

COLLECTION SERVICE AGREEMENT

**Executed Between the
Burbank Sanitary District
and
GreenWaste Recovery, Inc.**

This 19th day of July, 2016

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BURBANK SANITARY DISTRICT

This Agreement made and entered into this 19th day of July 2016, by and between the Burbank Sanitary District, hereinafter referred to as "DISTRICT" and GreenWaste Recovery, Inc., a California corporation, hereinafter referred to as "CONTRACTOR".

RECITALS

WHEREAS; the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("Act") and subsequent additions and amendments (codified at California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for Solid Waste Collection within their jurisdiction; and,

WHEREAS; the State of California has found and declared that the amount of Solid Waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. The State has, through enactment of the Act, directed the responsible State agency, and all local agencies, to promote disposal site diversion and to maximize the use of feasible Solid Waste reduction, re-use, recycling, and composting options in order to reduce the amount of Solid Waste that must be disposed of in disposal sites; and,

WHEREAS; the DISTRICT has the authority to issue an exclusive franchise to a CONTRACTOR to provide for the Collection of Solid Waste, Recyclable Materials, and Green Materials; and

WHEREAS; pursuant to California Public Resources Code Section 40059(a) as may be amended from time to time, the DISTRICT has determined that the public health, safety, and well-being require that an exclusive right be awarded to a qualified CONTRACTOR to provide for the Collection of Solid Waste, Recyclable Materials, and Green Waste Materials, and other services related to meeting the Act's 50% Diversion goal and other requirements of the Act; and,

WHEREAS; the DISTRICT further declares its intent to regulate and set the maximum rates CONTRACTOR will charge customers for the Collection, transportation, processing, recycling, composting, and/or disposal of Solid Waste, Recyclable Materials, and Green Waste Materials; and

WHEREAS; the District Board of Directors selected CONTRACTOR through a competitive procurement process for Collection Services and executed a Collection Service Agreement for CONTRACTOR to provide for the Collection of Solid Waste, Recyclable Materials, and Green Waste Materials within the corporate limits of the DISTRICT, the transportation of such material to appropriate places for processing, recycling, composting and/or disposal from July 1, 2007 through June 30, 2017; and

WHEREAS; the District Board of Directors has determined CONTRACTOR has sufficiently performed under the Agreement and met and/or exceeded the performance requirements and DISTRICT desires that CONTRACTOR continue to be engaged to perform such services on the basis set forth in this Agreement; and

WHEREAS; the CONTRACTOR submitted an extension proposal to the DISTRICT that included service enhancements and has proposed and represented that it has the ability and capacity to provide for the Collection of Solid Waste, Recyclable Materials, and Green Waste Materials within

the corporate limits of the DISTRICT; the transportation of such material to appropriate places for processing, recycling, composting and/or disposal; and the processing of materials; and

WHEREAS, this Agreement has been developed by and is satisfactory to the DISTRICT and the CONTRACTOR,

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

ARTICLE 1. Definitions

For the purpose of this Collection Service Agreement, hereinafter referred to as "Agreement", the definitions contained in this Article shall apply unless otherwise specifically stated. When 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 (California Public Resources Code Sections 40000 et al.), as amended from time to time.

1.02 Agreement. The written document and all amendments thereto, between the DISTRICT and the CONTRACTOR, governing the provision of Collection Services as provided herein.

1.03 Agreement Year. Each twelve (12) month period from July 1st to June 31st, beginning July 1, 2016.

1.04 Alternative Daily Cover (ADC). Disposal Facility cover material, other than Green Waste and 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 Biohazardous or Biomedical Waste. Any waste which may cause disease or reasonably be suspected of harboring pathogenic organisms; included are waste resulting from the operation of medical clinics, hospitals, and other facilities processing wastes which may consist of, but are not limited to, human and animal parts, contaminated bandages, pathological specimens, hypodermic needles, sharps, contaminated clothing and surgical gloves.

1.06 Brown Goods. Electronic equipment such as stereos, televisions, VCR's, Personal Data Assistants (PDAs), telephones, and other similar items not containing cathode ray tubes (CRTs).

1.07 Business Service Unit. All retail, professional, wholesale and industrial facilities, and other commercial enterprises offering goods or services to the public.

1.08 Collection. The process whereby Residential Waste, Commercial Waste, District Waste and Recyclable Materials are removed and transported to a Disposal Facility, Green Waste Processing Facility or Materials Recovery Facility, as appropriate.

1.09 Collection Services. Single Family Dwelling (SFD) Collection Service, District Collection Service and Commercial Collection Service.

1.10 Commercial Collection Service. Commercial Solid Waste Collection Service and Commercial Recycling Collection Service.

1.11 Commercial Recycling Collection Service. The Collection of Recyclable Materials by the CONTRACTOR, from Commercial Service Units in the Service Area, the delivery of those Recyclable Materials to a Materials Recovery Facility.

1.12 Commercial Service Unit. Business Service Units, Multi-family Service Units, and Mixed Use Dwellings that utilize a Cart or Bin for the accumulation and set-out of Commercial Waste.

1.13 Commercial Solid Waste Collection Service. The Collection of Solid Waste by the CONTRACTOR, from Commercial Service Units in the Service Area, and the delivery of that Solid Waste to the Solid Waste Processing Facility.

1.14 Commercial Waste. Solid Waste and Green Waste generated by and at a Commercial Service Unit.

1.15 Compactor. Any Roll-off Container or bin which has a compaction mechanism, whether stationary or mobile.

1.16 Composting. The controlled biological decomposition of Organic Waste into a specific mixture of decayed organic matter used for fertilizing or soil conditioning.

1.17 Construction and Demolition Debris. Used or discarded materials removed from premises during construction or renovation of a structure resulting from construction, remodeling, repair or demolition operations on any pavement, house, commercial building, or other structure and such other materials as may be removed during the normal cleanup process of such construction, remodeling, repair, or demolition operations.

1.18 CONTRACTOR. GreenWaste Recovery, Inc.

1.19 County. Santa Clara County, California.

1.20 Disposal Facility. The landfill or such place or places specifically designated by the CONTRACTOR for the disposal, or processing as appropriate, of Solid Waste and other materials as appropriate.

1.21 DISTRICT. The Burbank Sanitary District, 20863 Stevens Creek Blvd. Suite 100, Cupertino, California 95014.

1.22 District Collection Service. The Collection of Solid Waste, Green Waste, and Recyclable Materials by the CONTRACTOR resulting from the Annual Clean-up Event, or from District Requested Clean-up of Solid Waste, Green Waste, Recyclable Materials or Large Items.

1.23 District Representative. District Manager-Engineer, or their designee, designated by the DISTRICT to administer and monitor the provisions of this Agreement.

1.24 District Service Unit. Those DISTRICT properties or locations as designated by the DISTRICT for Annual Clean-up Events, or for District Requested Clean-up Services.

1.25 District Waste. Solid Waste, Green Waste and Large Items resulting from the normal activities of a District Service Unit. District Waste does not include items defined herein as

Exempt Waste.

1.26 Dwelling Unit. Any individual living unit in a single family dwelling (SFD) or multi-family dwelling (MFD) structure or building intended for, or capable of being utilized for, residential living other than a Hotel or Motel.

1.27 E-Waste. Discarded electronics equipment such as cell phones, computers, monitors, televisions, and other items containing cathode ray tubes (CRTs). E-Waste is a subset of Recyclable Materials.

1.28 Exempt Waste. Biohazardous or Biomedical Waste, Hazardous Waste, Household Hazardous Waste, Sludge, Green Waste or lumber that is more than three (3) feet in length in its longest dimension or more than six (6) inches in diameter, soil and dirt, concrete, asphalt, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, and those wastes under the control of the Nuclear Regulatory Commission. Exempt Waste does not include Used Oil, Used Oil Filters, or household batteries when placed for Collection as set forth in this Agreement or as otherwise directed by the DISTRICT.

1.29 Garbage. All putrescible waste which generally includes, but is not limited to, kitchen and table food waste, animal, vegetative, food or any other waste that is attendant with, or results from the storage, preparation, cooking or handling of food materials attributed to normal activities of a Service Unit. Garbage must be generated by and at the Service Unit wherein the Garbage is Collected. Garbage does not include those items defined herein as Green Waste, Recyclable Material, Rubbish or Exempt Waste.

1.30 Garbage Bin. A metal or plastic container, with a capacity of one (1) cubic yard up to, and including, six (6) cubic yards, designed or intended to be mechanically dumped into a loader packer type garbage truck that is approved for such purpose by the DISTRICT.

1.31 Garbage Cart. A heavy plastic receptacle with a rated capacity of at least twenty (20) gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting lid and wheels, that is approved by the District Representative for use by Service Recipients for Collection Services under this Agreement.

1.32 Green Waste. Any vegetative matter resulting from normal yard and landscaping maintenance that is not more than three (3) feet in its longest dimension or six (6) inches in diameter and fits in the Green Waste Cart utilized by the Service Recipient. Green Waste includes plant debris, such as Palm, Yucca and Cactus, grass clippings, leaves, pruning, weeds, branches, brush, Holiday Trees, and other forms of vegetative waste and must be generated by and at the Service Unit wherein the Green Waste is Collected. Green Waste does not include items herein defined as Exempt Waste. Green Waste is a subset of Organic Waste.

1.33 Green Waste Bin. A metal or plastic container, with a capacity of one (1) cubic yard up to and including six (6) cubic yards, designed or intended to be mechanically dumped into a loader packer type truck.

1.34 Green Waste Cart. A heavy plastic receptacle with a rated capacity not exceeding ninety-six (96) gallons, having a hinged tight-fitting lid, and wheels, that is approved for such purpose by the DISTRICT.

1.35 Large Green Waste Processing Facility. Any facility selected by the

CONTRACTOR and approved by the DISTRICT that is designed, operated and legally permitted for the purpose of receiving, and processing Large Green Waste.

1.36 Hazardous Waste. Any material which is defined as a hazardous waste under California or United States law or any regulations promulgated pursuant to such law, as such law or regulations may be amended from time to time.

1.37 Household Hazardous Waste. Any Hazardous Waste generated at an SFD or MFD Service Unit.

1.38 Hotel or Motel. A structure or building unit(s) capable of being utilized for residential living where such unit or a group of such units is regularly rented to transients or held out or advertised to the public as a place regularly rented to transients for periods of seven (7) days or less. To meet this definition, the Hotel or Motel must be licensed to operate as such.

1.39 Large Items. Those materials including furniture; carpets; mattresses; Brown Goods; E-Waste; White Goods; clothing; tires without rims; Large Green Waste; or some combination of such items in a container the dimensions of which container does not exceed four feet by four feet by two feet (4'x4'x2') and weighing no more than sixty (60) pounds, which are attributed to the normal activities of a SFD or District Service Unit. Large Items must be generated by and at the Service Unit wherein the Large Items Are Collected. Large Items do not include items herein defined as Exempt Waste.

1.40 Large Green Waste. Oversized Green Waste such as tree trunks and branches with a diameter of not less than six (6) inches and not more than two (2) feet and a length of not more than five (5) feet in its longest dimension, which are attributed to the normal activities of a SFD, or District Service Unit. Large Green Waste must be generated by and at the Service Unit wherein the Large Green Waste is Collected.

1.41 Materials Recovery Facility (MRF). Any facility, selected by the CONTRACTOR designed, operated, and legally permitted for the purpose of receiving, sorting, processing, storing, or preparing Recyclable Materials for sale.

1.42 MFD Service Unit. Any combination of Dwelling Units in the Service Area utilizing a common Bin or Cart for the accumulation and set-out of Solid Waste and Recyclable Materials.

1.43 Mixed Use Dwelling. A building or structure which contains at least one (1) Business Service Unit and at least one (1) Dwelling Unit and utilizes a common Bin or Cart for the accumulation and Collection of Solid Waste and Recyclable Materials.

1.44 Non-Collection Notice. A form developed and used by the CONTRACTOR, as approved by the DISTRICT, to notify Service Recipients of the reason for non-collection of materials set out by the Service Recipient for Collection by CONTRACTOR pursuant to this Agreement.

1.45 Organic Waste. The fraction of Garbage and Solid Waste Collected and delivered to the Solid Waste Processing Facility that is capable of being Composted.

1.46 Organic Waste Processing Facility. Any facility selected by the CONTRACTOR and approved by the DISTRICT that is designed, operated and legally permitted for the purpose of receiving, and processing Organic Waste.

1.47 Processing Services. Processing materials Collected as a result of performing SFD

Collection Service, District Collection Service and Commercial Collection Service.

1.48 Recyclable Materials. Those materials which are capable of being recycled and which would otherwise be processed or disposed of as Solid Waste. Recyclable Material include those materials defined by the DISTRICT, including limited Household Hazardous Waste (dry cell batteries, water based paint, E-Waste), newsprint (including inserts); mixed paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, brown bags and paper, paperboard, paper egg cartons, office ledger paper, and telephone books); glass containers; aluminum beverage containers; small scrap and cast aluminum (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); steel including "tin" cans, aerosol cans (empty, non-toxic products) and small scrap (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); bimetal containers; plastic bottles (#1-7); aluminum foil and pans; dry cell household batteries when contained in a sealed heavy-duty plastic bag; and those materials added by the CONTRACTOR from time to time.

1.49 Recycling Bin. A plastic or metal container, with a capacity of one (1) cubic yard up to and including six (6) cubic yards, designed or intended to be mechanically dumped into a loader packer type recycling truck, that is approved for such purpose by the DISTRICT and is appropriately labeled as a Recycling Bin.

1.50 Recycling Cart. A heavy plastic receptacle with a rated capacity of at least thirty-two (32) gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting lid, and wheels, that is approved for such purpose by the DISTRICT and is appropriately labeled as a Recycling Cart.

1.51 Residential Waste. Solid Waste, Green Waste, Large Items, Used Oil, and Used Oil Filters resulting from the normal activities of a SFD Service Unit. Residential Waste must be generated by and at the SFD Service Unit wherein the Residential Waste is Collected and does not include items defined herein as Exempt Waste.

1.52 Residue. Non-Recyclable and Non-Compostable materials remaining after providing Processing Services.

1.53 Roll-off Container. A metal container that is normally loaded onto a motor vehicle and transported to an appropriate facility. Roll-off Containers may also include Compactors that are owned by the Commercial Service Unit wherein the Commercial Collection Service occurs.

1.54 Rubbish. All refuse, accumulation of paper, excelsior, rags, wooden boxes and containers, sweep-ups and all other accumulations of a nature other than Garbage, Recyclable Materials and Green Waste, resulting from the normal activities of a Service Unit. Rubbish must be generated by and at the Service Unit wherein the Rubbish is Collected. Rubbish does not include items herein defined as Exempt Waste.

1.55 Service Area. That area within the jurisdictional boundaries of the District.

1.56 Service Rates. The rates Contractor may charge for collection service or other services provided under this Agreement, as further defined in Exhibit 1.

1.57 Service Recipient. An individual or company receiving Collection Service.

1.58 Service Unit. Single Family Dwelling (SFD) Service Units, Multiple Family Dwelling (MFD) Service Units, District Service Units, or Commercial Service Units.

1.59 SFD Collection Service. SFD Solid Waste Collection Service, SFD Recycling Service, SFD Green Waste, SFD Large Item Collection Service, and Used Oil Collection Service.

1.60 SFD Green Waste Collection Service. The Collection of Green Waste by the CONTRACTOR from SFD Service Units in the Service Area, the delivery of that Green Waste to a Green Waste Processing Facility.

1.61 SFD Large Item Collection Service. The Collection of Large Items, by the CONTRACTOR, from SFD Service Units in the Service Area and the delivery of those Large Items to a Disposal Facility, Materials Recovery Facility, Green Waste Processing Facility or such other facility as may be appropriate under the terms of this Agreement. SFD Large Item Collection Service does not include the Collection of Large Items through the use of Roll-off Containers.

1.62 SFD Recycling Service. The Collection of Recyclable Materials by the CONTRACTOR from SFD Service Units in the Service Area, the delivery of those Recyclable Materials to a Materials Recovery Facility.

1.63 SFD Solid Waste Collection Service. The Collection of Solid Waste, by the CONTRACTOR, from SFD Service Units in the Service Area and the delivery of that Solid Waste to a Solid Waste Processing Facility.

1.64 SFD Service Unit. Any Dwelling Unit in the Service Area utilizing a Garbage Cart, or any combination of Dwelling Units sharing Garbage Carts, for the accumulation and set out of Solid Waste, Recyclable Materials and Green Waste.

1.65 Sludge. The accumulated solids, residues, and precipitates generated as a result of waste treatment or processing, including wastewater treatment, water supply treatment, or operation of an air pollution control facility, and mixed liquids and solids pumped from septic tanks, grease traps, privies, or similar disposal appurtenances or any other such waste having similar characteristics or effects.

1.66 Solid Waste. Garbage and Rubbish resulting from the normal activities of a Service Unit. Solid Waste must be generated by and at the Service Unit wherein the Solid Waste is Collected and does not include items defined herein as Exempt Waste.

1.67 Solid Waste Processing Facility. Any facility selected by the CONTRACTOR and approved by the DISTRICT that is designed, operated and legally permitted for the purpose of receiving, and sorting Solid Waste for further processing at a Material Recovery Facility, Green Waste Processing Facility or Organic Waste Processing Facility.

1.68 Stable Matter. Manure and other waste matter normally accumulated and stables or in livestock or poultry enclosures.

1.69 Used Oil. Any oil that has been refined from crude oil or has been synthetically produced, and is no longer useful to the Service Recipient because of extended storage, spillage or contamination with non-hazardous impurities such as dirt or water; or has been used and as a result of such use has been contaminated with physical or chemical impurities. Used Oil must be generated by and at the SFD Service Unit wherein the Used Oil is Collected. Used Oil does not include transmission fluid.

1.70 Used Oil Collection Service. The Collection of Used Oil in Used Oil Containers and Used Oil Filters in Used Oil Filter Containers, by the CONTRACTOR, from Service Units in the

Service Area utilizing Used Oil and Filter Containers for the accumulation and set-out of Used Oil and Used Oil Filters and the appropriate disposition of the Used Oil and Used Oil Filters in accordance with the requirements of this Agreement.

1.71 Used Oil Container. A plain copoly container provided by the CONTRACTOR for the accumulation of Used Oil that is at least five (5) quarts in capacity, leak-proof, has a screw-on lid and has a label designating it for use as a Used Oil Container.

