

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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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 1st and ending on June 30th.

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 1st and ending
51 December 31st.
- 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.

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Article 3. Service Standards

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

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

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

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3.04 Hours and Days of Collection.

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

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

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

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

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3.07 Containers.

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

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3.07.2 Replacement of Cans, Carts and Bins. CONTRACTOR'S employees shall take care to prevent damage to Cans, Carts or Bins by unnecessary rough treatment. However, any Can, Cart or Bin damaged by CONTRACTOR shall be replaced by CONTRACTOR, at CONTRACTOR'S expense, within three (3) Work Days at no cost or 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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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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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 31st and the preceding Calendar Year ending December 31st 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 15th, 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 1st.

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 1st 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 30th 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 1st.

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 (20th) 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 (20th) 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.

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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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 1st 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.

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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 1st
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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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.

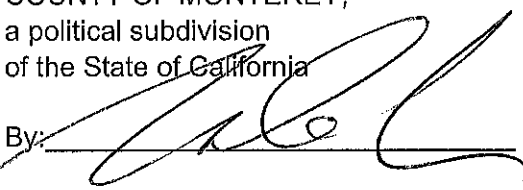
2546 24.02 Service Supervisor. CONTRACTOR will provide the name of the service
2547 supervisor to be in charge of the Collection Services within the Service Area to COUNTY no
2548 later than October 1, 2010. At least thirty (30) calendar days prior to replacing the service
2549 supervisor, CONTRACTOR 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

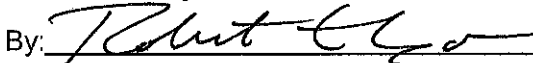
2584 Title: Director of Health

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.

2753

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.

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Article 29. Indemnities, Insurance, Bonds

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29.01 Insurance.

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29.01.1 Coverage Requirements.

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

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

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- "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;

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- 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

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- 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

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

2833

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

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

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- 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,

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,

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

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

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

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

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

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 93906
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. 3rd 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.

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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3347

Exhibit 1 Approved Rates and Charges

3348

3349

Effective November 1, 2010

3350

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.

3363

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
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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
A. MFD BIN COLLECTION SERVICE RATES - Including Franchise Fees						
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. MFD NON-COMPACTED BOX COLLECTION SERVICE RATES - Including Franchise Fees						
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
Unincorporated Monterey County

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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	Each Occurrence					
	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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Form 3B COLLECTION SERVICE RATES MFD BIN COLLECTION SERVICE in the SVSWA						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
A. MFD BIN COLLECTION SERVICE RATES - Including Franchise Fees						
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. MFD NON-COMPACTED BOX COLLECTION SERVICE RATES - Including Franchise Fees						
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	Each Occurrence					
	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

1	Solid Waste Cart Sizes (gallons)	Can	20	35	64	96
2	Commercial 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 C2 – C7 should include franchise fees.)

1	Cart Sizes (gallons)	Can	20	35	64	96
2	Extra 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 Recyclables Cart	<u>\$13.25</u>	<u>\$10.99</u>	<u>\$13.49</u>	<u>\$20.99</u>	<u>\$25.99</u>
4	Extra Green Waste Cart				<u>\$20.99</u>	<u>\$25.99</u>
5	Additional Cart Exchange	<u>\$71.25</u>	Each service exchange			
6	Additional Cart Replacement	<u>\$71.25</u>	Each additional Cart replacement			
7	Subscription On-Call Collection Service	<u>\$93.75</u>	Per cubic yard			
8	Un-containerized Material Surcharge	<u>\$0.50</u>	Each Gallon of un-containerized material			
9	Excess Missed Collections	<u>\$50.00</u>	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	<u>200%</u>	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
A. COMMERCIAL BIN COLLECTION SERVICE RATES - Including Franchise Fees						
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. COMMERCIAL NON-COMPACTED BOX COLLECTION SERVICE RATES - Including Franchise Fees						
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.

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

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C. COMMERCIAL 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	Each Occurrence					
	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
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

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

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Form 5B COLLECTION SERVICE RATES						
COMMERCIAL BIN COLLECTION SERVICE in the SVSWA						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
A. COMMERCIAL BIN COLLECTION SERVICE RATES - Including Franchise Fees						
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. COMMERCIAL NON-COMPACTED BOX COLLECTION SERVICE RATES - Including Franchise Fees						
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.

