service  
2563 commitment in awarding the Agreement to it. The parties further recognize that some quantified  
2564 standards of performance are necessary and appropriate to ensure consistent and reliable  
2565 service and performance. The parties further recognize that if CONTRACTOR fails to achieve  
2566 the performance standards, or fails to submit required documents in a timely manner, COUNTY  
2567 and COUNTY'S residents and businesses will suffer damages and that it is and will be  
2568 impractical and extremely difficult to ascertain and determine the exact amount of damages.  
2569 Therefore, without prejudice to COUNTY'S right to treat such non-performance as an event of  
2570 default under Article 27, the parties agree that the liquidated damages amount defined in this  
2571 Article represent reasonable estimates of the amount of such damages considering all of the  
2572 circumstances existing on the effective date of this Agreement, including the relationship of the  
2573 sums to the range of harm to COUNTY, customers and the community as a whole that  
2574 reasonably could be anticipated and the anticipation that proof of actual damages would be  
2575 costly or impractical. In placing their initials at the places provided, each party specifically  
2576 confirms the accuracy of the statements made above and the fact that each party has had  
2577 ample opportunity to consult with legal counsel and obtain an explanation of the liquidated  
2578 damage provisions at the time that the Agreement was made.

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2579 COUNTY OF MONTEREY,  
2580 a political subdivision  
2581 of the State of California

USA Waste of California, Inc.  
DBA Carmel Marina Corporation

2582 By: 

By: 

2583 Name: Len Foster

Name: Barry Skolnick

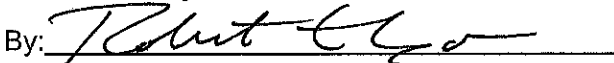
2584 Title: Director of Health

Title: Area Vice President

2585 Dated: 2-9-10

Dated: 12/28/09

2586

By: 

2587

Name: Robert E. Longo

2588

Title: Assistant Secretary and Group General

2589

Counsel

2590

Dated: 12/28/09

2591 CONTRACTOR agrees to pay (as liquidated damages and not as penalty) the following  
2592 amounts:

LIQUIDATED DAMAGES		
Item		Amount
a.	Failure or neglect to resolve each complaint within the time set forth in this Agreement. (Section 21.02)	\$100.00 per incident per Customer.
b.	Failure to comply with the hours of operation as required by this Agreement. (Section 3.04)	\$100.00 per incident per day.
c.	Failure to properly return empty Cans, Carts or Bins to the point of Collection to avoid pedestrian or vehicular traffic impediments or to place Carts upright in excess of five (5) occurrences per quarter. (Section 3.05)	\$150.00 per incident per day.
d.	Failure to deliver or exchange Cans, Carts, Bins, or other Containers within the time required. (Section 3.07)	\$100.00 per incident per day.
e.	Failure to repair or replace damaged Cans, Carts, Bins, or other Containers within the time required. (Section 3.07.2)	\$100.00 per incident per day.
f.	Failure to timely install locks on Bins. (Section 3.07.5)	\$100.00 per incident per day.



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LIQUIDATED DAMAGES		
Item		Amount
g.	Commingling Solid Waste and Recyclables during Collection and/or transportation to the appropriate facility. (Section 3.14.1)	\$1,000.00 per incident.
h.	Commingling of materials Collected inside and outside the Service Area during Collection and/or transportation to the facility. (Sections 3.14.2 & 3.14.3)	\$1,000.00 per incident.
i.	Failure to timely clean up litter or spillage of material, or vehicle fluids caused by CONTRACTOR. (Section 3.15.3)	\$300.00 per incident per location.
j.	Damage to public streets within the Service Area caused by CONTRACTOR. (Section 3.15.5)	Actual cost of repair to COUNTY'S satisfaction at no cost to COUNTY.
k.	Failure to repair damage to Customer property caused by CONTRACTOR or its personnel. (Section 3.20)	\$500.00 per incident per location.
l.	Disposal of Recyclables, or Green Waste in the Disposal Facility without first obtaining the required permission of COUNTY. (Section 4.01.11)	\$1,000.00 per load.
m.	Failure to deliver any Collected materials to COUNTY-approved Disposal Facility, Recyclables Processing Facility, C&D Facility or Green Waste Processing Facility, as appropriate, except as otherwise expressly provided in this Agreement. (Article 4)	\$5,000.00 first failure. \$25,000.00 each subsequent failure.
n.	Failure to timely provide transition documents or timely meet transition requirements. (Section 3.19)	\$300.00 per item per day.
o.	Failure or neglect to complete at least ninety percent (90%) of each route on the regular scheduled Collection Service Work Day. (Various Sections)	\$1,000.00 for each route not completed.
p.	Failure to replace Used Oil and Used Oil Filter Containers within three (3) Work Days of notification of need for replacement in excess of five (5) occurrences per quarter. (Various Sections)	\$150.00 per incident per day.
q.	Failure to timely provide all Waste Assessments. (Section 11.13)	\$1,000.00 for each assessment not timely completed.

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LIQUIDATED DAMAGES		
Item		Amount
r.	Failure to meet the minimum diversion requirements. (Calculated per Calendar Year) (Article 14)	Shortfall of 0.001% - 2%: \$10,000.00 per calendar year.  Shortfall of 2.001% or greater: \$25,000.00 per calendar year.
s.	Changing routes without proper notification to COUNTY or Customers as appropriate. (Section 15.03)	\$500.00 per incident per day.
t.	Failure to timely conduct Route Audits. (Section 15.04)	\$150.00 per incident per day.
u.	Failure to display CONTRACTOR'S name and toll-free customer service phone number on Collection vehicles, Bins and other Containers. (Sections 16.05 & 16.06)	\$100.00 per incident per day.
v.	Failure to maintain equipment, vehicles, Cans, Carts, Bins and other containers in a clean, safe, and sanitary manner including the removal of graffiti. (Sections 16.05, 16.06 & 16.07)	\$100.00 per incident per day.
w.	Failure to properly cover materials in Collection vehicles. (Section 16.13)	\$300.00 per incident.
x.	Failure to have CONTRACTOR personnel in proper uniform or with proper identification. (Section 17.03)	\$100.00 per incident per day.
y.	Failure to have a vehicle operator properly licensed. (Section 17.04)	\$500.00 per incident per day.
z.	Failure to maintain office hours. (Section 20.01.1)	\$100.00 per incident per day.
aa.	Failure to provide a Spanish speaking Customer Service Representative. (Section 20.03)	\$150.00 per incident per day.
bb.	Failure to meet the Customer call requirements. (Sections 20.04 and 20.04.1)	\$150.00 per incident.
cc.	Failure to provide documents and reports in a timely manner. (Article 23 and Exhibit 7)	\$250.00 per incident per day.
dd.	Failure to provide accurate documents and reports. (Article 23 and Exhibit 7)	\$250.00 per incident.
ee.	Failure to correct submittal of inaccurate data within three (3) Work Days (or such other agreed to time) of notification by COUNTY. (Article 23).	\$500.00 per incident per day.

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LIQUIDATED DAMAGES		
Item		Amount
ff.	Failure to obtain any approval, consent or approval of COUNTY or to notify COUNTY when required. (Various Sections)	\$250.00 per failure / per day.
gg.	Failure to cure non-compliance with the provisions of this Agreement in the manner and time set forth in this Agreement. (Various Sections)	\$150.00 per incident per day.
hh.	Failure to provide HAZWOPER First Responder, Awareness Level training. (Section 17.07)	\$1,000.00 per employee per incident.

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24.04 Procedure for Assessing Liquidated Damages.

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24.04.1

COUNTY may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representative or investigation of Customer complaints. During the first sixty (60) days of the term of this Agreement, COUNTY will allow CONTRACTOR up to five (5) Work Days to cure certain events related to the provision of Collection Services prior to assessing liquidated damages as set forth herein. However, no such consideration shall be given to events that include improper commingling of materials or failure to deliver materials to designated facilities.

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24.04.2

Prior to assessing liquidated damages, COUNTY shall give CONTRACTOR notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. CONTRACTOR may review (and make copies at its own expense) all information in the possession of COUNTY relating to incident(s)/non-performance. CONTRACTOR may, within ten (10) Work Days after receiving notice, request a meeting with COUNTY to present evidence regarding the accuracy of the facts related to the incident. If a meeting is requested, it shall be held by the Contract Administrator or his/her designee. CONTRACTOR may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. The Contract Administrator or designee will provide CONTRACTOR with a written explanation of his or her determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Contract Administrator or designee may be appealed to the COUNTY Board. The decision of the COUNTY Board shall be final and CONTRACTOR shall have been deemed to have exhausted its administrative remedies and can thereafter challenge the decision of the County Board in the Superior Court of the County of Monterey, State of California.

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24.04.3

COUNTY may assess liquidated damages for each calendar day or event, as appropriate, CONTRACTOR is determined to be liable in accordance with this Agreement.

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24.04.4

CONTRACTOR shall pay any liquidated damages assessed by COUNTY within ten (10) Work Day days after they are assessed. If they are not paid within the ten (10) day period, COUNTY may proceed against the letter of credit or performance bond required by the Agreement or terminate the franchise granted by this Agreement, or both.

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## Article 25. Compliance with Laws and Permits

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25.01 Compliance with Law. CONTRACTOR shall comply, at its own expense, fully and faithfully with all local, state, and federal laws, ordinances, regulations and permit requirements, including the COUNTY Code as may be amended from time to time, applicable to its performance under this Agreement, or in any way related to CONTRACTOR'S performance of the services required under this Agreement.

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25.02 Permits, Authorizations, and Licenses. CONTRACTOR shall obtain, and shall maintain throughout the term of this Agreement, at CONTRACTOR'S sole expense, all necessary permits, licenses, inspections, and approvals required for CONTRACTOR to perform all the work and services agreed to be performed by CONTRACTOR pursuant to this Agreement. CONTRACTOR shall show proof of such permits, licenses, or approval and shall demonstrate compliance with the terms and conditions of such permits, license, or approvals upon request of COUNTY.

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## Article 26. Independent CONTRACTOR

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26.01 In the performance of services pursuant to this Agreement, CONTRACTOR shall be an independent contractor and not an officer, agent, servant or employee of COUNTY. CONTRACTOR shall have exclusive control of the details of the services and work performed and over all persons performing such services and work. CONTRACTOR shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors, if any. Neither CONTRACTOR nor its officers, employees, agents, contractors or subcontractors shall obtain any right to retirement benefits, workers compensation benefits, or any other benefits which accrue to COUNTY employees. CONTRACTOR expressly waives any claim it may have or acquire to such benefits.

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## Article 27. Default of Agreement

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27.01 Termination. COUNTY may cancel this Agreement, except as otherwise provided below in this Article, by giving CONTRACTOR thirty (30) calendar days advance written notice, to be served as provided in Article 34.05, upon the occurrence of any one of the following events:

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27.01.1 Insolvency. CONTRACTOR takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy (court) or a petition or answer seeking reorganization or readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or any state thereof, or consents to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

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27.01.2 Bankruptcy. By order or decree of a Court, CONTRACTOR is adjudged bankrupt or an order is made approving a petition filed by any of its creditors or by any of the stockholders of CONTRACTOR, seeking reorganization or readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any state thereof, provided that if any such judgment or order is stayed or vacated within sixty (60) calendar days after the entry thereof, any notice of default shall become null, void and of no effect, unless such stayed judgment or order is reinstated in which case, said default shall be deemed immediate; or

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2666                    27.01.3        Receivership. By, or pursuant to, or under the authority of any  
2667 legislative act, resolution or rule or any order or decree of any Court or governmental board,  
2668 agency or officer having jurisdiction, a receiver, trustee or liquidator takes possession or control  
2669 of all or substantially all of the property of CONTRACTOR, and such possession or control  
2670 continues in effect for a period of sixty (60) calendar days; or

2671                    27.01.4        Refusal to pay liquidated damages. CONTRACTOR has  
2672 defaulted, by failing or refusing to pay in a timely manner the liquidated damages or other  
2673 monies due COUNTY and said default is not cured within thirty (30) calendar days of receipt of  
2674 written notice by COUNTY to do so; or

2675                    27.01.5        Final Judgment Unsatisfied. CONTRACTOR has defaulted by  
2676 allowing any final judgment for the payment of money to COUNTY stand against it unsatisfied  
2677 and said default is not cured within thirty (30) calendar days of entry of judgment or receipt of  
2678 written notice by COUNTY to do so, whichever date occurs earlier; or

2679                    27.01.6        Failure to Perform. CONTRACTOR has failed or refused to  
2680 perform or observe the terms, conditions or covenants in this Agreement, including satisfactory  
2681 compliance with the requirements of the service levels prescribed herein, or any of the rules and  
2682 regulations promulgated by COUNTY pursuant thereto or has wrongfully failed or refused to  
2683 comply with the instructions of the Contract Administrator relative thereto and; said default is not  
2684 cured within thirty (30) calendar days of receipt of written notice by COUNTY to do so; or, if by  
2685 reason of the nature of such default, the same cannot be remedied within thirty (30) calendar  
2686 days following receipt by CONTRACTOR of written demand from COUNTY to do so,  
2687 CONTRACTOR fails to commence the remedy of such default within said thirty (30) calendar  
2688 days following such written notice or having so commenced, fails thereafter to diligently pursue  
2689 a cure to the default.

2690                    27.02 Performance Bond or Letter of Credit. In the event that the monies due  
2691 COUNTY under Article 27.01.4 above or an unsatisfied final judgment under Article 27.01.5  
2692 above is the subject of a judicial proceeding, COUNTY may, at its option call the performance  
2693 bond or letter of credit, or hold CONTRACTOR in default of this Agreement. All bonds shall be  
2694 in the form acceptable to the COUNTY Attorney; or

2695                    27.03 Burden of Proof. In any dispute concerning failure to remedy or diligence in  
2696 pursuing a cure, CONTRACTOR shall have the burden of proof to demonstrate: (a) that the  
2697 default cannot be cured within thirty (30) calendar days, and (b) that it is proceeding with  
2698 diligence to cure said default, and such default will be cured within a reasonable period of time.

2699                    27.04 Interim Collection Services. In the event CONTRACTOR fails to provide  
2700 Collection Services for a period of three (3) consecutive Work Days, on the fourth (4th) Work  
2701 Day, COUNTY may secure CONTRACTOR'S equipment, records and other property used or  
2702 useful in providing Collection Services under this Agreement in order to provide interim  
2703 Collection Services until such time as the matter is resolved and CONTRACTOR is again able  
2704 to perform pursuant to this Agreement. If CONTRACTOR is unable for any reason or cause to  
2705 resume performance at the end of thirty (30) calendar days all liability of COUNTY under this  
2706 Agreement to CONTRACTOR shall cease and this Agreement may be deemed terminated by  
2707 COUNTY, and COUNTY shall retain equipment, records and other property used in providing  
2708 Collection Services on an interim basis until COUNTY has made other suitable arrangements  
2709 for the provision of Collection Services, which may include award of this Agreement to another  
2710 contractor.

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2711           27.05 Business Records. In the event that the Agreement is terminated,  
2712 CONTRACTOR shall furnish COUNTY with immediate access to all of its business records  
2713 related to its Customer and billing accounts for Collection Services.

2714           27.06 Violations. Notwithstanding the foregoing and as supplemental and additional  
2715 means of termination of this Agreement under this Article, in the event CONTRACTOR'S record  
2716 of performance shows CONTRACTOR has frequently, regularly or repetitively defaulted in the  
2717 performance of any of the covenants and conditions required herein to be kept and performed  
2718 by CONTRACTOR in the opinion of COUNTY, and regardless of whether CONTRACTOR has  
2719 corrected each individual condition of default, CONTRACTOR shall be deemed a "habitual  
2720 violator". If CONTRACTOR is deemed a habitual violator in the opinion of COUNTY,  
2721 CONTRACTOR shall be deemed to have waived the right to any further notice or grace period  
2722 to correct, and all of said defaults shall be considered cumulative and collectively shall  
2723 constitute a condition of irredeemable default. COUNTY shall thereupon issue CONTRACTOR  
2724 a final warning citing the circumstances. Any single default by CONTRACTOR of whatever  
2725 nature, subsequent to the occurrence of the last of said cumulative defaults, shall be grounds  
2726 for immediate termination of this Agreement. A history of liquidated damages imposed pursuant  
2727 to Article 24 may be used as a basis for deeming CONTRACTOR as a habitual violator. Any  
2728 failure by COUNTY to have imposed liquidated damages where applicable shall not prevent  
2729 COUNTY from considering CONTRACTOR'S underlying failures in any determination by  
2730 COUNTY that CONTRACTOR shall be deemed as a habitual violator. In the event of any  
2731 default, COUNTY may terminate this Agreement upon final, written notice of cancellation to  
2732 CONTRACTOR, to be effective upon the date specified in COUNTY'S written notice to  
2733 CONTRACTOR. All contractual fees due, plus any and all charges and interest, shall be  
2734 payable to said date, and CONTRACTOR shall have no further rights. Immediately upon the  
2735 specified date in such final notice, CONTRACTOR shall cease any further performance under  
2736 this Agreement.

2737           27.07 Effective Date. In the event of any of the events specified above, and except as  
2738 otherwise provided in this Article, termination shall be effective upon the date specified in  
2739 COUNTY'S written notice to CONTRACTOR and upon said date this Agreement shall be  
2740 deemed immediately terminated and upon such termination all liability of COUNTY under this  
2741 Agreement to CONTRACTOR shall cease, and COUNTY shall have the right to call the  
2742 performance bond or letter of credit and shall be free to negotiate with other contractors for the  
2743 Services specified in this Agreement. For failure to perform under the terms of this Agreement,  
2744 CONTRACTOR shall reimburse COUNTY all direct and indirect costs of providing interim  
2745 Collection Services.

2746           27.08 Immediate Termination. COUNTY may terminate this Agreement immediately  
2747 upon written notice to CONTRACTOR in the event CONTRACTOR fails to provide and maintain  
2748 the performance bond or letter of credit as required by this Agreement, CONTRACTOR fails to  
2749 obtain or maintain insurance policies and/or endorsements as required by this Agreement, or  
2750 CONTRACTOR fails to provide the proof of insurance as required by this Agreement.

2751           27.09 Termination Cumulative. COUNTY'S right to terminate this Agreement is  
2752 cumulative to any other rights and remedies provided by law or by this Agreement.

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## Article 28. Assignment

2754           28.01 No assignment of this Agreement or any right occurring under this Agreement  
2755 shall be made in whole or in part by CONTRACTOR without the express written consent of

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2756 COUNTY. COUNTY shall have full discretion to approve or deny, with or without cause, any  
2757 proposed or actual assignment by CONTRACTOR. Any assignment of this Agreement made by  
2758 CONTRACTOR without the express written consent of COUNTY shall be null and void and shall  
2759 be grounds for COUNTY to declare a default of this Agreement and immediately terminate this  
2760 Agreement by giving written notice to CONTRACTOR. Upon the date of such notice, this  
2761 Agreement shall be deemed immediately terminated. Upon such termination all liability of  
2762 COUNTY under this Agreement to CONTRACTOR shall cease. COUNTY shall have the right  
2763 to call the performance bond or letter of credit and shall be free to negotiate with other  
2764 contractors, or any other person or company for the service which is the subject of this  
2765 Agreement. In the event of any assignment approved by COUNTY, the assignee shall fully  
2766 assume all the duties, responsibilities and liabilities of CONTRACTOR set forth in this  
2767 Agreement.

2768 28.02 The use of a subcontractor to perform services under this Agreement shall not  
2769 constitute delegation of CONTRACTOR'S duties provided that CONTRACTOR has received  
2770 prior written authorization from the Contract Administrator to subcontract such services and the  
2771 Contract Administrator has approved a subcontractor who will perform such services.  
2772 CONTRACTOR shall be responsible for directing the work of CONTRACTOR'S subcontractors  
2773 and any compensation due or payable to CONTRACTOR'S subcontractor shall be the sole  
2774 responsibility of CONTRACTOR. The Contract Administrator shall have the right to require the  
2775 removal of any approved subcontractor for reasonable cause.

2776 28.03 For purposes of this Article when used in reference to CONTRACTOR,  
2777 "assignment" shall include, but not be limited to (i) a sale, exchange or other transfer of at least  
2778 fifty-one percent (51%) of CONTRACTOR'S assets dedicated to service under this Agreement  
2779 to a third party; (ii) a sale, exchange or other transfer of outstanding common stock of  
2780 CONTRACTOR to a third party provided said sale, exchange or transfer results in a change of  
2781 control of CONTRACTOR (with control being defined as ownership of more than fifty percent  
2782 (50%) of CONTRACTOR'S voting securities); (iii) any dissolution, reorganization, consolidation,  
2783 merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow  
2784 arrangement, liquidation, subcontracting or lease-back payments, or other transaction which  
2785 results in a change of control of CONTRACTOR; (iv) any assignment by operation of law,  
2786 including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of  
2787 attachment for an execution being levied against this Agreement, appointment of a receiver  
2788 taking possession of CONTRACTOR'S property, or transfer occurring in the event of a probate  
2789 proceeding; and (v) any combination of the foregoing (whether or not in related or  
2790 contemporaneous transactions) which has the effect of any such transfer or change of control of  
2791 CONTRACTOR.

2792 28.04 CONTRACTOR acknowledges that this Agreement involves rendering a vital  
2793 service to COUNTY'S residents and businesses, and that COUNTY has selected  
2794 CONTRACTOR to perform the services specified herein based on (i) CONTRACTOR'S  
2795 experience, skill and reputation for conducting its Solid Waste Collection Services in a safe,  
2796 effective and responsible fashion, at all times in keeping with applicable environmental laws,  
2797 regulations and best Solid Waste Collection Service practices, and (ii) CONTRACTOR'S  
2798 financial resources to maintain the required equipment and to support its indemnity obligations  
2799 to COUNTY under this Agreement. CONTRACTOR acknowledges that COUNTY has relied on  
2800 each of these factors, among others, in choosing CONTRACTOR to perform the services to be  
2801 rendered by CONTRACTOR under this Agreement.

2802 **Article 29. Indemnities, Insurance, Bonds**

2803 29.01 Insurance.