1.72 Used Oil Filter. Any oil filter that is no longer useful to the Service Recipient because of extended storage, spillage or contamination with non-hazardous impurities such as dirt or water; or has been used and as a result of such use has been contaminated with physical or chemical impurities. Used Oil Filters must be generated by and at the SFD Service Unit wherein the Used Oil Filter is Collected.

1.73 Used Oil Filter Container. A six (6) mil. poly bag with double track seal with dimensions of at least fourteen and one-half (14.5) inches by eight (8) inches provided by the CONTRACTOR for the accumulation of Used Oil Filters that has a label designating it for use as a Used Oil Filter Container.

1.74 White Goods. Discarded refrigerators, ranges, water heaters, freezers, and other similar household appliances.

1.75 Work Day. Any day, Monday through Saturday that is not a holiday as set forth in Article 3.09 of this Agreement.

ARTICLE 2. Term of Agreement

2.01 Initial Term. The term of this Agreement shall be for an eleven (11) year period beginning retroactive to July 1, 2016 and terminating on June 30, 2027.

2.02 Extension of Term. The DISTRICT shall have the sole option to extend this Agreement for an additional three (3) year period. Provided the District Manager determines that the CONTRACTOR has met the minimum diversion standards, as set forth in Article 5, the DISTRICT may elect to exercise this option by giving written notice to CONTRACTOR on or about February 1, 2026. CONTRACTOR shall provide written notice to DISTRICT as to whether CONTRACTOR accepts or rejects DISTRICT'S offer within twenty (20) Work Days of the date of the offer. If CONTRACTOR fails to provide such notice to DISTRICT within said twenty (20) Work Days, DISTRICT'S offer shall be deemed withdrawn and DISTRICT shall have no obligation to extend the term of this Agreement beyond June 30, 2027. If the term of this Agreement is extended, the Charges and Rates in Article 4 shall not be subject to negotiation. However, the compensation payable to CONTRACTOR shall be adjusted annually throughout the extended term as provided in Article 4.

2.03 Other Provisions. The DISTRICT may, at the end of the initial Agreement term or optional extended term, as appropriate, either renegotiate the terms and conditions of the Agreement with the current CONTRACTOR or request proposals from qualified contractors to provide Collection Services.

ARTICLE 3. Services Provided by the Contractor

3.01 Grant of Exclusive Agreement. Except as otherwise provided in this Agreement,

the CONTRACTOR is herein granted an exclusive Agreement to provide Collection Services within the Service Area. No other solid waste or recycling services shall be exclusive to the CONTRACTOR.

3.02 Limitations to Scope of Exclusive Agreement.

3.02.1 Recyclable Materials or Large Items that are source separated from Solid Waste by a Service Recipient, for which the waste generator sells or is otherwise compensated by a collector in a manner resulting in a net payment to the waste generator;

3.02.2 Solid Waste, Recyclable Materials, Green Waste, Large Items or Commercial Green Waste, which is removed from any SFD Service Unit, Commercial Service Unit, or District Service Unit and which is transported personally by the owner or occupant of such premises (or by his or her full-time employees) to a processing or Disposal Facility;

3.02.3 Recyclable Materials, Green Waste or Large Items which are source separated at any premises by the waste generator and donated to youth, civic or charitable organizations;

3.02.4 Containers delivered by Service Recipients for Recycling under the California Beverage Container Recycling Litter Reduction Act, Section 14500, et seq.;

3.02.5 Green Waste removed from a premises by a gardening, landscaping, or tree trimming company as an incidental part of a total service offered by that company rather than as a paid hauling service;

3.02.6 Materials that are not defined herein as Recyclable Materials but which are collected for Recycling by a collector;

3.02.7 Large Items removed from a premises by a property cleanup or maintenance company as an incidental part of the total cleanup or maintenance service offered by the company rather than as a paid hauling service;

3.02.8 Animal waste and remains from slaughterhouse or butcher shops for use as tallow;

3.02.9 By-products of sewage treatment, including Sludge, ash, grit and screening;

3.02.10 Hazardous Waste regardless of its source; and

3.02.11 Residential Waste, Commercial Waste, District Waste or Recyclable Materials that are removed from a premises by a company through the performance of a service that the CONTRACTOR has elected not to provide.

3.03 CONTRACTOR acknowledges and agrees that the DISTRICT may permit other persons besides the CONTRACTOR to collect any and all types of materials excluded from the scope of this Agreement, as set forth above, without seeking or obtaining approval of CONTRACTOR. If CONTRACTOR can produce evidence that other persons are servicing Collection containers or are Collecting Solid Waste, Recyclable Materials, Large Items and/or Green Waste in a manner that is not consistent with this Agreement, it shall report the location, the name and phone number of the person or company to the DISTRICT along with CONTRACTOR'S evidence of the violation of the exclusiveness of this Agreement and DISTRICT shall take

appropriate action to enforce the Code and this Agreement.

3.03.1 The scope of this Agreement shall be interpreted to be consistent with applicable law, now and during the term of the Agreement. If future judicial interpretations of current law or new laws, regulations, or judicial interpretations limit the ability of the DISTRICT to lawfully provide for the scope of services as specifically set forth herein, CONTRACTOR agrees that the scope of the Agreement will be limited to those services and materials which may be lawfully provided and that the DISTRICT shall not be responsible for any lost profits or losses claimed by CONTRACTOR to arise out of limitations of the scope of the Agreement set forth herein. In such an event, it shall be the responsibility of CONTRACTOR to minimize the financial impact of such future judicial interpretations or new laws.

3.04 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.

3.05 Hours and Days of Collection.

3.05.1 SFD Collection Services shall be provided, commencing no earlier than 7:00 a.m. and terminating no later than 6:00 p.m., on Mondays (except for holiday service as set forth in Article 3.09 of this Agreement in which case normal Collection hours may be utilized). The hours, days, or both of Collection may be extended due to extraordinary circumstances or conditions with the prior written consent of the District Representative.

3.05.2 Commercial and District Collection Service shall be provided, commencing no earlier than 3:00 a.m., and terminating no later than 6:00 p.m., Monday through Saturday. The hours, days, or both of Collection may be extended due to extraordinary circumstances or conditions with the prior written consent of the District Representative. If A Commercial Service Unit is within 100 feet of a SFD Service Unit, the DISTRICT may require the CONTRACTOR to change the collection start time for the affected Commercial Unit until no earlier than 7:00 a.m.

3.06 Manner of Collection. The CONTRACTOR shall provide Collection Service with as little disturbance as possible and shall leave any cart or bin in an upright position at the same point it was Collected without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

3.07 Containers.

3.07.1 Purchase and Distribution of Carts and Bins. The CONTRACTOR shall be responsible for the purchase and distribution of fully assembled and functional carts and bins to Service Units in the Service Area. CONTRACTOR shall also distribute carts and bins to new Service Units that are added to CONTRACTOR'S Service Area during the term of this Agreement. The distribution shall be completed within three (3) Work Days of receipt of notification from the DISTRICT or the Service Unit.

3.07.2 Replacement of Carts and Bins. CONTRACTOR'S employees shall take care to prevent damage to carts or bins by unnecessary rough treatment. However, any cart or bin damaged by the CONTRACTOR shall be replaced by the CONTRACTOR, at the CONTRACTOR'S expense, within three (3) Work Days at no cost or inconvenience to the Service Recipient.

3.07.2.1 Upon notification to the CONTRACTOR by the DISTRICT or a Service Recipient that the Service Recipient's cart(s) or bin(s) have been stolen or damaged beyond repair through no fault of the CONTRACTOR, the CONTRACTOR shall deliver a replacement cart(s) or bin(s) to such Service Recipient no later than the next regularly scheduled Collection service day, or if requested by the DISTRICT or a Service Recipient, within three (3) Work Days. The CONTRACTOR shall maintain records documenting all cart and bin replacements occurring on a monthly basis.

3.07.2.2 Where such cart is lost, stolen or damaged beyond repair through no fault of the CONTRACTOR, each SFD Service Unit shall be entitled to the replacement of one (1) lost, destroyed, or stolen Garbage Cart, one (1) lost, destroyed, or stolen Recycling Cart, and one (1), or two (2) in those instances where the SFD Service Unit has received two (2) Green Waste Carts from the CONTRACTOR, lost, destroyed, or stolen Green Waste Cart(s) during the life of this Agreement at no cost to the Service Recipient.

3.07.2.3 Where such cart or bin is lost, stolen or damaged beyond repair through no fault of the CONTRACTOR and each Commercial Service Unit shall be entitled to the replacement of one (1) lost, destroyed, or stolen Garbage Bin and one (1) lost, destroyed, or stolen Recycling Cart or Bin during the life of this Agreement at no cost to the Service Recipient.

3.07.2.4 Where such bin or cart replacement occurs through no fault of the CONTRACTOR, CONTRACTOR shall be compensated for the cost of those replacements in excess of the requirements set forth above in accordance with the "Cart or Bin Exchange" Service Rate, as appropriate, as initially set by the DISTRICT or as may be adjusted by the DISTRICT as provided under the terms of this Agreement.

3.07.3 Repair of Carts and Bins. CONTRACTOR shall be responsible for repair of carts in the areas to include but not be limited to, hinged lids, wheels and axles. No later than the next regularly scheduled Collection service day, or if requested by the DISTRICT or a Service Recipient, within three (3) Work Days of notification of the need for such repairs, the CONTRACTOR shall repair the cart or bin or if necessary, remove the cart or bin for repairs and deliver a replacement cart or bin to the Service Recipient.

3.07.4 Cart or Bin Exchange. Upon notification to the CONTRACTOR by the DISTRICT or a Service Recipient that a change in the size or number of carts or bins is required, the CONTRACTOR shall deliver such carts or bins to such Service Recipient within three (3) Work Days. Each SFD Service Unit shall be entitled to receive one (1) free Garbage Cart exchange, one (1) free Recycling Cart exchange and one (1) free Green Waste Cart exchange per Agreement Year during the term of this Agreement.

3.07.5 Ownership of Carts. Ownership of carts shall rest with the CONTRACTOR, except in the case of the termination of this Agreement prior to the expiration of the initial term or optional extension term due to the default of the CONTRACTOR as set forth in Article 23 of this Agreement. Under such circumstances, the DISTRICT shall have the right to take possession of the carts and shall retain such possession until satisfactory arrangements can be made to provide Collection Services using other equipment. Such time of possession shall not be limited and regardless of the time of possession there shall be no monies owing to the CONTRACTOR from the DISTRICT for the use of the equipment. Upon the receipt of written notice from the DISTRICT, CONTRACTOR shall submit to the District Representative an inventory of carts, including their locations.

3.07.6 **Ownership of Bins.** Ownership of bins distributed by the CONTRACTOR shall rest with the CONTRACTOR except in the case of the termination of the Agreement prior to the expiration of the initial term or optional extension term due to the default of the CONTRACTOR as set forth in Article 23 of this Agreement. Under such circumstances, the DISTRICT shall have the right to take possession of the bins and shall retain such possession until satisfactory arrangements can be made to provide Collection Services using other equipment. Such time of possession shall not be limited and regardless of the time of possession there shall be no monies owing to the CONTRACTOR from the DISTRICT for the use of the equipment. Upon the receipt of written notice from the DISTRICT, CONTRACTOR shall submit to the District Representative an inventory of bins, including their locations.

3.07.7 **Ownership of Roll-off Containers.** Ownership of Roll-off Containers distributed by the CONTRACTOR shall rest with the CONTRACTOR except in the case of the termination of the Agreement prior to the expiration of the initial term or optional extension term due to the default of the CONTRACTOR. Under such circumstances, the DISTRICT shall have the right to take possession of the containers and shall retain such possession until satisfactory arrangements can be made to provide Collection Services using other equipment. Such time of possession shall not be limited and regardless of the time of possession there shall be no monies owing to the CONTRACTOR from the DISTRICT for the use of the equipment. Upon the receipt of written notice from the DISTRICT, CONTRACTOR shall submit to the District Representative an inventory of containers, including their locations.

3.07.8 **Annual Inspection and Cleaning.** Once each Agreement Year, at no charge to the DISTRICT or the Commercial Service Unit, CONTRACTOR shall inspect all Garbage, Recycling, and Green Waste Bins at the Service Unit's premises and shall replace those bins needing cleaning with clean bins and remove the dirty bins for cleaning.

3.08 **Labor and Equipment.** CONTRACTOR shall provide and maintain all labor, equipment, tools, facilities, and personnel supervision required for the performance of CONTRACTOR'S obligations under this Agreement. CONTRACTOR shall at all times have sufficient backup equipment and labor to fulfill CONTRACTOR'S obligations under this Agreement. No compensation for CONTRACTOR'S services or for CONTRACTOR'S supply of labor, equipment, tools, facilities or supervision shall be provided or paid to CONTRACTOR by DISTRICT or by any Service Recipient except as expressly provided by this Agreement.

3.09 **Holiday Service.** The DISTRICT observes Thanksgiving Day, December 25th, and January 1st as legal holidays. CONTRACTOR shall not be required to provide Collection Services or maintain office hours on the designated holidays. In any week in which one of these holidays fall on a Work Day, SFD Collection Services for the holiday and each Work Day thereafter will be delayed one Work Day for the remainder of the week with normally scheduled Friday Collection Services being performed on Saturday. Commercial Collection Services shall be adjusted as agreed between the CONTRACTOR and the Service Recipient but must meet the minimum frequency requirement of one (1) time per week.

3.10 **Disposal and Processing.**

3.10.1 **Disposal Facility.** Except as set forth below, all Residue and permitted items for Disposal as a result of performing Collection Services shall be transported to, and disposed of, at the Disposal Facility. In the event the Disposal Facility is closed on a Work Day, the CONTRACTOR shall transport and dispose of the Solid Waste at such other legally permitted

disposal facility as is approved by DISTRICT. Failure to comply with this provision shall result in the levy of liquidated damages as specified in Article 18 of this Agreement and may result in the CONTRACTOR being in default under this Agreement.

3.10.2 Material Recovery Facility. All Recyclable Materials and Solid Waste Collected as a result of performing Solid Waste Collection and Recycling Collection Services shall be delivered to the Material Recovery Facility (MRF). In the event the MRF is closed on a Work Day, the CONTRACTOR shall transport and deliver the Solid Waste and Recyclable Material to such other legally permitted MRF as is approved by DISTRICT. Failure to comply with this provision shall result in the levy of liquidated damages as specified in Article 18 of this Agreement and may result in the CONTRACTOR being in default under this Agreement.

3.10.3 Organic Waste Processing Facility. All Organic Waste recovered by the Waste Recovery Facility as a result of performing Solid Waste Collection and Recycling Collection Services shall be delivered to the Organic Waste Processing Facility. In the event the Organic Waste Processing Facility is closed on a Work Day, the CONTRACTOR shall transport and deliver the Organic Waste to such other legally permitted Organic Waste Processing Facility as is approved by DISTRICT. Failure to comply with this provision shall result in the levy of liquidated damages as specified in Article 18 of this Agreement and may result in the CONTRACTOR being in default under this Agreement.

3.10.4 Large Green Waste Processing Facility. CONTRACTOR shall deliver all Collected Large Green Waste to a fully permitted Large Green Waste Processing Facility. In the event the facility is closed on a Work Day, the CONTRACTOR shall transport and deliver the Large Green Waste to such other legally permitted facility as is approved by DISTRICT. CONTRACTOR shall ensure that all Large Green Waste Collected pursuant to this Agreement, except residue resulting from processing, is diverted from the Disposal Facility in accordance with AB 939 and subsequent legislation and regulations.

3.10.5 Large Item Processing and Disposal. CONTRACTOR shall process and dispose of Large Items Collected from Service Units pursuant to this Agreement in accordance with the following hierarchy:

- 3.10.5.1 Reuse as is (where energy efficiency is not compromised)
- 3.10.5.2 Disassemble for reuse or recycling
- 3.10.5.3 Recycle
- 3.10.5.4 Disposal

3.10.6 CONTRACTOR shall not Dispose of such Large Items unless the Large Items cannot be reused or recycled.

3.10.7 DISTRICT Direction of Large Items. DISTRICT reserves the right to direct CONTRACTOR to take Large Items Collected pursuant to this Agreement to a designated site or sites as set forth in Exhibit 4 for the purpose of permitting persons who will reuse or recycle such Large Items to obtain the Large Items at no cost. CONTRACTOR shall have no obligation to dispose of the Large Items or Large Item residue remaining at the directed site or sites after reusers and recyclers have removed reusable or recyclable Large Items.

3.10.8 Large Items Containing Freon. In the event CONTRACTOR Collects

Large Items that contain Freon, CONTRACTOR shall handle such Large Items in a manner such that the Large Items are not subject to regulation as Hazardous Waste under applicable state and federal laws or regulations.

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

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

3.10.10.1 CONTRACTOR shall notify the District Representative, either by Fax or e-mail, of any contamination which renders the Used Oil unacceptable for recycling or which requires disposal of the Used Oil or Used Oil Filters as a Hazardous Waste.

3.10.11 Segregation of Used Oil. CONTRACTOR shall keep all Used Oil and Used Oil Filters Collected pursuant to this Agreement segregated from other materials.

3.11 Recycling - Improper Procedure. Except as set forth below, if Recyclable Materials are contaminated through commingling with Solid Waste, the CONTRACTOR shall Collect the Recycling Cart or Bin as Recyclable Material and leave a Non-Collection Notice explaining why the Solid Waste is not considered a Recyclable Material. However, in the event the Recyclable Materials and Solid Waste are commingled to the extent that they cannot easily be separated by the CONTRACTOR or the nature of the Solid Waste renders the entire Recycling Cart or Bin contaminated, the CONTRACTOR may Collect the Recycling Cart or Bin as Solid Waste and deliver it to the Solid Waste Processing Facility.

3.12 Recycling - Changes to Work. Should changes in law arise that necessitate any additions or deletions to the work described herein including the type of items included as Recyclable Materials, the parties shall negotiate any necessary cost changes and shall enter into an Agreement amendment covering such modifications to the work to be performed and the compensation to be paid before undertaking any changes or revisions to such work.

3.13 Inspections. The DISTRICT shall have the right to inspect the CONTRACTOR'S facilities or collection vehicles and their contents at any time while operating inside or outside the DISTRICT.

