RESTATED AND AMENDED
FRANCHISE AGREEMENT BETWEEN CITY OF MARTINEZ
AND ALLIED WASTE SYSTEMS, INC., D.B.A.
ALLIED WASTE SERVICES OF CONTRA COSTA COUNTY AND D.B.A.
REPUBLIC SERVICES OF CONTRA COSTA COUNTY.
(RECYCLING)

This Franchise Agreement ("Franchise Agreement"or “Agreement”) is entered into on November 18, 2015, between the City of Martinez ("City") and Allied Waste Systems, Inc., d.b.a. Allied Waste Services of Contra Costa County and d.b.a. Republic Services of Contra Costa County ("Grantee"), for the collection, transportation, and diversion of Recyclables.

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("AB 939"), codified as California Public Resources Code Section 40000 et seq., has declared that it is within the public interest to authorize and require local agencies to make adequate provisions for solid waste handling within their jurisdictions; and

WHEREAS, pursuant to California Public Resources Code Section 40059 (a) (1), the City Council of the City has determined that the public health, safety and well-being require that an exclusive franchise be awarded to a qualified solid waste enterprise for the collection and recovery of solid waste from residential, industrial and commercial areas in the City; and

WHEREAS, City and Grantee are mindful of the provisions of the laws governing the safe collection, transport, recycling and disposal of solid waste, including AB 939, the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"); and

WHEREAS, City has not, and, by this Restated and Amended Franchise Agreement (“Franchise Agreement”) does not, instruct Grantee on its collection methods, nor supervise the collection of waste; and

WHEREAS, Grantee has represented and warranted to City that is has the experience, responsibility, and qualifications to arrange with residents, commercial, industrial, institutional and other entities in the City for the collection and safe transport to disposal facilities of municipal solid wastes, the City Council of the City determines and finds that the public interest, health, safety and well-being would be best served if Grantee were to make arrangements with residents and other entities to perform these services; and

WHEREAS, the City Council of the City declares its intention of maintaining reasonable rates for collection and transportation of solid waste and recycling within City limits; and

WHEREAS, the City and Grantee's predecessor in interest entered into a Franchise Agreement Between City of Martinez and Pleasant Hill Bayshore Disposal, Inc. ("Solid Waste"), dated March 1, 1993 ("Original Document"); and

WHEREAS, the City and Grantee entered into a restated and amended franchise agreement between the City of Martinez and Pleasant Hill Bayshore Disposal, Inc., (“Residential Recycling”), on January 5, 2005 (“2005 Agreement”), covering the same subjects as were included in the Original Document; and

WHEREAS, on July 1, 2009, the parties entered into an Addendum to the 2005 Agreement to memorialize certain services provided by the Grantee, and to enhance the customer service provisions expressed in Section 22 A of the 2005 Agreement; and

WHEREAS, the City and Grantee entered into a restated and amended franchise agreement between the City of Martinez and Pleasant Hill Bayshore Disposal, Inc., ("Residential Recycling"), on May 4, 2011 ("2011 Agreement"), covering the same subjects as were included in the Original Document; and

WHEREAS, the parties agreed as a condition of the 2011 Agreement that should the State require implementation of a mandatory commercial recycling program and/or the City adopt a mandatory commercial recycling ordinance, the Grantee shall implement said program by June 30, 2012 as directed by the City; and

WHEREAS, State Assembly Bill 341 required the City to begin implementing a mandatory commercial recycling program, including public entities, by July 1, 2012; and

WHEREAS, Section 8.18.120 of the Martinez Municipal Code requires all non-residential establishments, including without limitation all commercial and industrial use classifications, to subscribe to an approved recycling collection program; and

WHEREAS, the parties agreed as a condition of the 2011 Agreement that prior to Grantee's implementation of said mandatory commercial recycling program, the City and Grantee would amend the Franchise Agreement to provide Grantee with exclusive rights to commercial and industrial recycling collection; and

WHEREAS, the parties also agreed as a condition of the 2011 Agreement that Grantee would be entitled to submit support for an adjustment to commercial rates to cover the new costs required to fund a mandatory commercial recycling program in the City; and

WHEREAS, the City and Grantee further entered into a restated and amended franchise agreement on May 16, 2012, to incorporate these terms and supersede and replace the 2011 Agreement; and

WHEREAS, State Assembly Bill 1826 adds Chapter 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public Resources Code and requires the City to begin implementing a mandatory commercial Organics collection program by April 1, 2016, for businesses (including public entities) generating eight cubic yards or more of Organics per week; by January 1, 2017, for businesses generating four cubic yards or more of Organics each week; and by January 1, 2019, for businesses generating four cubic yards or more of solid waste each week; and

WHEREAS, State Assembly Bill 1594 (Chapter 719, Statutes of 2014), mandates that commencing January 1, 2020, the use of green material as alternative daily cover (ADC) will no longer constitute diversion through recycling and will instead be considered disposal for purposes of measuring a jurisdiction's annual 50 percent per capita disposal rate (Public Resources Code (PRC) Section 41781.3); and

WHEREAS, it is the desire of the parties that this amended and restated franchise agreement dated November 18, 2015, supersede and replace the 2012 Agreement; and

WHEREAS, the City believes this Franchise Agreement represents a high degree of service and value to residents, businesses, and the City, and will help the City achieve the waste, recycling and Organics diversion mandates, goals and objectives of the State in support of AB939, AB341, AB 1826 and AB 1594.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

SECTION 1 - GRANT AND ACCEPTANCE OF EXCLUSIVE FRANCHISE

A. The exclusive privilege granted by this Agreement shall apply as follows:

(1) Residential Recycling

City grants to Grantee, for the term of and in accordance with this Franchise Agreement (including all extensions or renewals), an exclusive privilege and duty to make and enter into independent arrangements with residents of single family units, and residents and/or owners of multifamily units in the City for the collection, transportation, processing and diversion of Recyclables, (including multi-family unit Recyclables, subject to Section 6 C), generated or accumulated within the City which has been placed in an authorized recycling container, in the areas covered by this Franchise Agreement, as shown on Exhibit "A" "FRANCHISE AREA" as its boundaries are now constituted or may hereafter be amended.

(a) The exclusive privilege granted in Section 1 A (1) above shall also pertain to the collection, transportation, processing and diversion of Organics.

(2) Commercial and Industrial Recycling

State Assembly Bill 341 requires the City to begin implementing a mandatory commercial recycling program by July 1, 2012. Furthermore, Section 8.18.120 of the Martinez Municipal Code requires all non-residential establishments, including without limitation all commercial and industrial use classifications, to subscribe to an approved recycling collection program. Therefore, from and after July 1, 2012, the City grants to Grantee, for the term of and in accordance with this Franchise Agreement (including all extensions or renewals) an exclusive privilege and duty to make and enter into independent arrangements with the occupants or owners of commercial, industrial, institutional, mixed use and other non-residential properties in the City for the collection, transportation, processing and diversion of Recyclables, generated or accumulated within the City which has been placed in an authorized recycling container in the areas covered by this Franchise Agreement, as shown on Exhibit "A" "FRANCHISE AREA" as its boundaries are now constituted or may hereafter be amended.

(a) The exclusive privilege granted in Section 1 A (2) above shall also pertain to the collection, transportation, processing and diversion of Organics.

B. Grantee agrees to be bound by and comply with all the requirements of this Franchise Agreement. Grantee waives any right or claim to serve any part of the City as its boundaries exist as of the date of execution of this Franchise Agreement under any prior grant of franchise, contract, license or permit issued or granted by any governmental entity.

C. In the event and to the extent that any of the following require or are amended to require that either party take certain action or desist from taking certain action that affects the promises,covenants and/or performance of the parties hereunder, then this Franchise Agreement shall beamended to provide provisions that have as their purpose the satisfaction of such requirements.Furthermore, should such amendments to this Franchise Agreement result in the Grantee havingto incur additional expenses in performing its obligations hereunder, then Grantee may seek rate adjustments therefor in accordance with the procedures specified under Section 20, below.

(1) the City's Municipal Code, the California Public Resources Code, AB 939, other applicable state and federal laws, rules and regulations promulgated thereunder, and

(2) the Contra Costa County County-wide Integrated Waste Management Plan and the City's Source Reduction and Recycling Element and Household Hazardous Waste Element; and

(3) any and all amendments to said laws, plans and regulations.

D. The exclusive privilege granted by this Agreement shall not apply where:

(1) Self-Hauling. A person or entity transports Solid Waste or Recyclables or Organics from his/her/its own residential, commercial or industrial premises, personally or using his/her/its own vehicle and employees, or through the uncompensated services of another, for purposes of disposing of same at an authorized Disposal or Recycling Facility. Nothing herein shall be construed to allow a person or entity to hire or compensate another person or entity (not affiliated with the Grantee) to transport Solid Waste or Recyclables, or to arrange for the transport of Solid Waste or Recyclables by a person or entity (not affiliated with the Grantee) otherwise engaged in the business of collection and/or disposal of Solid Wastes or Recyclables.

(2) Incidental Hauling of Construction and Demolition Debris. A construction or demolition contractor transports construction and demolition debris from residential, commercial or industrial premises, where such transport is limited to construction and demolition debris generated from and incidental to construction and/or demolition work performed by that contractor or a subcontractor thereof pursuant to a grading, demolition, building, remodeling or encroachment permit issued by the City, and such transport is performed using the vehicles and employees of that contractor or subcontractor. Nothing herein shall be construed to allow a contractor or their customer to hire or compensate a third party who is not otherwise performing construction or demolition work to transport construction and demolition debris.