2804 29.01.1 Coverage Requirements. Without limiting its Indemnities,  
2805 CONTRACTOR will secure and maintain insurance coverage meeting the following  
2806 requirements. CONTRACTOR may use a combination of primary and excess insurance  
2807 coverage to satisfy these requirements. If CONTRACTOR fails to fully satisfy the Coverage  
2808 Requirements set forth in this Article 29, CONTRACTOR agrees that it shall be liable for any  
2809 loss, injury, damage, attorney's fees or defense costs, or expenses, that the COUNTY incurs  
2810 that would have been insurable under the required coverages, if such coverages were obtained.  
2811 CONTRACTOR further agrees that any failure of the COUNTY to verify the placement and  
2812 continued existence of all insurance required under this Article 29, or the COUNTY'S knowledge  
2813 that such requirements are not fully satisfied, shall not be considered a waiver of such  
2814 requirements, or in any way alter CONTRACTOR'S obligations to provide such coverages,  
2815 unless the Coverage Requirements have been amended in a writing properly executed by both  
2816 the COUNTY and CONTRACTOR.

2817 CONTRACTOR further agrees that the General Liability Insurance, Pollution Liability Insurance,  
2818 and Automobile Liability Insurance required within Article 29 shall each include provisions, either  
2819 by blanket endorsement(s), or by specific endorsement(s), satisfying the following requirements  
2820 to be documented pursuant to section 29.01.4.2:

2821 - "The County of Monterey, and its agents, officers, and employees" shall be an  
2822 additional insured under an ISO CG 2010 11/85 form, or a functional equivalent;

2823 - all such insurance shall include a waiver of any subrogation rights of that insurer  
2824 against "The County of Monterey, and its agents, officers, and employees"; and

2825 - all such insurance shall contain provisions that the insurance is primary and non-  
2826 contributing with any other insurance or self-insurance programs maintained by the County of  
2827 Monterey, and its agents, officers, and/or employees.

2828 CONTRACTOR further agrees that the General Liability Insurance, Pollution Liability Insurance,  
2829 and Automobile Liability Insurance required within this Article 29 shall each include provisions  
2830 that make the CONTRACTOR responsible for the payment of any deductible or self-insured  
2831 retention such that the County of Monterey and its agents, officers, and employees shall be  
2832 entitled to a dollar-one defense and indemnity as additional insureds.

2833 In addition, to the extent that any primary or excess liability policy issued to CONTRACTOR with  
2834 limits of liability in excess of the minimum limits stated below provides coverage to an additional  
2835 insured to the extent required by contract, this contract shall be construed to obligate  
2836 CONTRACTOR to obtain additional insured protection for the COUNTY under that/those  
2837 policy(ies).

2838 29.01.1.1 General Liability Insurance written on ISO policy form CG 00  
2839 01 (occurrence) or its equivalent (and not CG 00 02 claims made) with limits of not less than the  
2840 following:

- 2841 • General Aggregate: \$6 million



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- 2842 • Products/Completion Operations Aggregate: \$6 million
- 2843 • Personal and Advertising Injury: \$5 million
- 2844 • Each Occurrence: \$5 million

2845 The general liability policy must provide contractual liability  
2846 coverage for CONTRACTOR'S Indemnities under Section 29.02, by endorsement, schedule or  
2847 other documentation, if necessary to provide coverage.

2848 29.01.1.2 Pollution Legal Liability Coverage with a limit of not less than  
2849 \$ 50 million per occurrence, including any deductible or self-insured retention, covering loss  
2850 (including cleanup costs) that CONTRACTOR becomes legally obligated to pay as a result of  
2851 claims for bodily injury, property damage, and cleanup costs (including expenses required by  
2852 environmental laws or incurred by federal, state, or local governments or third parties) that arise  
2853 or are alleged to arise from pollution conditions related to CONTRACTOR'S performance of its  
2854 obligations under this AGREEMENT, including the loading, unloading, or transportation of  
2855 cargo/waste, and including a defense for all such claims. For the purpose of this subsection,  
2856 "pollution conditions" includes the dispersal, discharge, release, or escape of any solid, liquid,  
2857 gaseous or thermal irritant or contaminant (such as smoke, vapors, soot, fumes, acids, alkalis,  
2858 toxic chemicals, medical waste, and waste materials) into or upon land, any structure on land,  
2859 the atmosphere, or any watercourse or body of water (including groundwater), provided the  
2860 conditions are not naturally present in the environment in the amounts or concentrations  
2861 discovered.

2862 The liability coverage for pollution must provide contractual liability coverage, by endorsement  
2863 or schedule, if necessary, for CONTRACTOR'S Indemnities.

2864 29.01.1.3 Automobile Liability Coverage

- 2865 • written on ISO policy forms CA 00 12 pr CA 00 20 (or their equivalent)  
2866 with a limit of liability not less than \$10 million for each accident,  
2867 including any deductibles or self-insured retentions;
- 2868 • endorsed to delete the pollution and/or the asbestos exclusion and  
2869 include pollution liability (using form CA 99 48 or its equivalent) for  
2870 accidental spills and discharges while transporting and/or processing  
2871 materials, unless such coverage is otherwise provided under the  
2872 Pollution Legal Liability Coverage; and
- 2873 • covering all Vehicles (any auto).

2874 If CONTRACTOR is subject to federal regulations, CONTRACTOR also will maintain any other  
2875 coverage necessary to satisfy state or federal financial responsibility requirements.

2876 29.01.1.4 Workers' Compensation and Employers' Liability  
2877 insurance providing workers' compensation benefits required by the California Labor Code  
2878 or by any other state labor law, and for which CONTRACTOR is responsible, and  
2879 Employers' Liability coverage with limits of not less than the following:

- 2880 • Each accident: \$1 million
- 2881 • Disease - policy limit: \$1 million
- 2882 • Disease - each employee: \$1 million

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2883 29.01.1.5 Blanket Crime Coverage including limits of not less than  
2884 twenty-five million dollars (\$25 Million) for incidents of employee theft covering losses of  
2885 Customer service charges received from Customers and held by Contractor prior to remittance  
2886 of Contractor payment obligations therefrom to County, with the County to be a Loss Payee  
2887 under such coverage, to the extent that its interests may appear or be affected.

2888 If CONTRACTOR fails to secure and maintain any insurance  
2889 required by this Agreement, at its sole option COUNTY may secure and maintain that insurance  
2890 at its expense and CONTRACTOR will pay COUNTY the COUNTY'S reimbursement costs  
2891 therefore. This remedy is in addition to COUNTY'S right to declare a Default and terminate the  
2892 Agreement under Article 27.

2893 29.01.2 Insurer Qualifications. CONTRACTOR will secure insurance  
2894 provided by an insurer that is acceptable to the COUNTY, is an admitted company in California,  
2895 has a size category of VII or larger by A.M. Best Company, Inc., and has a rating of A or better  
2896 by A.M. Best Company, Inc. unless COUNTY provides written authorization to amend this  
2897 requirement.

2898 29.01.3 Insurance Coverage Requirements for Subcontractors. For each  
2899 subcontractor performing Collection Services, CONTRACTOR shall be responsible for  
2900 determining, and for providing evidence to the COUNTY upon its request, that either: 1)  
2901 CONTRACTOR is maintaining insurance required by this Section protecting CONTRACTOR  
2902 and COUNTY interests against liabilities caused by the acts, errors or omissions of the  
2903 subcontractor, or 2) the subcontractor is maintaining that insurance itself.

2904 29.01.4 Evidence of Coverage. CONTRACTOR will provide  
2905 endorsements, schedules and other evidence of coverage with respect to CONTRACTOR and  
2906 any subcontractor requested by and acceptable to the COUNTY, 1) on or before the Agreement  
2907 execution date, 2) Promptly upon renewal of policies, and 3) within ten (10) Work Days of  
2908 COUNTY'S request.

2909 29.01.4.1 Certificates of Insurance. CONTRACTOR will provide  
2910 certificates (or other evidence of coverage) containing at a minimum, the following information  
2911 with respect to CONTRACTOR and any subcontractor:

2912 (1) Agreement name: explicitly identify this Agreement (for example, UNDER  
2913 DESCRIPTION OF OPERATIONS), and if necessary to secure contractual liability coverage as  
2914 an "insured contract" or otherwise, include a schedule or endorsement that specifically identifies  
2915 this Agreement;

2916 (2) Types, policy numbers, policy effective / expiration dates and limits:  
2917 explicitly reference each type and corresponding limit of coverage required under this  
2918 Agreement, together with identification of each required ISO policy form or confirmation of its  
2919 equivalency to ISO policy forms required under this Agreement (such as "auto liability ISO form  
2920 CA 00 12"). Where the Agreement does not require a specific ISO policy form, the certificate of  
2921 insurance must specifically reference the required type of coverage (such as "pollution liability"  
2922 under TYPE OF INSURANCE – OTHER) together with a summary description of its coverage  
2923 (such as "pollution conditions caused by transported cargo" under SPECIAL PROVISIONS);

2924 (3) Thirty (30) days' cancellation notice: contain the express condition that  
2925 COUNTY must be given written notice by mail at least thirty (30) days in advance of cancellation  
2926 for all policies evidenced on the certificate of insurance. Endorsements cannot contain mere

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2927 "best effort" modifiers or relieve the insurer from its responsibility to give that notice and the  
2928 CANCELLATION information on the certificate of insurance must delete language such as  
2929 "failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or  
2930 representatives;"

2931 (4) Deductibles and self-insured retentions: identify any deductible and self-  
2932 insured retention. Upon COUNTY request, CONTRACTOR will reduce any self-insured  
2933 retention as it applies to any COUNTY or provide a letter of credit, certificate of deposit or other  
2934 financial assurance acceptable to COUNTY guaranteeing payment of all retained losses and  
2935 related costs and expenses related to investigations, claims administrations, and legal defense.  
2936 The letter of credit or certificate of deposit must be provided by a bank satisfactory to COUNTY;  
2937 and

2938 (5) Claims made: if any insurance coverage is written on a claims-made form  
2939 (such as pollution liability), evidence that the "retro date" is before the Agreement execution  
2940 date. CONTRACTOR must maintain that coverage for at least five (5) years after the  
2941 termination date. Promptly upon COUNTY request, CONTRACTOR must provide COUNTY  
2942 with evidence of that coverage. THIS PROVISION SURVIVES THE TERMINATION OF THIS  
2943 AGREEMENT. CONTRACTOR shall continue to be responsible for having the COUNTY  
2944 designated as an additional insured on all such policies.

2945 29.01.4.2 Endorsements. CONTRACTOR must provide copies of the  
2946 following endorsements or other documentation with respect to CONTRACTOR and any  
2947 Subcontractor satisfactory to COUNTY; 1) additional insured endorsement to each liability  
2948 policy, explicitly adding COUNTY and its "officers, agents, and employees" as additional  
2949 insured; 2) waiver of subrogation; and 3) insurance is primary and not contributing with any  
2950 other Insurance or self-insurance programs maintained by COUNTY and its officers and  
2951 employees.

2952 29.01.4.3 Schedules. CONTRACTOR must provide schedules or  
2953 other evidence including, but not limited to, General Liability Insurance Policy form language  
2954 that liability policies of CONTRACTOR and any Subcontractor provide contractual liability  
2955 coverage for indemnities, such as listing this Agreement as an "insured contract."

2956 29.01.4.4 Signature verification. At COUNTY'S request,  
2957 CONTRACTOR must provide documentation verifying that the individual signing or  
2958 countersigning the certificates, policies, endorsements, or other evidence of coverage of  
2959 CONTRACTOR and any subcontractor is authorized to do so and identifies his or her company  
2960 affiliation and title. COUNTY may require complete copies of CONTRACTOR'S insurance  
2961 policies at any time.

2962 29.01.5 Notice of claims. If any Person makes a claim against  
2963 CONTRACTOR or any subcontractor exceeding the amount of any deductibles or self-insured  
2964 retentions, CONTRACTOR will promptly notify COUNTY of the claim.

2965 29.02 CONTRACTOR Indemnity, Defense and Release.

2966 29.02.1 General. CONTRACTOR shall indemnify, defend, and hold  
2967 harmless the COUNTY, its officers, agents, and employees, from and against any and all  
2968 claims, liabilities, and losses whatsoever (including damages to property and injuries to or death  
2969 of persons, court costs, and reasonable attorneys' fees) occurring or resulting or alleged to be  
2970 occurring or resulting, to any and all persons, firms or corporations furnishing or supplying work,

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2971 services, materials, or supplies in connection with the CONTRACTOR'S performance of its  
2972 obligations under this AGREEMENT, and from any and all claims, liabilities, and losses  
2973 occurring or resulting or alleged to be occurring or resulting, to any person, firm, or corporation  
2974 for damage, injury, or death arising out of or connected with the CONTRACTOR'S performance  
2975 of its obligations under this AGREEMENT, unless such claims, liabilities, or losses arise out of  
2976 the sole negligence or willful misconduct of COUNTY. "CONTRACTOR'S performance"  
2977 includes CONTRACTOR'S action or inaction and the action or inaction of CONTRACTOR'S  
2978 officers, employees, agents and subcontractors.

2979 Notwithstanding anything to the contrary in the forgoing provision, the indemnity obligations of  
2980 CONTRACTOR herein shall not in any way extend to indemnifying and/or defending the  
2981 COUNTY for or against any claim, liability, damages, liens, penalties, or any costs or obligations  
2982 whatsoever arising from, or related to, the COUNTY'S setting of rates or fees under this  
2983 Agreement in connection with Proposition 218, Article XIIC and Article XIID of the California  
2984 Constitution. However, CONTRACTOR shall indemnify and/or defend the COUNTY in any and  
2985 all cases where CONTRACTOR has initiated a request for a rate or fee increase, which is  
2986 approved by the COUNTY Board of Supervisors and the COUNTY is named as a party in any  
2987 such claim, and/or administrative or litigation action.

2988                   29.02.2        Reimbursement of Enforcement Costs. If CONTRACTOR fails to  
2989 pay any Indemnities and that failure results in any costs to COUNTY, within fifteen (15) days of  
2990 COUNTY'S request, CONTRACTOR will pay COUNTY'S reimbursement costs for those costs.

2991                   29.02.3        Indemnity From Employee Dishonesty. If any payments received  
2992 by CONTRACTOR from Customers are lost, embezzled, or are otherwise improperly diverted  
2993 as a result of the dishonesty of any employee of CONTRACTOR, before CONTRACTOR  
2994 delivers the required remittance to the COUNTY from such payments, then CONTRACTOR  
2995 shall not be relieved of its responsibility to make such remittances to the COUNTY, and  
2996 CONTRACTOR shall indemnify and make whole the COUNTY from any such losses

2997    **Article 30. Performance Bond.**

2998                   30.01 Performance Bond. CONTRACTOR shall furnish, and keep current during the  
2999 term of this Agreement, a performance bond to ensure performance of this Agreement and each  
3000 and every condition of this Agreement in a form acceptable to COUNTY no more than thirty (30)  
3001 days after execution of this Agreement. The performance bond shall be equal to Five Million  
3002 Dollars (\$5,000,000) and remain in force for the duration of this Agreement. The premium for  
3003 the bond described above shall be paid by CONTRACTOR. The Surety or Sureties shall be a  
3004 company or companies satisfactory to COUNTY and shall be duly authorized to conduct  
3005 business in the State of California.

3006                   30.02 Letter of Credit. As an alternative to the performance bond required by Section  
3007 30.01, CONTRACTOR may provide for the issuance of an irrevocable standby letter of credit in  
3008 the amount of Five Million Dollars (\$5,000,000) by a bank approved by COUNTY in its sole  
3009 discretion (the "Bank"), for the benefit of COUNTY. The letter of credit must authorize the  
3010 beneficiary COUNTY to draw, in one or more drawings, not less than Five Million Dollars  
3011 (\$5,000,000) at the sole discretion of COUNTY.

3012                   30.02.1        THIS SECTION WILL SURVIVE THE TERMINATION OF THE  
3013 AGREEMENT. The form of the letter of credit, including the procedures for and place of

3014 demand for payment and drawing certificate attached thereto, must be in a form acceptable to  
3015 COUNTY. The letter of credit must be transferable to any successor or assign of COUNTY.

3016 **Article 31. COUNTY Right to Perform Service**

3017 31.01 Right to Perform. In the event CONTRACTOR, for any reason whatsoever, fails,  
3018 refuses, or is unable to Collect, transport, or Dispose of any or all Solid Waste, Recyclables,  
3019 Green Waste, Bulky Items, Universal Waste, E-Waste, CED's, Used Oil and Used Oil Filters  
3020 and/or Construction and Demolition Debris which is required by this Agreement, at the time and  
3021 in the manner provided in this Agreement, for a period of more than forty-eight (48) hours, and  
3022 if, as a result thereof, any or all of these materials should accumulate in COUNTY to such an  
3023 extent, in such a manner, or for such a time that COUNTY should find that such accumulation  
3024 endangers or menaces the public health, safety, or welfare or upon CONTRACTOR default as  
3025 set forth in Article 27, then COUNTY shall have the right, even if CONTRACTOR is not in  
3026 breach of this Agreement, but not the obligation, upon twenty-four (24) hours prior written notice  
3027 to CONTRACTOR during the period of such emergency as determined by COUNTY, (i) to  
3028 perform, or cause to be performed, such services itself with its own or other personnel and  
3029 equipment without liability to CONTRACTOR; and/or (ii) to take possession of any or all of  
3030 CONTRACTOR owned equipment or licensed equipment and utilize other property owned by  
3031 CONTRACTOR used or useful in the Collection, transportation, and Disposal or processing of  
3032 Solid Waste, Recyclables, Green Waste, Christmas Trees, Bulky Items, Universal Waste, E-  
3033 Waste, CED's, Used Oil and Used Oil Filters and/or Construction and Demolition Debris and to  
3034 use such property to Collect, transport, and Dispose any Solid Waste, Recyclables, Green  
3035 Waste, Christmas Trees, Bulky Items, Universal Waste, E-Waste, CED's, Used Oil and Used Oil  
3036 Filters and/or Construction and Demolition Debris generated within the Service Area which  
3037 CONTRACTOR would otherwise be obligated to Collect, transport, and properly Dispose or  
3038 process pursuant to this Agreement. In such an event, CONTRACTOR shall immediately make  
3039 available to COUNTY a listing and description, including street names, of all Collection Service  
3040 Collection routes.

3041 31.02 CONTRACTOR'S Notice. Notice of CONTRACTOR'S failure, refusal, or neglect  
3042 to Collect, transport, and properly Dispose or process Solid Waste, Recyclables, Green Waste,  
3043 Christmas Trees, Bulky Items, Universal Waste, E-Waste, CED's, Used Oil and Used Oil Filters  
3044 and/or Construction and Demolition Debris may be given verbally by telephone to  
3045 CONTRACTOR at its principal office and shall be effective immediately. Written confirmation of  
3046 such verbal notification shall be sent to CONTRACTOR within twenty-four (24) hours of the  
3047 verbal notification.

3048 31.03 CONTRACTOR further agrees in such event:

3049 31.03.1 It will take direction from COUNTY to effect the transfer of  
3050 possession of equipment and property to COUNTY for COUNTY'S use.

3051 31.03.2 It will, if COUNTY so requests, keep in good repair and condition  
3052 all of such equipment, provide all such equipment all with fuel, oil, and other service, and  
3053 provide such other service as may be necessary to maintain said property in operational  
3054 condition.

3055 31.03.3 Subject to any labor agreements then in effect, COUNTY may  
3056 immediately engage all or any personnel necessary or useful for the Collection and  
3057 transportation of Solid Waste, Recyclables, Green Waste, Christmas Trees, Bulky Items,

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3058 Construction and Demolition Debris and/or other materials, including, if COUNTY so desires,  
3059 employees previously or then employed by CONTRACTOR. CONTRACTOR further agrees, if  
3060 COUNTY so requests, to furnish COUNTY the services of any or all management or office  
3061 personnel employed by CONTRACTOR whose services are necessary or useful for the  
3062 provision of Collection Services and for the billing and Collection of fees for these services.

3063                   31.03.4       COUNTY agrees it assumes complete responsibility for the proper  
3064 and normal use of such equipment and facilities while in its possession.

3065                   31.03.5       If the interruption or discontinuance in service is caused by reason  
3066 of Force Majeure as described herein, COUNTY shall pay to CONTRACTOR the reasonable  
3067 rental value of equipment, possession of which is taken by COUNTY, for the period of  
3068 COUNTY'S possession, if any, which extends beyond the period of time for which  
3069 CONTRACTOR has rendered bills in advance of service, for the class of service involved. In  
3070 any other circumstance where COUNTY provides service under this Article, COUNTY shall  
3071 have no liability to CONTRACTOR and COUNTY will have all of the other remedies available to  
3072 it under this Agreement or by law.

3073                   31.04 Temporary Possession of CONTRACTOR'S Equipment and Personnel. If  
3074 COUNTY suffers an interruption or discontinuance of service, COUNTY may take possession of  
3075 and use all of CONTRACTOR'S equipment and personnel described above until other suitable  
3076 arrangements can be made for the provision of Collection Services which may include the grant  
3077 of a franchise to another company.

3078                   31.05 Billing and Compensation to COUNTY During COUNTY'S Possession. During  
3079 such time as COUNTY is providing Collection Services, as above provided, CONTRACTOR  
3080 shall bill and collect payment from all users of the above-mentioned services. CONTRACTOR  
3081 further agrees that, in such event, it shall reimburse COUNTY for any and all costs and  
3082 expenses incurred by COUNTY in taking over possession of the above-mentioned equipment  
3083 and property for Collection Services in such manner and to an extent as would otherwise be  
3084 required of CONTRACTOR under the terms of this Agreement. Such reimbursement shall be  
3085 made from time to time after submission by COUNTY to CONTRACTOR of each statement  
3086 listing such costs and expenses, but in no event later than five (5) Work Days from and after  
3087 each such submission.

3088                   31.06 COUNTY'S Right to Relinquish Possession. It is further mutually agreed  
3089 COUNTY may, at any time, at its discretion, relinquish possession of any or all of the above-  
3090 mentioned equipment or personnel to CONTRACTOR and thereupon demand CONTRACTOR  
3091 resume Collection Services as provided in this Agreement, whereupon CONTRACTOR shall be  
3092 bound to resume the same.