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

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

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

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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Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in
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Form 7A LARGE VENUE ON-CALL BIN AND ROLL-OFF COLLECTION SERVICE in the MRWMD		
Container Size	Collection Frequency	
A. ON-CALL BIN COLLECTION SERVICE RATES PER PULL - Including Franchise Fees AND COST OF DISPOSAL		
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. ROLL-OFF NON-COMPACTED BOX COLLECTION SERVICE RATES PER PULL – Including Franchise Fees AND COST OF DISPOSAL		
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	
C. ADDITIONAL SERVICES		
1. Extra Recycling Capacity	\$40.00	Per Cubic Yard

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Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in
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Form 7B LARGE VENUE		
ON-CALL BIN AND ROLL-OFF COLLECTION SERVICE in the SVSWA		
Container Size	Collection Frequency	
A. ON-CALL BIN COLLECTION SERVICE RATES PER PULL - Including Franchise Fees AND COST OF DISPOSAL		
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. ROLL-OFF NON-COMPACTED BOX COLLECTION SERVICE RATES PER PULL – Including Franchise Fees AND COST OF DISPOSAL		
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	
C. ADDITIONAL SERVICES		
1. Extra Recycling Capacity	\$40.00	Per Cubic Yard

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Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in
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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>

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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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Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in
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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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Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in
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Form 11 DISPOSAL COSTS PER GALLON AND CUBIC YARD	
Form	Cost
<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.

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

- 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

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in
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3478 **RRI Example for SFD and MFD Cart Customers**

Item #	Category	Data Source	Percent Change ⁽¹⁾	Item Weight ⁽²⁾	Weighted Percentage Change ⁽³⁾
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%
SFD, MFD and Commercial Cart RRI				100%	2.58%

- 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%.

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in
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Exhibit 3 Form of Guaranty

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 10th 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 enjoin 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

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;

Unified Franchise Agreement for the Exclusive Collection of Solid Waste and Recyclables in
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(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.

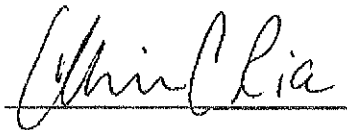
By:

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 Cherrie 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

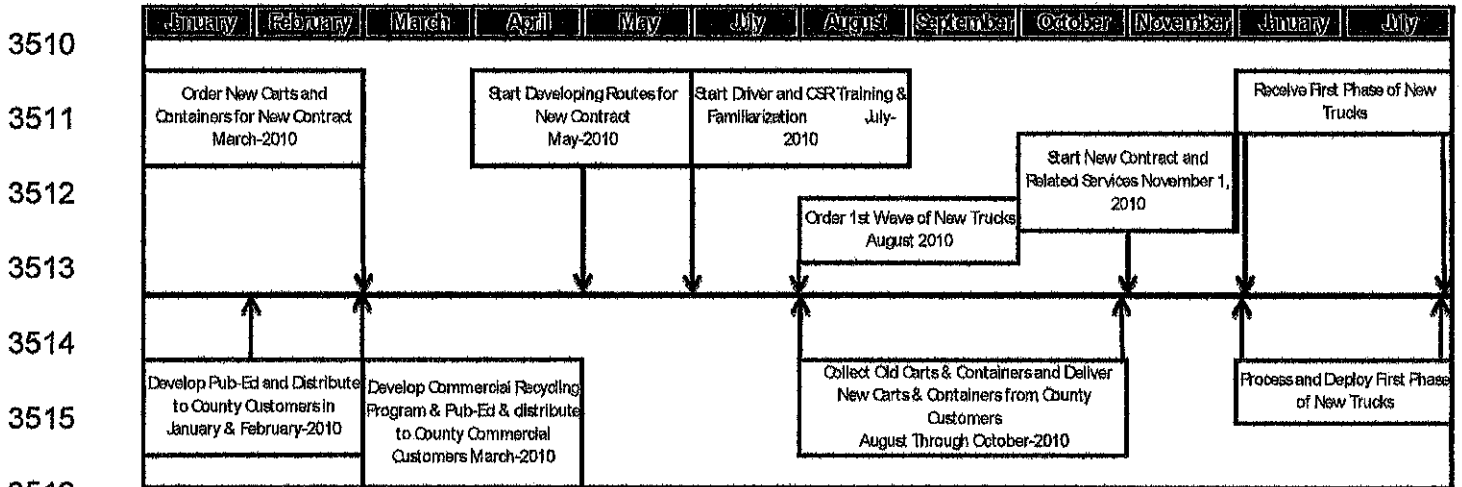
3490 USA Waste of California Inc., dba Carmel Marina Corporation (CMC), a Waste Management
3491 company, has extensive experience in the successful implementation of new services for both
3492 residential and commercial accounts. While price and service are extremely important in the
3493 County's selection 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