(3) Incidental Hauling of Landscape Waste. A gardener or landscaper transports landscape waste from residential, commercial or industrial premises, where such transport is limited to landscape waste generated from and incidental to gardening or landscape work performed by that gardener or landscaper, and such transport is performed using the vehicles and employees of that gardener or landscaper. Nothing herein shall be construed to allow a gardener, landscaper or their customer to hire or compensate a third party who is not otherwise performing gardening or landscape work to transport landscape waste.

E. This Agreement is not intended to and does not affect or limit the right of any person to sell or donate any source separated Recyclable or Organics commodity to any other person lawfully doing business within the City limits or Franchise Area provided that the recyclable commodity is separated at the source by the generator and that the person acquiring the recyclable commodity (other than the Grantee) does not receive any compensation in connection with the handling or transport of such commodity and does not collect and dispose of other Solid Wastes or Recyclables for compensation.

SECTION 2 - DEFINITIONS

Whenever any term used in this Franchise Agreement has been defined by the Municipal Code of the City ("Municipal Code") or Division 30, Part 1, Chapter 2 of the California Public Resources Code, the definitions in the Municipal Code or Public Resources Code[2] shall apply unless the term is otherwise defined in this Agreement.

A. AB 939

"AB 939" shall mean the California Integrated Waste Management Act of 1989, as it may be amended from time to time.

B. ADC

"ADC" (Alternative Daily Cover) shall mean cover material other than earthen material placed on the surface of the active face of a municipal solid waste landfill at the end of each operating day to control vectors, fires, odors, blowing litter, and scavenging.

C. Bulky Waste

"Bulky Waste" shall have the same meaning as that term is defined in Chapter 8.1.6 of the Martinez Municipal Code.

D. City Limits

"City Limits" shall mean the boundaries of the City together with all amendments andchanges thereto, which current boundaries are shown on Land Use Map 1 incorporated herein by reference and which are on file in the office of the City Clerk.

E. Commercial Solid Waste

"Commercial Solid Waste" includes all types of solid wastes generated by commercial, industrial, governmental, public entity and other sources which have been placed in an authorized solid waste container used for the temporary storage of solid waste awaiting pickup. The term "Commercial Solid Waste" does not include hazardous wastes generated by commercial, industrial, governmental, public entity and other sources and which are placed in separate containers and which are covered by hazardous waste manifests.

F. Compostables or Compostable Materials

"Compostables" or "compostable materials" shall have the same meaning as "compost" specified in CA Public Resource Code §40116.

G. Franchise Fee

"Franchise Fee" means the fee or assessment imposed by the City on Grantee solely because of its status as party to this Franchise Agreement, and which, inter alia, is intended to compensate City for its expenses in administering this Franchise Agreement, for use of public rights of way granted by this Agreement, and for damage to its roads, curbs, sidewalks and other parts of the City's infrastructure.

H. Grantee

"Grantee" shall mean the entity granted the Franchise to arrange for the collection of solid wastes pursuant to this Franchise Agreement.

I. Gross Revenues

"Gross Revenues" means any and all revenue or compensation in any form derived directly or indirectly by Grantee, its affiliates, subsidiaries, parents or any other person or entity in which Grantee has a financial interest, in collecting, transporting, arranging, handling and/or disposing of solid wastes generated in the Franchise Area pursuant to this Franchise Agreement.

J. Hazardous Waste or Materials

(1) "Hazardous Waste or Materials" means any waste materials or mixture of wastes defined as such pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., or the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §§9601 et seq., and all future amendments to either of them, or as defined by the California Environmental Protection Agency or the California Department of Resources, Recycling and Recovery (CalRecycle), or either of them. Where there is a conflict in the definitions employed by two or more agencies having jurisdiction over hazardous or solid waste, the term "Hazardous Waste" shall be construed to have the broader, more encompassing definition.

(2) "Hazardous Waste" shall also have the meaning as that term is defined in Chapter 8.16 of the Martinez Municipal Code.

K. Industrial Solid Waste

"Industrial Solid Waste" means all solid waste and semisolid waste which results from industrial processes and manufacturing operations, excluding Recyclables.

L. Mixed Waste

"Mixed Waste" means combined Recyclable or Recyclable Materials and non Recyclable Materials.

M. Multi-Family Units

"Multi-Family Units" shall mean any residence, or group of residences, with two (2) or more dwelling units, including any flat, apartment, duplex, triplex, condominium, town home or other premises, other than a hotel or motel, used for housing persons, including such premises when combined in the same building with commercial establishments, and serviced with one (1) or more common containers.

N. Municipal Solid Waste

"Municipal Solid Waste" means all Solid Waste generated within the City which is designated for collection under this Franchise Agreement.

O. Organics

"Organics" shall mean food waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste and includes Yard Waste as defined in U, below. It does not mean rocks, stones, sand, clay, soil, or animal feces.

P. Recyclables or Recyclable Material

"Recyclables or Recyclable Material" shall have the same meaning as provided in the City's Municipal Code and includes materials which are reused or processed or are in the future reused or processed into a form suitable for reuse through reprocessing or remanufacture, consistent with the requirements of the California Integrated Waste Management Act. The term "Recyclables or Recyclable Material" includes, but is not limited to, mixed paper, glass, aluminum, cardboard, chipboard (i.e. cereal and shoe boxes), newsprint, plastic food and beverage containers (labeled #1through #7), tin/bimetal containers, E-waste peripherals (such as keyboards, mouse, and speakers), hardcover books, rigid plastics (such as toys, buckets, trays, and crates), plastic bags, scrap metal/aluminum, used motor oil, oil filters, automotive batteries, brick, stone, wood, soil, construction and demolition debris, asphalt or concrete in reusable condition, and such other materials designated by City's AB 939 Coordinator, or designated as Recyclables by the California Department of Resources, Recycling and Recovery (CalRecycle), or other agency with jurisdiction.

Q. Residential Solid Waste

"Residential Solid Waste" means all types of solid waste which originate from Single-Family Units.

R. Single-Family Unit

"Single-Family Unit" means any residence, including a house, flat, duplex, triplex, condominium, town home or other premises, other than a hotel or motel, used for housing persons, including such premises when combined in the same building with commercial establishments, and which is not serviced with common containers.

S. Solid Waste

"Solid Waste" shall have the same meaning as provided in the City's Municipal Code, and shall exclude Recyclables placed in an approved recycling container.

T. Special Wastes

"Special Wastes" shall mean any designated wastes, as defined in 23 Cal. Code of Regs. §2522, and special handling wastes generated by industrial facilities or processes, but shall not include "hazardous waste" as defined herein. Special wastes shall include, but not necessarily be limited to: asbestos, sewage sludge, water treatment sludge, infectious wastes, drilling muds, contaminated soils, shredder waste, agricultural wastes, filter cake/dewatered sludge, spent catalyst fines, refinery ash and byproducts; except where any such wastes are deemed to be hazardous waste.

U. Yard Waste

(1) Leaves, grass clippings, weeds, brush, prunings, tree trimmings, roots, and other organic materials which accumulate or originate from ordinary residential landscaping and gardening, and which have been placed at or near the curb, or within another Cityapproved location, in City approved yard waste receptacles, for collection by the Grantee.

(2) Yard waste does not include fish, meat, bones, or any other animal by products, oils, grains, rocks, stones, sand, clay, soil, or animal feces.

(3) Yard waste does not include hazardous waste or materials as defined in this Section 2. Nor does it include recyclable materials as defined in this Section 2.

SECTION 3 - FRANCHISE FEE; OTHER COMPENSATION

A. Franchise Fee

Grantee shall pay to City a franchise fee set by City Council resolution, which said fee shall be based on the gross revenues derived by Grantee from operations pursuant to this Franchise Agreement. The Franchise Fee shall be due and payable quarterly within twenty (20) days following the end of each quarter. If payment is not received within said twenty-(20) day period, interest shall accrue thereon at the maximum interest rate permitted under California law, but not to exceed ten (10) percent per annum. Any such fee shall have prospective effect only; provided, however, that should any rate adjustment be given retroactive effect, the applicable franchise fee shall in the Council's discretion, also be given such effect.

B. AB939 and Climate Action Plan Support Payments

Grantee shall provide the City with annual payments of Twenty Five Thousand Dollars ($25,000.00) to cover implementation of the City's AB 939 programs and Climate Action Plan initiatives. The cost to Grantee will be treated as a pass-through in the rate base (without profit). This payment was made on a proportionate basis for the remainder of the City's Fiscal Year 2010-11 (the period of July 1, 2010 to June 30, 2011), and due within thirty (30) days of execution of the Franchise Agreement. The full annual payments to the City shall be due by July 31st of each year, beginning in July 2011.

SECTION 4 - COMPLIANCE WTTH LAWS AND REGULATIONS

Grantee warrants that it will comply with all applicable laws in effect during the term of this Agreement, including implementing regulations, as they may, from time to time, be amended, specifically including, but not limited to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq. ("RCRA"), the California Integrated Waste Management Act of 1989, and all other applicable laws of the State of California, the County of Contra Costa, ordinances of the City, the City's Source Reduction and Recycling Element, the City's Household Hazardous Waste Element, the County of Contra Costa's Countywide Integrated Waste Management Plan, the requirements of Local Enforcement Agencies and other agencies with jurisdiction relating to the services provided by Grantee under this Agreement. Grantee shall comply with all final and binding judgments entered against Grantee regarding its services performed under this Agreement.

SECTION 5 - FRANCHISE AREA

A. Franchise Area Defined

The Franchise Area granted by this Franchise Agreement shall be the areas within the City limits of the City of Martinez as delineated on Exhibit "A," and as may hereafter be changed by reason of annexation, deannexation or re-organization.