3.14 Commingling of Materials.

3.14.1 Solid Waste and Recyclable Material. Except as set forth in Section 3.11 above, CONTRACTOR shall not at any time commingle Residential or Commercial Waste Collected pursuant to this Agreement, with any Recyclable Material separated for Collection pursuant to this Agreement without the express prior written authorization of the District Representative.

3.14.2 Solid Waste Collected in Burbank Sanitary District. CONTRACTOR shall not at any time commingle any Residential Waste Collected pursuant to this Agreement, with any

other material Collected by CONTRACTOR inside or outside the DISTRICT without the express prior written authorization of the District Representative.

3.14.3 **Recyclable Materials.** CONTRACTOR shall not at any time commingle Residential Recyclable Materials Collected pursuant to this Agreement, with any other material Collected by CONTRACTOR inside or outside the DISTRICT without the express prior written authorization of the District Representative.

3.15 **Spillage and Litter.** The CONTRACTOR shall not litter premises in the process of providing Collection Services or while its vehicles are on the road. The CONTRACTOR shall transport all materials Collected under the terms of this Agreement in such a manner as to prevent the spilling or blowing of such materials from the CONTRACTOR'S vehicle. The CONTRACTOR shall exercise all reasonable care and diligence in providing Collection Services so as to prevent spilling or dropping of Residential Waste, Commercial Waste, District Waste or Recyclable Materials and shall immediately, at the time of occurrence, clean up such spilled or dropped materials.

3.15.1 The CONTRACTOR shall not be responsible for cleaning up sanitary conditions caused by the carelessness of the Service Recipient; however, the CONTRACTOR shall clean up any material or residue that are spilled or scattered by the CONTRACTOR or its employees.

3.15.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from the CONTRACTOR'S operations or equipment repair shall be covered immediately with an absorptive material and removed from the street surface. When necessary, CONTRACTOR shall apply a suitable cleaning agent to the street surface to provide adequate cleaning. To facilitate such cleanup, CONTRACTOR'S vehicles shall at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

3.15.3 The above paragraphs notwithstanding, CONTRACTOR shall clean up any spillage or litter caused by CONTRACTOR within two (2) hours upon notice from the DISTRICT.

3.15.4 In the event where damage to District Streets is caused by a hydraulic oil spill, CONTRACTOR shall be responsible for all repairs to return the street to the same condition prior to the spill. CONTRACTOR shall also be responsible for all clean-up activities related to the spill. Repairs and clean-up shall be performed in a manner satisfactory to the District Representative and at no cost to the DISTRICT.

3.16 **Ownership of Materials.**

3.16.1 Title to Residential Waste, Commercial Waste, and Recyclable Materials shall pass to CONTRACTOR at such time as said materials are placed in the CONTRACTOR'S Container.

3.16.2 Title to material Collected as part of the District Requested Clean-up Service or Annual Clean-up Event shall pass to CONTRACTOR at the time the material is placed in the Roll-off Container or other Collection vehicle or container approved for use at the event.

3.17 **Hazardous Waste.**

3.17.1 Under no circumstances shall CONTRACTOR'S employees knowingly Collect Hazardous Waste, or remove unsafe or poorly containerized Hazardous Waste, from a Collection container. If CONTRACTOR determines that material placed in any container for

Collection is Hazardous Waste, or other material that may not legally be accepted at the Disposal Facility or one of the processing facilities, or presents a hazard to CONTRACTOR'S employees, the CONTRACTOR shall have the right to refuse to accept such material. The generator shall be contacted by the CONTRACTOR and requested to arrange for proper Disposal Service, if the generator cannot be reached immediately, the CONTRACTOR shall, before leaving the premises, leave a Non-Collection Notice, which indicates the reason for refusing to Collect the material.

3.17.2 If Hazardous Waste is found in a Collection container that poses an imminent danger to people or property, the CONTRACTOR shall immediately notify the Burbank Sanitary District. The CONTRACTOR shall immediately notify the DISTRICT of any Hazardous Waste that has been identified.

3.17.3 If Hazardous Waste is identified at the time of delivery to the Disposal Facility, or one of the processing facilities and the generator cannot be identified, CONTRACTOR shall be solely responsible for handling and arranging transport and disposition of the Hazardous Waste.

3.18 Regulations and Record Keeping. CONTRACTOR shall comply with emergency notification procedures required by applicable laws and regulatory requirements. All records required by regulations shall be maintained at the CONTRACTOR'S facility. These records shall include waste manifests, waste inventories, waste characterization records, inspection records, incident reports, and training records.

ARTICLE 4. Charges and Rates

4.01 Collection Services. The CONTRACTOR shall be responsible for the billing and collection of payments for all Collection Services. The CONTRACTOR shall charge Service Recipients an amount not to exceed the service rates established in Exhibit 1 to this Agreement and as may be adjusted under the terms of this Agreement.

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

4.01.2 Production of Invoices. The CONTRACTOR shall produce an invoice, in a form and format that is approved by the District Representative, for services received under this Agreement in no less than four (4) times per year. The CONTRACTOR'S invoice shall be remitted to the SFD Service Recipients no earlier than the twentieth (20th) day of the month proceeding the period for which service is being billed, and no earlier than the first (1st) day of the month for the month in which services will be provided for Commercial Service Recipients.

4.01.2.1 The DISTRICT may provide educational and other material to CONTRACTOR for inclusion in the invoices provided by CONTRACTOR to residential and commercial customers for Collection Services.

4.01.3 Methods of Payment. CONTRACTOR shall provide the means for customers to pay bills through the following methods: cash, checks, credit cards, internet payment service or automatic withdrawal from bank account.

4.01.4 Delinquent Service Accounts. The CONTRACTOR may report to the District Representative, on a monthly basis, all Service Recipients who have received Collection Service and whose account is over sixty (60) days past due. The CONTRACTOR may take such action as is legally available to collect or cause collection of such past due amounts. However, in no event, except upon notice in writing by the District Representative, shall the CONTRACTOR cease provision of Collection Services to any Service Unit due to non-payment. The CONTRACTOR may reduce service to the minimum level of Solid Waste collection for non-payment.

4.01.5 Senior and Disability Discounts. CONTRACTOR shall provide a discount in an amount as set forth in Exhibit 1 for On-Premise Service (Backyard Collection) to qualified SFD Service Units under the following conditions:

4.01.5.1 All adult Service Recipients residing therein are at least 65 years of age; or

4.01.5.2 All adult Service Recipients have disabilities that prevent them from setting their Garbage, Recycling or Green Waste Cart at the curb for collection.

4.01.5.3 In no case shall a Service Recipient receive both the Senior and Disability discount.

4.02 Adjustments to Collection Service Rates.

4.02.1 Beginning on July 1, 2017, and annually thereafter, CONTRACTOR shall, subject to compliance with all provisions of this Article, receive an annual adjustment on the then current Service Rates and Additional Allowable Rates as set forth in Exhibit 1 to this Agreement.

4.02.2 Service Rates and Additional Allowable Rates shall be annually adjusted on the basis of one hundred percent (100%) of the net annual percentage change in the Consumer Price Index (CPI) for All Urban Consumers (all items) for the San Francisco/Oakland/San Jose Metropolitan area from February to February. All net percentage changes will be calculated by the following formula:

$$\text{Net Percentage Change} = \frac{V(i) - V(i-1)}{V(i-1)}$$

Where: V(i) = Index value for February of the adjustment year; and
V(i-1) = Index value for February of the preceding year

4.02.3 On or before May 1, CONTRACTOR shall send to the District Representative a Service Rate Adjustment Statement setting out the following information for each Service Rate:

The applicable index values:

- The percentage change in the applicable index values as calculated by the formula above;
- The percentage change equal to one hundred percent (100%) of the CPI referenced above; and
- CONTRACTOR's proposed new Service Rates and Additional Allowable Rates.

4.02.4 For the three (3) rate periods beginning July 1st 2016, 2017 and 2018, CONTRACTOR shall take the CPI as calculated in Sections 4.02.2 and 4.02.3 above and add an additional 7.8% to reflect CONTRACTOR's increased cost for Solid Waste Processing. In the event District is dissolved through annexation to other public entity, i.e. City of San Jose prior to June 30, 2019 and this Contract is terminated, CONTRACTOR shall be reimbursed for the cost of smoothing out the rate over the three year period by the entity annexing the Burbank Sanitary District.

4.02.5 In any year that the calculation of the CPI results in a negative number, there shall be no adjustment of the Collection Service Rates and Additional Allowable Rates. Instead the negative CPI number shall be added to the result of the subsequent years CPI calculation and the result shall be the CPI adjustment for that subsequent year.

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

4.02.7 Should the index named in this Section not be published in February of any given year, the calculations shall be performed using the index values of the month immediately preceding the one contemplated by this Agreement.

4.02.8 On or before May 1, 2017, and annually thereafter during term of this Agreement, CONTRACTOR shall submit to the District Representative the CPI adjustment calculation to the affected Service Rates to take place on the subsequent July 1st for review. On or before May 15th, the District Representative shall confirm the accuracy of the calculation for proper notification to Service Recipients. If the District Representative has not confirmed the accuracy of the calculation by May 31st, CONTRACTOR's calculations shall be considered final.

4.03 Financial Information. On or before March 1, 2017, and annually thereafter during the term of this Agreement, CONTRACTOR shall deliver to DISTRICT financial information for the specific services performed under this Agreement for the preceding Agreement Year, or portion thereof. Such financial information shall be in the format as set forth in Exhibit 2, or as may be further revised by DISTRICT from time to time. If CONTRACTOR fails to submit the financial information in the required format by March 1st, it is agreed that CONTRACTOR shall be deemed to have waived the CPI adjustment for that year.

4.03.1 CONTRACTOR'S failure to provide the financial information shall not preclude DISTRICT from applying the CPI using the prior year's financial data, or pro forma data if no prior year financial data is available, if that application would result in a negative CPI.

4.03.2 If the CONTRACTOR'S failure to submit the financial information required under Article 4.03.1 is a result of extraordinary or unusual circumstances as demonstrated by CONTRACTOR to the satisfaction of the District Representative, DISTRICT, at its sole discretion, may consider the request for the annual CPI rate adjustment.

4.04 CONTRACTOR'S Payments to DISTRICT.

4.04.1 CONTRACTOR shall make payment to the DISTRICT of such other fees as may be specified in this Article 4.04.2. Payment to the DISTRICT shall be due, on the fifteenth (15th) day of the month following the month the revenues are collected. Each such payment shall be accompanied by an accounting, which sets forth CONTRACTOR'S gross revenues collected during the preceding month.

4.04.2 Other Fees. DISTRICT may set such other fees as it deems necessary for the oversight and management of solid waste programs, and allow CONTRACTOR to adjust its

service rates to reflect any such DISTRICT fees.

4.04.3 No acceptance by DISTRICT of any payment shall be construed as an accord that the amount is in-fact the correct amount, nor shall such acceptance of payment be construed as a release of any claim DISTRICT may have against CONTRACTOR for any additional sums payable under the provisions of this Agreement. All amounts paid shall be subject to independent audit and recompilation by DISTRICT. If, after the audit, such recompilation indicates an underpayment CONTRACTOR shall pay to DISTRICT the amount of the underpayment and shall reimburse DISTRICT for all reasonable costs and expenses incurred in connection with the audit and recompilation within ten (10) Work Days of receipt of written notice from DISTRICT that such is the case. If, after audit, such recompilation indicates an overpayment, DISTRICT shall notify the CONTRACTOR in writing of the amount of the overpayment, less costs and expenses incurred in connection with the audit and recompilation. CONTRACTOR may offset the amounts next due following receipt of such notice by the amount specified therein.

4.05 Collection Service Census Data. On or before April 1, 2017 and annually thereafter during the term of this Agreement, CONTRACTOR shall deliver to DISTRICT, Collection Service census data for all Service Units.

4.05.1 Census data for SFD Service Units shall consist of the number of SFD Service Units receiving, SFD Collection Service during the previous month. The census data shall be segregated by type of service and as appropriate, container size, number of containers and frequency of Collection.

4.05.2 Census data for Commercial Service Units shall consist of the number of service units receiving Commercial Collection Service during the preceding month. The census data shall be segregated by type of service and as appropriate, container size, number of containers and frequency of Collection.

4.06 Tonnage Data. On or before September 30, 2016 and monthly thereafter during the term of this Agreement, CONTRACTOR shall deliver to DISTRICT a listing of the actual tonnage disposed by the CONTRACTOR at the Disposal Facility for the preceding month sorted between SFD, Commercial Service Units and between Roll-off Containers and all other containers to the extent practical.

4.07 Extraordinary Adjustment.

4.07.1 CONTRACTOR may petition the DISTRICT in writing at any time for an adjustment in the maximum rates on the basis of extraordinary and unusual changes in the costs of operations or programs that satisfy all of the following conditions: (i) materially alters CONTRACTOR'S operations or overall costs; (ii) could not reasonably have been foreseen by a prudent operator; (iii) by all reasonable expectations will continue for a period of at least six (6) months; and (iv) is not addressed pursuant to Article 24. CONTRACTOR'S request shall contain substantial proof and justification to support the need for the adjustment. The DISTRICT may request from the CONTRACTOR such further information as it deems necessary to fully evaluate the request and make its determination. The DISTRICT shall in the exercise of its reasonable discretion approve or deny the request, in whole or in part, within sixty (60) calendar days of receipt of the written request and all other additional information requested by the DISTRICT.

4.07.2 No Extraordinary Adjustment shall occur or rate adjustment be provided due to the CONTRACTOR'S use of any facility or subcontractor other than as set forth in Exhibit 4

and Exhibit 5, which are attached to and included in this Agreement. Nor shall a variation from the CONTRACTOR'S estimate for the tonnages of Solid Waste, Recyclable Materials or Green Waste be collected, processed or disposed provide a basis for a rate adjustment through an Extraordinary Adjustment or otherwise, except as specifically provided for by this Article.

ARTICLE 5. Diversion Requirements

5.01 Minimum Requirements. The DISTRICT requires the CONTRACTOR to use its best efforts to achieve a minimum annual diversion rate of fifty percent (50%), for the combination of SFD Collection Services, Commercial Collection Services, and District Collection Services or such other amount as may be set in accordance with the provisions of Article 24 of this Agreement, over each Calendar Year beginning January 1, 2017. The annual diversion rate will be calculated as "the tons of materials Collected by CONTRACTOR from the provision of Collection Services that are sold or delivered for Processing Services, less the annual Residue Disposed from Solid Waste processed, calculated as the annual average per ton residue rate at the Organics Processing Facilities for Solid Waste Processed, as required by this Agreement, divided by the total tons of materials Collected by CONTRACTOR in each Calendar Year."

5.02 Failure to Meet Minimum Requirements. CONTRACTOR'S failure to meet the minimum diversion requirements set forth above in Article 5.01 may result in the not extending the term of this Agreement beyond June 30, 2027. In determining whether or not to grant an extension of the Agreement under Article 2, the DISTRICT will consider the good faith efforts put forth by the CONTRACTOR to meet the minimum diversion requirements.

ARTICLE 6. Service Units

6.01 Service Units. Service Units shall include all the following categories of premises which are in the Service Area as of July 1, 2016, and all such premises which may be added to the Service Area by means of annexation, new construction, or as otherwise set forth in this Agreement during term of this Agreement:

6.01.1 SFD Service Units

6.01.2 Commercial Service Units

6.01.3 District Service Units

6.01.3.1 Any question as to whether a premises falls within one these categories shall be determined by the District Representative and the determination of the District Representative shall be final.

6.02 Service Unit Changes. The DISTRICT and CONTRACTOR acknowledge that during the term of this Agreement it may be necessary or desirable to add or delete Service Units for which CONTRACTOR will provide Collection Services.

6.02.1 Additions and Deletions. CONTRACTOR shall provide services described in this Agreement to new Service Units within five (5) Work Days of receipt of notice from the DISTRICT or new Service Unit to begin such service.

6.03 Annexation. If during the life of the Agreement, additional territory is acquired by the DISTRICT through annexation, CONTRACTOR agrees to provide Collection Services in such annexed area in accordance with the provisions and Service Rates set forth in this Agreement. Such Collection Services shall begin within five (5) Work Days of receipt of written notice from the DISTRICT. CONTRACTOR shall not begin Collection Service without written authorization from the DISTRICT.

6.04 Route Map Update. CONTRACTOR shall revise the Service Unit route maps to show the addition of Service Units added due to annexation and shall provide such revised maps to the District Representative as requested.

ARTICLE 7. SFD Collection Services

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

7.01.1 Curbside Service. The CONTRACTOR shall provide SFD Collection Service to all SFD Service Units in the Service Area whose Solid Waste is properly containerized in Garbage Carts, Recyclable Materials are properly containerized in Recycling Carts, except as set forth in Article 7.05; and Green Waste is properly containerized in Green Waste Carts except as set forth in Article 7.06; where the Garbage, Recycling and Green Waste Carts have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle.

7.01.2 On-Premises Service (Backyard Collection). Notwithstanding any term or definition set forth in this Agreement, CONTRACTOR shall provide on-premises Collection of Solid Waste, Recyclable Materials, and Green Waste to a SFD Service Unit upon request of the SFD Service Unit. The CONTRACTOR shall receive additional compensation for on-premises collection as set forth in Exhibit 1.

7.01.3 CONTRACTOR shall provide a discount in an amount as set forth in Exhibit 1 for On-Premise Service (Backyard Collection) to at the request of qualified SFD Service Units under the following conditions:

7.01.3.1 All adult Service Recipients residing therein are at least 65 years of age; or

7.01.3.2 All adult Service Recipients have disabilities that prevent them from setting their Garbage, Recycling or Green Waste Cart at the curb for collection.

7.01.4 Collection Day. CONTRACTOR shall provide on-premises Collection Service on the same Work Day that curbside Collection would otherwise be provided to the SFD Service Unit.

7.02 Frequency and Scheduling of Service. Except as set forth in Articles 7.06 and 7.07, SFD Collection Services shall be provided one (1) time per week on a scheduled route basis. SFD Collection Services shall be scheduled so that a SFD Service Unit receives SFD Solid Waste Collection Service, SFD Recycling Service, SFD Green Collection Service, and Used Oil Collection Service on the same Work Day.