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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

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

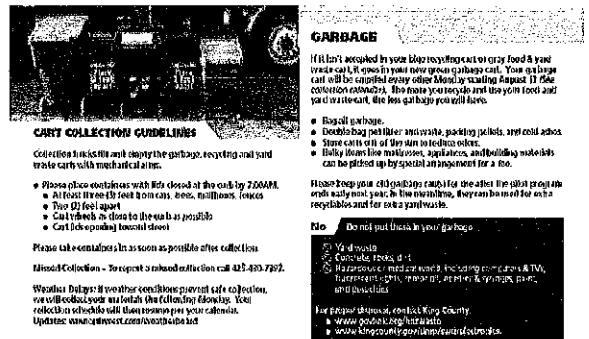
- During the First Quarter of 2010, CMC will directly mail to all Single-family Residences a
 3653 New Single-family Program Announcement introducing the delivery of new carts, along
 3654 with information on our Internet web address, email address and tear out pre-stamped
 3655 mailers for customers 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
 3667 to all Multifamily Complex customers a New
 3668 Multifamily Program Announcement introducing
 3669 the new recycling services, along with
 3670 information on our Internet web address, email
 3671 address and tear out pre-stamped mailers for customers to change service levels and
 3672 order new containers.



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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.

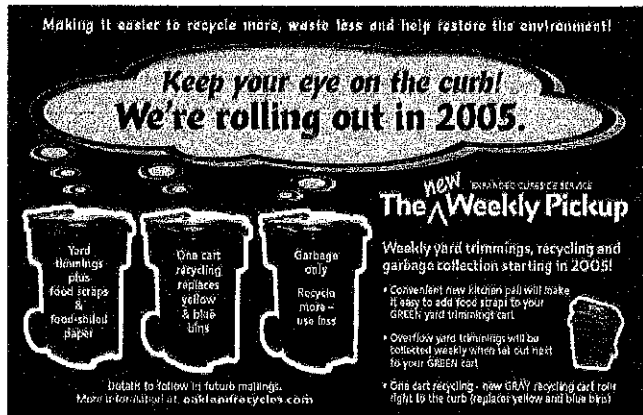
- 3721 ■ CMC will mail to all commercial customers in the service area a new commercial
3722 program announcement brochure introducing the new services available, including
3723 recycling guidelines, options for service levels, container sizes and rates. A tear-out
3724 section to mail back indicating 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

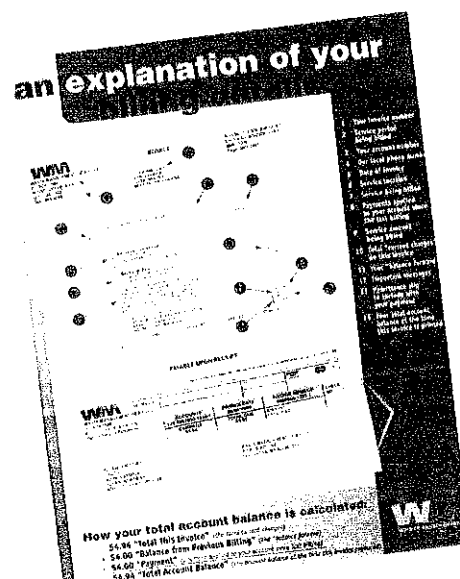
3809 Pacific Grove ACE Hardware (Pacific Grove)
3810 244 Forest Ave, Pacific Grove, 93950
3811 Direct# 831-646-9144

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
Unincorporated Monterey County

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
Unincorporated Monterey County

- 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

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
TOTAL	0	25	6	1	5	3	4	0	0	0	0	0	0	1	45