3093                   31.07 COUNTY'S Possession Not a Taking. COUNTY'S exercise of its rights under  
3094 this Article (i) does not constitute a taking of private property for which compensation must be  
3095 paid; (ii) will not create any liability on the part of COUNTY to CONTRACTOR; and (iii) does not  
3096 exempt CONTRACTOR from the indemnity provisions of this Agreement, which are meant to  
3097 extend to circumstances arising under this Section, provided CONTRACTOR is not required to  
3098 indemnify COUNTY against claims and damages arising from the sole negligence of COUNTY,  
3099 its elective and appointive boards, commissions, officers, employees, agents and volunteers in  
3100 the operation of Collection Service vehicles during the time COUNTY has taken possession of  
3101 such Collection Service vehicles.

3102           31.08 Duration of COUNTY'S Possession. COUNTY'S right pursuant to this Article to  
3103 retain temporary possession of CONTRACTOR'S facilities and equipment and to render  
3104 Collection Services shall terminate when COUNTY determines such services can be resumed  
3105 by CONTRACTOR, or when COUNTY no longer reasonably requires such property or  
3106 equipment. In any case, COUNTY has no obligation to maintain possession of  
3107 CONTRACTOR'S property or equipment and/or continue its use for any period of time and may  
3108 at any time, in its sole discretion, relinquish possession to CONTRACTOR.

3109                                   **Article 32. Strikes and Similar Labor Actions**

3110           32.01 Strikes. In the event of a strike or similar labor action, but not including a lockout  
3111 as set forth in Section 32.02 below, whereby employees of CONTRACTOR refuse to perform  
3112 work for CONTRACTOR at normally anticipated levels or efficiency (a "strike") which affects the  
3113 ability of CONTRACTOR to provide Collection Services within the Service Area in accordance  
3114 with this Agreement, the following guidelines shall apply:

3115                   32.01.1           In conjunction with the execution of this Agreement,  
3116 CONTRACTOR has discussed with COUNTY a strike contingency plan. From time to time  
3117 during the term of this Agreement, CONTRACTOR and COUNTY shall meet to discuss changes  
3118 to the strike contingency plan.

3119                   32.01.2           Within twelve (12) hours of notification to CONTRACTOR by labor  
3120 that it has authorized a strike, CONTRACTOR shall notify Contract Administrator, by phone and  
3121 email.

3122                   32.01.3           Within three (3) Work Days of a strike, if CONTRACTOR is not  
3123 providing Collection Services in accordance with normal scheduled pick ups, CONTRACTOR  
3124 shall meet with COUNTY to develop a strike implementation plan.

3125                   32.01.4           Within five (5) Work Days of a strike, if CONTRACTOR is not  
3126 providing Collection Services in accordance with the normal schedules and volumes set forth in  
3127 this Agreement, or the schedules and volumes in the agreed-upon strike implementation plan, if  
3128 such plan has been agreed to by COUNTY, COUNTY shall have the right, but not the  
3129 obligation, to bring in outside forces to provide Collection Services which are not being provided  
3130 by CONTRACTOR and charge CONTRACTOR for the reasonable direct and indirect expenses  
3131 (including administrative and overhead) incurred by COUNTY in this regard.

3132                   32.01.5           Within ten (10) Work Days of a strike, CONTRACTOR is to use  
3133 commercially reasonable efforts to bring in alternate work forces and provide Collection  
3134 Services in accordance with the normal schedules and volumes set forth in this Agreement, or  
3135 the schedules and volumes in the agreed-upon strike implementation plan, if such plan has  
3136 been agreed to by COUNTY.

3137                   32.01.5.1       In the event CONTRACTOR'S alternate work force is unable  
3138 to provide Collection Services in accordance with the normal schedules, volumes and routing  
3139 set forth in this Agreement, or the schedules, volumes and routing in the agreed-upon strike  
3140 implementation plan, if such plan has been agreed to by COUNTY, COUNTY shall have the  
3141 right, but not the obligation, to bring in outside forces to provide Collection Services which are  
3142 not being provided by CONTRACTOR and charge CONTRACTOR for the reasonable direct and  
3143 indirect expenses (including administrative and overhead) incurred by COUNTY in this regard.

3144                   32.01.6           In the event COUNTY elects to retain its own work force,  
3145 COUNTY shall discuss the alternatives with CONTRACTOR before retaining such work force.

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3146 Once COUNTY retains its own work force, COUNTY shall periodically, but not more often than  
3147 weekly, invoice CONTRACTOR for the reasonable direct and indirect expenses of retaining  
3148 such outside services and CONTRACTOR shall reimburse COUNTY for such expenses within  
3149 ten (10) Work Days of invoice. COUNTY shall have the right to charge CONTRACTOR interest  
3150 on invoices which are unpaid after ten (10) Work Days at the rate of one and one half (1.5%)  
3151 percent per month (not compounded).

3152 32.01.6.1 In the event of a strike, regardless of when and  
3153 what level a replacement work force is deployed by CONTRACTOR, CONTRACTOR shall not  
3154 be subject to liquidated damages for the first ten (10) Work Days following the actual strike.

3155 32.01.7 After thirty (30) calendar days, if there is a continuing failure to  
3156 perform Collection Services, such failure to perform shall be considered a default under Article  
3157 27 and COUNTY can cancel this Agreement between COUNTY and CONTRACTOR. In such  
3158 an event, COUNTY shall not waive its right to seek damages from CONTRACTOR for any  
3159 increase in cost of Collection incurred by COUNTY as a result of the breach of this Agreement  
3160 by CONTRACTOR and the consequential election by COUNTY to cancel this Agreement and  
3161 move forward with Collection Services alternatives.

3162 32.02 Lockout. The provisions of Section 32.01 shall not apply in the event of a lockout  
3163 by CONTRACTOR. During such lockout period, CONTRACTOR shall be required to comply  
3164 with all requirements of this Agreement and shall be subject to all provisions of this Agreement  
3165 for non-compliance without exception and specifically including liquidated damages and default.

## 3166 Article 33. Transition to Next CONTRACTOR

3167 33.01 Transition. In the event CONTRACTOR is not awarded an agreement to continue  
3168 to provide Collection Services following the expiration or early termination of this Agreement,  
3169 CONTRACTOR shall cooperate fully with COUNTY and any subsequent contractors to assure a  
3170 smooth transition of Collection Services described in this Agreement. Such cooperation shall  
3171 include but not be limited to transfer of computer data, files and tapes; providing routing  
3172 information, route maps, vehicle fleet information, and list of SFD, MFD and Commercial  
3173 Customers; providing a complete inventory of all Cans, Carts, Bins, Compactors, and Roll-off  
3174 Containers; providing adequate labor and equipment to complete performance of all Collection  
3175 Services required under this Agreement; taking all actions necessary to remove or, to the extent  
3176 required under the terms of this Agreement, transfer ownership of Cans, Carts, Bins,  
3177 Compactors, and Roll-Off Containers as appropriate to COUNTY; including transporting such  
3178 containers to a location designated by the Contract Administrator; coordinating Collection of  
3179 materials set out in new Containers if new Containers are provided for a subsequent Agreement  
3180 and providing other reports and data required by this Agreement.

## 3181 Article 34. General Requirements

3182 34.01 Successors and Assigns. This Agreement will inure to the benefit of and be  
3183 binding on the successors and permitted assigns of the parties hereto. The parties understand  
3184 and agree that any Assignment of this Agreement shall be subject to Article 28 of this  
3185 Agreement.

3186 34.02 Compliance with Laws, Regulations, Ordinances and JPA Agreement.  
3187 CONTRACTOR hereby agrees to abide with all applicable federal, state, and local laws,  
3188 ordinances, and regulations. It is understood by CONTRACTOR that COUNTY has enacted  
3189 local ordinances and is a member of two JPA's which have executed JPA Agreements for



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3190 affecting a refuse control program. It is the responsibility of CONTRACTOR to become familiar  
3191 with such federal and state laws and regulations and local ordinances and the JPA Agreements.  
3192 The parties understand and agree that if any provision of federal or state law, local ordinances  
3193 or the JPA Agreements are in conflict with this Agreement, state and federal laws and  
3194 regulations, and local ordinances shall be the governing factor in regard to performance of this  
3195 Agreement. COUNTY and CONTRACTOR agree that COUNTY has made a good faith effort to  
3196 incorporate all material requirements of the current JPA Agreements into the provisions of this  
3197 Agreement. In the event future changes or additions to state or federal laws or regulations, or  
3198 local ordinances, or the JPA Agreements affect the performance of Collection Services as set  
3199 forth in this Agreement, such changes or additions shall be considered modifications to this  
3200 Agreement as set forth in Article 22 of this Agreement.

3201           34.03 Nondiscrimination. CONTRACTOR hereby agrees to abide by all local, state and  
3202 federal laws and regulations pertaining to discrimination in employment including that no person  
3203 shall, on the grounds of race, creed, color, disability, sex, sexual orientation, national origin,  
3204 age, religion, political affiliations or any other non-merit based factors, be subject to  
3205 discrimination under this Agreement.

3206           34.04 Access to Records. CONTRACTOR shall permit access to its records of  
3207 employment, employment advertisements, application forms, and other pertinent data or  
3208 records relating to CONTRACTOR'S obligation under this Agreement, by the Fair Employment  
3209 Practices Commission, to COUNTY or any appropriate employee, department, or agent  
3210 designated by the Fair Employment Practices Commission or by COUNTY respectively, for the  
3211 purpose of investigating Contractor's compliance with the California Fair Employment Practices  
3212 Act in connection with this Agreement.

3213           34.05 Notices. Any and all notices to be given under this Agreement, or which any  
3214 party may desire to give to another, shall be in writing. Said notices shall be deemed to have  
3215 been duly given on the date of personal delivery to the other party's place of business as  
3216 designated below, as may be changed from time to time by written notice, or during regular  
3217 business hours on the date of facsimile to the parties specified below, or on the third day  
3218 following deposit in the mail in the County of Monterey, California, said deposit to be by  
3219 registered or certified mail, return receipt requested, postage prepaid, and addressed as set  
3220 forth below. In the case of a notice of communication by facsimile, the facsimile shall be sent to  
3221 the number specified below and a written copy shall be mailed or personally delivered within  
3222 three (3) Work Days of the transmittal of the facsimile.

3223           34.05.1           If to CONTRACTOR, notices required to be given by COUNTY to  
3224 CONTRACTOR will be deemed received by CONTRACTOR upon being deemed "delivered"  
3225 according to the provisions of this Section. Notice of Breach by COUNTY to CONTRACTOR  
3226 may be given to CONTRACTOR verbally or by telephone at the principal office if confirmed in  
3227 writing and delivered in person or by facsimile by noon the following day.

3228           34.05.2           Notice to CONTRACTOR shall be addressed to the following  
3229 addresses, as indicated:

3230 Name:           District Manager  
3231 Company:       Carmel Marina Corporation  
3232 Address:       11240 Commercial Parkway, Castroville, CA 95012  
3233 Telephone:     831-796-2296  
3234 Facsimile:     831-632-0491

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- 3235 and
- 3236 Name: Vice President and Group General Counsel  
3237 Company: Waste Management  
3238 Address: 7025 N. Scottsdale Road #200, Scottsdale, AZ 85253  
3239 Telephone: 480-624-8473  
3240 Facsimile: 832-668-3141
- 3241 34.05.3 If to COUNTY, to the name and address as indicated below:
- 3242 Name: Director of Health  
3243 Company: Monterey County  
3244 Address: 1270 Natividad Road, Room 5C, Salinas, CA 939096  
3245 Telephone: 831-755-4525  
3246 Facsimile: 831-755-4797
- 3247 and
- 3248 Name: Deputy County Counsel  
3249 Company: Monterey County  
3250 Address: 168 W. Alisal St. 3<sup>rd</sup> Floor, Salinas, CA 93901  
3251 Telephone: 831-755-5045  
3252 Facsimile: 831-755-5283
- 3253 34.05.4 Either party may designate a different mailing address or a  
3254 different facsimile number or telephone number by providing written notice to the other party as  
3255 provided in this Section.
- 3256 34.05.5 Notice by COUNTY to CONTRACTOR of a missed pick-up or a  
3257 Customer problem or complaint may be given to CONTRACTOR verbally, by telephone at  
3258 CONTRACTOR'S local office with written confirmation sent by facsimile or U.S. mail within  
3259 twenty-four (24) hours of the verbal notification.
- 3260 34.06 Severability. Should any article(s) or section(s), or any part thereof, later be  
3261 deemed unenforceable by a court of competent jurisdiction, the remainder of this Agreement  
3262 shall remain in full force and effect.
- 3263 34.07 No Use of COUNTY Name. CONTRACTOR will not do business as or use a  
3264 corporate, partnership, venture or other formal name, containing the name of COUNTY or  
3265 implying government ownership.
- 3266 34.08 Entire Agreement; Incorporation of Exhibits. This document incorporates and  
3267 includes all prior negotiations, correspondence, conversations, agreements, and understandings  
3268 applicable to the matters contained in this Agreement. The parties understand and agree that  
3269 there are no commitments, agreements, or understandings concerning the subject matter of this  
3270 Agreement that are not contained or referred to in this document. Accordingly, it is agreed that  
3271 no deviation from the terms of this Agreement shall be predicated upon any prior  
3272 representations or unreferenced agreements, whether verbal or written. This Agreement and  
3273 Exhibits 1-11, attached hereto and incorporated by this reference as though fully set forth herein  
3274 represent the entire agreement of COUNTY and CONTRACTOR with respect to the services to  
3275 be provided under this Agreement. No prior written or verbal statement or proposal shall alter  
3276 any term or provision of this Agreement.

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3277 34.09 Modification, Amendment or Rescission. This Agreement may be amended,  
3278 modified, or rescinded by a written agreement between CONTRACTOR and COUNTY which is  
3279 executed by their authorized representatives.

3280 34.10 Parties in Interest. Nothing in this Agreement, whether express or implied, is  
3281 intended to confer any rights on any persons other than the parties and their representatives,  
3282 successors, and permitted assigns.

3283 34.11 Advice of Counsel/Negotiated Agreement. Each of the parties has received the  
3284 advice of legal counsel prior to signing this Agreement. The parties understand and agree that  
3285 no provision or provisions of this Agreement may be subject to any rule of construction based  
3286 upon any party being considered the party "drafting" this Agreement.

3287 34.12 Interpretation. This Agreement shall be interpreted and construed reasonably in  
3288 light of the whole Agreement, and shall not be construed either strictly for or against either party,  
3289 regardless of the degree to which either party participated in its drafting.

3290 34.13 Headings and Font. Any caption or heading in this Agreement which  
3291 incorporates Exhibits 1-11 is for convenience of reference and does in any way control or affect  
3292 the scope, intent, meaning, construction, interpretation or effect of this Agreement. Any  
3293 underlined, italicized, bold-faced, upper captioned or other font style is for ease of reading and  
3294 contract administration and does not in any way imply relative importance or unimportance of  
3295 any provision of this Agreement.

3296 34.14 Waiver. Waiver of any term or condition contained in this Agreement by any  
3297 party to this Agreement shall be in writing and shall not be construed as a waiver of a  
3298 subsequent breach or failure of the same term or condition or a waiver of any other term or  
3299 condition contained in the Agreement. The subsequent acceptance by COUNTY of any fee,  
3300 tax, or any other monies which become due from CONTRACTOR to COUNTY shall not be  
3301 deemed to be a waiver by COUNTY of any breach or violation of any term, covenant, or  
3302 condition of this Agreement.

3303 34.15 Incorporation of Recitals. The Recitals to this Agreement are hereby  
3304 incorporated into this Agreement.

3305 **Article 35. Effective Date**

3306 35.01 This Agreement shall become effective at such time as it is properly executed by  
3307 COUNTY and CONTRACTOR and CONTRACTOR shall begin Collection Services, as covered  
3308 herein, in the Service Area, as set forth in Exhibit 5, commencing on November 1, 2010.

3309 **Article 36. Execution Of Agreement**

3310 36.01 Execution in Counterparts. This Agreement may be signed in any number of  
3311 original counterparts. All counterparts will constitute but one and the same Agreement.

3312 36.02 Authority to Execute.

3313 36.02.1 COUNTY warrants that its officers listed below have been duly  
3314 authorized to execute this Agreement on its behalf.

3315 36.02.2 CONTRACTOR warrants that the individuals listed below have  
3316 been duly authorized to execute this Agreement on behalf of CONTRACTOR.

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County

3317 **COUNTY OF MONTEREY**  
3318 a political subdivision  
3319 of the State of California  
3320 By: [Signature]  
3321 Len Foster, Director of Health  
3322 Date: 2-9-10

3323 APPROVED AS TO FORM & LEGALITY:  
3324 By: \_\_\_\_\_  
3325 Charles J. McKee, County Counsel  
3326 By: [Signature]  
3327 Date: 1-13-2010  
3328 Date: 1-13-2010  
3329 By: [Signature]  
3330 Mary Grace Perry, Deputy  
3331

3332 APPROVED AS TO FISCAL PROVISIONS:  
3333 By: [Signature]  
3334 Auditor / Controller  
3335 Date: Jan. 12, 2010

3336 RISK MANAGEMENT  
3337 COUNTY OF MONTEREY  
3338 APPROVED AS TO LIABILITY PROVISIONS:  
3339 APPROVED AS TO INDEMNITY/  
INSURANCE LANGUAGE  
3340 By: [Signature]  
3341 Risk Management  
3342 Date: 2/9/10

3343

**USA WASTE OF CALIFORNIA, INC.**  
**DBA CARMEL MARINA CORPORATION**  
By: [Signature]  
Barry Skolnick, Area Vice President  
Date: 12/28/09

By: [Signature]  
Robert E. Longo, Assistant Secretary  
and Group General Counsel  
Date: 12/28/09

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
Unincorporated Monterey County

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**EXHIBITS**

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## Exhibit 1 Approved Rates and Charges

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3349

Effective November 1, 2010

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3351 The Board of Supervisors may amend the Rates, whereupon the amended Rates will  
3352 automatically be deemed to apply to this Agreement without any further action.  
3353 CONTRACTOR is deemed to have knowledge of applicable law, including such Rate  
3354 resolutions or ordinances of the County Board. However, for convenience of  
3355 administering this Agreement the Parties may from time to time amend this Attachment  
3356 by attaching the most recent dated current Rate resolution or ordinance to this  
3357 Attachment.

3358 In addition, in accordance with Section 13.22 of this Agreement, if Customer requests  
3359 Collection Services at a container capacity and/or Collection frequency not provided in  
3360 the Rates adopted by the Board of Supervisors, following COUNTY Board approval of  
3361 the Contractor Service Fee Component of that Rate, CONTRACTOR may charge  
3362 Customer that Rate agreed upon with Customer.

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Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
Unincorporated Monterey County

**Form 1**  
**COLLECTION SERVICE RATES**  
**SFD COLLECTION SERVICE**

**A. SFD COLLECTION SERVICE – CURBSIDE – Monthly Rates Including Franchise Fees**

1	Solid Waste Cart Sizes (gallons)	Can	20	35	64	96
2	SFD Collection Service Rate	<u>\$25.00</u>	<u>\$20.98</u>	<u>\$25.50</u>	<u>\$39.98</u>	<u>\$49.98</u>

**B. SUBSCRIPTION ROLL-OUT CART COLLECTION SERVICE - Monthly Surcharge Including Franchise Fees**

1	Solid Waste Cart Sizes (gallons)	20	35	64	96
2	Roll-Out Collection Surcharge (based on number of carts included in default service)	<u>\$19.13</u>	<u>\$19.13</u>	<u>\$19.13</u>	<u>\$19.13</u>

**C. ADDITIONAL SERVICES (Note: The additional service fees on lines C2 – C13 (except C8) should include franchise fees.)**

1	Cart Sizes (gallons)	Can	20	35	64	96
2	Extra Curbside Solid Waste Cart	<u>\$20.00</u>	<u>\$16.78</u>	<u>\$20.40</u>	<u>\$31.98</u>	<u>\$39.98</u>
3	Extra Curbside Recyclables Cart	<u>\$12.50</u>	<u>\$10.49</u>	<u>\$12.75</u>	<u>\$19.99</u>	<u>\$24.99</u>
4	Extra Curbside Green Waste Cart	<u>\$12.50</u>	<u>\$10.49</u>	<u>\$12.75</u>	<u>\$19.99</u>	<u>\$24.99</u>
5	Extra Roll-Out Solid Waste Cart	<u>\$26.38</u>	<u>\$23.16</u>	<u>\$26.78</u>	<u>\$38.36</u>	<u>\$46.36</u>
6	Extra Roll-Out Recyclables Cart	<u>\$18.88</u>	<u>\$16.87</u>	<u>\$19.13</u>	<u>\$26.37</u>	<u>\$31.37</u>
7	Extra Roll-Out Green Waste Cart	<u>\$18.88</u>	<u>\$16.87</u>	<u>\$19.13</u>	<u>\$26.37</u>	<u>\$31.37</u>
8	Difficult to Service Customers Percentage of base rate	<u>150%</u>				
9	Additional Cart Exchange	<u>\$71.25</u>	Each additional cart/occurrence			
10	Additional Cart Replacement	<u>\$71.25</u>	Each additional cart/occurrence			
11	Excess On-Call Collection Capacity	<u>\$50.00</u>	Each additional cubic yard (beyond the limits established)			
12	Additional On-Call Collection Service	<u>\$50.00</u>	Per cubic yard for service beyond the one (1) On-call service per Calendar Year established			
13	Un-containerized Material Surcharge	<u>\$0.50</u>	Each Gallon of Un-containerized Material			
14	Excess Missed Collections	<u>50.00</u>	Any missed collection greater than 2 each full or partial calendar year			

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Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
Unincorporated Monterey County

**Form 2**  
**COLLECTION SERVICE RATES**  
**MFD CART COLLECTION SERVICE**

**A. MFD CART COLLECTION SERVICE – CURBSIDE Monthly Rates Including Franchise Fees**

1	Solid Waste Cart Sizes (gallons)	Can	20	35	64	96
2	MFD Collection Service Rate	<u>\$26.50</u>	<u>\$21.98</u>	<u>\$26.98</u>	<u>\$41.98</u>	<u>\$51.98</u>