7.03 Non-Collection. Except as set forth in Articles 7.05 and 7.06 CONTRACTOR shall not be required to Collect any Solid Waste, Recyclable Material, or Green Waste that is not placed in a cart. In the event of non-collection, CONTRACTOR shall affix to the cart a Non-Collection Notice explaining why Collection was not made. CONTRACTOR shall maintain a copy of such notices during the term of this Agreement.

7.04 Overages. In the event the Recycling Cart is full, corrugated cardboard that is of a size to fit in an empty Recycling Cart may be placed beside the Recycling Cart for Collection.

7.05 Curbside Holiday Tree Collection. CONTRACTOR shall Collect Holiday Trees from all SFD Service Units on an annual basis during the period commencing on the first Work Day on or after December 26, 2016, and annually thereafter, and ending on the last regularly scheduled Collection day of January for each specific collection route. Holiday Trees shall be Collected on the regular Collection day for each SFD Service Unit.

7.05.1 Contaminated Holiday Trees. Holiday trees that are flocked or contain tinsel or other decorations may be delivered to the Disposal Facility at the discretion of the CONTRACTOR.

7.06 Large Item Collection Service. This service will be governed by the following terms and conditions:

7.06.1 Conditions of Service. Within forty-eight (48) hours of a request of a SFD Service Recipient, the CONTRACTOR shall provide on-call Large Item Collection Service to a SFD Service Unit in the Service Area whose Large Items have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle. The Service Recipient shall be limited to five (5) cubic yards per Collection.

7.06.1.1 Each Agreement Year, each Service Recipient shall entitled to receive one (1) Large Item Collection Service at no charge to the Service Recipient or the DISTRICT.

7.06.1.2 For each Large Item Collection requested by a Service Recipient in excess of one (1) per Agreement Year, CONTRACTOR shall be compensated for the cost of Collecting Large Items in accordance with the "Large Item Collection" service rate as set by the DISTRICT and as may be adjusted under the terms of this Agreement.

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

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

7.07.2 Non-Collection. CONTRACTOR shall not be required to Collect material placed in Used Oil or Used Oil Filter Containers unless the material is Used Oil or Used Oil Filters, as appropriate, and is free of contamination other than contamination normally expected to be present as a result of the use, storage or spillage of the oil or filter. In the event of non-collection, CONTRACTOR shall affix to the Used Oil or Used Oil Filter Container a Non-Collection Notice explaining why Collection was not made and maintain a copy of such notice during the term of this Agreement. Prior to the end of each Work Day, CONTRACTOR shall notify the District Representative, either by Fax or e-mail, of any non-collection occurrences. If non-collection is because the Used Oil or Filter was placed in an improper container, CONTRACTOR shall also leave Used Oil or Used Oil Filter Containers in a number sufficient to contain the Used Oil or Used Oil Filters set out, but not exceeding sixteen (16) quarts, or two (2) Used Oil Filters along with the Non-Collection Notice.

7.07.3 Spillage. CONTRACTOR shall carry oil absorbent material on all Used Oil Collection vehicles and shall cleanup any Used Oil that spills during Collection, which has leaked from the Used Oil or Used Oil Filter Container, or which spills or leaks during the time the Used Oil or Used Oil Filter is in the Collection vehicle.

7.07.4 Used Oil and Used Oil Filter Containers. Within three (3) Work Days of receipt of a verbal request of DISTRICT or a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, provide the SFD Service Unit where the Service Recipient resides with Used Oil Containers and Used Oil Filter Containers in the number requested by the DISTRICT or the Service Recipient but not exceeding a number sufficient to hold sixteen (16) quarts of Used Oil and two (2) Used Oil Filters.

7.07.4.1 At the time CONTRACTOR Collects Used Oil from a SFD Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, leave at the premises one (1) Used Oil Container for each Used Oil Container Collected and one (1) Used Oil Filter Container for each Used Oil Filter Container Collected. CONTRACTOR shall keep the outside of all Used Oil and Used Oil Filter Containers clean and may re-use the containers until the condition of the container makes it inappropriate for re-use.

ARTICLE 8. Commercial Collection Services

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

8.01.1 Conditions of Service. The CONTRACTOR shall provide Commercial Solid Waste Collection Service and Commercial Recycling Service to all Commercial Service Units in the Service Area whose Solid Waste or Recyclable Materials are properly containerized in bins or carts as appropriate and where the bins and carts are accessible as set forth in Article 8.01.3.

8.01.2 Frequency of Service. Each service shall be provided at least once every week on a scheduled route basis. However, in those instances where the scheduled Collection day falls on a holiday as set forth in Article 3.09 herein, the Collection day may be adjusted in a manner agreed to between the Service Recipient and the CONTRACTOR as long as service is received a minimum of one (1) time per week. The size of the bin or cart and the frequency (above the minimum) of Collection shall be determined between the customer and the CONTRACTOR. However, size and frequency shall be sufficient to provide that no Solid Waste needs be placed outside the bin or cart on a regular basis.

8.01.3 Accessibility. CONTRACTOR shall Collect all bins and carts that are readily accessible to the CONTRACTOR'S crew and vehicles and not blocked. However, CONTRACTOR shall provide "push services" as necessary during the provision of Commercial Collection Services. Push services shall include, but not be limited to, dismounting from the Collection vehicle, moving the bins or carts from their storage location for Collection and returning the bins or carts to their storage location.

8.01.3.1 The CONTRACTOR will notify the District Representative daily, by Fax or e-mail, of all situations that prevent or hinder Collection from any Commercial Service Unit., unless otherwise directed by DISTRICT.

8.01.4 Non-Collection. CONTRACTOR shall not be required to Collect any Solid Waste or Recyclable Materials that are not placed in a bin or cart unless such Solid Waste or Recyclable Material is outside the bin or cart as a result of overflow. In the event of non-collection, CONTRACTOR shall affix to the bin or cart a Non-Collection Notice explaining why Collection was not made. CONTRACTOR shall maintain copies of the Non-Collection Notice during the term of this Agreement.

8.01.5 Overflow. In the case of repeated overflows of Solid Waste or Recyclable Materials, CONTRACTOR shall contact the Commercial Service Unit management to arrange for an appropriate change in bin or cart size, Collection frequency or both. In the event, CONTRACTOR cannot successfully contact the Commercial Service Unit management after three (3) attempts, or cannot reach an agreement with such management regarding the change in service, CONTRACTOR shall advise the District Representative, either by Fax or e-mail, of the details of the overages, and the attempts at communication with the Commercial Service Unit management. The District Representative shall respond to CONTRACTOR'S report and make a final written determination. Within five (5) Work Days of receipt of the District Representative's written determination, CONTRACTOR shall change the Collection Service in accordance with such written determination.

ARTICLE 9. DISTRICT Collection Service

9.01 Annual Clean-up Event. Each Agreement Year, CONTRACTOR shall, at no charge to the DISTRICT, provide for a DISTRICT wide community clean up event by providing debris boxes, bins, and/or carts at DISTRICT approved sites located throughout the DISTRICT. CONTRACTOR shall transport and deliver the Collected materials to the Disposal Facility, the Materials Recovery Facility, or such other facility as is appropriate for the disposition of the materials and approved by the District Representative.

9.01.1 During each Annual Clean-up Event, CONTRACTOR shall provide collection of nine hundred (900) cubic yards' total capacity in debris boxes ranging in size from 20 to 40 cubic yards.

9.01.2 CONTRACTOR shall also provide, at no charge to the DISTRICT, a stake truck, bins no larger than six (6) cubic yard bins and/or 35, 65, or 95 gallon carts for items that require special handling or processing, such as E-Waste or universal waste. These additional bins or carts are in addition to the required debris boxes as specified in Section 9.01.1 above.

9.01.3 CONTRACTOR shall provide all necessary employees and equipment to manage the collection sites, direct traffic, and maintain safe and clean work areas at each

collection site.

9.01.4 CONTRACTOR shall operate each collection site beginning at 7:00 am and closing at 1:00 pm, unless all the 900 cubic yards of capacity has been used prior to 1:00pm.

9.01.5 CONTRACTOR shall prepare, produce and distribute notices no later than four weeks prior to the event. At a minimum, the date and hours of operation, locations of each collection site, and acceptable materials for collection shall be included in the notices, and the DISTRICT will provide the CONTRACTOR with the text for the notices. The CONTRACTOR shall produce the notices on brightly colored paper, and printed on two sides using recycled content paper. CONTRACTOR shall address and mail the notices to each SFD Service Recipient. In addition, with prior approval by the DISTRICT, CONTRACTOR may also provide the notices as billing inserts. The notices are not to be hand-delivered.

9.01.6 CONTRACTOR shall require each SFD Service Recipient to turn in their notice to the CONTRACTOR'S staff at the collection site as proof of DISTRICT residency in order for the SFD Service Recipient to participate in the Annual Clean-up Event. Within 30 days after the Annual Clean-up Event, CONTRACTOR shall report to the DISTRICT the total number of participants and tonnage collected at the event.

9.01.7 On the first working day following the Annual Clean-up Event, CONTRACTOR shall remove and clean up any remaining materials left for collection, and provide street sweeping services at each collection location.

9.01.8 During the Annual Clean-up Event, an authorized DISTRICT representative may request additional debris boxes beyond the amount required in Section 9.01.1. CONTRACTOR shall provide the addition debris boxes at the collection site as requested by the authorized DISTRICT representative.

9.01.9 CONTRACTOR shall be entitled to charge the DISTRICT for debris boxes in excess of the requirements in Section 9.01.1 in accordance with the rates specified in Exhibit 1.

9.02 District Requested Clean-Up. CONTRACTOR shall, in response to the request of the District Representative, shall within twenty-four (24) hours provide for temporary clean-up programs in the Service Area. CONTRACTOR shall transport and deliver the Collected materials to the Disposal Facility, the Materials Recovery Facility, or such other facility as is appropriate for the disposition of the materials and approved by the District Representative. CONTRACTOR shall be entitled to charge the DISTRICT for DISTRICT Requested Clean-up in accordance with the rates specified in Exhibit 1.

9.03 Abandoned Waste. CONTRACTOR shall direct its Collection vehicle drivers to note (i) the addresses of any premises at which the driver observes that Solid Waste, Recyclable Material, and/or Green Material is accumulating; and (ii) the address, or other location description, at which Solid Waste, Recyclable Material, and/or Green Material has been dumped in an apparently unauthorized manner. CONTRACTOR shall deliver the address or description to DISTRICT within three (3) Work Days of such observation.

9.04 Plans Review. CONTRACTOR shall, as requested by DISTRICT, review plans for land use of property development in the Service Area with regards to solid waste service issues and provide comments to the DISTRICT.

ARTICLE 10. Collection Routes

10.01 Collection Routes. Ninety (90) days prior to commencement of Collection Services, the CONTRACTOR shall provide the DISTRICT with maps precisely defining Collection routes, together with the days and the times at which Collection shall regularly commence.

10.02 Subsequent Collection Route Changes. The CONTRACTOR shall submit to the DISTRICT, in writing, any proposed route change (including maps thereof) not less than sixty (60) calendar days prior to the proposed date of implementation. The CONTRACTOR shall not implement any route changes without the prior review of the District Representative. If the route change will change the Collection day for a Service Recipient, the CONTRACTOR shall notify those Service Recipients in writing of route changes not less than thirty (30) days before the proposed date of implementation.

10.02.1 Collection Route Audits. The DISTRICT reserves the right to conduct audits of CONTRACTOR'S Collection routes. The CONTRACTOR shall cooperate with the DISTRICT in connection therewith, including permitting DISTRICT employees or agents, designated by the District Representative, to ride in the Collection vehicles in order to conduct the audits. The CONTRACTOR shall have no responsibility or liability for the salary, wages, benefits or worker compensation claims of any person designated by the District Representative to conduct such audits.

ARTICLE 11. Collection Equipment

11.01 Equipment Specifications.

11.01.1 General Provisions. All equipment used by CONTRACTOR in the performance of services under this Agreement shall be of a high quality. CONTRACTOR shall provide a new split body collection vehicle to service SFD Service units. All vehicles shall be designed and operated so as to prevent Collected materials from escaping from the vehicles. Hoppers shall be closed on top and on all sides with screening material to prevent Collected materials from leaking, blowing or falling from the vehicles. All vehicles and containers shall be watertight and shall be operated so that liquids do not spill during Collection or in transit.

11.01.2 All Collection Service vehicles utilized by CONTRACTOR pursuant to this Agreement shall provide fully-automated Collection Service except where such service is not feasible because of topographic or other physical factors. Where fully-automated Collection Service is not feasible, CONTRACTOR shall consult with the District Representative regarding the Collection Service equipment to be utilized.

11.01.3 Clean Air Vehicles. During the term of this Agreement, to the extent required by law, CONTRACTOR shall provide its Collection Service vehicles to be in full compliance with local, State and federal clean air requirements that were adopted or proposed to be adopted, including, but not limited to, the California Air Resources Board Heavy Duty Engine Standards as currently proposed to be contained in CCR Title 13, Section 2020 et seq; the Federal EPA's Highway Diesel Fuel Sulfur regulations and any other applicable air pollution control laws.

11.01.4 Large Items. Vehicles used for Collection of Large Items shall not use compactor mechanisms or mechanical handling equipment that may damage reusable goods or release Freon or other gases from pressurized appliances.

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

11.01.6 Vehicle Signage and Painting. Collection vehicles shall be painted and numbered consecutively without repetition and shall have the CONTRACTOR'S name, CONTRACTOR'S customer service telephone number, and the number of the vehicle painted in letters of contrasting color, at least six (6) inches high, on each side and the rear of each vehicle. No advertising shall be permitted other than the name of the CONTRACTOR except promotional advertisement of the Recyclable Materials and Green Waste programs. CONTRACTOR shall repaint all vehicles (including vehicles striping) during the term of this Agreement on a frequency as necessary to maintain a positive public image as reasonably determined by the District Representative.

11.01.7 Bin Signage, Painting, and Cleaning. All metal bins of any service type furnished by the CONTRACTOR shall be either painted or galvanized. All bins shall display the CONTRACTOR'S name, CONTRACTOR'S customer service telephone number, and the number of the bin and shall be kept in a clean and sanitary condition. Such bins as are provided by the CONTRACTOR shall be steam cleaned by the CONTRACTOR as frequently as necessary so as to maintain them in a sanitary condition. Bins will be subject to periodic, unscheduled inspections by the DISTRICT and determination as to sanitary condition shall be made by the DISTRICT.

11.02 Collection Vehicle Noise Level. All Collection operations shall be conducted as quietly as possible and shall conform to applicable federal, State, County and DISTRICT noise level regulations.

11.03 Vehicle Registration, Licensing and Inspection. On or before July 1, 2016 and annually thereafter during the term of this Agreement, CONTRACTOR shall submit documentation to the DISTRICT Representative to verify that each of the CONTRACTOR'S Collection vehicles is in compliance with all registration, licensing and inspection requirements of the California Highway Patrol, the California Department of Motor Vehicles, and any other applicable laws or regulations. CONTRACTOR shall not use any vehicle to perform Collection Services that is not in compliance with applicable registration, licensing and inspection requirements.

11.04 Equipment Maintenance. CONTRACTOR shall maintain Collection equipment in a clean condition and in good repair at all times. All parts and systems of the Collection equipment shall operate properly and be maintained in a condition satisfactory to DISTRICT. CONTRACTOR shall wash all Collection vehicles at least once a week.

11.05 Maintenance Log. CONTRACTOR shall maintain a maintenance log for all Collection vehicles. The log shall at all times be accessible to DISTRICT by physical inspection upon request of District Representative, and shall show, at a minimum, each vehicles' CONTRACTOR assigned identification number, date purchased or initial lease, dates of performance of routine maintenance, dates of performance of any additional maintenance, and description of additional maintenance performed.

11.05.1 Equipment Inventory. On or before July 1, 2016, CONTRACTOR shall provide to DISTRICT an inventory of Collection vehicles and major equipment used by CONTRACTOR for Collection or transportation and performance of services under this Agreement.

The inventory shall indicate each Collection vehicle by CONTRACTOR assigned identification number, DMV license number, the age of the chassis and body, type of fuel used, the type and capacity of each vehicle, the number of vehicles by type, the date of acquisition, the decibel rating and the maintenance status. CONTRACTOR shall submit to the District Representative, either by Fax or e-mail, an updated inventory annually to the DISTRICT or more often at the request of the District Representative. Each vehicle inventory shall be accompanied by a certification signed by CONTRACTOR that all Collection vehicles meet the requirements of this Agreement.

11.05.2 Reserve Equipment. The CONTRACTOR shall have available to it, at all times, reserve Collection equipment which can be put into service and operation within one (1) hour of any breakdown. Such reserve equipment shall correspond in size and capacity to the equipment used by the CONTRACTOR to perform the contractual duties.

ARTICLE 12. CONTRACTOR'S Office

12.01 CONTRACTOR'S Office. The CONTRACTOR shall maintain an office that provides toll-free telephone access to residents of the DISTRICT and is staffed by trained and experienced Customer Service Representatives (CSR's). Such office shall be equipped with sufficient telephones that all Collection Service related calls received during normal business hours are answered by an employee within five (5) rings, and shall have responsible persons in charge during Collection hours and shall be open during such normal business hours, 8:00 a.m. to 6:00 p.m. on all Work Days. The CONTRACTOR shall provide either a telephone answering service or mechanical device to receive Service Recipient inquiries during those times when the office is closed. Calls received after normal business hours shall be addressed the next Work Day morning.

12.01.1 Emergency Contact. The CONTRACTOR shall provide the District Representative with an emergency phone number where the CONTRACTOR can be reached outside of the required office hours.

12.01.2 Multilingual/TDD Service. CONTRACTOR shall at all times maintain the capability of responding to telephone calls in English and such other languages as DISTRICT may direct. CONTRACTOR shall at all times maintain the capability or responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services.

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

12.01.4 All incoming calls will be answered within five (5) rings. Any call "on-hold" in excess of one and one half (1.5) minutes shall have the option to remain "on-hold" or to be switched to a message center where Service Recipient can leave a message. CONTRACTOR'S customer service representative shall return Service Recipient calls. For all messages left before 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to 6:00 p.m. on the day of the call. For messages left after 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to noon the next Work Day. CONTRACTOR shall make minimum of three (3) attempts within twenty-four (24) hours of the receipt of the call. If CONTRACTOR is unable to reach the Service Recipient on the next Work Day, the CONTRACTOR shall send a postcard to the Service Recipient on the second Work Day after the call was received, indicating that the CONTRACTOR has attempted to return the call.