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
RFP Process	Party Responsible														
Monterey County Officially Selects Contractor and Formal Service Agreement is Signed.	Monterey County and Waste Management Negotiating Teams	█													
Transition Plan															
Order \$5,000,000.00 Performance Bond & Provide to county within 30 days of Reaching Formal Agreement	CMC Contract Compliance	█													
Order and Provide Certificate of Insurance to the County on or before Reaching Formal Agreement	CMC Contract Compliance	█													
Assign CMC Supervisor Responsible for Monterey and Provide Name to County	CMC District Manager	█													
Develop "New Agreement" Collection Service Notice / Brochure for Single Family, Multifamily & Commercial Customers	CMC Contract Compliance	█													
Develop Monterey Link on Market Area Website	CMC Municipal Relations	█	█												
Work With the County to establish County Approved Waste Assessment protocols	CMC Recycling Coordinators	█	█	█											
Develop Initial Public Education Outreach Program	CMC Contract Compliance	█	█	█											
Mail "New Agreement" Collection Service Notice / Brochure to all customers in Q1, 2010	CMC Contract Compliance & Billing	█	█	█											
Perform On-Site Commercial & MFD Visits starting Q1 2010.	CMC Recycling Coordinators	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Order New Carts required for New Agreement.	CMC Contract Compliance			█											
Develop New Routes & Corresponding Maps	CMC Operations & BIP Team				█	█	█								
Receive and Prepare New Carts for Delivery	CMC Operations & Cascade Deployment Crew						█	█	█						
Provide New Route Maps to The County	CMC Contract Compliance						█	█	█						
Submit Initial Public Education Outreach Program to County for approval on or before July 1, 2010	CMC Contract Compliance						█	█	█	█	█				
Train Customer Service on New Agreement	CMC Customer Service						█	█	█	█	█				
Train Operations on New Agreement (drivers, supervisors)	CMC Operations						█	█	█	█	█				
Collect Old Carts and Deliver New Carts to Customers	CMC Operations & Cascade Deployment Crew							█	█	█	█	█			
Deliver Commercial & MFD "Right-Sizing" Carts and Bins	CMC Operations & Cascade Deployment Crew							█	█	█	█	█			
Deliver "New Agreement" Collection Service Notice / Brochure with Carts/Containers	CMC Operations & Cascade Deployment Crew							█	█	█	█	█			
Order for First Phase of New Collection Trucks August - 2010	CMC Contract Compliance								█	█					
Provide inventory of Service Vehicles to County on or before September 1, 2010	CMC Maintenance								█	█					
Provide Emergency Contact information to Contract Administrator on or before October 1, 2010	CMC Contract Compliance								█	█	█				
New Residential, Commercial & MFD Programs Start	CMC Operations											█			
Receive first phase of New Vehicles	CMC Maintenance													█	█
Process and Deploy New Vehicles	CMC Maintenance													█	█

Exhibit 5 Service Area

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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.

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Exhibit 6 JPA Boundaries

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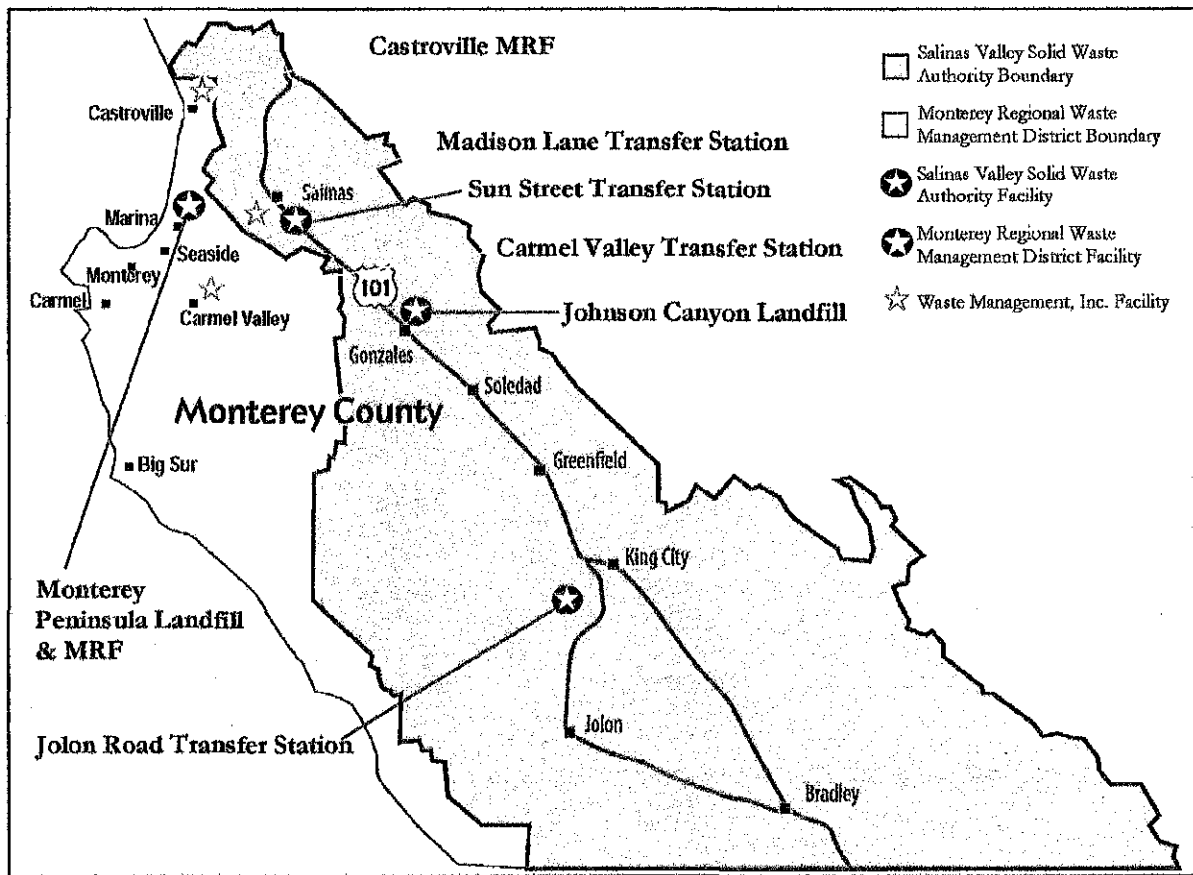
3950 MRWMD Description