**B. SUBSCRIPTION GREEN WASTE CART COLLECTION SERVICE - Monthly Surcharge Including Franchise Fees**

1	Green Waste Cart Sizes (gallons)			64	96
2	Green Waste Collection Surcharge			<u>\$20.99</u>	<u>\$25.99</u>

**C. ADDITIONAL SERVICES (Note: The additional service fees on lines D2 – D13, (except D8) should include franchise fees.)**

1	Cart Sizes (gallons)	Can	20	35	64	96
2	Extra Curbside Solid Waste Cart	<u>\$21.20</u>	<u>\$17.58</u>	<u>\$21.58</u>	<u>\$33.58</u>	<u>\$41.58</u>
3	Extra Curbside Recyclables Cart	<u>\$13.25</u>	<u>\$10.99</u>	<u>\$13.49</u>	<u>\$20.99</u>	<u>\$25.99</u>
4	Extra Curbside Green Waste Cart	<u>\$13.25</u>	<u>\$10.99</u>	<u>\$13.49</u>	<u>\$20.99</u>	<u>\$25.99</u>
5	Difficult to Service Customers – Percentage of base rate.	<u>150%</u>				
6	Additional Cart Exchange	<u>\$71.25</u>	Each service exchange			
7	Additional Cart Replacement	<u>\$71.25</u>	Each additional Cart replacement			
8	Excess On-Call Collection Capacity	<u>\$50.00</u>	Each additional cubic yard (beyond the limits established)			
9	Additional On-Call Collection Service Per Calendar Year	<u>\$50.00</u>	Per cubic yard for service beyond the one (1) On-call services per Calendar Year established			
10	Un-containerized Material Surcharge	<u>\$0.50</u>	Each gallon of un-containerized material			
11	Excess Missed Collections	<u>\$50.00</u>	Any missed collection greater than 2 each full or partial calendar year			

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Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
 Unincorporated Monterey County

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Form 3A COLLECTION SERVICE RATES MFD BIN COLLECTION SERVICE in the MRWMD						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
<b>A. MFD BIN COLLECTION SERVICE RATES - Including Franchise Fees</b>						
1 CY Bin	\$98.50	\$197.00	\$295.50	\$394.00	\$492.50	\$591.00
1.5 CY Bin	\$151.69	\$303.38	\$455.07	\$606.76	\$758.45	\$910.14
2 CY Bin	\$151.69	\$303.38	\$455.07	\$606.76	\$758.45	\$910.14
3 CY Bin	\$227.54	\$455.07	\$682.61	\$910.14	\$1,137.68	\$1,365.21
4 CY Bin	\$291.56	\$583.12	\$874.68	\$1,166.24	\$1,457.80	\$1,749.36
6 CY Bin	\$419.61	\$839.22	\$1,258.83	\$1,678.44	\$2,098.05	\$2,517.66
8 CY Bin	\$535.84	\$1,071.68	\$1,607.52	\$2,143.36	\$2,679.20	\$3,215.04
<b>B. MFD NON-COMPACTED BOX COLLECTION SERVICE RATES - Including Franchise Fees</b>						
6 CY Box	\$315.56	\$631.11	\$946.67	\$1,262.22	\$1,577.78	\$1,893.33
8 CY Box	\$363.78	\$727.56	\$1,091.33	\$1,455.11	\$1,818.89	\$2,182.67
10 CY Box	\$459.72	\$919.44	\$1,379.17	\$1,838.89	\$2,298.61	\$2,758.33
15 CY Box	\$459.72	\$919.44	\$1,379.17	\$1,838.89	\$2,298.61	\$2,758.33
20 CY Box	\$493.82	\$987.64	\$1,481.46	\$1,975.28	\$2,469.10	\$2,962.93
30 CY Box	\$560.50	\$1,121.00	\$1,681.50	\$2,241.99	\$2,802.49	\$3,362.99
40 CY Box	\$685.00	\$1,370.00	\$2,055.00	\$2,740.00	\$3,425.00	\$4,110.00
50 CY Box	\$820.14	\$1,640.28	\$2,460.42	\$3,280.56	\$4,100.69	\$4,920.83

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Note: Service Rate for Customers with multiple Bins shall be calculated by multiplying the Container size by the number of Containers required by Customer.

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
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**C. MFD COMPACTED BOX COLLECTION SERVICE RATES - Including Franchise Fees**

6 CY Box	<u>\$422.22</u>	<u>\$844.44</u>	<u>\$1,266.67</u>	<u>\$1,688.89</u>	<u>\$2,111.11</u>	<u>\$2,533.33</u>
8 CY Box	<u>\$470.94</u>	<u>\$941.89</u>	<u>\$1,412.83</u>	<u>\$1,883.78</u>	<u>\$2,354.72</u>	<u>\$2,825.67</u>
10 CY Box	<u>\$470.94</u>	<u>\$941.89</u>	<u>\$1,412.83</u>	<u>\$1,883.78</u>	<u>\$2,354.72</u>	<u>\$2,825.67</u>
20 CY Box	<u>\$661.86</u>	<u>\$1,323.71</u>	<u>\$1,985.57</u>	<u>\$2,647.42</u>	<u>\$3,309.28</u>	<u>\$3,971.14</u>
30 CY Box	<u>\$783.49</u>	<u>\$1,566.98</u>	<u>\$2,350.46</u>	<u>\$3,133.95</u>	<u>\$3,917.44</u>	<u>\$4,700.93</u>
40 CY Box	<u>\$907.64</u>	<u>\$1,815.28</u>	<u>\$2,722.92</u>	<u>\$3,630.56</u>	<u>\$4,538.19</u>	<u>\$5,445.83</u>
50 CY Box	<u>\$1,089.41</u>	<u>\$2,178.82</u>	<u>\$3,268.23</u>	<u>\$4,357.64</u>	<u>\$5,447.05</u>	<u>\$6,536.46</u>

**D. ADDITIONAL SERVICES (Note: The additional service rates on lines D1 – D10 should include franchise fees.)**

1. Push Rates	1-25 ft	26-49 ft	50-75 Ft	76-100 ft	101-125 ft	126+ ft
	<u>\$25.00</u>	<u>\$50.00</u>	<u>\$75.00</u>	<u>\$100.00</u>	<u>\$125.00</u>	<u>\$150.00</u>
2. Cart or Bin Cleaning	<b>Each Occurrence</b>					
	Cart	<u>\$71.25</u>	1 – 4 CY Bin Size	<u>\$112.50</u>	5+ CY Bin Size	<u>\$112.50</u>
3. Green Waste Collection		<u>\$0.40</u>				Per Gallon
4. Extra Recyclable Cart		<u>\$0.40</u>				Per Gallon
5. Extra Recyclable Bin		<u>\$40.00</u>				Per Cubic Yard
6. Additional Bin Exchange		<u>\$75.00</u>				Each additional service exchange
7. Additional Bin Replacement		<u>\$450.00</u>				Each additional Bin replacement
8. Additional Cart Exchange		<u>\$71.25</u>				Each additional service exchange
9. Additional Cart Replacement		<u>\$71.25</u>				Each additional Cart replacement
10. Excess On-Call Collection Capacity		<u>\$93.75</u>				Each additional cubic yard (beyond the limits established)
11. Additional On-Call Collection Service		<u>\$93.75</u>				Per Cubic Yard
12. Un-containerized Material Surcharge		<u>\$0.50</u>				Each Gallon of Un-containerized Material
13. Excess Missed Collections		<u>50.00</u>				Any missed collection greater than 2 each full or partial calendar year

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
 Unincorporated Monterey County

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<b>Form 3B COLLECTION SERVICE RATES</b>						
<b>MFD BIN COLLECTION SERVICE in the SVSWA</b>						
<b>Container Size</b>	<b>Collection Frequency</b>					
	<b>1X Week</b>	<b>2X Week</b>	<b>3X Week</b>	<b>4X Week</b>	<b>5X Week</b>	<b>6X Week</b>
<b>A. MFD BIN COLLECTION SERVICE RATES - Including Franchise Fees</b>						
1 CY Bin	\$145.00	\$290.00	\$435.00	\$580.00	\$725.00	\$870.00
1.5 CY Bin	\$232.00	\$464.00	\$696.00	\$928.00	\$1,160.00	\$1,392.00
2 CY Bin	\$232.00	\$464.00	\$696.00	\$928.00	\$1,160.00	\$1,392.00
3 CY Bin	\$334.95	\$669.90	\$1,004.85	\$1,339.80	\$1,674.75	\$2,009.70
4 CY Bin	\$429.20	\$858.40	\$1,287.60	\$1,716.80	\$2,146.00	\$2,575.20
6 CY Bin	\$617.70	\$1,235.40	\$1,853.10	\$2,470.80	\$3,088.50	\$3,706.20
8 CY Bin	\$788.80	\$1,577.60	\$2,366.40	\$3,155.20	\$3,944.00	\$4,732.80
<b>B. MFD NON-COMPACTED BOX COLLECTION SERVICE RATES - Including Franchise Fees</b>						
6 CY Box	\$366.67	\$733.33	\$1,100.00	\$1,466.67	\$1,833.33	\$2,200.00
8 CY Box	\$416.67	\$833.33	\$1,250.00	\$1,666.67	\$2,083.33	\$2,500.00
10 CY Box	\$555.56	\$1,111.11	\$1,666.67	\$2,222.22	\$2,777.78	\$3,333.33
15 CY Box	\$555.56	\$1,111.11	\$1,666.67	\$2,222.22	\$2,777.78	\$3,333.33
20 CY Box	\$638.89	\$1,277.78	\$1,916.67	\$2,555.56	\$3,194.44	\$3,833.33
30 CY Box	\$662.41	\$1,324.82	\$1,987.23	\$2,649.64	\$3,312.06	\$3,974.47
40 CY Box	\$809.40	\$1,618.80	\$2,428.20	\$3,237.60	\$4,047.00	\$4,856.40
50 CY Box	\$1,008.89	\$2,017.78	\$3,026.67	\$4,035.56	\$5,044.44	\$6,053.33

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Note: Service Rate for Customers with multiple Bins shall be calculated by multiplying the Container size by the number of Containers required by Customer.

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
Unincorporated Monterey County

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**C. MFD COMPACTED BOX COLLECTION SERVICE RATES - Including Franchise Fees**

6 CY Box	<u>\$450.00</u>	<u>\$900.00</u>	<u>\$1,350.00</u>	<u>\$1,800.00</u>	<u>\$2,250.00</u>	<u>\$2,700.00</u>
8 CY Box	<u>\$501.94</u>	<u>\$1,003.89</u>	<u>\$1,505.83</u>	<u>\$2,007.78</u>	<u>\$2,509.72</u>	<u>\$3,011.67</u>
10 CY Box	<u>\$501.94</u>	<u>\$1,003.89</u>	<u>\$1,505.83</u>	<u>\$2,007.78</u>	<u>\$2,509.72</u>	<u>\$3,011.67</u>
20 CY Box	<u>\$583.38</u>	<u>\$1,166.75</u>	<u>\$1,750.13</u>	<u>\$2,333.51</u>	<u>\$2,916.88</u>	<u>\$3,500.26</u>
30 CY Box	<u>\$1,041.94</u>	<u>\$2,083.88</u>	<u>\$3,125.82</u>	<u>\$4,167.76</u>	<u>\$5,209.70</u>	<u>\$6,251.64</u>
40 CY Box	<u>\$1,054.31</u>	<u>\$2,108.61</u>	<u>\$3,162.92</u>	<u>\$4,217.22</u>	<u>\$5,271.53</u>	<u>\$6,325.83</u>
50 CY Box	<u>\$1,263.99</u>	<u>\$2,527.99</u>	<u>\$3,791.98</u>	<u>\$5,055.97</u>	<u>\$6,319.97</u>	<u>\$7,583.96</u>

**D. ADDITIONAL SERVICES (Note: The additional service rates on lines D1 – D10 should include franchise fees.)**

1. Push Rates	1-25 ft	26-49 ft	50-75 Ft	76-100 ft	101-125 ft	126+ ft
	<u>\$25.00</u>	<u>\$50.00</u>	<u>\$75.00</u>	<u>\$100.00</u>	<u>\$125.00</u>	<u>\$150.00</u>
2. Cart or Bin Cleaning	<b>Each Occurrence</b>					
	Cart	<u>\$71.25</u>	1 – 4 CY Bin Size	<u>\$112.50</u>	5+ CY Bin Size	<u>\$112.50</u>
3. Green Waste Collection			<u>\$0.40</u>		Per Gallon	
4. Extra Recyclable Cart			<u>\$0.40</u>		Per Gallon	
5. Extra Recyclable Bin			<u>\$40.00</u>		Per Cubic Yard	
6. Additional Bin Exchange			<u>\$75.00</u>		Each additional service exchange	
7. Additional Bin Replacement			<u>\$450.00</u>		Each additional Bin replacement	
8. Additional Cart Exchange			<u>\$71.25</u>		Each additional service exchange	
9. Additional Cart Replacement			<u>\$71.25</u>		Each additional Cart replacement	
10. Excess On-Call Collection Capacity			<u>\$93.75</u>		Each additional cubic yard (beyond the limits established)	
11. Additional On-Call Collection Capacity			<u>\$93.75</u>		Per Cubic Yard	
11. Un-containerized Material Surcharge			<u>\$0.50</u>		Each Gallon of Un-containerized Material	
12. Excess Missed Collections			<u>\$50.00</u>		Any missed collection greater than 2 each full or partial calendar year	

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
 Unincorporated Monterey County

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**Form 4**  
**COLLECTION SERVICE RATES**  
**COMMERCIAL CART COLLECTION SERVICE**

**A. COMMERCIAL CART COLLECTION SERVICE – CURBSIDE – Monthly Rates Including Franchise Fees**

	Can	20	35	64	96
1 Solid Waste Cart Sizes (gallons)					
2 Commercial Collection Service Rate	\$26.50	\$21.98	\$26.98	\$41.98	\$51.98

**B. SUBSCRIPTION GREEN WASTE CART COLLECTION SERVICE - Monthly Surcharge Including Franchise Fees**

		64	96
1 Green Waste Cart Sizes (gallons)			
2 Green Waste Collection Surcharge		\$20.99	\$25.99

**C. ADDITIONAL SERVICES (Note: The additional service fees on lines C2 – C7 should include franchise fees.)**

	Can	20	35	64	96
1 Cart Sizes (gallons)					
2 Extra Solid Waste Cart	\$21.20	\$17.58	\$21.58	\$33.58	\$41.58
3 Extra Recyclables Cart	\$13.25	\$10.99	\$13.49	\$20.99	\$25.99
4 Extra Green Waste Cart				\$20.99	\$25.99
5 Additional Cart Exchange	\$71.25	Each service exchange			
6 Additional Cart Replacement	\$71.25	Each additional Cart replacement			
7 Subscription On-Call Collection Service	\$93.75	Per cubic yard			
8 Un-containerized Material Surcharge	\$0.50	Each Gallon of un-containerized material			
9 Excess Missed Collections	\$50.00	Any missed collection greater than 2 each full or partial calendar year			
10 Service Collections in Excess of Once Per Week – Percentage of base rate	200%	Each Service Collection in Excess of Once Per Week			

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Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
Unincorporated Monterey County

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Form 5A COLLECTION SERVICE RATES COMMERCIAL BIN COLLECTION SERVICE in the MRWMD						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
<b>A. COMMERCIAL BIN COLLECTION SERVICE RATES - Including Franchise Fees</b>						
1 CY Bin	\$98.50	\$197.00	\$295.50	\$394.00	\$492.50	\$591.00
1.5 CY Bin	\$151.69	\$303.38	\$455.07	\$606.76	\$758.45	\$910.14
2 CY Bin	\$151.69	\$303.38	\$455.07	\$606.76	\$758.45	\$910.14
3 CY Bin	\$227.54	\$455.07	\$682.61	\$910.14	\$1,137.68	\$1,365.21
4 CY Bin	\$291.56	\$583.12	\$874.68	\$1,166.24	\$1,457.80	\$1,749.36
6 CY Bin	\$419.61	\$839.22	\$1,258.83	\$1,678.44	\$2,098.05	\$2,517.66
8 CY Bin	\$535.84	\$1,071.68	\$1,607.52	\$2,143.36	\$2,679.20	\$3,215.04
<b>B. COMMERCIAL NON-COMPACTED BOX COLLECTION SERVICE RATES - Including Franchise Fees</b>						
6 CY Box	\$315.56	\$631.11	\$946.67	\$1,262.22	\$1,577.78	\$1,893.33
8 CY Box	\$363.78	\$727.56	\$1,091.93	\$1,455.11	\$1,818.89	\$2,182.67
10 CY Box	\$459.72	\$919.44	\$1,379.17	\$1,838.89	\$2,298.61	\$2,758.33
15 CY Box	\$459.72	\$919.44	\$1,379.17	\$1,838.89	\$2,298.61	\$2,758.33
20 CY Box	\$493.82	\$987.64	\$1,481.46	\$1,975.28	\$2,469.10	\$2,962.93
30 CY Box	\$560.50	\$1,121.00	\$1,681.50	\$2,241.99	\$2,802.49	\$3,362.99
40 CY Box	\$685.00	\$1,370.00	\$2,055.00	\$2,740.00	\$3,425.00	\$4,110.00
50 CY Box	\$820.14	\$1,640.28	\$2,460.42	\$3,280.56	\$4,100.69	\$4,920.83

3379 Note: Service Rate for Customers with multiple Bins shall be calculated by multiplying the  
3380 Container size by the number of Containers required by Customer.



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**C. COMMERCIAL COMPACTED BOX COLLECTION SERVICE RATES - Including Franchise Fees**

6 CY Box	\$422.22	\$844.44	\$1,266.67	\$1,688.89	\$2,111.11	\$2,533.33
8 CY Box	\$470.94	\$941.89	\$1,412.83	\$1,883.78	\$2,354.72	\$2,825.67
10 CY Box	\$470.94	\$941.89	\$1,412.83	\$1,883.78	\$2,354.72	\$2,825.67
20 CY Box	\$661.86	\$1,323.71	\$1,985.57	\$2,647.42	\$3,309.28	\$3,971.14
30 CY Box	\$783.49	\$1,566.98	\$2,350.46	\$3,133.95	\$3,917.44	\$4,700.93
40 CY Box	\$907.64	\$1,815.28	\$2,722.92	\$3,630.56	\$4,538.19	\$5,445.83
50 CY Box	\$1,089.41	\$2,178.82	\$3,268.23	\$4,357.64	\$5,447.05	\$6,536.46

**D. ADDITIONAL SERVICES (Note: The additional service rates on lines D1 – D10 should include franchise fees.)**

1. Push Rates	1-25 ft	26-49 ft	50-75 Ft	76-100 ft	101-125 ft	126+ ft
	\$25.00	\$50.00	\$75.00	\$100.00	\$125.00	\$150.00
2. Cart or Bin Cleaning	<b>Each Occurrence</b>					
	Cart	\$71.25	1 – 4 CY Bin Size	\$112.50	5+ CY Bin Size	\$112.50
3. Green Waste Collection	\$0.40		Per Gallon			
4. Extra Recyclable Cart	\$0.40		Per Gallon			
5. Extra Recyclable Bin	\$40.00		Per Cubic Yard			
6. Additional Bin Exchange	\$75.00		Each additional service exchange			
7. Additional Bin Replacement	\$450.00		Each additional Bin replacement			
8. Additional Cart Exchange	\$71.25		Each additional service exchange			
9. Additional Cart Replacement	\$71.25		Each additional Cart replacement			
10. Subscription On-Call Collection Service	\$93.75		Per Cubic Yard			
10. Un-containerized Material Surcharge	\$0.50		Each Gallon of un-containerized material			
11. Excess Missed Collections	\$50.00		Any missed collection greater than 2 each full or partial calendar year			

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<b>Form 5B COLLECTION SERVICE RATES</b>						
<b>COMMERCIAL BIN COLLECTION SERVICE in the SVSWA</b>						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
<b>A. COMMERCIAL BIN COLLECTION SERVICE RATES - Including Franchise Fees</b>						
1 CY Bin	\$145.00	\$290.00	\$435.00	\$580.00	\$725.00	\$870.00
1.5 CY Bin	\$232.00	\$464.00	\$696.00	\$928.00	\$1,160.00	\$1,392.00
2 CY Bin	\$232.00	\$464.00	\$696.00	\$928.00	\$1,160.00	\$1,392.00
3 CY Bin	\$334.95	\$669.90	\$1,004.85	\$1,339.80	\$1,674.75	\$2,009.70
4 CY Bin	\$429.20	\$858.40	\$1,287.60	\$1,716.80	\$2,146.00	\$2,575.20
6 CY Bin	\$617.70	\$1,235.40	\$1,853.10	\$2,470.80	\$3,088.50	\$3,706.20
8 CY Bin	\$788.80	\$1,577.60	\$2,366.40	\$3,155.20	\$3,944.00	\$4,732.80
<b>B. COMMERCIAL NON-COMPACTED BOX COLLECTION SERVICE RATES - Including Franchise Fees</b>						
6 CY Box	\$366.67	\$733.33	\$1,100.00	\$1,466.67	\$1,833.33	\$2,200.00
8 CY Box	\$416.67	\$833.33	\$1,250.00	\$1,666.67	\$2,083.33	\$2,500.00
10 CY Box	\$555.56	\$1,111.11	\$1,666.67	\$2,222.22	\$2,777.78	\$3,333.33
15 CY Box	\$555.56	\$1,111.11	\$1,666.67	\$2,222.22	\$2,777.78	\$3,333.33
20 CY Box	\$638.89	\$1,277.78	\$1,916.67	\$2,555.56	\$3,194.44	\$3,833.33
30 CY Box	\$662.41	\$1,324.82	\$1,987.23	\$2,649.64	\$3,312.06	\$3,974.47
40 CY Box	\$809.40	\$1,618.80	\$2,428.20	\$3,237.60	\$4,047.00	\$4,856.40
50 CY Box	\$1,008.89	\$2,017.78	\$3,026.67	\$4,035.56	\$5,044.44	\$6,053.33

3383 Note: Service Rate for Customers with multiple Bins shall be calculated by multiplying the C  
3384 Container size by the number of Containers required by Customer.