B. Annexation Covered by Existing Franchise

Territory annexed to the City that is covered by an existing solid waste permit, license, agreement or franchise granted by another public entity shall be added to the Franchise Area granted by this Franchise Agreement, and Grantee agrees to defend, indemnify and hold harmless the City against any claims by such other franchisee that it continues to have any right to service the area so annexed.

C. Mountain View Overlap

This Franchise Agreement shall be binding upon Grantee's activities in those areas within the City's limits alleged to be within the jurisdiction of the Mountain View Sanitary District and shall be enforceable against Grantee by the City.

SECTION 6 - SERVICES PROVIDED BY GRANTEE

A. Single Family Residential Curbside Recycling

(1) The Grantee shall collect and recycle all Recyclables placed at the curb, or other approved recycling locations, in approved recycling containers from all Single Family Unit customers from whom the Grantee presently, or during the term of this Agreement, collects solid waste in the Franchise Area. Recyclables may be commingled in the recycling container provided by the Grantee and the customer shall not be required to separate Recyclables from other Recyclables, except as provided in Section 6 A (3) below. The customer shall be required to separate recyclable material from solid waste. The Grantee shall provide residential recycling services in the manner described in Exhibit "B" attached hereto. If the Grantee fails to comply with or fails to exercise due diligence in complying with this subsection, then the default provisions as specified in Section 13 shall apply.

(2) Distribution of Recycling Containers. Approved recycling containers shall be purchased and distributed by the Grantee to all Single Family Units for which Grantee provides solid waste collection services within the purview of this Agreement. The Grantee shall provide, to all new Single Family Unit customers, one or more recycling containers within fifteen (15) days after the Grantee has established residential solid waste collection service with these new customers. The number, nature, configuration, color, and symbols identifying said containers shall be subject to approval of the City. Without charge, the Grantee shall provide to its customers one replacement container per calendar yearin those circumstances where the container has been lost, stolen, or damaged. Grantee may charge a fee to replace additional containers. The Grantee shall deliver these recycling containers to all Single Family Unit customers, and shall not require individuals to be present to accept or sign for them.

(3) Recyclables to be Collected. Grantee shall provide commingled collection of, at a minimum, mixed paper, glass, aluminum, cardboard, chipboard (i.e. cereal and shoe boxes), newsprint, plastic food and beverage containers #1-7, tin/bimetal containers, E-waste peripherals (such as keyboards, mouse, and speakers), hardcover books, rigid plastics (such as toys, buckets, trays, and crates), plastic bags, and scrap metal/aluminum (under ten pounds per item). Additionally, Organics, Yard Waste, auto and truck batteries, motor oil, oil filters, and other designated electronic waste items (for a fee) will be collected separately from commingled Recyclables. Curbside collection of motor oil and oil filters shall be collected at Grantee's expense. Recyclables collected at curbside shall be collected, transported, and processed so as not to be contaminated with Solid Waste or other non-Recyclables.

City may require Grantee to provide curbside collection of other Recyclables when practical, if at the time the City determines, among other reasons, that markets for such materials have developed or if the City, County, or State regulations or policies require that such materials be included in the City's Recycling program. Curbside collection of additional materials may be required at the time of rate reviews. Grantee shall furnish its Single Family Unit customers with additional labeled or color coded reusable plastic containers, as necessary if such new materials are required to be

included in Grantee's duties. If the City requires that the Grantee provide curbside collection of Recyclables, other than those specified in this Section, City shall provide at least ninety (90) days notice of the requirement unless earlier implementation of the expanded recycling program is required by agencies other than the City. If Grantee decides to or is required to provide expanded curbside collection of materials other than those mentioned above, prior to expanding the service, Grantee shall distribute an informational flier with customer billing, and include an informational flier with delivery of any additional containers.

If in City's sole determination changes arise that necessitate any additions or deletions to the work described herein, including the type of items included as recyclable materials, the Grantee shall implement such additions or deletions upon direction from the City to do so. Upon implementation, the parties shall negotiate any necessary changes or amendments to the Agreement which may be necessary as a result of such additions or deletions to the work as directed by City.

(4) Same Day Service. Grantee shall provide weekly curbside collection of recyclable materials, which shall occur on the same day as regular solid waste collection performed by the Grantee.

(5) Sales of Recyclables. Grantee shall sell the Recyclables materials at fair market value to any company engaged in purchasing recyclable materials. City may conduct a survey of companies that purchase recyclable materials to assure that income received from the sale of recyclable materials by grantee is competitive with the market value for sale of recyclable materials by other recycling companies. Monthly records of weight and value of recyclable materials sold to any company shall be retained by the Grantee and shall be available for City review. Grantee shall keep all revenues from the sale of recyclable materials.

(a) City Authority to Direct. Notwithstanding any provision of this Agreement, the City retains the right, upon reasonable notice to the grantee, to direct to whom and under what conditions the Grantee must sell recyclable materials in order to assure that fair market value has been received.

(b) Sale of Recyclable Materials. During the term of this Franchise Agreement, City grants to Grantee the right to sell at fair market value the recyclable material that it collected as set forth herein in order to defray its operating costs incurred in performing under this Agreement.

(6) Billing. Grantee shall bill its customers for curbside recycling services at the same time and for the same period as are applicable to and inclusive of Grantee's solid waste billings.

(7) Pick-Up of Containers. If this Franchise Agreement is terminated for any reason, upon notice from the City, Grantee shall pick up the recycling containers it provided for the program on the last day of collection.

(8) Advance Payment Refunds. If this Franchise Agreement expires or is terminated for any reason, Grantee shall reimburse its customers for any advance payment for service which was not provided.

(9) Promotional and Educational Materials. Promotional and educational materials explaining the commingled curbside recycling program shall be distributed by the Grantee prior to distribution of new recycling containers. Duplicate or supplemental

promotional and educational materials explaining the commingled curbside recycling program will also be distributed by the Grantee to each customer when the recycling container is delivered to that customer. The Grantee shall, at minimum, distribute promotional and educational materials to all its solid waste customers, pre approved by the City, at least twice a year. These materials shall, at a minimum, specify all recyclable items to be collected, and shall further provide any additional information as necessary in order to satisfy the recycling goals set forth in the City's most current Source Reduction Recycling Element (SRRE). The Grantee shall, prior to distribution of the promotional and educational materials, provide the City Manager, or his/her designee, with a copy(ies) of said material. The City shall review and comment on this material within fifteen (15) days of receipt. The City reserves the authority to reject all or any portion of any said promotional material prepared by the grantee. If the City rejects any or all of said promotional material, the City reserves the right to prepare its own material to be distributed by the Grantee and Grantee shall reimburse the City for the cost of the City's promotional efforts.

(10) Information Required. During the term of this Franchise Agreement, Grantee shall provide the City with a quarterly accounting of participating Single-Family Units, the volume of each of the recyclable materials collected, segregated by type, and accounting of non-recyclable materials produced during processing of recyclable materials. On March 1, June 1, September 1, and December 1 of each year during the term of this Agreement, Grantee shall provide the City with an accounting for the commingled curbside recycling program. Said accounting shall include (1) the number of participating households; (2) the volume of each of the materials collected; (3) the volume of non recyclable materials disposed of at the landfill; (4) any additional information required by the City to enable the City to determine any reduced garbage collection and disposal volume, and percent reduction in residential waste stream.

(11) Establishment of Fees. The fees described in Exhibit "C" may not be charged to any Single-Family Unit customer until recycling containers have been provided and recycling service for that household has been established.

(12) City's Authorized Recycling Agent. During the term of this Agreement and pursuant to the provisions of Public Resources Code sections 40058, 40059, Grantee shall be the City's "authorized recycler" for all Single Family Units which receive individual weekly solid waste collection service from the Grantee and any Multi-Family Unit which is included in the program under Section 6C.

(13) Non Profit Community Groups. Notwithstanding anything to the contrary stated herein, Grantee agrees that non-profit groups, as defined in Section 501(c) (3) of the Internal Revenue Code, shall retain their right to pick up Recyclable materials within the Franchise Area at collection stations or elsewhere. Except as provided herein, Grantee shall not interfere with any non-profit community group engaged in curbside recycling activities provided that such non-profit group does not pick up Recyclable materials placed in approved recycle containers and at collection stations for collection by the Grantee on days of regular solid waste collection by Grantee.

B. <u>Single-Family Residential Curbside Organics Recycling</u>

(1) Beginning January 1, 2016, Grantee shall collect and recycle all Organics placed at the curb, or other approved locations, in approved Organics containers from all Single-Family Unit customers from whom the Grantee presently, or during the term of this Agreement, collects Solid Waste in the Franchise Area. The customer shall be required to separate Organics material from Solid Waste and Recyclables. The Grantee shall provide residential Organics services in the manner described in Exhibit "B" attached hereto. If the Grantee fails to comply with or fails to exercise due diligence in

complying with this subsection, then the default provisions as specified in Section 13 shall apply.

(2) Distribution of Organics Containers. Approved existing Yard Waste containers shall be used as Organics containers by Single-Family Units for which Grantee provides residential solid waste collection services within the purview of this Agreement. The Grantee shall provide, to all new Single-Family Unit customers, one or more Organics containers within fifteen (15) days after the Grantee has established residential solid waste collection service with these new customers. Grantee shall also provide 3-gallon kitchen pails to facilitate collection of Organics. Kitchen pails will be available upon request from the Grantee or City Hall and provided at no cost to customers. The number, nature, configuration, color, and symbols identifying said containers shall be subject to approval of the City. Without charge, the Grantee shall provide to its customers one replacement container per calendar year in those circumstances where the container has been lost, stolen, or damaged. Grantee annually may charge a fee to replace additional containers beyond the one container allowed annually. The Grantee shall deliver these Organics containers to all Single Family Unit customers, and shall not require individuals to be present to accept or sign for them.