ARTICLE 13. Other Services

13.01 Public Outreach and Education Services. CONTRACTOR, at their own expense, shall prepare, submit and implement an annual (Agreement Year) Public Education and Outreach Program. The proposed action plan must be submitted annually for DISTRICT approval no later than April 1st for the next Agreement Year. The program must include a minimum of one (1) campaign per year designed to increase diversion and resident participation. Campaigns should target certain Recyclable Materials or "problem" areas of the CONTRACTOR'S Service Area where improvements can be maximized. Targets of outreach should be based on local trends and recycling patterns based on information obtained by both the District Representative and CONTRACTOR staff.

13.02 Annual Collection Service Notice. Each calendar year during the term of this Agreement, the CONTRACTOR shall publish and distribute separate notices to all SFD Service Units regarding the SFD Collection Service programs, and to all Commercial Service Units regarding Commercial Service Programs. To the extent appropriate, based on the category of customer receiving the notice, it shall contain at a minimum; definitions of the materials to be Collected, procedures for setting out the materials, maps of the Service Area indicating the day that Solid Waste Collection Services, Large Items Collection Service, Used Oil Collection Service, Recycling Service, and Green Waste Collection Service will be provided, and the DISTRICT customer service phone number. The notice shall be provided in English, and other languages as directed by the DISTRICT, and shall be distributed by the CONTRACTOR no later than July 1, 2016 during the first year of the Agreement, and annually thereafter.

13.03 Additional Programs and Services. CONTRACTOR shall provide additional services and programs as requested by DISTRICT at a price to be mutually agreed upon between the CONTRACTOR and the District Representative. In the event the CONTRACTOR and the District Representative cannot reach a mutually agreed upon price for the requested service or program, DISTRICT shall have the right to procure the service of other vendors or contractors to provide the requested service.

13.04 News Media Relations. CONTRACTOR shall notify the District Representative by Fax, e-mail or phone of all requests for news media interviews related to the Collection Services program within twenty-four (24) hours of CONTRACTOR'S receipt of the request. Before responding to any inquiries involving controversial issues or any issues likely to affect participation or Service Recipient perception of services, CONTRACTOR will discuss CONTRACTOR'S proposed response with the District Representative.

13.04.1 Copies of draft news releases or proposed trade journal articles shall be submitted to DISTRICT for prior review and approval at least five (5) Work Days in advance of release, except where CONTRACTOR is required by any law or regulation to submit materials to any regulatory agency in a shorter period of time, in which case CONTRACTOR shall submit such materials to DISTRICT simultaneously with CONTRACTOR'S submittal to such regulatory agency.

13.04.2 Copies of articles resulting from media interviews or news releases shall be provided to the DISTRICT within five (5) Work Days after publication.

13.05 Waste Generation and Characterization Studies. CONTRACTOR acknowledges that DISTRICT must perform Solid Waste generation and characterization studies periodically to comply with AB 939 requirements. CONTRACTOR agrees to participate and cooperate with

DISTRICT and its agents and to perform studies and data collection exercises, as needed, to determine weights, volumes and composition of Solid Waste generated, disposed, transformed, diverted or otherwise processed to comply with AB 939. If DISTRICT requires CONTRACTOR to participate in such a study, CONTRACTOR and DISTRICT shall mutually agree on the scope of services to be provided by CONTRACTOR and the amount of compensation, if any, that the DISTRICT will pay to CONTRACTOR for such participation.

ARTICLE 14. Emergency Service Provisions

14.01 Emergency Services. In the event of a tornado, major storm, earthquake, fire, natural disaster, or other such event, the District Representative may grant the CONTRACTOR a variance from regular routes and schedules. As soon as practicable after such event, the CONTRACTOR shall advise the District Representative when it is anticipated that normal routes and schedules can be resumed. The District Representative shall make an effort through the local news media to inform the public when regular services may be resumed. The clean-up from some events may require that the CONTRACTOR hire additional equipment, employ additional personnel, or work existing personnel on overtime hours to clean debris resulting from the event. The CONTRACTOR shall receive additional compensation, above the normal compensation contained in this Agreement, to cover the costs of rental equipment, additional personnel, overtime hours and other documented expenses based on the rates set forth in Exhibit 1 to this Agreement provided the CONTRACTOR has first secured written authorization and approval from the DISTRICT through the District Representative.

ARTICLE 15. Record Keeping & Reporting Requirements

15.01 Record Keeping.

15.01.1 Accounting Records. CONTRACTOR shall maintain full, complete and separate financial, statistical and accounting records, pertaining to cash, billing, and provisions of all Collection Services provided under this Agreement, prepared on an accrual basis in accordance with generally accepted accounting principles. Such records shall be subject to audit, copy, and inspection. Gross revenues derived from provision of the Collection Services, including revenues from the sale of Recyclable Materials, including CRV revenue or revenue from the sale of Composted Material, whether such services are performed by the CONTRACTOR or by a subcontractor or subcontractors, shall be recorded as revenues in the accounts of the CONTRACTOR. These records shall be separate and segregated from other records maintained by CONTRACTOR for the provision of other services outside the scope of this Agreement as may be provided by CONTRACTOR. CONTRACTOR shall maintain and preserve all cash, billing and disposal records for a period of not less than five (5) years following the close of each of the CONTRACTOR'S fiscal years.

15.01.2 Agreement Materials Records. CONTRACTOR shall maintain records of the quantities of (i) Residential, Commercial and District Waste Collected and disposed under the terms of this Agreement, and (ii) Recyclable Materials, by type, Collected, purchased, processed, sold, donated or given for no compensation, and residue disposed.

15.01.3 Other Records. CONTRACTOR shall maintain all other records reasonably related to provision of Collection Services, whether or not specified in this Article 15 or

elsewhere in the Agreement.

15.02 Reporting Requirements. Quarterly reports shall be submitted no later than thirty (30) calendar days after the end of the reporting quarter and annual reports shall be submitted no later than forty-five (45) calendar days after the end of each Agreement Year. Quarterly and annual reports shall be submitted in hard copy, and shall be provided electronically via e-mail, or a compact disc using software acceptable to the DISTRICT.

15.02.1 Quarterly Reports. Quarterly reports to the DISTRICT shall include:

15.02.1.1 Solid Waste Data. The number of SFD, District and Commercial Service Units and the number of Garbage Bins and Carts distributed by size and Service Unit type. A listing of the actual tonnage from all Collection Services, including Large Item Collection Service, Collected, Processed, diverted and disposed by the CONTRACTOR at the Designated Processing Facility for the preceding month sorted between SFD, Commercial and DISTRICT Service Units and between Roll-off Containers and all other containers to extent practical. All tonnage data should be compared to the corresponding tonnage data from the prior year comparable period.

15.02.1.2 Recycling Data. The number of gross tons Collected monthly on average by material type by route for SFD, District and Commercial Recycling Service, including Recyclable Materials Collected as part of Large Item Collection Service, for the preceding month. The average participation rates for each month relative to the total number of Service Units by Service Unit type. All tonnage data should be compared to the corresponding tonnage data from the prior year comparable period. Include a description of processed material loads rejected for sale, reason for rejection and disposition of load after rejection.

15.02.1.3 Green Waste Data. The average daily gross tons Collected and average daily number of set-outs. Indicate average participation rates relative to the total number of Service Units in terms of weekly set-out counts. Indicate number of Green Waste Bins and Carts distributed by size and Service Unit type. All tonnage data should be compared to the corresponding tonnage data from the prior year comparable period.

15.02.1.4 Program Operations. A summary of collection, processing and marketing issues or conditions occurring during the previous quarter (such as participation, setouts, contamination, etc.), significant changes in operation, market factors, publicity conducted, needs for publicity. This should also include a summary of all public education and information activities undertaken during the period, including distribution of bill inserts, community information and events, school visits, tours and other activities related to the provision of Collection Services.

15.02.1.5 Customer Service Data. A summary narrative of problems encountered with Collection and processing activities and actions taken. Indicate type and number of Non-Collection Notices left at Service Recipient locations. Indicate instances of property damage or injury. A copy of the customer service log, including a summary of the type and number of complaints and their resolution should also be included.

15.02.1.6 Customer Base Data. CONTRACTOR shall provide, customer base data consisting of the number of SFD Service Units, and Commercial Service Units billed, sorted by service type, container size, number of containers and frequency of Collection.

15.02.1.7 Special Events. Summary of each District sponsored special

event activity such as the annual clean-up day shall include the name and date of the event, the tonnage Collected, diverted and disposed by material type, and other services provided. CONTRACTOR shall also provide information regarding the logistics of the event and suggestions for improving future events.

15.02.2 Annual Reports. The annual report to the DISTRICT shall include:

15.02.2.1 Quarterly Data. All quarterly reports in Articles 15.02.1 through 15.01.7 summarized by quarter and averaged for the year. For all annual reports beginning with the report for the second Agreement Year, the CONTRACTOR shall include a historical comparison of the last Agreement Year and the average of all Agreement Years.

15.02.2.2 Summary of Historical and Proposed Activities. CONTRACTOR shall provide a narrative of activities undertaken during the year and those planned or proposed for the upcoming year. CONTRACTOR shall provide information describing if the activity was undertaken in the previous Agreement Year or not and if not why it was added. For those activities that are not being continued, CONTRACTOR shall describe the reason the activity has been discontinued and the activity that is replacing it.

ARTICLE 16. Nondiscrimination

16.01 Nondiscrimination. In the performance of all work and services under this Agreement, CONTRACTOR shall not discriminate against any person on the basis of such person's race, sex, color, national origin, religion, marital status, age, disability, gender, gender orientation,sexual orientation or all other protected classes. CONTRACTOR shall comply with all applicable local, state and federal laws and regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

ARTICLE 17. Service Inquiries and Complaints

17.01 CONTRACTOR'S Customer Service. All service inquiries and complaints shall be directed to the CONTRACTOR. A representative of the CONTRACTOR shall be available to receive the complaints during normal business hours, as described in Article 12. All service complaints will be handled by the CONTRACTOR in a prompt and efficient manner. In the case of a dispute between the CONTRACTOR and a Service Recipient, the matter will be reviewed and a decision made by the District Representative.

17.01.1 The CONTRACTOR will utilize the customer service log to maintain a record of all inquiries and complaints in a manner prescribed by the DISTRICT.

17.01.2 For those complaints related to missed Collections that are received by 3:00 p.m. on a Work Day, the CONTRACTOR will return to the Service Unit address and Collect the missed materials before leaving the Service Area for the day. For those complaints related to missed Collections that are received after 3:00 p.m. on a Work Day, the CONTRACTOR shall have until the end of the following Work Day to resolve the complaint. For those complaints related to repair or replacement of carts or bins, the appropriate Articles of this Agreement shall apply.

17.01.3 CONTRACTOR agrees that it is in the best interest of the DISTRICT that all Solid Waste and Recyclable Materials be Collected on the scheduled Collection day. Accordingly, missed Collections will normally be Collected as set forth above regardless of the reason that the Collection was missed. However, in the event a Service Recipient requests missed

Collection service more than two (2) times in any consecutive two (2) month period the District Representative will work with the CONTRACTOR to determine an appropriate resolution to that situation. In the event the CONTRACTOR believes any complaint to be without merit, CONTRACTOR shall notify the District Representative, either by Fax or e-mail. The District Representative will investigate all disputed complaints and render a decision.

ARTICLE 18. Quality of Performance of Contractor

18.01 Intent. CONTRACTOR acknowledges and agrees that one of DISTRICT'S primary goals in entering into this Agreement is to ensure that the Collection Services are of the highest caliber, that Service Recipient satisfaction remains at the highest level, that maximum diversion levels are achieved, and that materials Collected are put to the highest and best use to the extent feasible.

18.02 Liquidated Damages. The parties further acknowledge that consistent and reliable Collection Service is of utmost importance to DISTRICT and that DISTRICT has considered and relied on CONTRACTOR'S representations as to its quality of service commitment in awarding the Agreement to it. The parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The parties further recognize that if CONTRACTOR fails to achieve the performance standards, or fails to submit required documents in a timely manner, DISTRICT, and DISTRICT'S residents and businesses will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages. Therefore, without prejudice to DISTRICT'S right to treat such non-performance as an event of default under Article 25, the parties agree that the liquidated damages amount defined in this Article represent reasonable estimates of the amount of such damages considering all of the circumstances existing on the effective date of this Agreement, including the relationship of the sums to the range of harm to DISTRICT, customers and the community as a whole that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical.

18.03 Procedure for Review of Liquidated Damages. The District Representative may assess liquidated damages pursuant to this Article 18 on a monthly basis. At the end of each month during the term of this Agreement, the District Representative shall issue a written notice to CONTRACTOR ("Notice of Assessment") of the liquidated damages assessed and the basis for each assessment.

18.03.1 The assessment shall become final unless, within ten (10) calendar days of the date of the notice of assessment, CONTRACTOR provides a written request for a meeting with the District Manager to present evidence that the assessment should not be made.

LIQUIDATED DAMAGES		
	Item	Amount
a.	Failure or neglect to resolve each complaint within the time set forth in this Agreement.	\$100.00 per incident per Service Recipient.
b.	Failure to clean up spillage or litter caused by CONTRACTOR.	\$100.00 per incident per location.

LIQUIDATED DAMAGES		
Item		Amount
c.	Failure to repair damage to customer property caused by CONTRACTOR or its personnel.	\$500.00 per incident per location.
d.	Failure to repair damage to DISTRICT property caused by CONTRACTOR or its personnel.	\$500.00 per incident.
e.	Damage to District property or streets within the District's jurisdiction caused by CONTRACTOR.	Actual cost of repair to DISTRICT'S satisfaction.
f.	Failure to maintain equipment in a clean, safe, and sanitary manner.	\$100.00 per incident per day.
g.	Failure to have a vehicle properly licensed.	\$500.00 per incident per day.
h.	Failure to repair or replace damaged carts or bins within the time required by this Agreement	\$100.00 per incident per day

18.03.2 The District Representative shall schedule a meeting between CONTRACTOR and the District Manager or the Manager's designee as soon as reasonably possible after timely receipt of CONTRACTOR'S request.

18.03.3 The District Manager or the Manager's designee shall review CONTRACTOR'S evidence and render a decision sustaining or reversing the liquidated damages as soon as reasonably possible after the meeting. Written notice of the decision shall be provided to CONTRACTOR.

18.03.4 In the event CONTRACTOR does not submit a written request for a meeting within ten (10) calendar days of the date of the Notice of Assessment, the District Representative's determination shall be final and CONTRACTOR shall submit payment to DISTRICT no later than that tenth (10th) day. Alternatively, at the sole option of DISTRICT, if monies are owed to CONTRACTOR, DISTRICT may deduct the liquidated damages from amounts otherwise due to CONTRACTOR.

18.03.5 DISTRICT'S assessment or collection of liquidated damages shall not prevent DISTRICT from exercising any other right or remedy, including the right to terminate this Agreement, for CONTRACTOR'S failure to perform the work and services in the manner set forth in this Agreement.

ARTICLE 19. Billing Audit and Performance Review

19.01 Selection and Cost. If, during any Agreement Year, if the CONTRACTOR is assessed more than \$3,500 in liquidated damages by the DISTRICT, The DISTRICT has the right to conduct one (1) billing audit and performance review ("review") of the CONTRACTOR'S performance during the term of this Agreement. The review will be performed by a qualified firm

under contract to the DISTRICT. The DISTRICT shall have the final responsibility for the selection of the firm but shall seek and accept comments and recommendations from the CONTRACTOR. If the DISTRICT elects to conduct a Billing Audit and Performance Review, the CONTRACTOR shall be responsible for the cost of the review up to a maximum of **Fifty Thousand Dollars (\$50,000.00)**.

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

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

19.02.2 Verify that franchise fees, and other fees required under this Agreement have been properly calculated and paid to the DISTRICT.

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

19.02.4 Verify the diversion percentages reported by the CONTRACTOR.

19.03 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 the DISTRICT within thirty (30) Work Days. Failure of the CONTRACTOR to cooperate or provide the requested documents in the required time shall be considered an event of default.

ARTICLE 20. Performance Bond

20.01 Performance Bond. The Agreement must be executed and bond furnished by the CONTRACTOR within fifteen (15) calendar days of notification to the CONTRACTOR that they are the successful bidder; otherwise, the bid bond shall be forfeited to the DISTRICT. The CONTRACTOR shall furnish to the DISTRICT, and keep current, a performance bond in a form that is acceptable to the DISTRICT, for the faithful performance of this Agreement and all obligations arising hereunder in an amount of **Fifty-thousand Dollars (\$50,000.00)**.

20.01.1 The performance bond shall be executed by a surety company that is acceptable to the DISTRICT; licensed to do business in the State of California; has an "A:VM" or better rating by A. M. Best or Standard and Poors; and is included on the list of surety companies approved by the Treasurer of the United States.

20.02 Letter of Credit. As an alternative to the performance bond required by Article 20.01, at DISTRICT'S option, CONTRACTOR may deposit with DISTRICT an irrevocable letter of credit in an amount as set forth in Article 20.01. If allowed, the letter of credit must be issued by an FDIC insured banking institution chartered to business in the state of California, in the DISTRICT'S name, and be callable at the discretion of the DISTRICT. Nothing in this Article shall, in any way, obligate the DISTRICT to accept a letter of credit in lieu of the performance bond.

ARTICLE 21. Insurance

21.01 Insurance Policies. CONTRACTOR shall secure and maintain throughout the term of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with CONTRACTOR'S performance of work or services under this Agreement. CONTRACTOR'S performance of work or services shall include

performance by CONTRACTOR'S employees, agents, representatives and subcontractors.

21.01.1 Minimum Scope of Insurance. Insurance coverage shall be at least this broad:

21.01.1.1 Insurance Services Office Form No. GO 0002 or, if approved by DISTRICT, its equivalent, covering Comprehensive General Liability and Insurance Services Office Form No. GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001).

21.01.1.2 Insurance Services Office Form No. CA 0001 covering Automobile Liability, code 1 "any auto", or code 2 "owned autos" and endorsement CA 0025. Coverage shall also include code 8, "hired autos" and code 9 "non-owned autos".