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<b>C. COMMERCIAL COMPACTED BOX COLLECTION SERVICE RATES - Including Franchise Fees</b>						
6 CY Box	<u>\$450.00</u>	<u>\$900.00</u>	<u>\$1,350.00</u>	<u>\$1,800.00</u>	<u>\$2,250.00</u>	<u>\$2,700.00</u>
8 CY Box	<u>\$501.94</u>	<u>\$1,003.89</u>	<u>\$1,505.83</u>	<u>\$2,007.78</u>	<u>\$2,509.72</u>	<u>\$3,011.67</u>
10 CY Box	<u>\$501.94</u>	<u>\$1,003.89</u>	<u>\$1,505.83</u>	<u>\$2,007.78</u>	<u>\$2,509.72</u>	<u>\$3,011.67</u>
20 CY Box	<u>\$583.38</u>	<u>\$1,166.75</u>	<u>\$1,750.13</u>	<u>\$2,333.51</u>	<u>\$2,916.88</u>	<u>\$3,500.26</u>
30 CY Box	<u>\$1,041.94</u>	<u>\$2,083.88</u>	<u>\$3,125.82</u>	<u>\$4,167.76</u>	<u>\$5,209.70</u>	<u>\$6,251.64</u>
40 CY Box	<u>\$1,054.31</u>	<u>\$2,108.61</u>	<u>\$3,162.92</u>	<u>\$4,217.22</u>	<u>\$5,271.53</u>	<u>\$6,325.83</u>
50 CY Box	<u>\$1,263.99</u>	<u>\$2,527.99</u>	<u>\$3,791.98</u>	<u>\$5,055.97</u>	<u>\$6,319.97</u>	<u>\$7,583.96</u>
<b>D. ADDITIONAL SERVICES (Note: The additional service rates on lines D1 – D10 should include franchise fees.)</b>						
1. Push Rates	1-25 ft	26-49 ft	50-75 Ft	76-100 ft	101-125 ft	126+ ft
	<u>\$25.00</u>	<u>\$50.00</u>	<u>\$75.00</u>	<u>\$100.00</u>	<u>\$125.00</u>	<u>\$150.00</u>
2. Cart or Bin Cleaning	<b>Each Occurrence</b>					
	Cart	<u>\$71.25</u>	1 – 4 CY Bin Size	<u>\$112.50</u>	5+ CY Bin Size	<u>\$112.50</u>
3. Green Waste Collection		<u>\$0.40</u>				Per Gallon
4. Extra Recyclable Cart		<u>\$0.40</u>				Per Gallon
5. Extra Recyclable Bin		<u>\$40.00</u>				Per Cubic Yard
6. Additional Bin Exchange		<u>\$75.00</u>				Each additional service exchange
7. Additional Bin Replacement		<u>\$450.00</u>				Each additional Bin replacement
8. Additional Cart Exchange		<u>\$71.25</u>				Each additional service exchange
9. Additional Cart Replacement		<u>\$71.25</u>				Each additional Cart replacement
10. Subscription On-Call Collection Service		<u>\$93.75</u>				Per Cubic Yard
11. Un-containerized Material Surcharge		<u>\$0.50</u>				Each Gallon of un-containerized material
12. Excess Missed Collections		<u>\$50.00</u>				Any missed collection greater than 2 each full or partial calendar year

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Form 6 ON-CALL BIN AND ROLL-OFF COLLECTION SERVICE	
Container Size	Collection Frequency
<b>A. ON-CALL BIN COLLECTION SERVICE RATES PER PULL - Including Franchise Fees BUT NOT INCLUDING COST OF DISPOSAL</b>	
1 CY Bin	\$93.32
1.5 CY Bin	\$141.32
2 CY Bin	\$141.32
3 CY Bin	\$211.98
4 CY Bin	\$270.83
6 CY Bin	\$388.51
8 CY Bin	\$494.37
<b>B. ROLL-OFF NON-COMPACTED BOX COLLECTION SERVICE RATES PER PULL – Including Franchise Fees BUT NOT INCLUDING COST OF DISPOSAL</b>	
6 CY Box	\$255.56
7 to 10 CY Box	\$277.78
11 to 20 CY Box	\$333.33
21 to 30 CY Box	\$411.11
31 to 40 CY Box	\$500.00
41 to 50 CY Box	\$589.89
<b>C. ROLL-OFF COMPACTED BOX COLLECTION SERVICE RATES PER PULL – Including Franchise Fees BUT NOT INCLUDING COST OF DISPOSAL</b>	
6 CY Box	\$319.44
8 CY Bin	\$347.22

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**Form 6**  
**ON-CALL BIN AND ROLL-OFF COLLECTION SERVICE**

Container Size	Collection Frequency
7 to 10 CY Box	<u>\$347.22</u>
11 to 20 CY Box	<u>\$416.67</u>
21 to 30 CY Box	<u>\$513.89</u>
31 to 40 CY Box	<u>\$625.00</u>
41 to 50 CY Box	<u>\$736.11</u>

Note: All Bin, compacted box and non-compacted box per pull service rates consist of collection rates and franchise fees only; disposal will be based on actual disposal costs plus a 10% franchise fee. The total customer rate will be the pull rate (collection and franchise fee), and disposal and the disposal franchise fee.

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Form 7A LARGE VENUE ON-CALL BIN AND ROLL-OFF COLLECTION SERVICE in the MRWMD		
Container Size	Collection Frequency	
<b>A. ON-CALL BIN COLLECTION SERVICE RATES PER PULL - Including Franchise Fees AND COST OF DISPOSAL</b>		
1 CY Bin	\$98.50	
1.5 CY Bin	\$151.69	
2 CY Bin	\$151.69	
3 CY Bin	\$227.54	
4 CY Bin	\$291.56	
6 CY Bin	\$419.61	
8 CY Bin	\$535.84	
<b>B. ROLL-OFF NON-COMPACTED BOX COLLECTION SERVICE RATES PER PULL – Including Franchise Fees AND COST OF DISPOSAL</b>		
6 CY Box	\$315.56	
7 to 10 CY Box	\$363.78	
11 to 20 CY Box	\$493.82	
21 to 30 CY Box	\$560.50	
31 to 40 CY Box	\$685.00	
41 to 50 CY Box	\$820.14	
<b>C. ADDITIONAL SERVICES</b>		
1. Extra Recycling Capacity	\$40.00	Per Cubic Yard

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Form 7B LARGE VENUE ON-CALL BIN AND ROLL-OFF COLLECTION SERVICE in the SVSWA		
	Container Size	Collection Frequency
<b>A. ON-CALL BIN COLLECTION SERVICE RATES PER PULL - Including Franchise Fees AND COST OF DISPOSAL</b>		
	1 CY Bin	\$145.00
	1.5 CY Bin	\$232.00
	2 CY Bin	\$232.00
	3 CY Bin	\$334.95
	4 CY Bin	\$429.20
	6 CY Bin	\$617.70
	8 CY Bin	\$788.80
<b>B. ROLL-OFF NON-COMPACTED BOX COLLECTION SERVICE RATES PER PULL – Including Franchise Fees AND COST OF DISPOSAL</b>		
	6 CY Box	\$366.67
	7 to 10 CY Box	\$416.67
	11 to 20 CY Box	\$638.89
	21 to 30 CY Box	\$662.41
	31 to 40 CY Box	\$809.40
	41 to 50 CY Box	\$1,008.89
<b>C. ADDITIONAL SERVICES</b>		
1. Extra Recycling Capacity	\$40.00	Per Cubic Yard

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Form 8 MAXIMUM RATES EMERGENCY SERVICE RATES - EMPLOYEES	
Labor Position	Hourly Rate
Driver	<u>\$150.00</u>
Supervisor	<u>\$175.00</u>
Helper	<u>\$100.00</u>

3393

Form 9 MAXIMUM RATES EMERGENCY SERVICE RATES - EQUIPMENT		
Equipment Type	Make & Model	Hourly Rate
Side Loader	Autocar	<u>\$150.00</u>
Commercial Front End Loader	Autocar	<u>\$175.00</u>
Rear End Loader	Autocar	<u>\$150.00</u>
Roll Off	Autocar	<u>\$150.00</u>
Flat Bed Truck	Autocar	<u>\$75.00</u>

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Form 10 ANCILLARY FEES AND SURCHARGES	
Equipment Type	Hourly Rate
The following fees and surcharges include franchise fees.	
Lock Fee for Bin or Enclosure	<u>Greater of \$25.00 per month per enclosure or \$10.00 per month per bin</u>
Roll-off Relocation Fee	<u>\$100.00</u>
Roll-off Dry Run Fee	<u>\$150.00</u>
Roll-off Demurrage Fee per day (after 5 Work Days)	<u>\$10.00</u>
Delivery of Backyard Composting Bins	<u>\$100.00</u>
Discount for Customer-owned Compactor	<u>\$0.00</u>
Hourly Standby Fee for Roll Off Box Vehicle and Driver	<u>\$200.00</u>
Daily Standby Fee for Roll Off Box Vehicle and Driver	<u>\$1,200.00</u>
The following fees and surcharges do NOT include franchise fees.	
NSF Fee	<u>\$25.00</u>
Delinquent Account Charge	<u>Greater of \$5.00 or 1.5% per month not compounded</u>
Collection Vehicle Travel Costs per Mile	<u>\$7.00</u>
Account Reactivation Fee after County Approved Service Suspension	<u>\$25.00</u>

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<b>Form 11</b>	
<b>DISPOSAL COSTS PER GALLON AND CUBIC YARD</b>	
<b>Form</b>	<b>Cost</b>
<i>Form 1, the average disposal cost per gallon.</i>	<u>\$0.03</u>
<i>Form 2 the average disposal cost per gallon.</i>	<u>\$0.03</u>
<i>Form 3A the average disposal cost per cubic yard in MRWMD.</i>	<u>\$2.78</u>
<i>Form 3B the average disposal cost per cubic yard in SVSWA.</i>	<u>\$3.78</u>
<i>Form 4 the average disposal cost per gallon.</i>	<u>\$0.03</u>
<i>Form 5A the average disposal cost per cubic yard in MRWMD.</i>	<u>\$2.78</u>
<i>Form 5B the average disposal cost per cubic yard in SVSWA.</i>	<u>\$3.78</u>
<i>For Form 7A the average disposal cost per cubic yard in MRWMD.</i>	<u>\$2.78</u>
<i>Form 7B the average disposal cost per cubic yard in SVSWA.</i>	<u>\$3.78</u>

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## Exhibit 2 Refuse Rate Index

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3402 The "Refuse Rate Index" adjustment shall be calculated in the following manner:

3403 The expenses of the Collection Services for the designated fiscal period shall be prepared in the  
3404 format set forth in the Operating Cost Statement - Description on the following page of this  
3405 Exhibit.

3406 2. The expenses of the Collection Services shall be broken down into the following six (6)  
3407 cost categories: Labor; Diesel Fuel; Vehicle Replacement; Vehicle Maintenance, All Other and  
3408 Disposal. Each cost category is assigned a weighted percentage factor on that cost category's  
3409 proportionate share of the total of the costs shown for all cost categories.

3410 3. The following five (5) indices published by the United States Department of Labor,  
3411 Bureau of Labor Statistics (BLS), and the actual change in the Disposal Facility Tip Fee are  
3412 used to calculate the adjustment for each cost category. The change in each index and the Tip  
3413 Fees is calculated on a twelve-month fiscal period in accordance with the terms of the  
3414 Agreement. In the event any index is discontinued, a successor index shall be selected by  
3415 COUNTY. Successor indices shall be those indices that are most closely equivalent to the  
3416 discontinued indices as recommended by the BLS.

3417	<u>Cost Category</u>	<u>Index</u>
3418	Labor	Series ID: ceu6056210008 Service-Producing Industries
3419	Diesel Fuel	Series ID: wpu057303 #2 Diesel Fuel
3420	Vehicle Replacement	Series ID: wpu141301 Truck and bus bodies sold separately
3421	Vehicle Maintenance	Series ID: pcu336211336211 Industrial truck and trailer mfg.
3422	All Other	Series ID: cuura422sa0 Consumer Price Index, All Urban
3423		Consumers, All Items – Bay Area
3424	Disposal	The actual tip fee charged to the CONTRACTOR by the MRWMD
3425		and/or SVSWA Disposal Facility.

3426 4. The percentage weight for each cost category is multiplied by the change in each  
3427 appropriate index to calculate a weighted percentage for each cost category. The weighted  
3428 percentage changes for each of the first five (5) cost categories are added together to calculate  
3429 the Collection component of the Refuse Rate Index. The appropriate Disposal component of  
3430 the RRI is then added to the Collection component to calculate the RRI. While the Collection  
3431 component of the RRI uses the same indices for all rates, the Disposal component uses  
3432 different indices for; 1) SFD, MFD and Commercial Cart Rates; 2) MFD Bin, Commercial Bin,  
3433 Roll-off, and Large Venue Events Rates for Customers within the MRWMD boundaries; and 3)  
3434 MFD Bin, Commercial Bin, Roll-off, and Large Venue Events Rates for Customers within the  
3435 SVSWA boundaries. (see example).

3436 Operating Cost Statement - Description

3437 **Labor:** List all administrative, officer, operation and maintenance salary accounts.

3438 List payroll tax accounts directly related to the above salary accounts.

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- 3439 List employee group medical and life accounts directly related to the above  
3440 salary accounts.
- 3441 List employee retirement or profit sharing contributions accounts directly related  
3442 to the above salary accounts.
- 3443
- 3444 **Diesel Fuel:** List all diesel fuel accounts.
- 3445 **Vehicle Replacement:**
- 3446 List all collection and collection related vehicle depreciation accounts.
- 3447 List all vehicle lease or rental accounts related to collection or collection related  
3448 vehicles.
- 3449 **Vehicle Maintenance:**
- 3450 List all collection or collection related vehicle parts accounts.
- 3451 **All Other:** List all other expense accounts related to the services provided under this  
3452 Agreement. This category includes all insurance including general liability, fire,  
3453 truck damage, and extended coverage; rent on property, truck licenses and  
3454 permits; real and personal property taxes; telephone and other utilities; employee  
3455 uniforms; safety equipment; general yard repairs and maintenance; non-diesel  
3456 fuel; office supplies; postage; trade association dues and subscription;  
3457 advertising; and miscellaneous other expenses.
- 3458 **Disposal:** The Disposal Tip Fee component will vary for each of the three (3) RRI's, 1)  
3459 SFD, MFD and Commercial Cart Rate RRI; 2) MFD Bin, Commercial Bin, Roll-off  
3460 and Large Venue Events Rate RRI for Customers within the MRWMD  
3461 boundaries; and 3) MFD Bin, Commercial Bin, Roll-off and Large Venue Events  
3462 Rate RRI for Customers within the SVSWA boundaries.
- 3463 **Disposal (SFD, MFD and Commercial Cart Services):**
- 3464 List all disposal costs related to the provision of SFD Collection Services, MFD  
3465 Cart Collection Services, and Commercial Cart Collection Services.
- 3466 **Disposal (MFD Bin, Commercial Bin, Roll-off and Large Venue Events Services in the  
3467 MRWMD):**
- 3468 List all disposal costs related to the provision of MFD Bin Collection Services  
3469 Commercial Bin Collection Services, Roll-off and Large Venue Events Collection  
3470 Services provided within the MRWMD boundaries.
- 3471 **Disposal (MFD Bin, Commercial Bin, Roll-off and Large Venue Events Services in the  
3472 SVSWA):**
- 3473 List all disposal costs related to the provision of MFD Bin Collection Services and  
3474 Commercial Bin Collection Services, Roll-off and Large Venue Events Collection  
3475 Services provided within the SVSWA boundaries.
- 3476
- 3477

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3478 **RRI Example for SFD and MFD Cart Customers**

Item #	Category	Data Source	Percent Change <sup>(1)</sup>	Item Weight <sup>(2)</sup>	Weighted Percentage Change <sup>(3)</sup>
1	Average Hourly Earnings	Series ID: ceu6056210008 Service-Producing Industries	2.19%	39.05%	0.85%
2	Diesel Fuel	Series ID: wpu057303 #2 Diesel Fuel	4.74%	13.15%	0.62%
3	Vehicle Replacement	Series ID: wpu141301 Truck and bus bodies sold separately	6.79%	2.57%	0.17%
4	Vehicle Maintenance	Series ID: pcu336211336211 Industrial truck and trailer mfg.	0.16%	13.46%	0.02%
5	CPI All Items	Series ID: cuura422sa0 Consumer Price Index, All Urban Consumers, All Items Bay Area	1.70%	18.75%	0.32%
6A	SFD, MFD and Commercial Cart Rates	Average of Change in MRWMD and SVSWA Disposal Facility Tip Fees	4.60%	13.02%	0.60%
<b>SFD, MFD and Commercial Cart RRI</b>				<b>100%</b>	<b>2.58%</b>

- 3479     ▪ Assume these are the percentage changes in the indices from year to year.
- 3480     ▪ Assume the categories represent these percentages as a total of CONTRACTOR'S operating costs.
- 3481
- 3482     ▪ Represents the product of Percentage Change x Item Weight
- 3483     In this example, the Refuse Rate Index is 2.58%.

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## Exhibit 3 Form of Guaranty

3486

Waste Management, Inc., a Delaware corporation (the "**Guarantor**"), signs this Guaranty for the benefit of County of Monterey ("**County**"), a political subdivision of the State of California (the "**State**"), on this 10<sup>th</sup> day of December, 2009.

**RECITALS:** The Guarantor and County refer to the following facts:

- USA Waste of California, Inc. (the "**Contractor**"), a corporation wholly owned by the Guarantor, and County negotiated an Exclusive Franchise Agreement, dated the date of this Guaranty (the "**Agreement**"), which Agreement is incorporated herein by reference and by this Agreement made part of this Agreement;
- It is in the interest of The Guarantor that Contractor enter into the Agreement with County;
- County is willing to enter into the Agreement only upon the condition that The Guarantor execute this Guaranty;
- If Contractor fails to timely and fully perform its obligations under the Agreement, including Contractor Payment Obligations to County (such as damages, Franchise Fees and reimbursements), the Guarantor is willing to guaranty Contractor's timely and full performance of Contractor's obligations.
- The Guarantor's signing of this Guaranty preconditions County's grant of franchise and obligations under the Agreement.

NOW, THEREFORE, as an inducement to County to enter into the Agreement, the Guarantor agrees as follows:

Capitalized terms used in this Guaranty and not otherwise defined in this Guaranty, have the defined meanings defined in the Agreement.

**1. GUARANTY OF CONTACTOR'S OBLIGATIONS UNDER THE AGREEMENT.** The Guarantor personally, directly, unconditionally, irrevocably, and absolutely, jointly and severally guaranties the timely and full performance of each of Contractor's obligations under the Agreement, including, without limitation, Contractor Payment Obligations to County (such as damages, Franchise Fees and reimbursements). Within 30 days (or 5 days, if Guarantor is a limited liability entity) of County's written demand upon the Guarantor, the Guarantor will honor this Guaranty.

**2. GOVERNING LAW; SERVICE OF PROCESS; CONSENT TO JURISDICTION; VENUE**

(a) **Governing Law.** This Guaranty is governed by the Applicable Laws of the State of California.

(b) **Service of Process.** The Guarantor agrees to the service of process in the State for any claim or controversy arising out of this Guaranty or relating to any breach of this Guaranty.

(c) **Jurisdiction.** The courts of the State, and to the extent permitted by law, the United States District Court for the Northern District of California or other district chosen



by County, will have exclusive jurisdiction of all suits, actions, and other proceedings involving Guarantor or this Guaranty and to which County may be party for the adjudication of any claim or controversy arising out of this Guaranty or relating to any breach of this Guaranty.

(d) **Venue.** The Guarantor waives any objections that he or she might otherwise have to the venue of the court described in subsection (c) for the trial of any the suit, action, or proceeding, and consents to the service of process in any the suit, action, or proceeding by prepaid registered mail, return receipt requested.

### **3. ENFORCEABILITY; NO TRANSFER**

(i) **Binding and enforceable.** This Guaranty is binding upon and enforceable against The Guarantor and assigns and lawful representatives. It is for the benefit of County, its successors and assigns.

**1. Acknowledgements.** Guarantor acknowledges that Guarantor submitted evidence to County with respect to Guarantor's financial strength and creditworthiness, and that Guarantor's financial strength and creditworthiness were material considerations of County in entering into the Agreement with Contractor.

**2. County Consent.** Without County consent, given in County's sole discretion. Guarantor will not Transfer in whole or in part, voluntarily or involuntarily either of the following:

- (1) this Guaranty, or
- (2) any rights or duties in this Guaranty.

Any Transfer made without the consent of County is void.

**3. Guarantor request.** Without obligating County to give consent, Contractor will demonstrate to County's satisfaction that the proposed transferee has the financial ability to satisfy this Guaranty. County is not obligated to consider any proposed Transfer by Guarantor if Guarantor is in breach of this Guaranty at any time during County's consideration.

### **4. Payment of County's Transfer Costs**

(i) **Transfer Deposit.** Guarantor must make any request for County's consent to a Transfer in the manner prescribed by the County. Guarantor must pay County the Transfer Deposit before County will consider Guarantor's request. "Transfer Deposit" means lesser of the following refundable amounts:

- (1) \$15,000, or
- (2) County's anticipated Transfer Costs.

(ii) **Additional Transfer Costs.** Within 30 days of County's request, Guarantor will further pay that County's additional Transfer Costs in excess of the Transfer Deposit, whether or not that County approves the Transfer. "Transfer Costs" means the following County's Reimbursement Costs:

- (1) considering and reviewing Guarantor's request for Transfer,
- (2) investigating the suitability of the transferee, and
- (3) determining whether or not to give its consent,

(4) preparing documents to effectuate the Transfer.