(3) Organics to be Collected. Grantee shall provide commingled collection of brush, flower cuttings, flowers, garden trimmings, hay, house plants, lawn clippings, leaves, prunings, shrubbery, straw, tree twigs (6 inches or less in diameter, 4feet or less in length), weeds, wood chips food scraps and food soiled paper such as raw or cooked food scraps, veggies, meats, seafood, dairy products, breads, grains, pastas, fruits, bones, shells, food soiled napkins, paper towels, paper cups, paper plates, and paper "to go" containers and compostable bags. Residential Organics collected at curbside or at other approved locations shall be collected, transported, and processed so as not to be contaminated with Solid Waste or with Recyclables.

City may require Grantee to provide curbside collection of other Organics when practical, if at the time the City determines, among other reasons, that markets for such materials have developed or if the City, County, or State regulations or policies require that such materials be included in the City's Organics program. Curbside collection of additional materials may be required at the time of rate reviews. If the City requires that the Grantee provide curbside collection of Organics, other than those specified in this Section, City shall provide at least ninety (90) days notice of the requirement unless earlier implementation of the expanded Organics program is required by agencies other than the City. If Grantee decides to or is required to provide expanded curbside collection of materials other than those mentioned above, prior to expanding the service, Grantee shall distribute an informational flier with the customer's billing, and include an informational flier with delivery of any additional containers.

If in the City's sole determination changes arise that necessitate any additions or deletions to the work described herein, including the type of items included as organic materials, the Grantee shall implement such additions or deletions upon direction from the City to do so. Upon implementation, the parties shall negotiate changes or amendments to the Agreement which may be necessary as a result of such additions or deletions to the work as directed by City.

(4) Same Day Service. Grantee shall provide weekly curbside collection of Organics which shall occur on the same day as regular solid waste collection performed by the Grantee.

(5) Disposition of Organics. All collected Organics must be diverted from landfill. Acceptable markets include composting at a compost facility properly permitted to

accept both food waste and Yard Waste or used as a biofuel.

(a) City Authority to Direct. Notwithstanding any provision of this Agreement, the City retains the right, upon reasonable notice to the Grantee, to direct to whom and under what conditions the Grantee must deliver organic materials.

(6) Billing. Grantee shall bill its customers for Organics services at the same time and for the same period as are applicable to and inclusive of Grantee's solid waste billing.

(7) Pick-Up of Containers. If this Franchise Agreement is terminated for any reason, upon notice from the City, Grantee shall pick up the Organics containers it provided for the program on the last day of collection.

(8) Advance Payment Refunds. If this Franchise Agreement expires or is terminated for any reason, Grantee shall reimburse its customers for any advance payment for service which was not provided.

(9) Promotional and Educational Materials. Promotional and educational materials explaining the residential Organics program shall be distributed by the Grantee prior to commencement of the residential Organics program on January 1, 2016. Duplicate or supplemental promotional and educational materials explaining the curbside Organics program will also be distributed by the Grantee to each customer when an Organics container is delivered to a new customer. The Grantee shall, at minimum, distribute promotional and educational materials to all its solid waste customers, pre approved by the City, at least twice a year. These materials shall, at a minimum, specify all Organics items to be collected, and shall further provide any additional information as necessary in order to satisfy the diversion goals set forth in the City's most current Source Reduction Recycling Element (SRRE). The Grantee shall, prior to distribution of the promotional and educational materials, provide the City Manager, or his/her designee, with a copy(ies) of said material. The City shall review and comment on this material within fifteen (15) days of receipt. The City reserves the authority to reject all or any portion of any said promotional material prepared by the Grantee. If the City rejects any or all of said promotional material, the City reserves the right to prepare its own material to be distributed by the Grantee and Grantee shall reimburse the City for the cost of the City's promotional efforts.

(10) Information Required. During the term of this Franchise Agreement, Grantee shall provide the City with a quarterly accounting of participating Single-Family Units, the volume of each of the organic materials collected, and information regarding contamination and protocol(s) established to address these circumstances. On March 1, June 1, September 1, and December 1 of each year during the term of this Agreement, Grantee shall provide the City with an accounting for the Organicscurbside collection program. Said accounting shall include (1) the number of participating households; (2) the volume of Organics collected(3) the volume of non recyclable materials disposed of at the landfill; and (4) any additional information required by the City to enable the City to determine any reduced garbage collection and disposal volume.

(11) Establishment of Fees. The fees described in Exhibit "C" may not be charged to any Single-Family Unit customer until recycling containers have been provided and recycling collection service for that household has been established.

C. Multi-Family, Commercial and Industrial Recycling; Multi-Family and Commercial Organics

1. Multi-Family and Commercial Recycling

(1) Grantee shall establish and make available to all Multi-Family and commercial customers (including Multi-Family residential complexes, businesses and public entities) in the City a comprehensive recycling program. The cost of this program shall be included in the Multi-Family and commercial Solid Waste rates. The recycling program, as described in Exhibit "B," shall allow for the commingling of Recyclables in the recycling container provided by the Grantee. The customer shall not be required to separate Recyclables from other Recyclables. The customer shall be required to separate recyclable material from Solid Waste. Grantee shall notify all affected Multi-Family residential complexes, businesses and public entities through electronic, print, and/or direct contact communications of the availability of said program each year that explains the State law requirements relating to recycle, the City's Municipal Code, and how to comply locally, consistent with the manner described in Exhibit "F." If the Grantee fails to comply with or fails to exercise due diligence in complying with this subsection, then the default provisions as specified in Section 13 shall apply.

(2) Distribution of Recycling Containers. Approved recycling containers shall be purchased and distributed by the Grantee to all Multi-Family residential complexes and commercial customers for which Grantee provides solid waste collection services within the purview of this Franchise Agreement. The Grantee shall provide, to all Multi-Family and commercial customers, one or more recycling containers within fifteen (15) days after the Grantee has established solid waste collection service with these new customers. The number, nature, configuration, color, and symbols identifying said containers shall be subject to approval of the City. Without charge, the Grantee shall provide to its customers one replacement container per calendar year in those circumstances where the container has been lost, stolen, or damaged. Grantee may charge a fee to replace additional containers beyond the one container allowed annually. The Grantee shall deliver these recycling containers to all Multi-Family and commercial customers and shall not require individuals to be present to accept or sign for them. Grantee shall offer bins in 1, 2, 3, 4, 5, 6 or 8 cubic yard bin sizes and 64 gallon or 96 gallon carts. The size and frequency shall be determined between the Grantee and the Multi-Family or commercial customer.

(3) Information Required/Reporting. During the term of this Franchise Agreement, Grantee shall provide the City with a quarterly accounting of participating commercial customers, the volume of each of the recyclable materials collected, segregated by type, and accounting of non-recyclable materials produced during processing of recyclable materials. On March 1, June 1, September 1, and December 1 of each year during the term of this Agreement, Grantee shall provide the City with an accounting for the commercial commingled recycling program. The Multi-Family recycling volumes will be included within the commercial recycling totals on all reports. Said accounting shall include 1) the number of participating customers; 2) the volume of each of the materials collected; 3) the volume of non-recyclable materials disposed of at the landfill; and 4) any additional information required by the City to enable the City to determine any reduced garbage collection and disposal volume, , including but not limited to that

information required in Exhibit "F."

2. Industrial Recycling

(1) Upon request, Grantee shall provide an 8, 10, 20, 30 or 40 cubic yard debris box on a temporary or permanent basis for recycled materials. In addition to material in Exhibit "B," recyclable materials shall include, but not be limited to green waste, dirt, concrete, asphalt, construction and demolition debris, cardboard, metal and other unnamed recyclable material. Fees are listed within Exhibit "C" and any future adjustments are to be regulated upon City review and subject to City Council approval.

(2) Information Required/Reporting. During the term of this Franchise Agreement, Grantee shall provide the City with a quarterly accounting of participating industrial customers, the volume of each of the recyclable materials collected, segregated by type, and accounting of non-recyclable materials produced during processing of recyclable materials. On March 1, June 1, September 1, and December 1 of each year during the term of this Agreement, Grantee shall provide the City with an accounting for the recycling program. Said accounting shall include 1) the number of participating customers; 2) the volume of each of the materials collected; 3) the volume of non-recyclable materials disposed of at the landfill; and 4) any additional information required by the City to enable the City to determine any reduced garbage collection and disposal volume, and percent reduction in the industrial waste stream, including but not limited to that information required in Exhibit "F."

3. Multi-Family and Commercial Organics

(1) Beginning April 1, 2016, Grantee shall provide Multi-Family and commercial Organics service to all Multi-Family residential complexes and businesses whose volume of Organics meets the thresholds of AB 1826. Beginning April 1, 2016, Grantee shall work in good faith with the City to offer an opt-inMulti-Family and commercial Organics recycling collection program to all other City Multi-Family residential and commercial customers, on terms mutually agreeable to the Grantee and the City, The Organics recycling program, as described in Exhibit "B," shall allow for the commingling of Organics and Yard Waste (if applicable) in the Organics recycling container provided by the Grantee. The customer shall be required to separate Organics from other Recyclables and Solid Waste. Grantee shall notify all affected Multi-Family residential complexes, businesses and public entities through electronic, print, and/or direct contact communications of the availability of said program each year that explains the State law regarding Organics recycling and how to comply locally, consistent with the manner described in Exhibit "G." If the Grantee fails to comply with or fails to exercise due diligence in complying with this subsection, then the default provisions as specified in Section 13 shall apply.