21.01.2 Workers' Compensation Insurance as required by the California Labor Code and Employers Liability Insurance and/or Errors and Omissions.

21.01.3 Hazardous Waste and Environmental Impairment Liability Insurance.

21.01.4 Employee Blanket Fidelity Bond.

21.02 Minimum Limits of Insurance. CONTRACTOR shall maintain insurance limits no less than:

21.02.1 Comprehensive General Liability: **Three Million Dollars (\$3,000,000.00) combined** single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement or the general aggregate limit shall be **Five Million Dollars (\$5,000,000.00)**.

21.02.2 Automobile Liability: **Three Million Dollars (\$3,000,000.00)** combined single limit per accident for bodily injury and property damage.

21.02.3 Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of **Three Million Dollars (\$3,000,000.00) per accident**.

21.02.4 Employee Blanket Fidelity Bond in the amount of **Five Hundred Thousand Dollars (\$500,000.00) per employee**, covering dishonesty, forgery, alteration, theft, disappearance, destruction (inside or outside).

21.02.5 Hazardous Waste and Environmental Impairment Liability: **Three Million Dollars (\$3,000,000.00) each occurrence/Ten Million Dollars (\$10,000,000.00)** policy aggregate covering liability arising from the release of waste materials and/or irritants, contaminants or pollutants. Such coverage shall, if commercially available without involvement of DISTRICT, automatically broaden in its form of coverage to include legislated changes in the definition of waste material and/or irritants, contaminants or pollutants. This policy shall stipulate this insurance is primary and no other insurance carried by DISTRICT will be called upon to contribute to the loss suffered by the Contractor hereunder and waive subrogation against the DISTRICT and other additional insureds.

21.03 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention must be declared to, and approved by, DISTRICT.

21.04 Endorsements. The policies are to contain, or be endorsed to contain, the following provisions:

21.04.1 The DISTRICT, its officers, designated District Manager-Engineer and its' employees, agents and volunteers are to be covered as additional insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of CONTRACTOR; products and completed operations of CONTRACTOR; and with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including material parts or equipment furnished in connection with such work or operations; Pollution and/or Asbestos Pollution.

21.04.2 CONTRACTOR'S insurance coverage shall be primary insurance as respect to the DISTRICT, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the DISTRICT, its officers, officials, employees, agents or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.

21.04.3 Each insurance policy required by this clause shall be occurrence- based, or an alternative form as approved by the DISTRICT and shall be endorsed to state that coverage shall not be cancelled by the Insurer except after thirty (30) days prior written notice has been given to the DISTRICT.

21.04.4 The CONTRACTOR'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

21.04.5 The Automobile Liability policy shall be endorsed to delete the Pollution and/or the Asbestos exclusion and add the Motor Carrier act endorsement (MCS-90) TL 1005, TL 1007 and /or other endorsements required by federal or state authorities.

21.04.6 Worker's Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the DISTRICT, its officers, officials, employees and volunteers for losses arising from work performed by the CONTRACTOR for the DISTRICT.

21.04.7 All Coverages. Each insurance policy required by this clause shall be occurrence-based or an alternate form as approved by the DISTRICT and endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the DISTRICT.

21.04.7.1 Any failure to comply with reporting provisions of the policies shall not affect CONTRACTOR'S obligations to DISTRICT, its officers, officials, employees, agents or volunteers.

21.04.7.2 The DISTRICT, is officers, officials, agents, employees and volunteers shall be named as additional insureds on all policies.

21.05 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII if admitted. If pollution and or Environmental Impairment and/errors and omission coverage are not available from an "Admitted" insurer, the coverage may be written with the DISTRICT'S permission, by a NON-admitted insurance company. A Non-admitted company should have an A.M. Best's rating of A:X or higher.

21.06 Verification of Coverage. CONTRACTOR shall furnish DISTRICT with original certificates and with amendatory endorsements effecting coverage required by this clause. The endorsements are to be signed by a persons authorized by the Insurer to bind coverage no its behalf. The endorsements are to be on forms provided by the DISTRICT, unless the insurer will not use the DISTRICT's forms. All endorsement is to be received and approved by the DISTRICT before work commences. As an alternative to the DISTRICT's forms, the CONTRACTOR'S insurer may provide complete copies of all required insurance policies, including endorsements effecting coverage required by these specifications.

21.07 Subcontractors. CONTRACTOR shall include all subcontractors as insureds under its policies or shall obtain separate certificates and endorsements for each subcontractor.

21.07.1 Proof of insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the DISTRICT.

**Burbank Sanitary District
District Manager-Engineer
C/O Mark Thomas & Co. Inc.
20863 Stevens Creek Blvd, Suite 100
Cupertino, CA 95014**

21.08 Modification of Insurance Requirements. The insurance requirements provided in this Agreement may be modified or waived by the DISTRICT, in writing, upon the request of CONTRACTOR if the DISTRICT determines such modification or waiver is in the best interest of DISTRICT considering all relevant factors, including exposure to DISTRICT.

21.09 Rights of Subrogation. All required insurance policies shall preclude any underwriter's rights of recovery or subrogation against DISTRICT with the express intention of the parties being that the required insurance coverage protects both parties as the primary coverage for any and all losses covered by the above-described insurance. CONTRACTOR shall ensure that any companies issuing insurance to cover the requirements contained in this Agreement agree that they shall have no recourse against DISTRICT for payment or assessments in any form on any policy of insurance. The clauses 'Other Insurance Provisions' and 'Insured Duties' in the Event of an Occurrence, Claim or Suit' as it appears in any policy of insurance in which DISTRICT is named as an additional insured shall not apply to DISTRICT.

ARTICLE 22. Indemnification

22.01 Indemnification of the DISTRICT. CONTRACTOR shall defend, indemnify and hold harmless, to the fullest extent allowed by law, DISTRICT, its officers, officials, designated District Manager-Engineer and its employees, volunteers agents and assignees (Indemnitees), from and against any and all loss, liability, penalties, forfeitures, claims, demands, actions, proceedings or suits, in law or in equity, of every kind and description, (including, but not limited to, injury to and death of any person and damage to property, or for contribution or indemnity claimed by third parties) arising or resulting from or in any way connected with: (i) the operation of the CONTRACTOR, its agents, employees, contractors, and/or subcontractors, in excising the privileges granted to it by this Agreement; (ii) the failure of the CONTRACTOR, it agents, employees, contractors, and/or subcontractors to comply in all respects with the provisions and requirements of this Agreement, applicable laws, ordinances and regulations, and/or applicable permits and licenses; and (iii) the acts of CONTRACTOR, its agents, employees, contractors, and/or

subcontractors in performing services under this Agreement for which strict liability is imposed by law. The foregoing indemnity shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, action, suite injury, death or damage is also caused in part by any of the Indemnitees' negligence.

22.02 The CONTRACTOR'S obligation to defend, hold harmless, and indemnify shall not be excused because of the CONTRACTOR'S inability to evaluate liability or because the CONTRACTOR evaluates liability and determines that the CONTRACTOR is not liable the claimant. The CONTRACTOR must respond within thirty (30) days to the tender of a claim for defense and indemnity by the DISTRICT, unless this time has been extended by the DISTRICT. If the CONTRACTOR fails to accept or reject a tender of defense and indemnity within thirty (30) days, in addition to any other remedy authorized by law, so much of the money due the CONTRACTOR under the by virtue of this Agreement as shall reasonably be considered necessary by the DISTRICT, may be retained by the DISTRICT until disposition has been made or the claim or suit for damages, or until the CONTRACTOR accepts or ejects the tender of defense, whichever occurs first.

With respect to third party claims against the CONTRACTOR, the CONTRACTOR waives any and all rights of any type to express or implied indemnity against the Indemnitees.

22.03 Hazardous Substances Indemnification. The CONTRACTOR shall indemnify, hold harmless, defend with counsel acceptable to the DISTRICT, protect and hold harmless the DISTRICT, its officers, officials, employees, agents, assigns and any successor or successors to the DISTRICT's interest from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages) injuries, response mediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, attorney's fees for the adverse party and expenses (including but not limited to attorney's and expert witness fees and costs incurred in connection with defending against any of the forgoing or enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against DISTRICT or its officers, officials, employees, agents, assigns, or contactors arising from or attributable to acts or omissions including but not limited to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or hazardous wastes at any place where CONTRACTOR transports, stores, or disposes of Solid Waste pursuant to this Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA, 42 U.S.C. section 9607(c) and California Health and Safety Code Section 25364, to defend insure, protect, hold harmless and indemnify the DISTRICT from liability.

22.04 CONTRACTOR agrees to protect, indemnify, hold harmless, and defend DISTRICT with counsel selected by CONTRACTOR and approved by DISTRICT, to pay all attorneys' fees, and to indemnify and hold DISTRICT harmless from and against all fines or penalties imposed by the California Integrated Waste Management Board if the diversion goals specified in California Public Resources Code Section 41780 as of the date hereof and hereafter throughout are not met by the DISTRICT with respect to the materials Collected by CONTRACTOR and if the lack in meeting such goals are attributable to the failure of the CONTRACTOR to implement and operate the recycling or diversion programs or undertake the related activities required by this Agreement.

22.05 CONTRACTOR shall defend, hold harmless, and indemnify DISTRICT, its officers,

officials, employees, volunteers, agents and assignees (indemnitees) from and against any loss, liability, penalties, forfeiture, claims, damages, demands, actions, proceedings or suits, in law or equity, of every kind and description, arising from the DISTRICT'S setting of maximum Service Rates for Collection Services under this Agreement and/or in connection with the application of Article XIIC and Article XIID of the California Constitution to the imposition, payment, or collection of Service Rates and fees for services provided by Contractor under this Agreement, and/or in connection with the imposition or payment of Franchise Fees under this Agreement.

22.06 Consideration. It is specifically understood and agreed that the consideration inuring to the CONTRACTOR for the execution of this Agreement consists of the promises, payments, covenants, rights and responsibilities contained in this Agreement.

22.07 Obligation. The execution of this Agreement by the CONTRACTOR shall obligate the CONTRACTOR to comply with the foregoing indemnification provision; however, the collateral obligation of providing insurance must also be complied with as set forth in Article 21 above.

22.08 Subcontractors. The CONTRACTOR shall require all subcontractors to enter into an Agreement containing the provisions set forth in the preceding subsection in which Agreement the subcontractor fully indemnifies the DISTRICT in accordance with this Agreement.

22.09 Exception. Notwithstanding Articles 22.01, 22.02 and 22.03, CONTRACTOR'S obligation to indemnify, hold harmless and defend DISTRICT, its officers and employees shall not extend to any loss, liability, penalty, plain, damage, action or suit arising or resulting from acts or omissions constituting willful misconduct or sole negligence on the part of the DISTRICT its officers or employees.

22.10 Damage by CONTRACTOR. If CONTRACTOR'S employees or subcontractors cause any injury, damage or loss to DISTRICT property, including but not limited to DISTRICT streets or curbs, CONTRACTOR shall reimburse DISTRICT for DISTRICT'S cost of repairing such injury, damage or loss. Such reimbursement is not in derogation of any right of DISTRICT to be indemnified by CONTRACTOR for any such injury, damage or loss. With the prior written approval of DISTRICT, CONTRACTOR may repair the damage at CONTRACTOR'S sole cost and expense.

Article 23. Default of Agreement

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

23.01.1 The CONTRACTOR shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy (court) or a petition or answer seeking an arrangement for its reorganization or the 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 consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

23.01.1.1 By order or decree of a Court, the CONTRACTOR shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of the stockholders of the CONTRACTOR, seeking its reorganization or the 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 be and 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

23.01.2 By, or pursuant to, or under the authority of any legislative act, resolution or rule or any order or decree of any Court or governmental board, agency or officer having jurisdiction, a receiver, trustee or liquidator shall take possession or control of all or substantially all of the property of the CONTRACTOR, and such possession or control shall continue in effect for a period of sixty (60) calendar days; or

23.01.3 The CONTRACTOR has defaulted, by failing or refusing to pay in a timely manner the liquidated damages or other monies due the DISTRICT and said default is not cured within thirty (30) calendar days of receipt of written notice by DISTRICT to do so; or

23.01.4 The CONTRACTOR has defaulted by allowing any final judgment for the payment of money to stand against it unsatisfied and said default is not cured within thirty (30) calendar days of receipt of written notice by DISTRICT to do so; or

23.01.5 In the event that the monies due the DISTRICT under Article 23.01.3 above or an unsatisfied final judgment under Article 23.01.4 above is the subject of a judicial proceeding, the CONTRACTOR shall not be in default if the sum of money is bonded. All bonds shall be in the form acceptable to the District Attorney; or

23.01.6 The CONTRACTOR has defaulted, by failing or refusing to perform or observe the terms, conditions or covenants in this Agreement, including satisfactory conformance with the requirements of Article 21, the service levels prescribed herein, or any of the rules and regulations promulgated by the DISTRICT pursuant thereto or has wrongfully failed or refused to comply with the instructions of the District Representative relative thereto; provided that said default is not cured within thirty (30) calendar days of receipt of written notice by the DISTRICT to do so, or if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by the CONTRACTOR of written demand from the DISTRICT to do so, the CONTRACTOR fails to commence the remedy of such default within said thirty (30) calendar days following such written notice or having so commenced shall fail thereafter to continue with diligence the curing thereof. In any dispute concerning failure to remedy or diligence in pursuing a cure, the CONTRACTOR shall have the burden of proof to demonstrate (a) that the default cannot be cured within thirty (30) calendar days, and (b) that it is proceeding with diligence to cure said default, and such default will be cured within a reasonable period of time. However, notwithstanding anything contained herein to the contrary, for the failure of the CONTRACTOR to provide Collection Services for a period of three (3) consecutive Work Days, on the fourth (4th) Work Day the DISTRICT may secure the CONTRACTOR'S land, equipment, records and other property used or useful in providing Collection Services under this Agreement in order to provide interim Collection Services until such time as the matter is resolved and the CONTRACTOR is again able to perform pursuant to this Agreement; provided, however, if the CONTRACTOR is unable for any reason or cause to resume performance at the end of thirty (30) calendar days all liability of the DISTRICT under this Agreement to the CONTRACTOR shall cease and this Agreement may be deemed terminated by the DISTRICT.

23.02 Violations. Notwithstanding the foregoing and as supplemental and additional means of termination of this Agreement under this Article, in the event that the CONTRACTOR'S

record of performance show that the CONTRACTOR has frequently, regularly or repetitively defaulted in the performance of any of the covenants and conditions required herein to be kept and performed by the CONTRACTOR, in the opinion of the DISTRICT and regardless of whether the CONTRACTOR has corrected each individual condition of default, the CONTRACTOR shall be deemed a "habitual violator", shall be deemed to have waived the right to any further notice or grace period to correct, and all of said defaults shall be considered cumulative and collectively shall constitute a condition of irredeemable default. The DISTRICT shall thereupon issue the CONTRACTOR a final warning citing the circumstances therefore, and any single default by the CONTRACTOR of whatever nature, subsequent to the occurrence of the last of said cumulative defaults, shall be grounds for immediate termination of the Agreement. A history of liquidated damages imposed pursuant to Article 18 may be used as a basis for deeming the CONTRACTOR to be a habitual violator; however, any failure to have imposed liquidated damages where applicable shall not prevent use of the CONTRACTOR'S underlying failures from consideration for determining a habitual violator. In the event of any such subsequent default, the DISTRICT may terminate this Agreement upon giving of written final notice to the CONTRACTOR, such cancellation to be effective upon the date specified in the DISTRICT'S written notice to the CONTRACTOR, and all contractual fees due hereunder plus any and all charges and interest shall be payable to said date, and the CONTRACTOR shall have no further rights hereunder. Immediately upon the specified date in such final notice the CONTRACTOR shall proceed to cease any further performance under this Agreement.

23.03 Effective Date. In the event of the aforesaid events specified above, and except as otherwise provided in said subsections, termination shall be effective upon the date specified in the DISTRICT'S written notice to the CONTRACTOR and upon said date this Agreement shall be deemed immediately terminated and upon such termination all liability of the DISTRICT under this Agreement to the CONTRACTOR shall cease, and the DISTRICT shall have the right to call the performance bond and shall be free to negotiate with other contractors for the operation of the herein specified services. The CONTRACTOR for failure to perform shall reimburse the DISTRICT all direct and indirect costs of providing interim Collection Services.

23.04 Immediate Termination. DISTRICT may terminate this Agreement immediately upon written notice to CONTRACTOR in the event CONTRACTOR fails to provide and maintain the performance bond as required by this Agreement, CONTRACTOR fails to obtain or maintain insurance policies endorsements as required by this Agreement, CONTRACTOR fails to provide the proof of insurance as required by this Agreement, or CONTRACTOR offers or gives any gift prohibited by DISTRICT administrative policy.

23.05 Termination Cumulative. DISTRICT'S right to terminate this Agreement is cumulative to any other rights and remedies provided by law or by this Agreement. In the event of District's territory is annexed to the City or other agency or the District is otherwise dissolved, District will use reasonable efforts to ensure that the annexation or dissolution is contingent on the agreement being honored for the full term, but District is not liable for failure to do so.

ARTICLE 24. Modifications to the Agreement

24.01 Agreement Modifications and Changes in Law. The DISTRICT and the CONTRACTOR understand and agree that the California Legislature has the authority to make comprehensive changes in Solid Waste Management legislation and that these and other changes in law in the future which mandate certain actions or programs for counties or municipalities may require changes or modifications in some of the terms, conditions or obligations under this

Agreement. In the event any future change in law, or directed changes by the DISTRICT materially alters the obligations of the CONTRACTOR, then the affected compensation as established under this Agreement shall be adjusted. Nothing contained in this Agreement shall require any party to perform any act or function contrary to law. The DISTRICT and CONTRACTOR agree to enter into good faith negotiations regarding modifications to this Agreement which may be required in order to implement changes in the interest of the public welfare or due to change in law. When such modifications are made to this Agreement, the DISTRICT and the CONTRACTOR shall negotiate in good faith, a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of the CONTRACTOR due to any modification in the Agreement under this Article. The DISTRICT and the CONTRACTOR shall not unreasonably withhold agreement to such compensation adjustment.