3951 The Monterey Regional Waste Management District jurisdictional boundaries include the cities of
 3952 of 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.

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

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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
	Franchise Infringement	
3.17.2	Inadvertent Delivery of Unpermitted Waste (when applicable)	
11.13	Commercial and Multi-family Customer Site Visits Conducted	
13.03-13.05	Delinquent Accounts List of accounts that have become "delinquent" due to non-payment	
	Customer Service/PR-Related Report	
11.11	Contact with Media	
21.01	Record of Inquiries and Complaints Received by Contractor	
21.03	Missed Collections	
3.20	Damage to Customer Property	
Article 14	Minimum Diversion Requirement Report will include total of tonnages collected, type of materials collected, and diversion rate achieved through:	AB939/SRRE
Articles 5, 6, 7, 8, and 9	Collection Services for SFD, MFD and Commercial Customers (Tonnages,)	
5.11.4	Used Oil and Oil Filter Collection (oil volume and number of filters)	Oil Block Grant
Article 10	On-Call Bin an Roll-off Collection	AB939/SRRE
11.01, 11.02	Christmas Tree collection and diversion (January report only)	AB939/SRRE
11.03	On-Call Collection for Employee Housing Sites	AB939/SRRE
11.04	County Clean-Up Services	AB939/SRRE
11.05	Recycling at Large Venues and Large Events	AB939/SRRE
11.07	Abandoned Solid Waste Locations	AB939/SRRE
Article 19	Public Education and Outreach Programs List of activities conducted	AB939/SRRE
	Copies of notices distributed to customers during the month.	

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)

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

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Exhibit 7 Reports (Continued)

Contractor's Name _____

Annual Report for _____

COUNTY OF MONTEREY UNIFIED FRANCHISE AGREEMENT

Due February 15 of each year

Contractor will include collated summary of the information contained in prior reports, including reconciliation of any adjustment from prior reports	
Section	Report Categories
5.11.5 and 19.04	Home Composting Bin and Worm Bin Sale Copy of annual notice given to customers Number of composting bins and worm bins sold Supporting documents to justify purchase price
11.10	SRRE Compliance Plan 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)
11.03.7	Participation in the Central Coast Recycling Media Coalition (CCRMC)
Article 12	Customer Inventory by Service Level and Rate
15.03	Changes to Collection Routes--If no changes, statement certifying no changes were made.
15.04	Audit of Routes (every three calendar years)
16.08	Noise Test for Vehicles (if requested by County)
16.11	Equipment Inventory
17.07	Safety Training Certification to include HAZWOPER First Responder
19.02	Copy of Annual Collection Service Notice Copy of any notice of available collection services List of materials collected
28.02	List of Subcontractors Names, amount of goods and services, description of relationship to subcontractor (e.g. ownership interest)
	A financial statement prepared as required by General Accepted Accounting Principles