(2) The Republic Services Recycling Coordinator ("Recycling Coordinator"), assigned half-time to work exclusively on diversionprograms, projects, and efforts within Martinez, shall be responsible for all outreach and training for Organicscustomers. Upon request, Grantee shall provide 64 galloncart(s)forOrganics recycling. Grantee shall provide upon request 23 gallon internal "slim jims," up to two (2) per business, to facilitate the

collection of Organics. Training will include a site visit, determination of slim jim location(s), and explanation of proper Organics preparation. Kitchen pails will be available upon request from the Grantee or City Hall and provided at no cost to Multi-Family customers. Customer shall be required to separate Organics from Solid Waste. Frequency of collection service shall be a minimum of once a week and up to three times per week, as necessary.

(3) Information Required/Reporting. During the term of this Franchise Agreement, Grantee shall provide the City with a quarterly accounting of participatingMulti-Family and commercial Organics customers and the volume of the material collected. On March 1, June 1, September 1, and December 1 of each year during the term of this Agreement, Grantee shall provide the City with an accounting for the Multi-Family and commercial Organics program. Said accounting shall include 1) the number of participating customers; 2) the volume of each of the Organics materials collected; and 3) any additional information required by the City to enable the City to determine any reduced garbage collection and disposal volume, , including but not limited to that information required in Exhibit "G." The Multi-Family Organics volume will be included in the commercial Organics total.

Grantee has hired a half-time Recycling Coordinator assigned to work exclusively on recycling programs, projects, and efforts within Martinez, including Organics recycling. The Recycling Coordinator shall submit monthly reports to the City regarding waste audits, outreach activities, and any other information requested by the City.

D. Hours of Collection

Grantee agrees that, in order to protect the peace and quiet of residents, its arrangements for the collection of solid waste, will provide that collections for residential and commercial areas shall not start before 6 a.m. or continue after 7 p.m., six (6) days per week, excluding Sunday.

E. Collection on Holidays

Grantee has informed City that Grantee's arrangements with its solid waste customers will provide that if the day of collection on any given route falls on a legal holiday, i.e., New Year's Day, or Christmas Day, observed by the materials recovery facility, landfill or other lawful disposal site to which solid waste collected within the Franchise Area is taken for disposal, Grantee shall provide collection service for such route on the work day next following such Holiday and shall not provide collection service on such Holiday, and all subsequent collection days during that Holiday week shall be moved back one day in the discretion of Grantee.

F. City Facilities; Martinez Unified School District Sites

Grantee agrees to provide approved recycling containers, Organics containers and authorized solid waste containers at the City facilities as is described on Exhibit "E," attached hereto and incorporated by this reference, and to provide collection service thereat, at no charge to City. Grantee further agrees to provide free recycling and Organics support and services for Martinez Unified School District and other public entity sites so long as Grantee's solid waste collection services are provided at those sites.

G. Avoidance of Use of Landfill

The intent of this Franchise Agreement is that Grantee shall recycle all Recyclable

materials collected by it under this Agreement, and all Organics and Yard Waste shall be taken to a properly permitted compost facility which is license to accept both food waste and Yard Waste or be used as a biofuel and shall not dispose of such materials in any Solid Waste landfill site without the prior written consent of the City Manager.

(1) The Parties acknowledge that the Contra Costa County Board of Supervisors adopted Ordinance No. 92-105 which has been codified as Code 418-10 of the Contra Costa County Municipal Code and requires, inter alia, that by January 1, 1996, the City shall have implemented a recycling program that requires collection and/or diversion of twelve specified Recyclable materials which include (a) aluminum cans, (b) glass containers, (c) newsprint, (d) PET containers, (e) clear HDPE containers, (f) colored HDPE containers, (g) steel/tin plated containers, (h) cardboard, (i) polystyrene, (j) plastic film, (k) yard waste, (l) paper. Grantee shall collect and recycle all Recyclable materials specified in Contra Costa County Ordinance Code Chapter 418-10 as part of the curbside and drop-off recycling services described in this Section 6 and Exhibit "B" to this Franchise Agreement.

(2) If in City's sole determination changes arise that necessitate any additions or deletions to the work described herein, including the type of items included as recyclable materials, the Grantee shall implement such additions or deletions upon direction from the City to do so. Upon implementation, the parties shall negotiate any necessary changes or amendments to the Agreement which may be necessary as a result of such additions or deletions to the work as directed by City.

(3) The Parties acknowledge that all Organics collected from each category (i.e. Single-Family Units, Multi-Family Units, public entities, commercial and industrial) shall be delivered to a compost facility that is properly permitted to accept food scraps, food soiled paper and Yard Waste or used as biofuel beginning January 1, 2016. Organics shall not under any circumstances be used as ADC and may not be landfilled.

(4) Beginning April 1, 2016, City shall receive without charge up to forty (40) cubic yards of compost each quarter, delivered at a time and location as mutually agreed upon by City and Grantee. Compost can be loose or bagged, at the discretion of the Grantee.

H. City to Approve All Service

The nature of the services Grantee offers and provides to customers residing or doing business in Martinez shall be determined by the City Council. The services that the Grantee offers and provides to its customers affected by this Franchise Agreement shall be subject to the approval of the City Council or its designee.

(1) The services that Grantee shall provide to its residential, commercial and industrial customers under this Franchise Agreement are set forth in Exhibit "B" attached hereto and made a part hereof by this reference.

(2) In addition to the services Grantee shall provide to its residential customers pursuant to paragraph J (1) above, Grantee shall provide all additional services otherwise set forth in this Franchise Agreement.

SECTION 7 - SALVAGE RIGHTS

A. City Controls Wastestream

The parties hereto agree that under this Franchise Agreement the City has the right to own and/or control the collection, disposal and diversion of all waste, including Recyclables and Organics, generated within the Franchise Area ("wastestream"). As part of the rights agreed to

herein, the parties hereto agree that: (i) the City has the right to direct the wastestream to be disposed of or diverted at any solid waste facility or in any manner, respectively, the City may designate; (ii) the City has the right to market and process Recyclables, and (iii) the City has the right to direct the wastestream to be disposed of or diverted at any transfer or processing station the City may designate.

B. City's Jurisdiction

The parties hereto agree that City currently has jurisdiction to regulate the collection, removal, handling and disposal of all solid wastes generated in the Franchise Area. The intent of this Agreement is to regulate residential, commercial and industrial solid waste handling services. However, this Agreement does not regulate the collection, removal and disposal of infectious waste, hazardous waste or septage, irrespective of origin.

(1) Throughout the term of this Agreement, unless the City gives notice as provided for herein and subject to the terms of this Agreement, it shall be the Grantee's sole responsibility and duty to dispose of the solid waste collected by virtue of this Agreement and do so in a safe manner and in compliance with all federal, state and local laws and regulations. In this connection, the Grantee agrees that it shall dispose of all solid waste collected in the Franchise Area at a solid waste facility that is fully licensed and appropriately permitted and, to Grantee's knowledge, is not in material violation of any health, safety or hazardous materials laws, rules, regulations or orders.

(2) City shall be entitled to the right or grant to a third party the right of salvage, at the expense of the City, from the solid waste collection pursuant to this Agreement, but at its sole discretion may delegate this right to, or waive the same in favor of, the Grantee. By entering into this Agreement, the City has temporarily waived its right to salvage and has delegated such to the Grantee; and such waiver and delegation shall continue until notice in writing by the City to the contrary is given. In the event the City independently wishes to exercise its right to salvage, the City shall give in writing to the Grantee notice of its intent and said right shall commence and accrue to the City ninety (90) days from the date of said notice. The salvage rights set forth in this Section specifically are intended to refer to salvage operations once the solid waste is placed by the generator in the waste stream.

C. Effect of City's Control

(1) Notwithstanding anything to the contrary stated above in this Section 7, should the City exercise the rights described herein and through that exercise direct Grantee to dispose of solid waste at a specific landfill or landfills, then the City shall indemnify and hold Grantee harmless (i) from any increased operations costs incurred by Grantee arising out of the disposal of the City's solid waste at the landfill designated by the City and (ii) from any liabilities and damages (including clean-up and remediation costs connected with hazardous waste or materials releases) arising out of the disposal of the City's solid waste at the landfill designated by the City, except that this indemnification and hold harmless provision shall not apply to liabilities and damages caused by the negligence of Grantee.

(2) Grantee shall indemnify and hold the City harmless from any liabilities and damages (including but not limited to clean-up and remediation costs connected with hazardous waste or hazardous materials releases) arising out of disposal of City's wastestream at the Keller Canyon Landfill or any other landfill not directed by City.

SECTION 8

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SECTION 9 - CASH BOND AND INSURANCE

A. Cash Bond

The Grantee shall deposit a cash bond in the sum of One Hundred Thousand Dollars ($100,000.00) in an interest bearing account. The cash bond shall be on terms acceptable to the City Attorney. The cash bond shall serve as security for the faithful performance by Grantee of all the provisions and obligations of this Franchise Agreement and the Restated and Amended Franchise Agreement Between City of Martinez and Republic Services of Contra Costa County (Solid Waste) of even date. All interest shall be paid to the Grantee.

(1) After thirty (30) days following Grantee's failure to pay the City an amount owing under this Franchise Agreement plus interest at the rate of ten percent (10%) per annum, the cash bond may be accessed by the City upon five (5) days' prior written notice to the Grantee for purposes including, but not limited to:

(a) Failure of Grantee to pay the City sums due under the terms of the Franchise Agreement;

(b) Reimbursement of costs borne by the City to correct Franchise Agreement violations not corrected by Grantee, after due notice; and

(c) Monetary remedies or damages assessed against Grantee due to breach of Franchise Agreement.

(2) The Grantee shall deposit a sum of money sufficient to restore the cash bond tothe original amount within thirty (30) days after notice from the City that any amount has beenwithdrawn from the cash bond. The amount of the cash bond shall be adjusted annually by the annual percentage December to December change in the Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-San Jose region ("CPI"). It is acknowledged that as of November 1, 2015, Grantee had deposited a cash bond in the amount of $147,817.84 in conformance with this Agreement.