24.02 District-Directed Changes. DISTRICT may direct CONTRACTOR to perform additional services (including new diversion programs, additional public education activities, etc.), eliminate programs, or modify the manner in which it performs existing services. Changes in the minimum diversion requirement set forth in Article 5 of this Agreement, direction of Residential Waste, Commercial Waste, or District Waste to a Processing or Disposal Facility other than that originally selected by the DISTRICT, direction of Recyclable Materials or Green Waste to a processing facility other than that selected by the CONTRACTOR, pilot programs and innovative services, which may entail new Collection methods, targeted routing, different kinds of services, different types of Collection vehicles, and/or new requirements for Service Recipients are included among the kinds of changes which DISTRICT may direct. CONTRACTOR shall be entitled to an adjustment in its compensation for providing such additional or modified services but not for the preparation of its proposal to perform such services.

24.03 Service Proposal. Within thirty (30) calendar days of receipt of a request for a service change from the DISTRICT, CONTRACTOR shall submit a proposal to provide such service. At a minimum, the proposal shall contain a complete description of the following:

24.03.1 Collection methodology to be employed (equipment, manpower, etc.).

24.03.2 Equipment to be utilized (vehicle number, types, capacity, age, etc.).

24.03.3 Labor requirements (number of employees by classification).

24.03.4 Type of carts or bins to be utilized.

24.03.5 Provision for program publicity, education, and marketing.

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

24.04 Other Provisions/Requirements. CONTRACTOR acknowledges and agrees that DISTRICT may permit other contractors or companies besides CONTRACTOR to provide additional Collection Services and such other services not otherwise contemplated if CONTRACTOR and DISTRICT cannot agree on terms and conditions, including compensation adjustments, of such services in one hundred twenty (120) calendar days from the date when DISTRICT first requests a proposal from CONTRACTOR to perform such services.

24.05 Monitoring and Evaluation. If the DISTRICT requests, the CONTRACTOR shall

meet with the DISTRICT to describe the progress of each new program and other service issues. If applicable, CONTRACTOR shall document the results of the new programs on a monthly basis, including at a minimum the tonnage diverted by material type, the end use or processor of the diverted materials and the cost per ton for transporting and processing each type of material and other such information requested by the CONTRACTOR and/or DISTRICT necessary to evaluate the performance of each program.

24.05.1 At each meeting, the DISTRICT and CONTRACTOR shall have the opportunity to discuss revisions to the program. The DISTRICT shall have the right to terminate a program if, in its sole discretion, the CONTRACTOR is not cost effectively achieving the program's goals and objectives. Prior to such termination, the DISTRICT shall meet and confer with the CONTRACTOR for a period of up to ninety (90) calendar days to resolve the DISTRICT'S concerns. Thereafter, the DISTRICT may utilize a third party to perform these services if the DISTRICT reasonably believes the third party can improve on CONTRACTOR'S performance and/or cost. Notwithstanding these changes, CONTRACTOR shall continue the program during the ninety (90) day period and, thereafter, until the third party takes over the program.

ARTICLE 25. Legal Representation

25.01 Acknowledgement. It is acknowledged that each party was, or had the opportunity to be, represented by counsel in the preparation of and contributed equally to the terms and conditions of this Agreement and, accordingly, the rule that a contract or Agreement shall be interpreted strictly against the party preparing the same shall not apply herein due to the joint contributions of both parties.

ARTICLE 26. Financial Interest

26.01 Representation. CONTRACTOR warrants and represents that no elected official, officer, agent or employee of the DISTRICT has a financial interest, directly or indirectly, in this Agreement the compensation to be paid under it and, further, that no DISTRICT employee who acts in the DISTRICT as a "purchasing agent" as defined in the appropriate Section of California Statutes, nor any elected or appointed officer of the DISTRICT, nor any spouse or child of such purchasing agent, employee or elected or appointed officer, is a partner, officer, director or proprietor of the CONTRACTOR and, further, that no such DISTRICT employee, purchasing agent, DISTRICT elected or appointed officer, or the spouse or child of any of them, alone or in combination, has a material interest in the CONTRACTOR. Material interest means direct or indirect ownership of more than five percent (5%) of the total assets or capital stock of the CONTRACTOR.

ARTICLE 27. Contractor's Personnel

27.01 Personnel Requirements. The CONTRACTOR shall employ and assign qualified personnel to perform all services set forth herein. The CONTRACTOR shall be responsible for ensuring that its employees comply with all applicable laws and regulations and meet all federal, state and local requirements related to their employment and position.

27.01.1 The DISTRICT may request the transfer of any employee of the CONTRACTOR who materially violates any provision hereof, or who is wanton, negligent, or discourteous in the performance of his duties.

27.01.2 CONTRACTOR'S field operations personnel shall be required to wear a

clean uniform shirt bearing the CONTRACTOR'S name. CONTRACTOR'S employees, who normally come into direct contact with the public, including drivers, shall bear some means of individual photographic identification such as a name tag or identification card.

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

27.01.4 Each driver of a Collection vehicle shall at all times comply with all applicable state and federal laws, regulations and requirements.

27.01.5 CONTRACTOR'S employees, officers, and agents shall at no time be allowed to identify themselves or in any way represent themselves as being employees of the DISTRICT.

27.01.6 The CONTRACTOR'S name and the Customer Service telephone number shall be properly displayed on all Collection vehicles.

ARTICLE 28. Exempt Waste

28.01 The CONTRACTOR shall not be required to Collect or dispose of Exempt Waste, but may offer such services. All such Collection and disposal of Exempt Waste is not regulated under this Agreement, but if provided by the CONTRACTOR shall be in strict compliance with all federal, state and local laws and regulations.

ARTICLE 29. Independent Contractor

29.01 In the performance of services pursuant to this Agreement, CONTRACTOR shall be an independent contractor and not an officer, agent, servant or employee of DISTRICT. 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 accrued to DISTRICT employees and CONTRACTOR expressly waives any claim it may have or acquire to such benefits.

29.02 CONTRACTOR is an independent CONTRACTOR and shall not for any purpose deemed to be an employee, agent, or other representative of the DISTRICT. Services called for herein shall be deemed to be unique. CONTRACTOR shall not assign, sublet, transfer, or otherwise substitute its interest in this Agreement, or any of its obligations hereunder, without the prior written consent of the DISTRICT.

29.03 CONTRACTOR shall indemnify, defend, and hold harmless the DISTRICT, its officers and employees, from and against any and all claims, demands, liability, costs, and expenses of whatever nature, including court costs and attorney fees, arising out of injury to or death of any person or persons or loss of or physical damage to any property resulting in any manner from the willful misconduct, negligent acts, errors or omissions, of CONTRACTOR. Its subcontractors, agents, employees, licensees, or guests in the making or performance of this Agreement.

29.04 CONTRACTOR shall hold DISTRICT harmless and defend any suit or other proceedings brought by CONTRACTOR'S employees, contractors and/or agents, either against

CONTRACTOR and/or DISTRICT, for compensation and/or other benefits claimed as "common law" or implied by law employees of DISTRICT.

ARTICLE 30. Laws to Govern

30.01 The law of the State of California shall govern the rights, obligations, duties and liabilities of DISTRICT and CONTRACTOR under this Agreement and shall govern the interpretation of this Agreement.

ARTICLE 31. Consent to Jurisdiction

31.01 The parties agree that any litigation between DISTRICT and CONTRACTOR concerning or arising out of this Agreement shall be filed and maintained exclusively in the Municipal or Superior Courts of Santa Clara County, State of California, or in the United States District Court for the Northern District of California to the fullest extent permissible by law. Each party consents to service of process in any manner authorized by California law.

ARTICLE 32. Assignment

32.01 No assignment of this Agreement or any right occurring under this Agreement shall be made in whole or in part by the CONTRACTOR without the express written consent of the DISTRICT. The DISTRICT shall have full discretion to approve or deny, with or without cause, any proposed or actual assignment by the CONTRACTOR. Any assignment of this Agreement made by the CONTRACTOR without the express written consent of the DISTRICT shall be null and void and shall be grounds for the DISTRICT to declare a default of this Agreement and immediately terminate this Agreement by giving written notice to the CONTRACTOR, and upon the date of such notice this Agreement shall be deemed immediately terminated, and upon such termination all liability of the DISTRICT under this Agreement to the CONTRACTOR shall cease, and the DISTRICT shall have the right to call the performance bond and shall be free to negotiate with other contractors, the CONTRACTOR, or any other person or company for the service which is the subject of this Agreement. In the event of any assignment, the assignee shall fully assume all the liabilities of the CONTRACTOR.

32.02 The use of a subcontractor to perform services under this Agreement shall not constitute delegation of CONTRACTOR'S duties provided that CONTRACTOR has received prior written authorization from the District Representative to subcontract such services and the District Representative has approved a subcontractor who will perform such services. CONTRACTOR shall be responsible for directing the work of CONTRACTOR'S subcontractors and any compensation due or payable to CONTRACTOR'S subcontractor shall be the sole responsibility of CONTRACTOR. The District Representative shall have the right to require the removal of any approved subcontractor for reasonable cause. The subcontractors listed in Exhibit 5 to this Agreement are hereby approved by the DISTRICT.

32.03 For purposes of this Article when used in reference to CONTRACTOR, "assignment" shall include, but not be limited to (i) a sale, exchange or other transfer of at least fifty-one percent (51%) of CONTRACTOR'S assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of outstanding common stock of CONTRACTOR to a third party provided said sale, exchange or transfer results in a change of control of CONTRACTOR (with control being defined as ownership of more than fifty percent (50%) of

CONTRACTOR'S voting securities); (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation, subcontracting or lease-back payments, or other transaction which results in a change of control of CONTRACTOR; (iv) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of CONTRACTOR'S property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of control of CONTRACTOR.

32.04 CONTRACTOR acknowledges that this Agreement involves rendering a vital service to DISTRICT'S residents and businesses, and that DISTRICT has selected CONTRACTOR to perform the services specified herein based on (i) Contractor's experience, skill and reputation for conducting its Solid Waste management operations in a safe, effective and responsible fashion, at all times in keeping with applicable environmental laws, regulations and best Solid Waste management practices, and (ii) CONTRACTOR'S financial resources to maintain the required equipment and to support its indemnity obligations to DISTRICT under this Agreement. DISTRICT has relied on each of these factors, among others, in choosing CONTRACTOR to perform the services to be rendered by CONTRACTOR under this Agreement.

ARTICLE 33. Compliance with Laws

33.01 In the performance of this Agreement, CONTRACTOR shall comply with all applicable laws, regulations, ordinances and codes of the federal, state and local governments.

ARTICLE 34. Permits and Licenses

34.01 CONTRACTOR shall obtain, at its own expense, all permits and licenses required by law or ordinance and maintain same in full force and effect throughout the term of this Agreement. CONTRACTOR shall provide proof of such permits, licenses or approvals and shall demonstrate compliance with the terms and conditions of such permits, licenses and approvals upon the request of the District Representative.

ARTICLE 35. Ownership of Written Materials

35.01 All reports, documents, brochures, public education materials, and other written, printed, electronic or photographic materials developed by DISTRICT or CONTRACTOR in connection with the services to be performed under this Agreement, whether developed directly or indirectly by DISTRICT or CONTRACTOR shall be and shall remain the property of DISTRICT without limitation or restrictions on the use of such materials by DISTRICT. CONTRACTOR shall not use such materials in connection with any project not connected with this Agreement without the prior written consent of the District Representative. This Article 35 does not apply to ideas or concepts described in such materials and does not apply to the format of such materials.

ARTICLE 36. Waiver

36.01 Waiver by DISTRICT or CONTRACTOR of any breach for violation of any term covenant or condition of this Agreement shall not be deemed to be a waiver of any other term, covenant or condition or any subsequent breach or violation of the same or of any other term,

covenant or condition. The subsequent acceptance by DISTRICT of any fee, tax, or any other monies which may become due from CONTRACTOR to DISTRICT shall not be deemed to be a waiver by DISTRICT of any breach for violation of any term, covenant or condition of this Agreement.

ARTICLE 37. Prohibition Against Gifts

37.01 CONTRACTOR represents that CONTRACTOR is familiar with DISTRICT'S prohibition against the acceptance of any gift by a DISTRICT officer or designated employee. CONTRACTOR shall not offer any DISTRICT officer or designated employee any gifts prohibited by the DISTRICT.

ARTICLE 38. Point of Contact

38.01 The day-to-day dealings between the CONTRACTOR and the DISTRICT shall be between the CONTRACTOR and the District Representative.

ARTICLE 39. Notices

39.01 Except as provided herein, whenever either party desires to give notice to the other, it must be given by written notice addressed to the party for whom it is intended, at the place last specified and to the place for giving of notice in compliance with the provisions of this paragraph. For the present, the parties designate the following as the respective persons and places for giving of notices:

As to the DISTRICT:

District Manager-Engineer
Burbank Sanitary District
C/O Mark Thomas & Co. Inc.
20863 Stevens Creek Blvd., Suite 100
Cupertino, CA 95014
Telephone: (408) 255-2137
Fax: (408) 253-5173

As to the CONTRACTOR:

Frank Weigel, Partner and Chief Operating Officer
GreenWaste Recovery, Inc.
1500 Berger Drive
San Jose, CA 95112
Telephone: (408) 283-4804
Facsimile: (408) 237-3108

39.02 Notices shall be effective when received at the address as specified above. Changes in the respective address to which such notice is to be directed may be made by written notice. Facsimile transmission is acceptable notice, effective when received, however, facsimile transmissions received (i.e. printed) after 4:30 p.m. or on weekends or holidays, will be deemed received on the next business day. The original of items that are transmitted by facsimile equipment

must also be mailed as required herein.

39.03 Notice by DISTRICT to CONTRACTOR of a Collection or other Service Recipient problem or complaint may be given to CONTRACTOR orally by telephone at CONTRACTOR'S local office with confirmation sent as required above by the end of the Work Day.

ARTICLE 40. Transition to Next Contractor

40.01 In the event CONTRACTOR is not awarded an Agreement to continue to provide Collection Services following the expiration or early termination of this Agreement, CONTRACTOR shall cooperate fully with DISTRICT and any subsequent contractors to assure a smooth transition of services described in this Agreement. Such cooperation shall include but not be limited to transfer of computer data, files and tapes; providing routing information, route maps, vehicle fleet information, and list of Service Recipients; providing a complete inventory of all carts and bins; providing adequate labor and equipment to complete performance of all Collection Services required under this Agreement; taking all actions necessary to remove or, to the extent required under the terms of this Agreement, transfer ownership of carts and bins, as appropriate to DISTRICT; including transporting such containers to a location designated by the District Representative; coordinating Collection of materials set out in new containers if new containers are provided for a subsequent Agreement and providing other reports and data required by this Agreement.

ARTICLE 41. Contractor's Records

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

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

41.03 Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the District Representative, the District Attorney, District Auditor, District Manager, or a designated representative of any of these officers. Copies of such documents shall be provided to DISTRICT for inspection at the DISTRICT offices when it is practical to do so. Otherwise, unless an alternative site is mutually agreed upon, the records shall be available at CONTRACTOR'S address indicated for receipt of notices in this Agreement.

41.04 Where DISTRICT has reason to believe that such records or documents may be lost or discarded due to the dissolution, disbandment or termination of CONTRACTOR'S business, DISTRICT may, by written request or demand of any of the above named officers, require that custody of the records be given to DISTRICT and that the records and documents be maintained in District Hall. Access to such records and documents shall be granted to any party authorized by CONTRACTOR, CONTRACTOR'S representatives, or CONTRACTOR'S successor-in-interest.

ARTICLE 42. Entire Agreement

42.01 This Agreement and the Exhibits attached hereto constitute the entire Agreement and understanding between the parties hereto, and it shall not be considered modified, altered, changed or amended in any respect unless in writing and signed by the parties hereto.

ARTICLE 43. Severability

43.01 If any provision of this Agreement or the application of it to any person or situation shall to any extent be held invalid or unenforceable, the remainder of this Agreement and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected, shall continue in full force and effect, and shall be enforced to the fullest extent permitted by law.

ARTICLE 44. Right to Require Performance

44.01 The failure of the DISTRICT at any time to require performance by the CONTRACTOR of any provision hereof shall in no way affect the right of the DISTRICT thereafter to enforce same. Nor shall waiver by the DISTRICT of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

ARTICLE 45. All Prior Agreements Superseded

45.01 This document incorporates and includes all prior negotiations, correspondence, conversations, Agreements, contracts and understandings applicable to the matters contained in this Agreement and the parties agree that there are no commitments, Agreements, contracts or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms of this Agreement shall be predicated upon any prior representations, Agreements or contracts, whether oral or written.

ARTICLE 46. Headings

46.01 Headings in this document are for convenience of reference only and are not to be considered in any interpretation of this Agreement.

ARTICLE 47. Exhibits

47.01 Each Exhibit referred to in this Agreement forms an essential part of this Agreement. Each such Exhibit is a part of this Agreement and each is incorporated by this reference.

ARTICLE 48. Representations and Warranties of the Contractor

The CONTRACTOR, by acceptance of this Agreement, represents and warrants the conditions presented in the Article.

48.01 Corporate Status. The CONTRACTOR is a corporation duly organized, validly

existing and in good standing under the laws of the State of California. It is qualified to transact business in the State and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

48.02 Corporate Authorization. CONTRACTOR has the authority to enter this Agreement and perform its obligations under this Agreement. The Board of Directors of CONTRACTOR (or the shareholders, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The Person signing this Agreement on behalf of CONTRACTOR represents and warrants that they have the authority to do so and the Corporate Secretary's Certificate is attached to this Agreement as Exhibit 6. This Agreement constitutes the legal, valid, and binding obligation of the CONTRACTOR.

48.03 Agreement Will Not Cause Breach. To the best of CONTRACTOR'S knowledge after responsible investigation, the execution or delivery of this Agreement or the performance by CONTRACTOR of its obligations hereunder does not conflict with, violate, or result in a breach: (i) of any law or governmental regulation applicable to CONTRACTOR; or (ii) any term or condition of any judgment, order, decree, of any court, administrative agency or other governmental authority, or any Agreement or instrument to which CONTRACTOR is a party or by which CONTRACTOR or any of its properties or assets are bound, or constitutes a default thereunder.