**5. County's Reimbursement Costs of enforcement.** In addition, within 30 days of County's request, Guarantor will pay County's Reimbursement Costs for fees and investigation costs as County deems necessary to join the Transfer or to otherwise enforce this Section

**6. Transfer Costs. Transfer** means any of the following:

(1) selling, exchanging or otherwise transferring Ownership or control of Guarantor (through sale, exchange or other transfer of outstanding stock, partnership shares, equity interest or otherwise);

(2) issuing new stock or selling, exchanging or otherwise transferring 20% or more of the then outstanding common stock of, or partnership shares or equity interest in, Guarantor;

(3) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation, buy-out or other transaction which results in a change of Ownership or control of Guarantor;

(4) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment of an execution, being levied against Guarantor, appointment of a receiver taking possession of any of Guarantor's tangible or intangible property;

(5) any sale or other transfer of 50% or more of the value of assets of Guarantor;

(6) substitution by a surety company providing any performance bond of another Person for Contractor to perform Services; and

(7) assumption of any of Guarantor's rights under the Agreement, or assumption by, delegation to or takeover of any Performance Obligations or any other Guarantor's duties or responsibilities under the Agreement by any Person other than Guarantor, whether by Subcontract (unless approved by County) or any other mechanism.

(8) any combination of the forgoing (whether or not in related or contemporaneous transactions), with out without consideration, which has the effect of any transfer or change of Ownership or control of Guarantor. For the purpose of this definition, "control" has the meaning provided in Rule 144 of the Securities Act of 1993

#### **4. GUARANTY ABSOLUTE AND UNCONDITIONAL.**

**(i) Absolute and Unconditional.** The Guarantor's obligations in this Guaranty are absolute and unconditional.

**(ii) No Preconditions.** County may enforce any of those obligations without first

- enforcing any remedies under the Agreement, or
- seeking to compel Contractor to perform Contractor's obligations under the Agreement, or
- seeking or obtaining recourse against any other Person, including but not limited to Contractor or any assignee of Contractor, who may be liable for those

obligations in whole or in part, irrespective of any cause or state of facts.

**(iii) No limitations.** Guarantor's obligations under this Agreement are not affected, limited, modified or impaired by any state of facts or the happening from time to time of an event, other than discharge, release or excuse of any obligation of Contractor to County pursuant to under the Agreement by County, at County's sole discretion.

**(iv) Express Waiver.** The Guarantor Expressly waives each of the following defenses that would be available to Contractor under the Agreement, including:

(1) the invalidity, irregularity, illegality or unenforceability, of or any defect in or objections to the Agreement;

(2) any

- modification, amendment or compromise of, or
- waiver of compliance with, or
- consent to variation from

any of the provisions of the Agreement by Contractor;

(3) any release of any collateral or lien thereof, including, without limitation, any performance bond, letter of credit, certificate of deposit or cash deposit ("**Performance Assurance**");

(4) any defense based on the election of any remedies against Guarantor or Contractor, or both of them, including without limitation, any consequential loss by Guarantor of its right to recover any deficiency, by way of subrogation or otherwise, from Contractor or any other Person;

(5) the recovery of any judgment against Contractor to enforce any collateral or **Performance Assurance**;

(6) County or its assigns taking or omitting to take any of the actions that County or any assign must take under the Agreement; any failure, omission or delay on the part of County or its assignees to enforce, assert or exercise any right, power or remedy conferred on County or its assigns by the Agreement, *except* to the extent the failure, omission or delay gives rise to an applicable statute of limitations defense by Contractor with respect to a specific obligation;

(7) the default or failure of Guarantor to fully perform any of its obligations set forth in this Guaranty;

(8) the bankruptcy, insolvency, or similar proceeding involving or pertaining to Contractor or County, or any order or decree of a court, trustee or receiver in any proceeding;

(9) in addition to those circumstances described in the preceding item, any other circumstance which might otherwise constitute a legal or equitable discharge of a guarantor or limit the recourse of County to Guarantor;

(10) the existence or absence of any action to enforce the Agreement;

(11) subject to the provisions of the Agreement relating to Uncontrollable Circumstances, any present or future Applicable Law or order of any government or

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
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of any agency thereof, purporting to reduce, amend or otherwise affect the Agreement or to vary any terms of payment or performance under the Agreement;

**(v) Express Waiver.** The Guarantor expressly waives each of the preceding listed items as a defense to this liability under this Agreement.

**5. WAIVERS.** In addition to the items in Section (4), The Guarantor waives the following:

**(i)** notice of acceptance of this Guaranty and of the creation, renewal, extension and accrual of the Guarantor' obligations under this Guaranty;

**(ii)** notice that any Person has relied on this Guaranty;

**(iii)** diligence, demand of payment and notice of default or nonpayment under this Guaranty or the Agreement, and all other notices required by the Agreement;

**(iv)** filing of claims with a court in the event of reorganization, insolvency, or bankruptcy of Contractor;

**(v)** any requirement that County

- proceed first against Contractor or with respect to any collateral, lien or Performance Assurance defined above; or
- exercise any remedy or take any other action against Contractor or any other Person, or in respect of any collateral, lien or Performance Assurance, before proceeding under this Agreement;

**(vi)**

- any demand for performance or observance of, or
- any enforcement of any provision of, or
- any pursuit or exhaustion of remedies with respect to, any security (including, without limitation, any Performance Assurance) for Contractor's obligations under the Agreement; any pursuit or exhaustion of remedies against Contractor or any other obligor or guarantor of the obligations; and any requirement of promptness or diligence on the part of any person in connection therewith;

**(vii)** to the extent that it lawfully may do so, all demands or notices of every kind and description with respect to the foregoing or required by any statute or rule of law, and any defense of any kind which Guarantor may now or hereafter have with respect to this Guaranty or the obligations of Contractor under the Agreement, *except* any Notice to Contractor required under the Agreement or Applicable Law, which Notice preconditions Contractor's obligation or the defenses listed in Section (8) below.

**(viii)** To the extent that it may lawfully do so, The Guarantor by this Agreement further waives and relinquishes the benefit and advantage of, and will not assert, any

- appraisalment,
- valuation,

- stay,
- extension,
- redemption or
- similar Applicable Laws in force now or after the date of this Guaranty, which might delay, prevent or otherwise impede Guarantor's (or Contractor's, as the case may be) performance under or County's enforcement of this Guaranty.

County may enforce its rights under this Guaranty notwithstanding any partial performance by Contractor or Guarantor, or the foreclosure upon any security (including, without limitation, any Performance Assurance) given by Contractor for its performance of any of Contractor's obligations under the Agreement.

**6. AGREEMENTS BETWEEN COUNTY AND CONTRACTOR; WAIVERS BY COUNTY.**

a. By mutual agreement between Parties, the Parties may from time to time do any or all of the following:

- (i) renew, modify or compromise the liability of Contractor for or upon any of Contractor's obligations to County; or
- (ii) consent to any amendment of the Agreement, or
- (iii) accept, release, or surrender any Performance Assurance, or
- (iv) grant any time extensions or renewals of the Agreement or release, compromise, settlement obligations of Contractor's obligations under the Agreement,

without the consent of Guarantor or the necessity for any additional endorsement or guaranty by or any reservation of rights against Guarantor, all without releasing or discharging the liability of Guarantor under this Guaranty.

b. County or any of its assigns has and may exercise full power in its sole discretion to waive any breach or Event of Default under, the Agreement, without affecting the liability of Guarantor under this Guaranty.

**7. CONTINUING GUARANTY.** This Guaranty is a continuing Guaranty. It is effective or reinstated, as applicable, if at any time any payment of any of the obligations by this Agreement guaranteed is rescinded or is otherwise required to be returned upon reorganization, insolvency or bankruptcy of Contractor or Guarantor or otherwise, all as though the payment had not been made.

**8. DEFENSES.** Guarantor may exercise or assert all legal or equitable rights, defenses, counter claims or affirmative defenses under the Agreement or Applicable Law that Contractor could assert against any Person seeking to enforce the Agreement against Contractor. Nothing in this Guaranty constitutes a waiver of those rights, defenses, counter claims or defenses that Contractor could assert against any Person seeking to enforce the Agreement against Contractor by Guarantor.

**9. PAYMENT OF COSTS OF ENFORCING THE GUARANTY.** Guarantor will pay all costs, expenses and fees, including all reasonable attorney's fees, which County

may incur in enforcing this Guaranty after the default on the part of Guarantor under this Agreement whether County enforces payment by suit or otherwise.

**10. ENFORCEMENT.** County may enforce breaches of this Guaranty either separately or cumulatively.

**11. REMEDIES CUMULATIVE.** No remedy of County under this Guaranty is exclusive of any other available remedy or remedies. Each remedy is cumulative and is in addition to every other remedy given under the Guaranty, the Agreement or available at law and in equity (including specific performance).

**12. SEVERABILITY.** The invalidity or unenforceability of any one or more phrases, sentences or clauses in this Guaranty contained will not affect the validity or enforceability of the remaining portions of this Guaranty, or any part of the Guaranty.

**13. AMENDMENTS.** No amendment, change, modification or termination of this Guaranty is made except upon the written consent of Guarantor and County.

**14. TERM.** The obligations of Guarantor under this Guaranty remain in full force and effect until

- (i) all obligations of Contractor under the Agreement, including, without limitation, Contractor Payment Obligations to County (such as damages, Franchise Fees, reimbursements and installment purchase payments for Containers, and the Installment Sales Agreement in the form attached to the Agreement) are fully satisfied and performed under the Agreement, or
- (ii) those obligations are fully discharged, released or otherwise excused under the Agreement.

**15. NO SET-OFFS, ETC.**

**(a) By Guarantor.** The obligation of Guarantor under this Guaranty is not affected by any set-off, counterclaim, recoupment, defense or other right that Guarantor may have against County on account of any claim of Guarantor against County.

**(b) By Contractor.** The obligation of Guarantor under this Guaranty is subject to any set-off, counterclaim, recoupment, defense or any other right that Contractor may assert *under* the Agreement, but the obligation of Guarantor under this Guaranty will not be subject to any set-off, counterclaim, recoupment, defense or other right that Contractor may assert independently of and *outside* the Agreement.

**16. WARRANTIES AND REPRESENTATIONS.** Guarantor warrants and represents the following:

**(i)** It has the power, authority and legal right to enter into this Guaranty and to perform its obligations under this Guaranty.

**(ii)** Its execution, delivery and performance of this Guaranty

- do not violate any judgment, order, law or regulation applicable to him or her; and

- do not conflict with or constitute a default under any agreement or instrument to which he or she is a party or by which he or she or its assets may be bound or affected.

**(iii)** Guarantor has duly signed and delivered this Guaranty and the Guaranty

constitutes the legal, valid and binding obligation of Guarantor, enforceable against Guarantor as required by its terms.

*(iv)* As of the date the Guarantor signs the Agreement, there are no pending or, to the knowledge of Guarantor, threatened actions or proceedings before any court or administrative agency that would have a material adverse effect on the financial condition of Guarantor, or the ability of Guarantor to perform its obligations or undertakings under this Guaranty.

**17. NO CONVEYANCE OF ASSETS.** The Guarantor agrees that he or she will not assign or convey, transfer or lease any of or its assets, nor cause Contractor to convey, transfer or lease any of its assets, to any Person unless at least \$100,000 of unencumbered assets available to satisfy Guarantor' obligations under this Guaranty remain, without County consent.

**18. COUNTERPARTS.** The Guarantor may sign this Guaranty in any number of counterparts, some of which may not bear the signature of Guarantor. When signed and delivered, each counterpart is deemed to be an original and all of counterparts, taken together, will constitute one and the same instrument. In pleading or proving this Guaranty, County need not produce more than one copy (or sets of copies) bearing the signature of The Guarantor.

**19. NOTICES.** All notices, instructions and other communications required or permitted to be given to or made under this Agreement must be in writing, and must given in the manner and to the addresses provided in the Agreement for County and with respect to Guarantor and Contractor.

**20. SEPARATE SUITS.** Each and every default by Contractor under the Agreement gives rise to a separate cause of action under this Guaranty, and County or its assigns may bring separate suits under this Agreement as each cause of action arises.

**21. HEADINGS.** The Section headings in this Guaranty are for convenience only and do not govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of this Guaranty.

**22. ENTIRE AGREEMENT.** This Guaranty constitutes the entire obligation of the Guarantor to County with respect to the transactions contemplated by this Guaranty. Nothing in this Guaranty is intended to confer on any person other than the Guarantor, County and their permitted successors and assign under this Agreement any rights or remedies under or by reason of this Guaranty.

**23. EVENTS OF DEFAULT.** Each of the following constitutes an Event of Default under this Guaranty:

*(i)* **Failure to pay Guaranty.** Guarantor's failure to fully and timely pay any monetary obligation under this Guaranty, and that failure continues for 5 days after County gives written notice to Guarantor as required by Section 19 above;

*(ii)* **Breach of Guaranty.** Guarantor breaches any provision of this Guaranty and fails to cure that breach to sole satisfaction of County, within 30 days;

*(iii)* **Assignment; Conveyance of Assets.** Guarantor breaches Section (3) or (17) of this Guaranty;

**(iv) Bankruptcy, Insolvency, Liquidation.** Guarantor files a voluntary claim for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or will consent to the appointment of or taking of possession by a receiver, liquidator, assignee, trustee, custodian, administrator (or similar official) of Guarantor for any part of its assets, or will make any general assignment for the benefit of its creditors, or will fail generally to pay its debts as they become due or will take any action in furtherance of any of the foregoing.

A court having jurisdiction enters a decree or order for relief in respect of this Guaranty, in any voluntary or involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Guarantor consents to or fails to oppose any proceeding, or any said court having jurisdiction enters a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Guarantor or for any substantial part of Guarantor's assets (including homes, furnishings or jewelry), or orders the winding up or liquidation of the affairs of Guarantor.

**(v) Breach of Representations or Warranties.** Any representation or warranty of Guarantor is untrue on the date thereof; Guarantor knowingly makes, causes to be made or condones the making of any false entry in its books, accounts, records and reports under this Agreement.

Upon any Event of Default County may to proceed first and directly against Guarantor under this Guaranty without proceeding against or exhausting any other remedies that it may have. The Guarantor acknowledges that any Event of Default comprises a Default under the Agreement.

IN WITNESS WHEREOF The Guarantor has signed this instrument the day and year first above written.

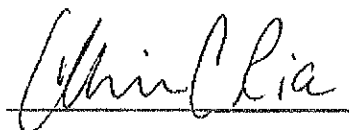
By:

GUARANTOR:

GUARANTOR:

WASTE MANAGEMENT, INC.

WASTE MANAGEMENT, INC.



Name:

Cherie C. Rice

Name:

David LaPaul

Title:

Vice President & Treasurer

Title:

Assistant Treasurer



Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
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State of Texas

County of Harris

On December 10, 2009 before me Cherie C. Rice  
David LaPaul personally appeared  OR  who proved to me on the  
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to  
the within instrument and acknowledged to me that he/she/they executed in his/her/their  
authorized capacity(ies) and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the  
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Texas that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Chantelle E. Reynolds  
NOTARY PUBLIC



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3489

### Exhibit 4 Transition Plan

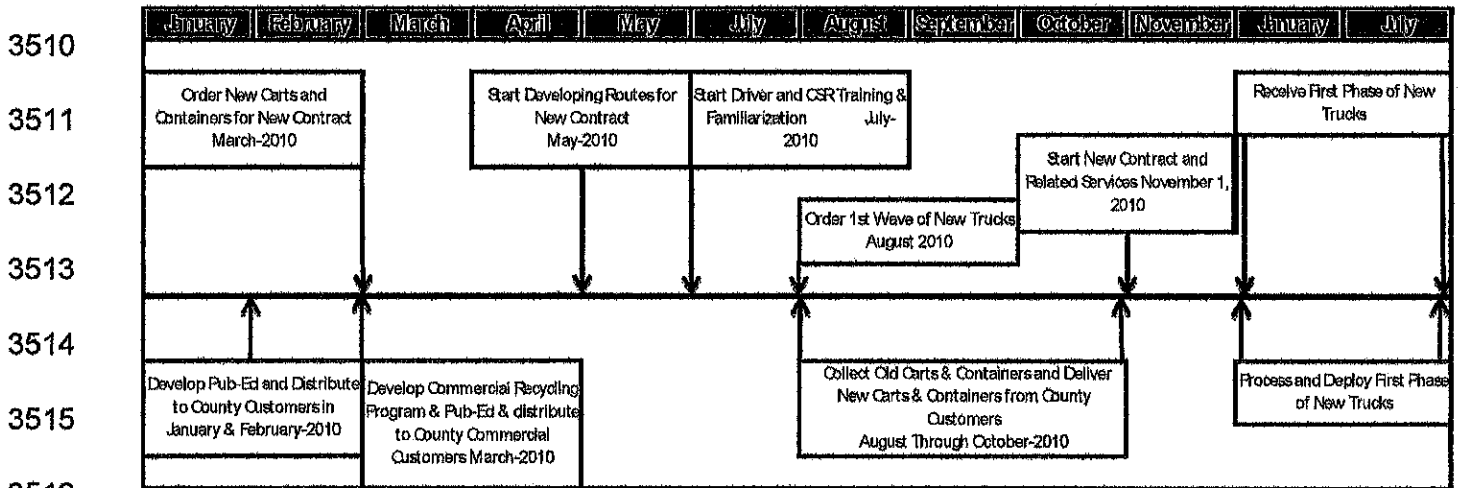
3490 USA Waste of California Inc., dba Carmel Marina Corporation (CMC), a Waste Management  
 3491 company, has extensive experience in the successful implementation of new services for both  
 3492 residential and commercial accounts. While price and service are extremely important in the  
 3493 County's selection process, equally important is the contractor's ability to implement a new  
 3494 program quickly and effectively to maximize results. CMC is primed to meet these requirements.

3495 We take the challenge of completing a smooth implementation very seriously. Based on the  
 3496 depth of experience and the skilled expertise of our team, our first task will be to ensure a  
 3497 problem-free transition for both customers and the County. CMC has a library of tested and  
 3498 effective customer information pieces to communicate new and changing programs effectively.

3499 To implement the start of services, we have selected a team of specialists with an in-depth  
 3500 knowledge of launching and servicing comprehensive contracts such as Monterey County. Their  
 3501 leadership in administration, operations, maintenance, personnel training, and public education  
 3502 will ensure that the new program launches without any disruption of service to customers or  
 3503 inconvenience to County staff.

3504 Much of the planning and preparation for the transition tasks detailed will be completed "behind  
 3505 the scenes", far in advance of the County start date of November 1, 2010. In fact, we propose to  
 3506 begin the cart exchange as early as August 1, 2010 so that unified service is in place  
 3507 countywide on November 1, 2010. Key transition steps will be initiated immediately following the  
 3508 final award of the contract to ensure that all steps are in place for the start up of services.

#### 3509 Early Start Timeline



#### 3517 Prior to Start of Collection Services/Transition Services

3518 Carmel Marina Corporation (CMC) believes a well-organized and well-orchestrated approach is  
 3519 key to the success of new service initiation. As soon as the contract is awarded, we will begin  
 3520 working with County staff for approval and implementation on all the steps required to initiate a  
 3521 smooth transition.

3522

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
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- 3523 1. Review and collaborate with County staff a transition timeline of all key elements.
- 3524 2. Schedule meetings with CMC team and County staff.
- 3525 3. Equipment Procurement and Delivery Plan.
- 3526 4. Public Education, Compliance and Customer Engagement Plan.
- 3527 5. CMC New and Current Employee Plan.
- 3528 6. Billing and Finance Plan.

**3529 Timeline Detailing Major Key Elements**

3530 As the current service provider, CMC is prepared to initiate new cart swaps in Monterey County  
3531 months in advance of the November 1, 2010 contract start date. We believe we have the team  
3532 in place and the working relationship with County staff to successfully expedite the transition.  
3533 We also believe having unified, countywide service in place by the November 1, 2010 start date  
3534 will contribute to increased County diversion rates and reduced carbon emissions. The sample  
3535 timeline on the previous page provides a general idea of the tasks that need to be completed  
3536 and at what time we anticipate beginning and ending each task.

3537 In addition to the timeline, CMC will conduct an extensive and very detailed review of the  
3538 contract and its associated tasks and deadlines. A more detailed implementation plan will be  
3539 developed in collaboration with the County to identify duties and assignments. As the current  
3540 hauler, we know the importance of addressing each customer group's unique container needs  
3541 to make sure their service requirements are met.

**3542 Scheduled Meetings with CMC and County Staff**

3543 CMC is fortunate to employ a team of managers with extensive experience in the  
3544 implementation of new programs.

3545 The Implementation Team will meet weekly from the time the contract is signed until a month  
3546 past the actual contract start date to address any and all issues that arise. It should be noted  
3547 that County staff would be encouraged to attend these meetings.

3548 At each meeting there will be detailed meeting notes taken detailing the progress and or barriers  
3549 that may arise during the implementation stage. The meeting notes will be given to County staff  
3550 if unable to attend on a weekly basis. CMC will make all possible efforts to keep County staff  
3551 informed, updated and aware of each smoothly implemented transition in the entire  
3552 Unincorporated County.

**3553 Equipment Procurement and Delivery**

**3554 Truck ordering /delivery**

3555 After the Unified Franchise Agreement is reached, CMC will order the required trucks from their  
3556 manufacturers based on the terrain of the County. These trucks will take approximately six  
3557 months from order date to delivery. CMC will phase in nineteen (19) new collection vehicles and  
3558 six new support vehicles between January 1, 2011 and July 30, 2011, and over the following  
3559 four years, CMC will phase in the remaining 20 new collection vehicles as older trucks reach

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3560 their mileage limit. All of the new Collection trucks will run on BioDiesel B-20, a clean-burning,  
3561 low emissions fuel.

3562 Upon receipt, each vehicle will be customized with approved signage and graphics. Drivers will  
3563 be trained on the vehicles in the yard prior to test drives on county roads. In fact, County staff  
3564 will be notified in advance of the extra trucks on the road during the current Western and  
3565 Northeastern Franchise Agreements. Each truck will be inspected for safety and tested on the  
3566 roads of varying terrain of Monterey County. Once the trucks are ready to be deployed, CMC  
3567 will set up a time with County staff to inspect the trucks and approve their use.

3568 CMC has identified the necessary trucks and believes the November 2010 timeline for  
3569 implementation is achievable.