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 Elkom 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

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

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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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3977 To Be Inserted

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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 TX	
Administration - RDA (Japanese School Site)	Gell Street and Pajaro Street	Castroville	2 CY Bin	1 TX	
Library - Big Sur (Modular)	Highway 1 Ripplewood Resort	Big Sur	2 CY Bin	1 2X	
Library - Castroville w/ Dist. 2 Supervisor	11140-11180 Spaegle Street	Castroville	35 gal cart	1 TX	
Parks - Ducky Dell Community Park	Biohm Ave. and Carpentaria Road	Aromas	2 CY Bin	1 TX	
Parks - Jack's Peak Park	25020 Jack Peaks Park Road	Monterey	4 CY Bin	1 TX	
Parks - Laguna Seca	1025 Highway 68	Salinas	4 CY Bin	4 TX	
Parks - Manzanita Park	1700 Castroville Boulevard	Salinas	6 CY Bin	1 2X	
Parks - Royal Oaks Park	537 Maher Road	Watsonville	6 CY Bin	1 TX	
Parks - San Antonio Lake, NS	Star Route Box 2091	Bradley	Self-haul		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	Self-haul		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 TX	
Parks - Toro Park	501 Monterey/Salinas Hwy 68	Salinas	4 CY Bin	1 TX	
Public Works - Facilities (Carmel Park)	Paso Hondo and Carmel River	Carmel Valley	3 CY Bin	1 TX	
Public Works - Greenfield Yard (Office)	41801 East Elm Avenue	Greenfield	4 CY Bin	1 TX	
Public Works - Greenfield Yard (Shop & Storage)	41801 East Elm Avenue	Greenfield	4 CY Bin	1 TX	
Public Works - San Ardo Yard	Jolon Road & Main Street	San Ardo	1 CY Bin	1 TX	
Public Works - San Miguel Canyon Road Yard	1171 San Miguel Canyon Road	Salinas	2 CY Bin	1 TX	
Sheriff - Gun Range	Bitterwater Road	King City	1 CY	1 TX	
Probation - Rancho Cielo	700-710 Old Stage Road	Salinas	6 CY Bin	1 TX	
Agricultural Commissioner - Pajaro Office	417-A Salinas Road	Watsonville	96 gal cart	2 TX	Green Waste
Health - Children's Medical Services	417-A Salinas Road	Watsonville	1 CY Bin	1 TX	
Health - Emergency Medical Services	47 San Benancio Canyon Road	Salinas	4 CY Bin	1 2X	
Library - Aromas	19065 Portola Drive, Suite H, I, J & L	Salinas	4 CY Bin	1 TX	
Library - Big Sur	387 Biohm Street	Aromas	1 CY Bin	1 TX	
Library - Bradley	Highway 1 Ripplewood Resort	Big Sur	2 CY Bin	1 TX	
Library - Buena Vista	Dixie Street	Bradley	1 CY Bin	1 TX	
Library - Carmel Valley	18250 Tara Drive	Salinas	1 CY Bin	1 TX	
Library - Parkfield	65 West Carmel Valley Road	Carmel Valley	96 gal cart	1 TX	
Library - Prunedale	70643 Parkfield - Coalinga Road	San Miguel	1 CY Bin	1 TX	
Library - San Ardo	17822 Moro Road	Prunedale	2 CY Bin	1 TX	
Library - San Lucas	62350 College Street	San Ardo	1 CY Bin	1 TX	
Sheriff - Field Office, Carmel Valley	54692 Teresa Street	San Lucas	1 CY Bin	1 TX	
Sheriff - Field Office, Chualar	13 West Carmel Valley Road	Carmel Valley	1 CY Bin	1 TX	
	24281 Washington Street	Chualar	96 gal cart	1 TX	
			96 gal cart	1 TX	Green Waste

USA WASTE OF CALIFORNIA, INC.

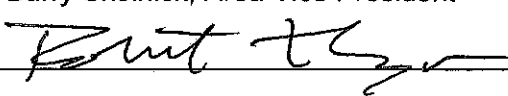
DBA CARMEL MARINA CORPORATION

Approved as revised on February 2, 2010

By:  _____

Dated: February 5th, 2010

Barry Skolnick, Area Vice President

By:  _____

Dated: February 5th, 2010

Robert E. Longo, Assistant Secretary
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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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	Bandecky 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