48.04 No Litigation. To the best of CONTRACTOR'S knowledge after responsible investigation, there is no action, suite, proceeding or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency or instrumentality decided, pending or threatened against CONTRACTOR wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate would:

48.04.1 Materially adversely affect the performance by CONTRACTOR of its obligations hereunder;

48.04.2 Adversely affect the validity or enforceability of this Agreement; or

48.04.3 Have a material adverse effect on the financial conditions of CONTRACTOR, or any surety or entity guaranteeing CONTRACTOR'S performance under this Agreement.

48.05 No Adverse Judicial Decisions. To the best of CONTRACTOR'S knowledge after responsible investigation, there is no judicial decision that would prohibit this Agreement or subject this Agreement to legal challenge.

48.06 No Legal Prohibition. To the best of CONTRACTOR'S knowledge after reasonable investigation, there is no Applicable Law in effect on the date CONTRACTOR signed this Agreement that would prohibit the CONTRACTOR'S performance of its obligations under this Agreement and the transactions contemplated hereby.

48.07 CONTRACTORS Statements. The CONTRACTORS proposal and other supplemental information submitted to the DISTRICT, which the DISTRICT has relied on in awarding and entering this Agreement, do not: (i) contain any untrue statement of a material fact, or (ii) omit to state a material fact that is necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.

48.08 CONTRACTOR'S Investigation. CONTRACTOR has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and

the work to be performed hereunder. CONTRACTOR has taken such matters into consideration in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

48.09 Ability to Perform. CONTRACTOR possesses the business, professional, and technical expertise to Collect, Transport, and Process the Solid Waste, Recyclable Materials, Green Waste, and Bulky Items generated in the DISTRICT. CONTRACTOR possesses the ability to secure equipment, facility(ies), and employee resources required to perform its obligations under this Agreement.

48.10 Voluntary Use of Disposal Facility. Material Processing Facility and Composting Facility. The CONTRACTOR, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Disposal Facility for the purposes of Disposing of all Residue from Processing Solid Waste Collected in the DISTRICT, the Material Recovery Facility for processing all Recyclable Materials Collected in the DISTRICT, and Composting Site for Composting all Yard Trimmings Collected in the DISTRICT. Such decision by CONTRACTOR in no way constitutes a restraint of trade notwithstanding any change in law regarding flow control limitations or any definition thereof.

48.11 Recognizing Labor Rights. CONTRACTOR recognizes, and agrees to continue to recognize, the right of its employees to peacefully organize and to file a valid petition seeking a lawful election conducted by the National Labor Relations Board. Such secret ballot election would determine if a majority of the subject employees want a labor organization to be their exclusive representative in collective bargaining with the CONTRACTOR. CONTRACTOR agrees to engage in good faith negotiations with any current and duly elected labor organization of the subject employees, and to meet at reasonable times to discuss wages, hours and other terms and conditions of employment. CONTRACTOR also represents that during negotiations with such duly elected labor organization, if necessary, it would support the use of a federal mediator and a reasonable cooling off period, if requested in writing by either party.

ARTICLE 49. Effective Date

This Agreement shall become effective at such time as it is properly executed by the DISTRICT and the CONTRACTOR and the CONTRACTOR shall begin Collection Services, as covered herein, as of July 1, 2016.

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

* * * * *

(Signature page follows)

Burbank Sanitary District

GreenWaste Recovery, Inc.

M. Boor 7/19/16
Signature Date

MICHELLE KAECKER-BOOR
Print Name and Title of Signatory
BSD BOARD PRESIDENT

[Signature] 7/19/16
Signature Date

Frank Wetzel - Secretary / COO
Print Name and Title of Signatory

The foregoing Agreement has been reviewed and approval is recommended:

[Signature] 7/19/16
District Manager Date
RICHARD TANAKA

Approved as to Form:

[Signature] 8/16/16
District Attorney Date

Attest:

[Signature] 7/19/16
District Secretary Date

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Exhibit 1

**Burbank Sanitary District, CA
Compensation and Rates**

Form 2				
BURBANK SANITARY DISTRICT				
SFD CART COLLECTION RATES				
A. SFD CART COLLECTION SERVICE - Curbside				
Garbage Cart Size	20-Gallon	35-Gallon	65-Gallon	95-Gallon
Monthly charge	\$ 20.63	\$ 25.34	\$ 39.76	\$ 54.15
Senior/Disability Rate	\$ 19.60	\$ 24.07	\$ 37.77	\$ 51.44
B. SFD COLLECTION SERVICE - On Premise Collection (Backyard)				
Garbage Cart Size	20-Gallon	35-Gallon	65-Gallon	95-Gallon
Monthly charge	\$ 30.15	\$ 35.89	\$ 49.84	\$ 64.22
Senior/Disability Rate	\$ 28.64	\$ 34.10	\$ 47.35	\$ 61.01
C. SFD MONTHLY COST FOR ADDITIONAL GARBAGE CARTS (Curbside and Backyard)				
Garbage Cart Sizes (gallons)	20-Gallon	35-Gallon	65-Gallon	95-Gallon
Each Additional Solid Waste Cart	\$ 13.67	\$ 21.49	\$ 42.96	\$ 64.45
D. SFD BULKY WASTE COLLECTION SERVICE RATE*				
Bulky Waste Collection Size	5 CY Maximum/Collection			
Bulky Waste Collection (Includes Processing/Disposal)	\$ 92.69			

Form 2						
BURBANK SANITARY DISTRICT						
COMMERCIAL COLLECTION RATES						
A. CART AND BIN COLLECTION RATES						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
35 Gallon	\$ 35.05	\$ 54.21	\$ 73.41	\$ 92.60	\$ 111.78	\$ 130.94
65 Gallon	\$ 51.96	\$ 83.15	\$ 114.38	\$ 145.59	\$ 176.82	\$ 208.02
95 Gallon	\$ 70.06	\$ 109.66	\$ 149.24	\$ 188.83	\$ 228.42	\$ 268.15
1 CY	\$ 109.95	\$ 207.70	\$ 305.44	\$ 403.20	\$ 500.98	\$ 598.70
2 CY	\$ 189.40	\$ 348.32	\$ 507.23	\$ 666.15	\$ 825.07	\$ 984.01

3 CY	\$ 281.05	\$ 501.13	\$ 721.24	\$ 941.32	\$1,161.40	\$1,381.47
4 CY	\$ 324.82	\$ 568.57	\$ 812.35	\$1,056.09	\$1,299.80	\$1,543.55
6 CY	\$ 482.84	\$ 837.65	\$1,192.44	\$1,547.22	\$1,901.97	\$2,256.77
20 CY Box	\$ 280.52	\$ 561.06	\$ 841.57	\$1,122.10	\$1,402.61	\$1,683.14
30 CY Box	\$ 292.73	\$ 585.44	\$ 878.16	\$1,170.87	\$1,463.60	\$1,756.33
40 CY Box	\$ 304.91	\$ 609.82	\$ 914.75	\$1,219.68	\$1,524.58	\$1,829.51
10 CY Box Lowboy	\$ 280.52	\$ 561.06	\$ 841.57	\$1,122.10	\$1,402.61	\$1,683.14
Compactor	\$ 426.90	\$ 853.77	\$1,280.65	\$1,707.54	\$2,134.41	\$2,561.32
B. PUSH RATES						
	Distance Charge Per Pull (Monthly Per Bin)					
	0-25 ft	26-49 ft	50-75 ft	76-100 ft	101-125 ft	126+ ft
	N/C	\$ 30.50	\$ 48.80	\$ 67.08	\$ 85.39	\$ 103.68
C. CONTAINER CLEANING						
	Each Occurrence (Per Bin)					
	Cart:	\$ 12.20	1-4 CY Bin:	\$ 61.05	5+ CY Bin:	\$ 91.51
Commercial Solid Waste Disposal Charge (Per Ton):				\$ 61.08		
Commercial Solid Waste Processing Charge (Per Ton)				\$ 110.00		
Note: All 10, 20, 30, 40 CY boxes and compactors are pull rates only; disposal will be based on actual disposal costs. The total customer rate will be the total cost for the collection and disposal.						

Form 3	
BURBANK SANITARY DISTRICT	
EMERGENCY SERVICE RATES - EMPLOYEES	
Labor Position	Hourly Rate
Supervisor	\$ 100.00
Driver	\$ 75.00
Laborer	\$ 35.00

Form 4	
BURBANK SANITARY DISTRICT	
EMERGENCY SERVICE RATES – EQUIPMENT	
Equipment Type	Hourly Rate
Side Loader	\$ 200.00
Rear Loader	\$ 175.00
Front Loader	\$ 175.00

Exhibit 2

Burbank Sanitary District, CA

District Service Units

The following are District Service Units that will be provided service at no charge to the District under the provisions of this Collection Service Agreement:

1. All locations as approved by the DISTRICT to be used by CONTRACTOR to conduct the Annual Clean-Up Event as specified in Article 9.

Exhibit 3
Burbank Sanitary District, CA
Approved Facilities

The following facilities will be used by the CONTRACTOR to provide services under the provisions of this Collection Service Agreement.

1. Solid Waste Disposal Facility

Monterey Regional Waste Management District
14201 Del Monte Boulevard
Marina, CA 93933

2. Recyclables Processing Facility

GreenWaste Recovery, Inc.
625 Charles Street
San Jose, CA 95112

3. Large Green Waste Processing Facility

GreenWaste Recovery (transfer station)
625 Charles Street
San Jose, CA 95112

4. Solid Waste Processing Facility

GreenWaste Recovery (transfer station)
625 Charles Street
San Jose, CA 95112

5. Transfer Station and Corporation Yard

GreenWaste Recovery
625 Charles Street
San Jose, CA 95112

6. Customer Service

GreenWaste Recovery, Inc.
1500 Berger Drive
San Jose, CA 95112

Exhibit 4
Burbank Sanitary District, CA
Approved Subcontractors

If in the future, subcontractors needed to be added, the Contractor must submit in writing to the District for subcontractor approval.

Exhibit 5
Burbank Sanitary District, CA
Corporate Secretary Certification of Authorization

RESOLUTION NO. 260

**A RESOLUTION APPROVING THE SOLID WASTE
COLLECTION FRANCHISE AGREEMENT WITH
GREENWASTE RECOVERY, INC.**

WHEREAS, the Burbank Sanitary District has a Franchise Agreement with the GreenWaste Recovery, Inc. that will expire on June 30, 2017; and

WHEREAS, the Burbank Sanitary District received a full analysis of the proposed renewal agreement regarding the provision of garbage and recycling through a renewal franchise agreement with GreenWaste Recovery, Inc.; and

WHEREAS, the said proposal has been reviewed and discussed by the Board of Directors, and,

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Burbank Sanitary District, hereby approves and executes the proposed 11-year Franchise Agreement beginning with effective date of July 1, 2016 and terminating on June, 30 2027.

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution which was duly and regularly passed and adopted by the Sanitary Board of the Burbank Sanitary District, at a meeting thereof held on the 19th day of July, 2016, by the following vote:

AYES: and in favor thereof, Member: BOOR, RUSSO & COLSON

NOES: Member: NONE

ABSTAIN: Member: NONE

ABSENT: Member: PRUPES & YODER

M. Boor.
President of the Sanitary Board

ATTEST:

[Signature]
Secretary

Exhibit 6
Burbank Sanitary District, CA
Cart Specifications

COLLECTION CARTS			
1.	Material to Be Collected:	Solid Waste	X
		Recyclables	X
		Green Waste	X
2.	Manufacturer.....	Rehrig Pacific Company	
3.	Description and Type.....	2 Wheel Cart	
4.	Material of Construction.....	HPDE	
5.	Recycled Content (Percentage).....	20%	
6.	Manufacturing Method.....	Injection Molding	
7.	Container Color.	Solid Waste	Grey
		Recyclables	Blue
		Green Waste	Green
8.	Durability.....	10	years
9.	Cost of Each Container.....	\$	46.68 (20 gal)
		\$	37.09 (35 gal)
		\$	46.70 (65 gal)
		\$	53.55 (95 gal)
		\$	53.55 (95 gal)
10.	Dimensions of Each Container (Height x Depth x Width).....	39.13"x22.98"x20.20"	(20 gal)
		39.13"x22.98"x20.20"	(35 gal)
		40.58"x28.11"x26.70"	(65 gal)
		45.13"x33.73"x28.70"	(95 gal)
11.	Shape of Each Container.....	Square	(20 gal)
		Square	(35 gal)
		Square	(65 gal)
		Square	(95 gal)
12.	Manufacturer's Warranty.....	10	years
13.	Wheel Size.....	8" - 10"	inches

Exhibit 7
Burbank Sanitary District, CA
Collection Vehicle Specifications

COLLECTION VEHICLES - Peterbilt				
1.	Manufacturer and Model			Peterbilt
	A. Cab and Chassis.....			Peterbilt
	B. Body.....			Labrie
	C. Engine.....			Cummins ISM
	D. Transmission.....			Allison 4500 RDS
2.	Number of Vehicles.....			1
3.	Cab and Chassis			
	A. Cab Height.....		96"	inches
	B. Number of Axles.....		1	
	C. Overall Length with Body Mounted.....		340" +/-	inches
4.	Body:			
	A. Type of Body.....			Labrie Automizer Side Loader
	B. Rated Capacity.....		29	cu. yd.
	C. Practical or Net Capacity.....		29	cu. yd.
	D. No. of Compartments.....		2	cu. yd.
	E. Net Capacity of Each Compartment.....		14.5	cu. yd.
	F. Overall Body Length.....		295"	inches
	G. Body Height.....		102"	inches
	H. Body Width.....		96"	inches
COLLECTION VEHICLES - Peterbilt (Cont...)				
	I. Loading Height Above Ground.....		Minimum	140" inches
			Maximum	140" inches
5.	Weight.....	GW	52000 lbs.	Tare 3200 lbs.
6.	Vehicles Leased, Owned or Other.....			Owned
7.	Purchase Cost of Each Vehicle.....			\$255,000
8.	Fuel Type.....			Diesel
9.	Fuel Usage.....			N/A mpg
10.	Emissions Rating:			
	A. CO.....			N/A g/bhp/hr
	B. HC (total hydrocarbons).....			N/A g/bhp/hr
	C. NOx.....			N/A g/bhp/hr
	D. Particulate Matter.....			N/A g/bhp/hr
11.	Safety Features.....			Back-up Alarm, Strobe Light, Rear Flashing Lights
12.	Color.....			White w/ Green Stripes
13.	GPS Monitoring and Tracking Features.....			Radio
14.	Sweeping Methods.....			N/A
15.	Use a separate page(s) to discuss the advantages of this vehicle in terms of a) past experience; b) efficiency; c) ease of operations; d) cost of operations; and e) clean air standards.			

COLLECTION VEHICLES - Autocar				
1.	Manufacturer and Model			Autocar
	A. Cab and Chassis.....			Autocar
	B. Body.....			Neway
	C. Engine.....			Cummins ISL
	D. Transmission.....			Allison 4500 RDS
2.	Number of Vehicles.....			1
3.	Cab and Chassis			
	A. Cab Height.....		96"	inches
	B. Number of Axles.....		3	
	C. Overall Length with Body Mounted.....		340" +/-	inches
4.	Body:			
	A. Type of Body.....			Neway Mamoth
	B. Rated Capacity.....		40	cu. yd.
	C. Practical or Net Capacity.....		32	cu. yd.
	D. No. of Compartments.....		1	cu. yd.
	E. Net Capacity of Each Compartment.....		32	cu. yd.
	F. Overall Body Length.....		294"	inches
	G. Body Height.....		102"	inches
	H. Body Width.....		96"	inches
COLLECTION VEHICLES - Peterbilt (Cont...)				
	I. Loading Height Above Ground.....		Minimum 45"	inches
			Maximum 140"	inches
5.	Weight.....	GW	52000	lbs.
			Tare 3200	lbs.
6.	Vehicles Leased, Owned or Other.....			Owned
7.	Purchase Cost of Each Vehicle.....			\$200,000
8.	Fuel Type.....			Diesel
9.	Fuel Usage.....			N/A mpg
10.	Emissions Rating:			
	A. CO.....			N/A g/bhp/hr
	B. HC (total hydrocarbons).....			N/A g/bhp/hr
	C. NOx.....			N/A g/bhp/hr
	D. Particulate Matter.....			N/A g/bhp/hr
11.	Safety Features.....			Back-up Alarm, Strobe Light, Rear Flashing Lights
12.	Color.....			White w/ Green Stripes
13.	GPS Monitoring and Tracking Features.....			Radio
14.	Sweeping Methods.....			N/A
15.	Use a separate page(s) to discuss the advantages of this vehicle in terms of a) past experience; b) efficiency; c) ease of operations; d) cost of operations; and e) clean air standards.			

Exhibit 8

Burbank Sanitary District, CA

Public Outreach and Customer Service Plan

**IMPLEMENTATION PLAN OUTREACH & CUSTOMER SERVICE
GREENWASTE RECOVERY. INC.
BURBANK SANITARY DISTRICT**

PUBLIC EDUCATION PLAN

Public education will be used to help residents and businesses understand the upcoming changes in their garbage, recycling and yard trimmings services. Reminding, encouraging and involving citizen's year round maximizes our potential for success.

ON-GOING PUBLIC EDUCATION & OUTREACH

GWR will provide the residents with an annual newsletter how to guide that reminds them of their curbside services. This guide will be mailed directly to the customer each calendar year.

In addition, residents will receive bill inserts periodically throughout the year reminding residents of services such as the once a year clean up, large item disposal and holiday schedules.

Commercial customers will have bill inserts sent in their bills periodically regarding service related topics such as extra pick up, holiday schedule, and time of service.

BILLING

Commercial customers will be billed monthly in advance. Residential customers will be billed bi-monthly in advance on the calendar quarter.

CUSTOMER SERVICE PLAN

As demonstrated by GWR's current program, customer service and satisfaction is an absolute key to its success in providing garbage, recycling and yard trimmings collection services to the District's residents and businesses.

The primary goal of GWR's customer service department is to provide answers and solutions to inquiries and complaints as quickly and professionally as possible. In keeping with this goal, GWR will utilize the following method to handle the concerns and questions of service recipients.

GWR service representatives are available Monday through Friday from 7:00 am to 6:00 pm. In anticipation of the upcoming changes for the District's services, GWR service representatives will be prepared to answer service and billing related questions. Especially regarding the anticipated rates increase. Scripts and training will be provided to GWR staff. GWR plans to provide the District staff with similar material in case calls are made to the District directly.