### 3570 Carts

3571 The carts for the Single-Stream Refuse, Recycling, and Green Waste will be purchased through  
3572 Cascade. The Cascade EcoCart is made from 40% recycled content and is designed to function  
3573 optimally with both semi- and fully-automated systems. Considered by many to be the finest  
3574 carts manufactured today, CMC purchases Cascade carts for the following reasons:

3575       ▪ Cascade carts are one of the most durable carts in the industry; and unlike many cross -  
3576 link plastic carts; Cascade carts are **fully recyclable** when their useful life is done.

3577       ▪ Cascade uses post-consumer recycled plastic in their manufacturing process.

3578       ▪ Cascade carts have wonderful in-molded graphics that provide weather resistant, clear  
3579 and concise instructions to the customer.

3580       ▪ **Manufacturer will deliver the carts and remove existing carts for recycling.**

### 3581 Single-Family Containers

3582 CMC will send a letter to every Monterey County resident within the current jurisdictions of the  
3583 Western and Northeastern boundaries notifying them of the size, rate and frequencies of service  
3584 and asking them to select the size and quantity of each materials cart. A response card and  
3585 return envelope will be enclosed with a deadline of 3-4 weeks prior to the cart swap. In addition,  
3586 a designated phone line for customer inquiries and responses will be provided. In the case that  
3587 there is no response, CMC will default the cart size specified in the agreement of (1) 35g for  
3588 refuse, (1) 64g for recycle and (1) 64g for green waste. All carts will be identified by the hauler's  
3589 name and include our toll-free phone number. In addition, the carts' interior lids will be clearly  
3590 labeled with the County-provided language, in both English and Spanish, pertaining to  
3591 Household Hazardous Waste and recyclable containers.

3592 The manufacturing period is three months from order to delivery. Cascade will coordinate the  
3593 manufacturing, shipment and neighborhood delivery program with our oversight, to all  
3594 residential customers. We will provide route sheets, special service instructions and a direct line  
3595 to a route manager to ensure the carts are delivered properly and the old carts are removed and

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3596 recycled if not reusable. We have found that it is better for us to focus on the collection aspects  
3597 of the implementation. Complete cart delivery will take place over a 12-week period.

**3598 Multi-Family and Commercial Containers**

3599 CMC will be refurbishing a portion of existing metal containers, and purchasing some new steel  
3600 and plastic containers. CMC will coordinate the exchange of old bins and carts with freshly  
3601 painted containers that will feature labels displaying the hauler's name and toll-free customer  
3602 service telephone number. This will provide for a seamless transition to a new collection system  
3603 and the customer will not be left without a place to put their materials.

3604 CMC will be sending a letter to every Monterey County Multi-family and Commercial customer  
3605 within the current jurisdictions of the Western and Northeastern boundaries notifying them of the  
3606 size, rate and frequencies of service and asking them to select the size and quantity of each  
3607 container. CMC will be delivering the new containers to all Multi-Family and Commercial  
3608 customers based on the proposed expedited schedule.

**3609 Roll-Off Containers**

3610 CMC will be refurbishing existing metal roll-off containers, and purchasing new metal containers  
3611 as needed, based on the new size offerings in the agreement. CMC will coordinate the  
3612 exchange of old containers with freshly painted bins which will feature labels displaying Waste  
3613 Management's name, toll-free customer service telephone number and the number of the Bin.  
3614 This will provide for a seamless transition to a new collection system and the customer will not  
3615 be left without a place to put their materials.

3616 CMC will be sending a letter to every Monterey County industrial valued customer within the  
3617 current jurisdictions of the Western and Northeastern boundaries notifying them of new  
3618 recycling program, the size, rate and frequencies of service and asking them to select the size  
3619 and quantity of each container. CMC will be delivering the refurbished and new containers as  
3620 needed to all industrial customers prior to the start of services based on their needs.

**3621 Public Education Plan and Outreach Activities**

3622 We look forward to working closely with the County on the design and implementation of new  
3623 outreach materials. CMC knows that effective public education and promotion are crucial  
3624 components to increasing resident and business participation in new services.

3625 Our public outreach and education efforts will go well beyond the requirements listed in the new  
3626 collection services contract. Our approach is designed to "jump-start" additional diversion  
3627 through the kick-off of new programs, early diversion implementation with the early start date  
3628 proposal and to diligently pursue ongoing awareness activities.

3629 CMC will work with County staff to ensure all customers will receive advanced information on all  
3630 the County's new services through a special mailing prior to the start-up of the program. Our  
3631 comprehensive outreach efforts will be carefully analyzed and updated to guarantee successful  
3632 long-term diversion programs.

**3633 Procedures for Submitting Public Information Material to the County for Approval**

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County

3634 Good communication and accountability is key to the success of any contractual relationship. To  
3635 ensure a high level of communication between CMC and Monterey County, CMC will establish  
3636 clear communication procedures for developing public education pieces.

3637 When developing new public information pieces, CMC will first submit the text to the County for  
3638 approval. Once the County and CMC have agreed on the language for a piece, CMC will  
3639 develop draft artwork for County approval. Once this approval has been received, CMC will  
3640 move ahead with the finalizing of the public information pieces.

3641 CMC views this contract as an opportunity to partner with the County of Monterey to perform  
3642 public education services. We will work with the County, as a partner, throughout the life of the  
3643 contract. All public information pieces will be submitted to the County for review. Our proposed  
3644 County review period is five working days; however, we would be happy to work with the County  
3645 to develop another schedule, as appropriate.

3646 Public Education Timeline

3647 The following is the list of public education milestones that will be implemented.

3648 ■ Starting in the First Quarter of 2010, CMC will conduct commercial and multifamily  
3649 customer visits to determine what amounts of garbage may still be recycled, the correct  
3650 container sizes for both garbage and recycling, container locations and any unique  
3651 service needs.

3652 ■ During the First Quarter of 2010, CMC will directly mail to all Single-family Residences a  
3653 New Single-family Program Announcement introducing the delivery of new carts, along  
3654 with information on our Internet web address, email address and tear out pre-stamped  
3655 mailers for customers to change service levels and order new containers.

3656 ■ During delivery of Single-family Residence Recycling Carts, CMC will place a new  
3657 program packet of materials, including a new  
3658 program booklet with recycling do's & don'ts on  
3659 the Recycling Carts. We will also indicate  
3660 collection day.

3666 ■ During the First Quarter of 2010, CMC will mail  
3668 to all Multifamily Complex customers a New  
3670 Multifamily Program Announcement introducing  
3672 the new recycling services, along with  
3674 information on our Internet web address, email  
3675 address and tear out pre-stamped mailers for customers to change service levels and  
3676 order new containers.

**GARBAGE**

If it isn't accepted in your blue recycling cart or grey food & yard waste cart, it goes in your new green garbage cart. Your green cart will be collected every other Monday starting August 11 (the collection schedule). To make your recycle and the your food and yard waste cart, the less garbage you will have.

- No shell casings.
- Double bag pet litter and waste, packing pellets, and cat boxes.
- Stone can fill of the bin to reduce odors.
- Heavy flammable materials, appliances, and building materials can be picked up by special arrangement for a fee.

Household items (appliances, etc.) for the other recycling program will only pick up in the meantime, they can be used for other recyclables and for one yard waste.

**Do** Do not put these in your garbage

- Volatile
- Combustible liquids, oil
- Hazardous materials, including paint, oil, & RVs
- Flammable, corrosive, acidic, & poisonous gases, and liquids

For paper shredder, contact King County  
 • www.podnet.org/hazardous  
 • www.kingcounty.gov/permitsandlicensing

**CART COLLECTION GUIDELINES**

Collection trucks will empty the garbage, recycling and yard waste carts with mechanical arms.

- Please place containers with lids closed at the curb by 7:00AM.
- At least three feet from cars, trees, mailboxes, fences
- Two (2) feet apart
- Call trash or gas to the curb as possible
- Curb (side-parking) toward street

Please take containers in as soon as possible after collection

Missed Collection - To report a missed collection call 425-429-7392.

Weather Delays - In weather conditions prevent cart collection, we will collect your materials the following Monday. Your collection schedule will then resume per your calendar. Update: www.cmccwast.com/mondaydelays

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
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- 3677       ▪ During delivery of Multifamily Residence Recycling Carts, CMC will place a new program  
3678       packet of materials, including a new program booklet with recycling do's & don'ts on the  
3679       Recycling Carts. We will also indicate collection day.
  
- 3680       ▪ During the First Quarter of 2010, CMC will mail to all Commercial Customers a New  
3681       Commercial Program Announcement introducing the new recycling services, along with  
3682       information on our Internet web address, email address and tear out pre-stamped  
3683       mailers for customers to change service levels and order new containers.
  
- 3684       ▪ During delivery of Commercial Recycling Bins and Carts, CMC will place a new program  
3685       packet of materials, including a new program booklet with recycling do's & don'ts on the  
3686       Recycling Bins and Carts. We will also indicate collection day.
  
- 3687       ▪ From January 2010 through October 31, 2010, CMC will provide additional customer  
3688       service staff to accommodate customer questions, service level shifting requests,  
3689       container requests and other service inquiries.

3690    **Public Education Activities During Implementation**

- 3691       ▪ All commercial and multi-family customers will get a one-on-one visit. CMC will send our  
3692       Recycling Program Teams out to all commercial and multi-family customers to discuss  
3693       the new recycling program and help each customer "right size" their containers for  
3694       garbage and recycling. They will also help determine the types of materials placed in the  
3695       garbage container, the correct container sizes and collection frequencies for garbage,  
3696       recycling and subscription-based green waste, container locations, enclosure spaces  
3697       and any other unique service needs, which is key to ensuring enhanced diversion goals.
  
- 3698       ▪ CMC will work with the County to produce and distribute a flyer outlining the new  
3699       program and alerting customers to watch for information and outreach.
  
- 3700       ▪ CMC will work with the County to prepare press releases for the local press, Salinas  
3701       Californian, King City Real Estate Magazine, King City Radio Station, Monterey Herald  
3702       and community organizations outlining the new program and alerting customers to watch  
3703       for information in English and Spanish.
  
- 3704       ▪ CMC will mail each single-family customer the new program announcement brochure  
3705       introducing the new services available, including recycling guidelines, and options for  
3706       service levels and container sizes, along with rates, a tear-out section to mail back  
3707       indicating their level of preferred service, and a phone number for all customer inquiries  
3708       answered in either English or Spanish.



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- 3709      ■ CMC will mail to single-family a postcard announcing the delivery of their new containers  
3710      and reminding single-family residences of the new services under the contract in English  
3711      and Spanish.
  
- 3712      ■ A packet of information will be attached to each new recycling cart upon delivery. This  
3713      packet will include information on garbage, recycling and green waste program  
3714      guidelines, proper materials preparation, container set out information, collection  
3715      schedules and customer service information in English and Spanish.
  
- 3716      ■ CMC will mail each multi-family complex customer a new multi-family program  
3717      announcement brochure introducing the new services available, including recycling  
3718      guidelines, and options for service levels and container sizes, along with rates, a tear-out  
3719      section to mail back indicating their level of preferred service, and a phone number for all  
3720      customer inquiries answered in either English and Spanish.
  
- 3721      ■ CMC will mail to all commercial customers in the service area a new commercial  
3722      program announcement brochure introducing the new services available, including  
3723      recycling guidelines, options for service levels, container sizes and rates. A tear-out  
3724      section to mail back indicating their level of preferred service will be included, and a  
3725      phone number for all customer inquiries answered in either English or Spanish.
  
- 3727      ■ CMC will mail to all commercial customers a  
3729      new commercial program postcard  
3731      announcing the delivery of their new  
3733      containers and reminding commercial  
3735      customers of the new services under the  
3737      contract.
  
- 3739      ■ During the "start-up" phase, CMC will provide  
3741      additional customer service phone lines to  
3743      accommodate customer questions, service  
3745      level change requests, container requests,  
3746      and other service inquiries to ensure the utmost customer engagement, satisfaction and  
3747      feedback.
  
- 3748      ■ On an ongoing basis, reminder tags will be used to remind customers about garbage  
3749      and recycling guidelines.
  
- 3750      ■ The week before collection service begins CMC will use our outbound dialing system to  
3751      remind customers of the start of the new programs.



**3752 Commercial and Multifamily Customer Audits**

3753 Beginning in Q1 2010, CMC will begin visiting commercial and multi-family customers in the  
3754 unincorporated portion of Monterey County. Visits by the CMC Recycling Program Team will  
3755 insure the following:

- 3756       ▪ Each customer understands the change in service.
- 3757       ▪ Each customer is aware of the new programs being offered.
- 3758       ▪ Each customer's current service levels for garbage and recycling meets their needs.
- 3759       ▪ Locations of all containers and enclosure spaces are mapped for future use.
- 3760       ▪ Each customer understands the economic opportunities for recycling more waste.
- 3761       ▪ The necessary containers are in place at the start of the contract.

3762 This initial auditing of commercial and multifamily accounts will provide the County with valuable  
3763 data on the amount of material that is still available to be recycled. These visits will be timed  
3764 specifically to provide the County with the information it needs to create the most effective public  
3765 education campaign possible. CMC will assist the County in any way possible to design such a  
3766 campaign.

**3767 Training**

3768 The cart exchange will require education and training of supervisors, drivers, dispatch and  
3769 customer service staff on the roll-out and any new procedures. All staff will be trained on  
3770 acceptable (and unacceptable materials) and about the details of the transition period.  
3771 Fortunately, CMC's parent company, Waste Management, has extensive experience with these  
3772 transition programs, most recently in neighboring Alameda County.

3773 As the current provider, we are fortunate to have a dedicated team of drivers who are very  
3774 familiar with the service areas in the current Western and Northeastern areas. We will,  
3775 however, ensure that all drivers are properly trained in the new trucks and routes before they  
3776 are transitioned to the streets of Monterey County.

3777 Customers will continue to receive the highest level of service to which they are accustomed  
3778 because there will be minimal route changes to implement the new unified service.

**3779 Billing Services Plans**

3780 As the existing service provider, only CMC can ensure that there will be a transparent transition  
3781 of billing services in Monterey County's new Unified Franchise Agreement.

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3782 Transitioning to a new service provider can create  
3783 numerous challenges, giving rise to customer complaints.  
3784 Customers are especially sensitive to any errors on their  
3785 billing. Fortunately, using our existing billing methodology,  
3786 CMC's billing services will continue uninterrupted during the  
3787 transition with no inconvenience to the customer.

3788 For the purpose of reporting and tying back key data, our  
3789 billing department will be implementing a "fresh" Unified  
3790 customer database specific to the County Agreement to  
3791 ensure all fees, monthly, quarterly and annual reporting will  
3792 meet all expectations of the requirements of the new  
3793 Agreement. The information will be used to generate cart  
3794 and bin customer invoices according to the contract  
3795 parameters.

3796 Customers will also be notified of the option to either make  
3797 payments through the mail, credit cards, electronic fund  
3798 transfer, and the internet or by walking in to any one of  
3799 CMC's following payment locations:

3800 Carmel Drug Store (Carmel-by-the-Sea)  
3801 3NW Ocean and San Carlos, Carmel, CA 93921  
3802 Direct# 831-624-3819

3803 First National Bank (Monterey County West)  
3804 26380 Carmel Rancho Lane, Carmel, CA 93923  
3805 Direct# 831-626-5080

3806 Nick's Highway Market (Monterey County West)  
3807 11394 Merritt St, Castroville, CA 95012  
3808 Direct# 831-633-4065

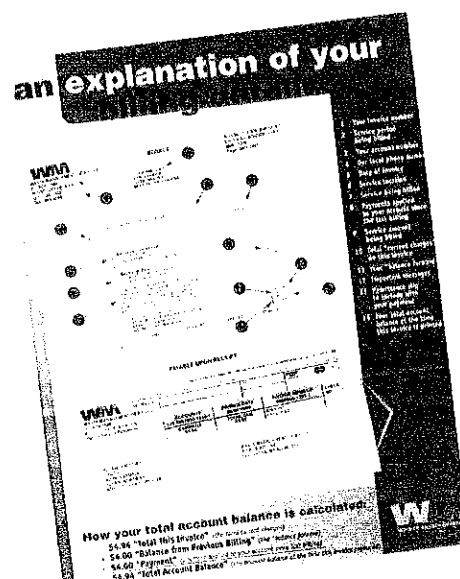
3809 Pacific Grove ACE Hardware (Pacific Grove)  
3810 244 Forest Ave, Pacific Grove, 93950  
3811 Direct# 831-646-9144

3812 Seaside Florist (Seaside)  
3813 695 Broadway, Seaside, CA 93955  
3814 Direct# 831-899-0373

3815 Bertelli's Drug Store (King City Inside)  
3816 425 Broadway, King City, CA 93930  
3817 Direct# 831-384-3259

3818 Jolon Rd. Transfer Station  
3819 52654 Jolon Rd, King City, CA 93930  
3820 Direct# 831-384-4258

3821 Carmel Marina Corporation  
3822 11240 Commercial Pkwy, Castroville, CA 95012  
3823 Direct# 831-796-2213



Our billing services will continue uninterrupted during the transition

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
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3824 In the customer engagement mailers requesting their preferred level of service, CMC will also  
3825 include a section to update any current information that is in the existing database. When CMC  
3826 is in receipt of the responses all old customer information will be updated. We will also provide  
3827 this information to the County so that it can update its parcel data.

3828 **Transition Plan**

3829 CMC submits the following Transition Plan, which will be implemented upon the execution of a  
3830 new agreement for CMC to provide services to Monterey County.

- 3831 1. CMC submits the following transition plan for approval, as required by section 3.19.1 of  
3832 Unified Franchise Agreement 10204.
- 3833 2. CMC will submit an Emergency Backup plan as required by Section 3.19.2 of the Unified  
3834 Franchise Agreement.
- 3835 3. Per Section 3.19.3 of the Unified Franchise Agreement - CMC will work with the County  
3836 to obtain approval of the waste assessment protocols prior to April 1, 2010.
- 3837 4. Per Section 3.19.4 of the Unified Franchise Agreement – CMC will work with the County  
3838 to obtain approval of the format of all invoices prior to September 1, 2010.
- 3839 5. Per Section 3.19.5 of the Unified Franchise Agreement - Within 30 days of the execution  
3840 date of this Unified Franchise Agreement, CMC will provide payment of the proposal  
3841 development fee to the County.
- 3842 6. Per Section 3.19.6 of the Unified Franchise Agreement – CMC will provide collection  
3843 route maps to the County no less than 90 days prior to commencement of Collection  
3844 Services.
- 3845 7. Per Section 3.19.7 of the Unified Franchise Agreement - CMC will test the noise level of  
3846 all collection vehicles to ensure all collection vehicles are in compliance with noise  
3847 requirements prior to use as collection vehicles.
- 3848 8. Per Section 3.19.8 of the Unified Franchise Agreement – CMC will provide an equipment  
3849 inventory and New Truck Build Status to the County on or before September 1, 2010.
- 3850 9. Per Section 3.19.09 of the Unified Franchise Agreement – CMC will submit the initial  
3851 public education and outreach program to the County on or before July 1, 2010.
- 3852 10. Per Section 3.19.10 of the Unified Franchise Agreement - CMC will distribute initial  
3853 Collection Service notice to all customers no less than 30 days prior to commencement  
3854 of collection services.

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
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- 3855 11. Per Section 3.19.11 of the Unified Franchise Agreement – CMC will provide an  
3856 emergency contact number to the Contract Administrator prior to October 1, 2010.
- 3857 12. Per Section 3.19.12 of the Unified Franchise Agreement – CMC will develop a Website,  
3858 which will be available to customers, no later than September 1, 2010.
- 3859 13. Per Section 3.19.13 of the Unified Franchise Agreement – CMC will provide the name of  
3860 the CMC supervisor assigned to Monterey County on or before October 1, 2010.
- 3861 14. Per Section 3.19.14 of the Unified Franchise Agreement – CMC will provide evidence of  
3862 insurance on or before the Execution date of this Agreement.
- 3863 15. Per Section 3.19.15 of the Unified Franchise Agreement – CMC will obtain a  
3864 performance bond for \$5,000,000.00 Dollars within 30 days of the execution date of this  
3865 agreement.
- 3866 CMC recognizes that successful transitions require the immediate execution of specific tasks,  
3867 as well as a great deal of, communication, planning and coordination in preparation for the  
3868 provision of the services required by a new agreement. Even though CMC may be the current  
3869 service provider CMC treats any new agreement as a fresh opportunity to provide innovative  
3870 world class services to our customers. In anticipation of reaching a formal Unified Franchise  
3871 Agreement with Monterey County for the provision of Solid Waste Services, CMC has the  
3872 following transition tasks staged for immediate execution.
- 3873 1. Obtain Certificate of Insurance and provide original copy to County on or before the  
3874 Execution Date of this Unified Franchise Agreement.
- 3875 2. Obtain \$5,000,000.00 Performance Bond and provide original copy to County within 30  
3876 days of the execution date of this Unified Franchise Agreement.
- 3877 3. Pay \$170,000.00 Proposal development fee to County within 30 days of the execution  
3878 date of this Unified Franchise Agreement.
- 3879 4. A Letters of Commitment for the new trucks required by the New Unified Franchise  
3880 Agreement was secured as part of CMC's RFP submission, once the Unified Franchise  
3881 Agreement is reached, CMC will execute orders with our manufacturer for the new  
3882 trucks required. CMC will provide the service vehicle inventory and New Truck build  
3883 status to the County before September 1, 2010. CMC also provided the County with an  
3884 estimated schedule for the replacement of trucks through the initial term of the  
3885 agreement. Delivery of the first 25 new trucks will be staggered between January 1,  
3886 2011 and July 30 2011.
- 3887 5. Letters of Commitment for the carts initially required by the new Unified Franchise  
3888 Agreement was secured as part of CMC's RFP submission, once the Agreement is

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County

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3889 reached, CMC will execute orders with our manufacturer for the new carts required for  
3890 the November 1, 2010 startup of services. This will ensure that the new carts arrive early  
3891 enough to allow time to prepare the new carts for delivery, collect the existing old carts in  
3892 the field and deliver the new carts to all customers. CMC has a commitment from our  
3893 cart delivery team to complete initial deployment of new carts in 8 weeks. In order to  
3894 ensure a successful deployment and allow a cushion to complete all aspects of the  
3895 delivery plan, CMC has planned 12 weeks, starting the beginning of August, to  
3896 accomplish this part of the transition. Once the delivery plan is finalized, CMC will  
3897 provide a copy of the plan to the County prior to implementation.