B. Insurance Coverage

The Grantee shall deposit with the City Clerk copies of insurance policies or endorsements evidencing the existence of policies of insurance and coverages required pursuant to this Franchise Agreement.

SECTION 10 - TERMS: EXTENSIONS

The term of this Franchise Agreement shall commence immediately upon execution and terminate on January 5, 2023.

SECTION 11 - FRANCHISE TRANSFERABLE: CITY CONSENT REQUIRED

A. The franchise granted by this Franchise Agreement shall not be transferred, sold, hypothecated, sublet or assigned, nor shall any of the rights or privileges herein be hypothecated, leased, assigned, sold or transferred, either in whole or in part, nor shall title thereto, either legal or equitable, or any right, interest or property therein, pass to or vest in any person, except the Grantee, either by act of the Grantee or by operations of law, without the prior written consent of the City expressed by resolution. Any attempt by Grantee to assign this franchise without the consent of City shall be void.

B. The City shall not unreasonably withhold its consent to a transfer of the franchise granted by this Franchise Agreement. The City may impose reasonable conditions of approval on a Franchise Agreement transfer, including, but not limited to conditions requiring acceptanceof amendments to the City's Municipal Code and this Franchise Agreement, and the payment of a transfer fee to the City.

C. The term "assignment" shall include any dissolution, merger, consolidation or other reorganization of the Grantee, which results in change of control of the Grantee, or the sale or other transfer by probate proceeding or otherwise of a controlling percentage of Grantee's capital stock to a person not a shareholder on the date of the execution of this Agreement.

D. City consent is required for any change in control of Grantee. "Change in control" shall mean any sale, transfer or acquisition of Grantee. If Grantee is a corporation, any acquisition of more than ten percent (10%) of Grantee's voting stock by a person, or group of persons acting in concert, who already owns less than 50% of the voting stock, shall be deemed a change in control; provided, however, any transfer of ownership of any or all of the stock or assets of Grantee to another wholly-owned subsidiary of Allied Waste Systems, Inc. shall not constitute a change in control.

E. Any change in control of the Grantee occurring without prior City approval shall constitute a material breach of this Franchise Agreement.

F. In the event the Grantee herein attempts to assign or subcontract this Agreement or any part hereof or any obligation hereunder, the City shall have the right to elect to terminate this Agreement forthwith, without suit or other proceeding.

G. No interest of the Grantee in this Agreement shall be assignable by operation of law. Each or any of the following acts shall be considered an involuntary assignment providing the City with the right to elect to terminate the Agreement forthwith, without suit or other proceeding:

(1) If Grantee is or becomes insolvent, or makes an assignment for the benefit of creditors;

(2) If Writ of Attachment or Execution is levied on this Agreement or other property of Grantee such that would affect Grantee's ability to perform its duties and obligations under this Agreement;

(3) If in any proceeding to which Grantee is a party, a Receiver is appointed with authority to take possession of Grantee's property such that would affect Grantee's ability to perform its duties and obligations under this Agreement;

(4) In the event of a probate proceeding where the rights of Grantee under the Agreement would pass to another individual or other individuals.

H. The City's consent to an assignment or change of control may be withheld if inter alia, the following conditions are not satisfied:

(1) The Grantee shall give the City at least ninety (90) days advance written, notice of the Grantee's intent to sell, transfer or assign this Agreement. As part of that notice, the Grantee shall provide to the City the following written information:

(a) The name, address, and telephone number of the proposed assignee.

(b) The character of the legal entity owning or controlling the assignee, and the names, addresses and telephone numbers of all principals, partners, and/or

shareholders thereof, as the case may be.

(c) A copy of any and all purchase and assignment agreements containing, at a minimum, the terms and conditions (but excluding the financial terms) of the sale, transfer or assignment of this Agreement and of Grantee's solid waste and recycling business.

(2) The proposed transferee must be shown, by credible and sufficient evidence, to be qualified, by financial condition, background and experience to be able to fully assume and satisfactorily perform all of the Grantee's obligations hereunder, and, particularly, to be able to perform under this Agreement in a fashion that will assure the City of complying with AB 939 and its SRRE.

(3) Grantee cannot be in default under any of the material terms and conditions hereof.

(4) The transferee must be willing to, in writing, assume all of the obligations hereunder.

SECTION 12 - FRANCHISE TRANSFER: FEES

A. Any application for a franchise transfer shall be made in a manner prescribed by the City Manager. The application shall include a transfer fee in an amount to be set by City by Resolution of the Council, to cover the anticipated cost of all direct and indirect administrative expenses including consultants and attorneys, necessary to adequately analyze the application and to reimburse City for all direct and indirect expenses. In addition, the Grantee shall reimburse the City for all costs not covered by a transfer fee in an amount not to exceed Ten Thousand Dollars ($10,000.00). City's request for reimbursement shall be supported with evidence of the expense or cost incurred. The applicant shall pay such bills within thirty (30) days of receipt.

B. These franchise transfer fees are over and above any franchise fees specified in this Franchise Agreement and shall not be recoverable costs for rate setting purposes.

SECTION 13 - TERMINATION

A. If the City Manager determines that the Grantee's performance pursuant to this Franchise Agreement has not been in conformity with the provisions of this Franchise Agreement, the City Manager may advise Grantee in writing of such deficiencies ("Notice of Default"). The City Manager may, in said Notice of Default, set a reasonable time within which correction of all such deficiencies is to be made. Unless otherwise specified, a reasonable time for correction (or the commencement and diligent pursuit of measures reasonably calculated to correct the deficiencies within a reasonable period of time) shall be sixty (60) days from the receipt by Grantee of the Notice of Default. Any such Notice of Default shall expressly refer to Grantee's right to appeal the Notice of Default within thirty (30) days of receipt of the Notice of Default. The Grantee shall respond to such Notice of Default in writing within ten (10) calendar days of receipt of the Notice of Default. Said response shall detail how and when Grantee intends to remedy the default. The City Manager shall review the Grantee's response and decide whether the response of Grantee is sufficient to remedy the default and shall notify the Grantee of that decision, in writing ("City Manager Decision). The City Manager Decision shall be final and binding on Grantee unless the Grantee files a "Notice of Appeal" with the City Manager within thirty (30) days of receipt of the City Manager Decision. Within ten (10) working days of receipt of a Notice of Appeal, the City Manager may meet and confer with Grantee regarding any issues in dispute, or refer the appeal to the City Council for proceedings in accordance with Section 13 B - C, below. In the event the City Manager determines to meet and confer with the Grantee and the matter is not resolved thereby, the City Manager shall set the appeal for public hearing before the City Council in accordance with Section 13 B - C, below.

B. The City Council, in such case, may meet and confer with Grantee or shall set the matter

for public hearing. In the event that the City Council determines to meet and confer with Grantee and the matter is not resolved thereby, the City Council shall set the matter for public hearing. The City Council shall give Grantee, and any other person requesting the same, fourteen (14) days written notice of the time and place of any hearing set pursuant to this paragraph. At the hearing, the City Council shall consider the report of the City Manager indicating the deficiencies, and shall give the Grantee, or its representatives and any other interested persons, a reasonable opportunity to be heard.

C. Based on the evidence presented at the public hearing, the Council shall determine by resolution whether the Franchise Agreement should be terminated. If the evidence presented at the public hearing establishes that the Grantee has committed a material breach of this Franchise Agreement, the City Council shall make written findings supporting its determinations and, based thereon, may elect to terminate the Franchise Agreement, reduce the rates then being charged by the Grantee or take other appropriate action regarding the Franchise Agreement or Grantee. Grantee's performance under its Franchise is not excused during the period of time prior to the City Council's final determination as to whether such performance is deficient.

D. This right to terminate, reduce rates and/or to take any other appropriate action is in addition to any other rights of City upon a failure of Grantee to perform its obligations under this Franchise Agreement.

E. The City, subject to the procedures set forth in Section 13 A - C, further reserves the right to terminate Grantee's Franchise, or reduce rates or to take other appropriate action in the event (a) any of the following occurs and (b) Grantee fails to commence efforts to timely cure any such deficiencies (except in the case of intentional fraud described in subparagraph 1, in which case no cure period shall apply) within the time period specified in Section 13 A:

(1) If the Grantee practices, or attempts to practice, any intentional fraud upon the City, or makes any intentional material misrepresentations to the City in any of the reports required by this Franchise Agreement.

(2) If the Grantee becomes insolvent, unable to unwilling to pay its debts, or upon listing of an order for relief in favor of Grantee in a bankruptcy proceeding.

(3) If the Grantee fails to provide or maintain in full force and effect, the workers compensation, liability and indemnification coverages or cash bond as required by the Franchise Agreement.

(4) If the Grantee willfully violates any final and binding orders or rulings of any regulatory body having jurisdiction over the Grantee relative to this Franchise Agreement; provided, however, that the Grantee may contest any orders or rulingsby appropriate proceedings conducted in good faith, in which case no breach of the Franchise Agreement shall be deemed to have occurred.

(5) If the Grantee ceases to provide collection service as required under this Franchise Agreement over all or a substantial portion of its Franchise Area for a period of seven (7) days or more, for any reasons within the control of the Grantee.

(6) If the Grantee willfully fails to make any payments required under the Franchise Agreement and/or refuses to provide City with required information, reports and/or test results in a timely manner as provided in the Franchise Agreement.

(7) Any other act or omission by the Grantee which materially violates the terms, conditions or requirements of the Franchise Agreement and which is not correctedor remedied within the time set forth in this Franchise Agreement or, if the Grantee cannot reasonably correct or remedy the breach within the time set forth in such notice, if the Grantee should fail to commence to correct or remedy such violation within the time set in such notice and diligently effect such correction or remedy thereafter.

(8) Multiple or repeated breaches, or a pattern of breaches and subsequent attempts to cure said breaches by Grantee notwithstanding whether any of the breaches are

ultimately cured by the Grantee.

F. Any waiver of a breach shall not be deemed to be a waiver of any subsequent breach or to be construed as approval of a course of conduct.

G. Upon the occurrence of a material breach and the declaration of such and termination of this Agreement by the City Manager or City Council, as the case may be, this Agreement and the franchise granted thereunder shall be of no further force and effect, excepting those provisions concerning City's right to temporarily assume Grantee's obligations. City then shall be free to enter into whatever other arrangements are deemed justified and necessary for the collection, removal and disposal of solid waste within the Franchise Area.

SECTION 14 - RIGHTS OF CITY TO PERFORM DURING EMERGENCY

A. Should Grantee, for any reason whatsoever, except the occurrence or existence of any of the events or conditions set forth in Section 26 A,"Force Majeure," below, refuse or be unable to collect, transport and dispose of any or all the Recyclables which it is obligated under this Franchise Agreement to collect, transport and dispose of for a period of more than seventy-two (72) hours, and if as a result thereof, Recyclables should accumulate in City to such an extent, in such a manner, or for such a time that the City Manager in the exercise of his or her sole discretion, after consultation with City and County health officials should find that such accumulation endangers or menaces the public health, safety or welfare, then in such event City shall have the right, upon twenty-four (24) hour prior written notice to Grantee, during the periodof such emergency, to contract on a temporary basis with third parties to collect and transport any and all Recyclables which Grantee would otherwise be obligated to collect and transport pursuant to this Franchise Agreement.

B. Grantee agrees that in such event it will fully cooperate with City and its third-party contractor to effect such a transfer of operations in as smooth and efficient a fashion as is practicable.

C. All costs, fees, rates and other expenses incurred by the City and/or its third-party contractor that exceed those in effect or being incurred or which would have been incurred had no such emergency arisen shall be the responsibility of the Grantee and shall be paid to the City within 30 days of Grantee's receipt of written notice to so pay.

SECTION 15 – PRIVACY

A. Grantee shall use its best efforts to observe and protect the rights of privacy of customers. Information identifying individual customers, or the composition or contents of a customer's refuse shall not be revealed to any person, private agency or company, unless upon the request of federal or state law enforcement personnel, the authority of a court of law, by statute, or upon valid authorization of the customer. This provision shall not be construed to preclude Grantee from preparing, participating in, or assisting in the preparation of waste characterization studies or waste stream analyses which may be required by AB 939 or any other reports requested by the City under the Franchise Agreement or required or requested by any governmental agency.

B. Grantee shall not market or distribute outside the normal course of its business, mailing lists with the names and addresses of customers.

SECTION 16 - GRANTEE'S BOOKS AND RECORDS: AUDITS

A. Grantee shall maintain a proper set of books and records in accordance with generally accepted accounting principles, accurately reflecting the business done by it under this Agreement.

B. Grantee shall maintain all records relating to the services provided hereunder, including, but not limited to, customer lists, billing records, maps, AB 939 records, and customer complaints, for

the full term of this Franchise Agreement, and an additional period of not less than three (3) years, or any longer period required by law. The City or its agent(s) shall have the right, upon ten (10) business days' advance notice, to inspect all maps, AB 939 records, Grantee's books and records, customer complaints, and other like materials of the Grantee which reasonably relate to Grantee's compliance with the provisions of the Franchise Agreement. Such records shall be made available to City at Grantee's regular place of business, but in no event outside the County of Contra Costa. Grantee shall further maintain and make available to City, records as to number of customers, total and by type, route maps, service records and other materials and operating statistics in such manner and with such detail as City may require. City shall treat the information required by this paragraph that affects the competitive position of the Grantee as confidential information to the extent permitted by law. City shall not make or retain copies or photocopies containing information set forth in Grantee's confidential financial and business records pertaining to the establishment of rates and payment of franchise fees without executing a Confidentiality Agreement providing that City shall hold and keep such copies and photocopies confidential. The Confidentiality Agreement shall be negotiated in good faith between the City and Grantee and commemorated in a separate legally binding document prior to any subsequent rate increase. Any data which the Grantee seeks to be excluded from provisions of the California Public Records Act or any similar federal or state law shall be clearly identified as such by Grantee with the basis for such exclusion clearly specified. In the event the City receives a request under the Public Records Act or any similar federal or state law, or by subpoena, the City shall notify Grantee to permit Grantee to object to the release of the information requested or subpoenaed. In such case, the City shall in its discretion provide public access to said information according to law or tender the defense of any claims made against the City concerning said information to Grantee. Prior to releasing any information pursuant to this paragraph, the City shall make a good faith effort to notify Grantee of the intended release.

C. Should any examination or audit of Grantee's records reveal an underpayment of any fee required under this Franchise Agreement, the amount of such underpayment shall become due and payable to City not later than thirty (30) days after written notice of such underpayment is sent to Grantee by City. Should an underpayment of more than three percent (3%) be discovered, Grantee shall bear the entire cost of the City's audit or examination and said cost shall not be recoverable through rate setting.

D. The information required by this Section shall pertain to Grantee's operations covered and regulated by this Agreement, and nothing contained herein shall require the Grantee to provide the City with information pertaining to the Grantee's operations which are not regulated by the City, except in conformance with this Section.

E. The City and/or its agents may examine Grantee's books, records and financial statements pertaining to operations not regulated by the City for the sole purpose of gathering information necessary to allow the agents to ascertain whether income, expenses, assets and liabilities are reasonably and consistently allocated among operations regulated by City and those not regulated by the City. Grantee shall obtain City's written approval of its method of segregating its financial records between City-regulated and non-City regulated operations.

F. Information gained from examination of records pertaining to operations not regulated by the City shall be treated by the City and its agents as confidential information, except as may otherwise be required by state or federal law.

G. For review of books and other financial records necessary to verify the Grantee's income, expenses, assets and liabilities, "Agent" shall mean an independent Certified Public Accountant, public accountancy firm or designated City employee. For all other information or records, including the results of financial verification, "Agency" shall mean any consultant designated by the City or City employees.

H. Nothing in this Section will prevent City from allowing public access to City records as provided for under the California Government Code, and in the event any dispute arises as to the public access to information provided by Grantee under the terms of this Agreement, the City shall in its discretion provide public access to said information according to law or tender the defense of any

claims made against the City concerning said information to Grantee. Prior to releasing any information pursuant to this paragraph, City shall make a good faith effort to notify Grantee of the intended release.

I. Upon reasonable notice or as otherwise agreed herein, and at those times designated by the City, Grantee shall supply to the City lists of the names of all customers of Grantee who are provided any service by Grantee within the Franchise Area. At the same or other time, the City may request and the Grantee shall provide information specifying each customer's address, type of service provided to that customer, the number and type of authorized solid waste containers used by or provided to each customer, whether and which customers are believed to be violating this Agreement, any mandatory subscription ordinance or any other provision of the law, and any other information that the City determines, in its sound discretion, reasonably required to monitor implementation of this Agreement and/or discharge the City's responsibilities under the law.

SECTION 17 - REPORTS, ADVERSE INFORMATION, AB 939 REQUIREMENTS, AND WASTE AUDIT

A. Annual Reports

Within one hundred twenty (120) days after the close of Grantee's fiscal year (Grantee's fiscal year ends on December 31st of each year), Grantee shall submit to the City a written annual report, in a form approved by the City, including, but not limited to, the following information:

(1) A summary of the previous year's (or, in the case of the initial year, the initial year's) activities including, but not limited to, services begun or discontinued during the reporting year, and the number of customers for each class (i.e. Single-Family, Multi-Family, public entities, commercial and industrial) and level of service for each, number of waste audits conducted, general educational outreach to all commercial accounts, the number of Multi-Family complexes, businesses, and public entities not recycling, and the follow-up efforts to those Multi-Family complexes, businesses, and public entities not recycling ;

(2) A revenue statement, setting forth quarterly Franchise Fees, and the basis for the calculation thereof, certified by an officer of Grantee; and

(3) A list of Grantee's officers and members of its board of directors.

B. Adverse Information

Grantee shall provide City two copies of all reports, or other material adversely reflecting on Grantee's performance under this Franchise Agreement, submitted by Grantee to the California or U. S. EPA, the California Department of Resources, Recycling and Recovery (CalRecycle) or any other federal, state or county agency. Copies shall be submitted to City simultaneously with Grantee's filing of such matters with said agencies. Grantee's routine correspondence to said agencies need not be automatically submitted to City, but shall be made available to City upon written request, as provided in Section 16.

(1) The Grantee shall submit to City copies of all pleadings, applications, notifications, communications and documents of any kind, submitted by the Grantee to, as well as copies of all decisions, correspondence and actions by, any federal, state and local courts, regulatory agencies and other government bodies relating specifically to Grantee's performance of services pursuant to this Franchise Agreement. Any data which the Grantee seeks to be excluded from provisions of the California Public Records Act shall be clearly identified as such by Grantee with the basis for such

exclusion clearly specified. In the event City receives a request under the Public Records Act or any similar federal or state law, or by subpoena, the City shall notify Grantee to permit Grantee to object to the release of the information requested or subpoenaed. In such case, the City shall in its discretion provide public access to said information according to law or tender the defense of any claims made against the City concerning said information to Grantee. Prior to releasing any information pursuant to this paragraph, City shall make a good faith effort to notify Grantee of the intended release.