3898 In order for CMC to develop a comprehensive competitive proposal for submission to the  
3899 County, all aspects of providing the Solid Waste Services requested by the County  
3900 were reviewed and in some cases hypothetical situations were developed and analyzed  
3901 to establish an accurate cost to provide certain services. Being the current service  
3902 provider to the County, along with the development of these new hypothetical situations,  
3903 has given CMC a head start on the Development of Routes Route Maps and a number  
3904 of other items the County may require. This enhances CMC's ability to provide items  
3905 required by the Unified Franchise Agreement on or before scheduled deadlines. New  
3906 Route Maps will be provided to the County a minimum of 90 Days prior to the  
3907 commencement of services.

3908 6. As the current provider of Solid Waste Services to Monterey County, CMC is familiar  
3909 with all of the County's requirements and procedures for collecting, hauling, measuring,  
3910 processing and reporting the materials collected in the County, as well as Billing  
3911 customers for all services provided. This makes it easier for CMC to develop Waste  
3912 Assessment Protocols and New Billing Invoices to submit to the County for approval  
3913 prior to their respective April 1, 2010 and September 1, 2010 deadlines.

3914 7. Over the years that CMC has provided Solid Waste Services to Monterey County, CMC  
3915 has worked extensively with the County in the development of Public Education  
3916 Materials, much of which CMC has accumulated to date. CMC intends to use a  
3917 combination of the Pub-Ed materials developed to date and newly developed Pub-Ed  
3918 Materials, for the New Agreement's Public Education & Outreach Plan, to be submitted  
3919 to the County on or before July 1, 2010. CMC will also use some of these materials in  
3920 the development of the initial Collection Service Notice that will be sent to all customers  
3921 in the First quarter of 2010.

3922 8. Once the new service agreement is reached, CMC local management will select a  
3923 Service Supervisor to assign to the County. The Name of the County's assigned Service  
3924 Supervisor will be provided to the County on or before October 1, 2010.

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County

3925 9. As part of the Emergency Backup Plan, submitted along with this transition plan, CMC  
 3926 has provided Emergency Contacts and their Telephone numbers.

3927 10. CMC has completed the development of a Market Area website, which will be available  
 3928 to Monterey County and its customers. Monterey County and its customers will be able  
 3929 to view information related to the services available to them as part of the New  
 3930 Agreement, and will be able to take advantage of other online services such as Bill  
 3931 Payment, Q & A and service requests. This site is currently active and will be updated  
 3932 and available to Monterey and its customers far in advance of the September 1, 2010  
 3933 deadline.

3934 CMC is prepared to work closely with County Staff to complete all aspects on this transition plan  
 3935 on or before the deadlines specified by the County. In order to stay on Time and on Task, CMC  
 3936 has attached a Transition Action Plan, which will be implemented immediately after a new  
 3937 Unified Franchise Agreement is reached between CMC and The County.

3938

Monterey County Vehicle Replacement Schedule															
Contract Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Calendar Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
Residential	0	8			5	1	3							1	18
Commercial	0	4	5	1		2									12
Roll Off	0	7	1				1								9
Bin Delivery	0	3													3
Scout Truck	0	3													3
<b>TOTAL</b>	<b>0</b>	<b>25</b>	<b>6</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>45</b>

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County

Monterey Transition Implementation Calendar

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Jul-11
<b>RFP Process</b>														
Monterey County Officially Selects Contractor and Formal Service Agreement is Signed.														
<b>Transition Plan</b>														
Order \$5,000,000.00 Performance Bond & Provide to County within 30 days of Reaching Formal Agreement														
Order and Provide Certificate of Insurance to the County on or before Reaching Formal Agreement														
Assign CMC Supervisor Responsible for Monterey and Provide Name to County														
Develop "New Agreement" Collection Service Notice / Brochure for Single Family, Multifamily & Commercial Customers														
Develop Monterey Link on Market Area Website														
Work With the County to establish County Approved Waste Assessment protocols														
Develop Initial Public Education Outreach Program														
Mail "New Agreement" Collection Service Notice / Brochure to all customers in Q1, 2010														
Perform On-Site Commercial & MFD Visits starting Q1 2010														
Order New Cars required for New Agreement.														
Develop New Routes & Corresponding Maps														
Receive and Prepare New Cars for Delivery														
Provide New Route Maps to The County														
Submit Initial Public Education Outreach Program to County for approval on or before July 1, 2010														
Train Customer Services on New Agreement														
Train Operations on New Agreement (drivers, supervisors)														
Collect Old Cars and Deliver New Cars to Customers														
Deliver Commercial & MFD "Right-String" Cars and Bins														
Deliver "New Agreement" Collection Service Notice / Brochure with Cars/Containers														
Order for First Phase of New Collection Trucks August - 2010														
Provide Inventory of Service Vehicles to County on or before September 1, 2010														
Provide Emergency Contact Information to Contract Administrator on or before October 1, 2010														
New Residential, Commercial & MFD Programs Start														
Receive first phase of New Vehicles														
Process and Deploy New Vehicles														



## Exhibit 5 Service Area

3939

3940

3941 The boundaries of the Service Area are as indicated below:

3942 South Boundary- San Luis Obispo County line

3943 East Boundary- the San Benito/Fresno/Kings County lines

3944 West Boundary- the Pacific Ocean

3945 North Boundary- The Santa Cruz County line.

3946

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### Exhibit 6 JPA Boundaries

3948

3949

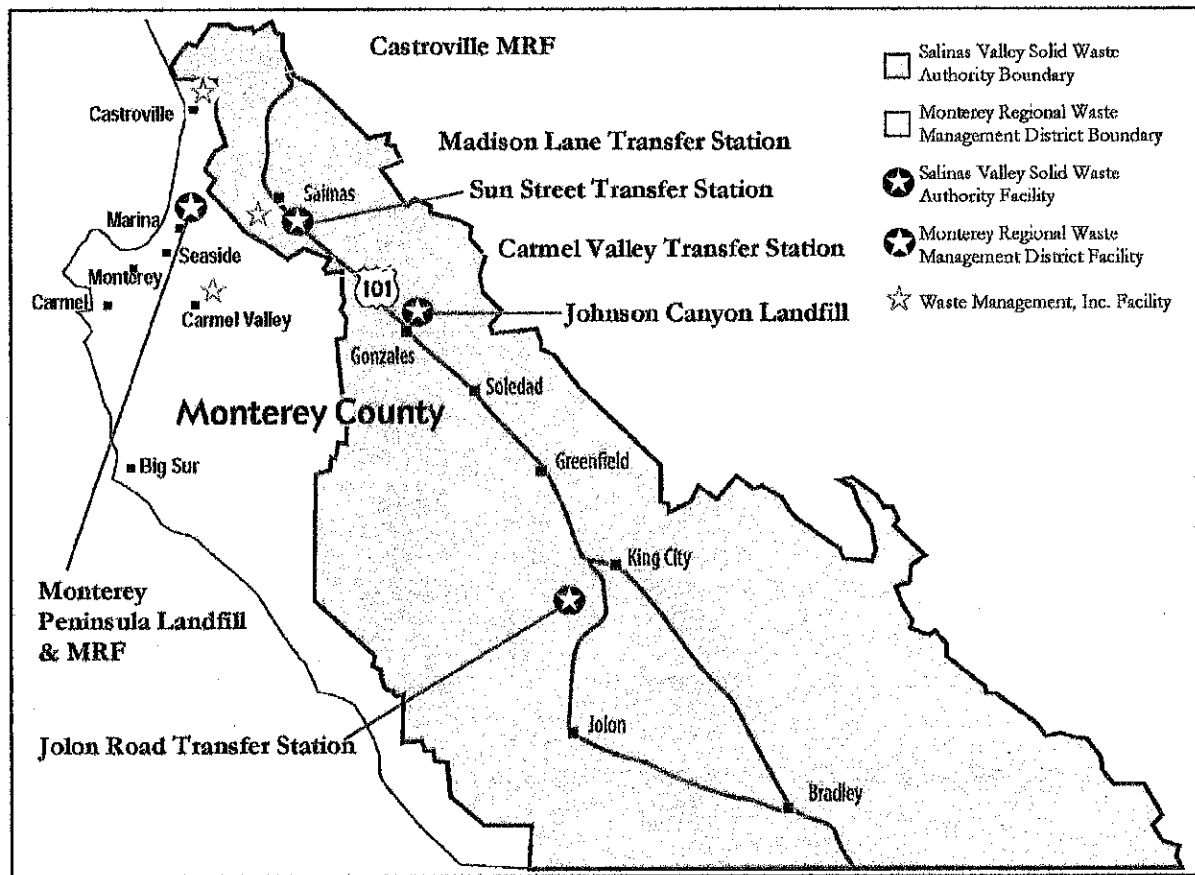
#### 3950 MRWMD Description

3951 The Monterey Regional Waste Management District jurisdictional boundaries include the cities of  
3952 Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City, Seaside, and  
3953 the unincorporated areas of Big Sur, Carmel Highlands, Carmel Valley, Castroville, Corral De  
3954 Tierra, Laguna Seca, Moss Landing, Pebble Beach, San Benancio, and Toro Park. The District  
3955 covers a total of 853 square miles.

#### 3956 SVSWA Description

3957 The Salinas Valley Solid Waste Authority jurisdictional boundaries include the cities of  
3958 Gonzales, Greenfield, King City, Salinas, and Soledad and the unincorporated eastern portion  
3959 of Monterey County. The Authority covers roughly 2,450 square miles.

3960



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3963

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
Unincorporated Monterey County

3964  
3965

## Exhibit 7 Reports

Contractor's Name  
Monthly Report Submission for: Month/Year  
**COUNTY OF MONTEREY UNIFIED FRANCHISE AGREEMENT**  
Reports are due on the 20th of each month

Article/Section	List of Reporting Categories	Also complies with
	<b>Franchise Infringement</b>	
3.17.2	<b>Inadvertent Delivery of Unpermitted Waste (when applicable)</b>	
11.13	<b>Commercial and Multi-family Customer Site Visits Conducted</b>	
13.03-13.05	<b>Delinquent Accounts</b> List of accounts that have become "delinquent" due to non-payment	
	<b>Customer Service/PR-Related Report</b>	
11.11	<b>Contact with Media</b>	
21.01	<b>Record of Inquiries and Complaints Received by Contractor</b>	
21.03	<b>Missed Collections</b>	
3.20	<b>Damage to Customer Property</b>	
<b>Article 14</b>	<b>Minimum Diversion Requirement Report will include total of tonnages collected, type of materials collected, and diversion rate achieved through:</b>	<b>AB939/SRRE</b>
Articles 5, 6, 7, 8, and 9	<b>Collection Services for SFD, MFD and Commercial Customers (Tonnages, )</b>	
5.11.4	<b>Used Oil and Oil Filter Collection (oil volume and number of filters)</b>	<b>Oil Block Grant</b>
Article 10	<b>On-Call Bin an Roll-off Collection</b>	<b>AB939/SRRE</b>
11.01, 11.02	<b>Christmas Tree collection and diversion (January report only)</b>	<b>AB939/SRRE</b>
11.03	<b>On-Call Collection for Employee Housing Sites</b>	<b>AB939/SRRE</b>
11.04	<b>County Clean-Up Services</b>	<b>AB939/SRRE</b>
11.05	<b>Recycling at Large Venues and Large Events</b>	<b>AB939/SRRE</b>
11.07	<b>Abandoned Solid Waste Locations</b>	<b>AB939/SRRE</b>
<b>Article 19</b>	<b>Public Education and Outreach Programs</b> List of activities conducted	<b>AB939/SRRE</b>
	<b>Copies of notices distributed to customers during the month.</b>	

Note:

Mid year, Contractor will provide narrative progress report of activities (e.g., discussion of program successes, challenges and strategies for overcoming challenges, assistance needed from County)

3966

**Exhibit 7 Reports (Continued)**

3967  
3968

Contractor's Name \_\_\_\_\_

Annual Report for \_\_\_\_\_

**COUNTY OF MONTEREY UNIFIED FRANCHISE AGREEMENT**

**Due February 15 of each year**

<b>Contractor will include collated summary of the information contained in prior reports, including reconciliation of any adjustment from prior reports</b>	
<b>Section</b>	<b>Report Categories</b>
<b>5.11.5 and 19.04</b>	<b>Home Composting Bin and Worm Bin Sale</b> Copy of annual notice given to customers Number of composting bins and worm bins sold Supporting documents to justify purchase price
<b>11.10</b>	<b>SRRE Compliance Plan</b> measurable goals and objectives that address each SRRE category (education, waste diversion, breakdown of waste streams diverted/targeted for diversion, barriers to success, and plan to overcome barriers)
<b>11.03.7</b>	<b>Participation in the Central Coast Recycling Media Coalition (CCRMC)</b>
<b>Article 12</b>	<b>Customer Inventory by Service Level and Rate</b>
<b>15.03</b>	<b>Changes to Collection Routes--If no changes, statement certifying no changes were made.</b>
<b>15.04</b>	<b>Audit of Routes (every three calendar years)</b>
<b>16.08</b>	<b>Noise Test for Vehicles (if requested by County)</b>
<b>16.11</b>	<b>Equipment Inventory</b>
<b>17.07</b>	<b>Safety Training Certification</b> to include HAZWOPER First Responder
<b>19.02</b>	<b>Copy of Annual Collection Service Notice</b> Copy of any notice of available collection services List of materials collected
<b>28.02</b>	<b>List of Subcontractors</b> Names, amount of goods and services, description of relationship to subcontractor (e.g. ownership interest)
	<b>A financial statement prepared as required by General Accepted Accounting Principles</b>

Note:

The annual report will include narrative of activities (e.g., discussion of program successes, challenges and strategies for overcoming challenges).

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### Exhibit 8 Employee Housing Sites

	Housing Name and Location	No. of Units	Types of Units	Occupancy Yearly / Seasonal	Actual # of Employees Permitted
1	Alpine Court 52 River Rd. Gonzales, CA 93926	19	8 SFD 11 Mobile Homes	Yearly	16
2	Amaral Rentals 152 Amaral Road, Castroville, CA 95012	8	5 SFD's 3 Mobile Homes Family use	Yearly	5
3	Bengard Ranch - Bardin Apts. 1953-2001 Alisal Road, Salinas, CA 93905	22	6 SFD's 16 Apartments Family use	Yearly	22
4	Bruce E & Cindy Wedlake Rentals 32974 GLORIA RD, GONZALES, CA 93926	8	6 Mobile Homes 2 spaces for M.H Family use	Yearly	8
5	Carrillo Farms 39568 Walnut Avenue. Greenfield ,CA 93927	3	3 Mobile Homes Family use	Yearly	3
6	College Ville Farm Workers Inc 48449 Lonoak Rd. King City, CA 93930	6	4 SFD 2 Dormitories (32 Units) Family & single men use	Yearly	79
7	Corda Road Camp Alta St and Corda Road, Gonzales, CA 93926	19	19 Apartments Family use	Yearly	17
8	Gracia Camp 1702 Elkorn Road, Watsonville, CA 95076	6	6 Mobile Homes Family use	Yearly	10
9	Iverson & Jacks Apts. 25300 Iverson Rd, Chualar, CA 93925	30	6 SFD 24 Apartment Family use	Yearly	30
10	Jacks Camp 14650 Reservation Rd., Salinas, CA 93908	4	2 Mobile Homes 1 Dormitory (11 Unit) Single men & Family use	Yearly	11
11	Kent's Court 73 Railroad Ave. Pajaro, CA	19	19 Mobile Homes Family use	Yearly	19
12	Los Coches Camp 37061 Vida Rd, Soledad, CA 93960	9	8 SFD's 1 Dormitory (7 Units) Family use	Yearly	12
13	Pryor Farms 33050 Sillman Rd, Soledad, CA 93960	8	2 SFD 6 Spaces Mobile	Yearly	12

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**Exhibit 8 Employee Housing Sites (Continued)**

			Homes		
			Family use		
14	Sadao Matsunami 257 Live Oak Road, Watsonville, CA 95076	10	10 Apartments Family use	Yearly	10
15	Salinas Valley Floral Inc. 185 Zabala Road, Salinas, CA 93908	6	6 Spaces Mobile Homes Family use	Yearly	6
16	Sunset Farms Inc. 160 Springfield Road, Moss Landing, CA	2	2 Dormitories Single Men use	Seasonal	29
17	Toro Camp 252 Hitchcock Road, Salinas, CA 93908	5	5 Dormitories (26 Units) Single men	Seasonal	220

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## Exhibit 9 Emergency Backup Plan

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Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in  
Unincorporated Monterey County

Exhibit 10 COUNTY Facilities

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Facility	Current Location	Service Level			Service Detail/Limitation
		Container Size	Container Quantity	Service Frequency	
Administration - Child & Family Resource Center	10601 McDougall Street	Castroville	2 CY Bin	1 1X	
Administration - RDA (Japanese School Site)	Gell Street and Pajaro Street	Castroville	2 CY Bin	1 1X	
Library - Big Sur (Modular)	Highway 1 Ripplewood Resort	Big Sur	2 CY Bin	1 2X	
Library - Castroville w/ Dist. 2 Supervisor	11140-11160 Speegle Street	Castroville	35 gal cart	1 1X	
Parks - Ducky Dell Community Park	Biohm Ave. and Carpentaria Road	Aromas	2 CY Bin	1 1X	
Parks - Jack's Peak Park	25020 Jack Peaks Park Road	Monterey	4 CY Bin	1 1X	
Parks - Laguna Seca	1025 Highway 68	Salinas	4 CY Bin	4 1X	
Parks - Manzanita Park	1700 Castroville Boulevard	Salinas	6 CY Bin	1 2X	
Parks - Royal Oaks Park	537 Maher Road	Watsonville	6 CY Bin	1 1X	
Parks - San Antonio Lake, NS	Star Route Box 2091	Bradley			Cost of Disposal in excess of 450 600 tons per calendar year or services requiring onsite Collection will be charged
Parks - San Antonio Lake, SS	Star Route 2610 SS	Bradley			Cost of Disposal in excess of 450 600 tons per calendar year or services requiring onsite Collection will be charged
Parks-San Lorenzo Park	1160 Broadway	King City	6 CY Bin	6 1X	
Parks - Toro Park	50+ Monterey/Salinas Hwy 68	Salinas	4 CY Bin	1 1X	Green Waste
Public Works - Facilities (Carmel Park)	Paso Hondo and Carmel River	Carmel Valley	3 CY Bin	1 1X	
Public Works - Greenfield Yard (Office)	41801 East Elm Avenue	Greenfield	4 CY Bin	1 1X	
Public Works - Greenfield Yard (Shop & Storage)	41801 East Elm Avenue	Greenfield	4 CY Bin	1 1X	
Public Works - San Ardo Yard	Jolon Road & Main Street	San Ardo	1 CY Bin	1 1X	
Public Works - San Miguel Canyon Road Yard	1171 San Miguel Canyon Road	Salinas	2 CY Bin	1 1X	
Sheriff - Gun Range	Bitterwater Road	King City	1 CY	1 1X	
Probation - Rancho Cielo	700-710 Old Stage Road	Salinas	6 CY Bin	1 1X	Green Waste
Agricultural Commissioner - Pajaro Office	417-A Salinas Road	Watsonville	1 CY Bin	1 1X	
Health - Children's Medical Services	47 San Benancio Canyon Road	Salinas	4 CY Bin	1 2X	
Health - Emergency Medical Services	19065 Portola Drive, Suite H, I, J & L	Salinas	4 CY Bin	1 1X	
Library - Aromas	387 Biohm Street	Aromas	1 CY Bin	1 1X	
Library - Big Sur	Highway 1 Ripplewood Resort	Big Sur	2 CY Bin	1 1X	
Library - Bradley	Dixie Street	Bradley	1 CY Bin	1 1X	
Library - Buena Vista	18250 Tara Drive	Salinas	1 CY Bin	1 1X	
Library - Carmel Valley	65 West Carmel Valley Road	Carmel Valley	96 gal cart	1 1X	
Library - Parkfield	70643 Parkfield - Coalinga Road	San Miguel	1 CY Bin	1 1X	
Library - Prunedale	17822 Moro Road	Prunedale	2 CY Bin	1 1X	
Library - San Ardo	62350 College Street	San Ardo	1 CY Bin	1 1X	
Library - San Lucas	54692 Teresa Street	San Lucas	1 CY Bin	1 1X	
Sheriff - Field Office, Carmel Valley	13 West Carmel Valley Road	Carmel Valley	1 CY Bin	1 1X	
Sheriff - Field Office, Chualar	24281 Washington Street	Chualar	96 gal cart	1 1X	Green Waste

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USA WASTE OF CALIFORNIA, INC.

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DBA CARMEL MARINA CORPORATION

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Approved as revised on February 2, 2010

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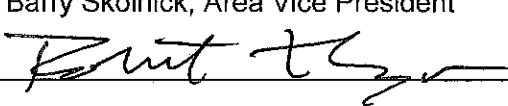
By: 

Dated: February 5<sup>th</sup>, 2010

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Barry Skolnick, Area Vice President

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By: 

Dated: February 5<sup>th</sup>, 2010

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Robert E. Longo, Assistant Secretary

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and Group General Counsel

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## Exhibit 11 COUNTY Sponsored Large Venue Events

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### COUNTY-SPONSORED SPECIAL EVENTS

MSW Tonnage  
Produced

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	COUNTY-SPONSORED SPECIAL EVENTS	MSW Tonnage Produced
	1 Concours de'LeMons	1
	2 Scottish Games	2
	3 Cherry's Jubilee	2
	4 24 Hours of Adrenalin	3
	5 Heart Walk	4
	6 Valley Heritage Day	4
	7 Bandedy Bash	4
	8 Wildflower Triathlon Festival	17
	9 Sea Otter Classic	27
	10 Spirit West Coast	32
	11 TBD	N/A
	12 TBD	N/A