(2) Grantee shall submit to the City such other information or reports in such forms and at such times as the City may reasonably request or require.

(3) All reports and records required under this or any other section shall be furnished at the sole expense of the Grantee.

C. AB 939 Requirements

(1) During the term of this Franchise Agreement, the Grantee, at Grantee's sole expense, shall submit information and reports required by City to meet its reporting obligations imposed by AB 939, and the regulations implementing AB 939, in a manner approved by City. Grantee agrees to submit such reports and information electronically if requested by City. In responding to requirements established by AB 939, the Grantee agrees to meet the following requirements of the City's Source Reduction and Recycling Element (SRRE), and its amendments:

Section 4 - "Source Reduction". Programs listed under "Programs Selected" for short- and medium- term planning periods, including-

- Increasing Per Can Rate
- Waste Evaluations
- Educational Efforts.

Section 5 -" Recycling Component". Programs listed under "Programs Selected" for short- and medium-term planning periods, including-

- Continuation of Single-Family Curbside Collection
- Implement Multi-Family Curbside Collection
- Continuation of Existing collection of Commercial Recyclables
- Continuation of single-family curbside collection and multi-family collection of Recyclables, with expansion of programs to include additional material types
- Utilize a mixed waste recovery facility to remove Recyclables from waste stream
- Expansion of the commercial recycling program.

Section 6 - "Composting Component". Programs listed under "Programs Selected" for short- and medium- term planning periods, including-

- Implementation of a Curbside Collection of Yard waste program
- Establish a drop-off facility for yard waste (primarily for commercial use)
- Recover yard waste at the transfer station from self haul loads and roll-off bins
- Continued operation of the Curbside Collection of Yard waste program
- Continued operation of the drop-off facility for Yard waste
- Enhanced program to recover yard waste at the transfer station from self haul loads and roll-off bins.

Section 7 - "Special Waste Component"- Programs listed under "Programs Selected" for short- and medium- term planning periods, including-

- Continuation of Bulky Materials/Community Clean Up Collection Days for residents and Businesses
- Transfer Station/MRF Salvaging of Tires, Wood Waste, and White Goods.

Section 8 - "Education and Public Information Component"- Programs listed under "Programs Selected" for short- and medium- term planning periods, including-

- Residential Brochures
- Bill Inserts
- Direct Mail
- Local Newspaper Advertisements
- Commercial Brochures identifying recyclable materials generated at work.

(2) If in City's sole determination, changes arise that necessitate program additions, deletions, or modifications, the Grantee shall implement such additions, deletions, or modifications upon direction from the City to do so. Upon implementation, the parties shall negotiate any necessary cost changes or amendments to the Agreement which may be necessary as a result of such changes to the work, as directed by City.

D. Waste Audits

Upon initiation of new and/or significant change in service to solid waste commercial customers, or upon request of the customer, the Grantee shall perform a waste audit for the affected customer. The audit shall consist of the Recycling Coordinator filling out a form approved by the City that identifies volume and characteristics of solid waste, recycling and Organics being generated by the customer, and to provide information upon which suggestions can be made to reduce such generation and/or recycle and/or compost the waste generated. The assessment shall also consist of determining whether the bin signage is adequate, and if internal signage is needed for the Multi-Family complex tenants or employees of commercial and industrial uses. A copy of the audit shall be provided by the Grantee to: the customer, the City and to Grantee's own files.

E. Monetary Charges For Untimely Report Submittal

The parties agree that at the time of execution of this Franchise Agreement between the City of Martinez and Allied Waste Systems, Inc., d.b.a. Allied Waste Services of Contra Costa County and d.b.a. Republic Services of Contra Costa County (Grantee), it is not possible to quantify all of the damages accruing to City by reason of the Grantee's future failure to timely submit the reports and submittals specified in this Section 17. The City and Grantee therefore agree that in the event Grantee fails to timely submit the reports required under this Section 17 of the Franchise Agreement, after receipt of written Notice of Non-Compliance with the Franchise Agreement as specified in subsection E (1) below for failing to do so, the City Manager may assess Grantee, subject to subsection E (2) immediately below, monetary charges of Two Hundred Dollars ($200.00) per day for each calendar day past the due date specified in the Notice of Non-Compliance that the report(s) are not submitted. The maximum charge which may be assessed for a report not being timely submitted is Ten Thousand Dollars ($10,000.00). Notwithstanding anything to the contrary above, assessment of said charges shall be without prejudice to the City's right to compel Grantee to indemnify and defend the City for any consequential damages resulting from such nonperformance, including without limitation any monetary charges assessed against the City by the California Department of Resources, Recycling and Recovery (CalRecycle).

(1) Written Notice: City shall provide Grantee with a Notice of Non-Compliance with Franchise Agreement ("Notice of Non-Compliance") upon the failure of Grantee to timely submit any report required by the provisions of Section 17 of his Franchise Agreement. The Notice of Non-Compliance shall state that the Grantee is in non-compliance with the applicable report submittal provisions of Section 17 of the Franchise Agreement, and provide a reasonable time, noless than twenty (20) calendar days from the date of the Notice of Non-Compliance, within which the report(s) must be submitted. The City Manager may extend the time specified in the Notice ofNon-Compliance for Grantee to submit the required report(s) upon written request of the Grantee.Any request of the Grantee for an extension of time to submit the report(s) must be submitted tothe City Manager in writing at least five (5) days prior to the

submittal date specified in the Notice of Non-Compliance.

(2) Appeal To City Council. In the event that Grantee does not agree with the assessment of monetary charges by the City Manager for Grantee's failure to submit the required reports as specified in Section 17 and as set forth in the Notice of Non-Compliance, Grantee may appeal the assessment of monetary charges to the City Council. Grantee must file a Notice of Appeal with the City Clerk within thirty (30) days of receipt of the City Manager's determination that monetary charges should be assessed for failure to comply with the date as specified in the Notice of Non-Compliance.

(3) Appeal Hearing. The appeal hearing shall be limited to the issue of whether the assessment of monetary charges pursuant to this subsection is justified based on the facts and circumstances of the matter on appeal. The Council shall receive a report from the City Manager and shall give the Grantee and/or its representatives a reasonable opportunity to be heard and to present evidence to the City Council. The City Council shall thereafter make a written determination with respect to the assessment of monetary charges. Grantee shall pay to the City all monetary charges imposed hereunder within ten (10) working days after the date of the Council's decision. Amounts owed hereunder shall accrue interest at the rate of 10%-per annum from the date due until fully paid. If said charges are not fully and timely paid, the City may proceed against the performance bond required by this Agreement in addition to exercising any other remedy it may have hereunder or at law or in equity.

(4) Failure to Report After Monetary Charges. In the event that Grantee fails to provide the requisite report(s) notwithstanding the City's assessment of and Grantee's payment (or nonpayment) of monetary charges, then City may proceed in accordance with the provisions of Section 13. The refusal, failure or neglect of the Grantee to file any of the reports required, or to provide required information to City or the intentional inclusion of any materially false or misleading statement or representation made knowingly by the Grantee shall be deemed a material breach of the Franchise Agreement, and shall subject the Grantee to all remedies, legal or equitable, which are available to the City under the Franchise Agreement, including, but not limited to, those specified in Section 13.

SECTION 18 - ANNUAL REVIEW OF PERFORMANCE AND QUALITY OF SERVICE

A. From time to time, at its sole discretion, City may examine Grantee's operation in order to evaluate whether or not the Grantee is operating at a satisfactory level of efficiency and customer satisfaction.

Grantee agrees to cooperate in any such examination and shall permit City representatives to inspect, at Grantee's principal place of business, such information pertaining to Grantee's obligations hereunder as City may require, including, but not limited to, such things as customer inquiry records, collection routes and equipment records. Access to Grantee's records shall be subject to Section 16.

B. At City's sole option, within ninety (90) days of the first anniversary of the effective date of this Franchise Agreement, and each year thereafter throughout the term of the Franchise Agreement, City may hold a public hearing at which the Grantee shall be present and shall participate, to review the Grantee's performance and quality of service. The reports required by this Franchise Agreement regarding customer complaints shall be utilized as the basis for review. In addition, any customer may submit comments or complaints during the review meetings, either orally or in writing, and these shall be considered.

C. Within thirty (30) days after the conclusion of the public hearing, City shall issue a report with respect to the adequacy of performance and quality of service. If any non-compliance with the Franchise is found, City may direct Grantee to correct the inadequacies or initiate proceedings in accordance with Section 13 above.

D. Grantee shall provide prompt, efficient, continuous and professional service to its customers.

E. Upon the request of the City, as part of the Annual Review of Performance described above, and not less than six (6) months prior to Grantee's notice of contract renewal, assignment or extension of term, Grantee shall conduct a survey or surveys of all customers to determine their satisfaction with Grantee's service, including, without limitation, response to customer complaints. The survey methodology, format and content shall be subject to the prior review and approval of the City Manager, or his/her designee. A copy of the survey results shall be sent to the City within sixty (60) days of completion of the survey. Nothing in this paragraph shall limit the right of the City to conduct additional surveys. The Grantee shall cooperate with the City in such cases.

F. Upon initiation of service, and at least once a year, Grantee shall send or deliver to its customers information concerning the conditions of service, including, but not limited to, rates, fees, charges, service options, payment options, discounts (if any), days of collections, the amount and manner of refuse to be collected, service level and inquiry/complaint procedures, including the name, address and local telephone number of Grantee. The form and content shall be subject to the review and approval of the City Manager or his/her designee.

SECTION 19 - SYSTEM AND SERVICES REVIEW

To provide for technological, economic, and regulatory changes in solid waste collection, to facilitate renewal procedures, to promote competition in the solid waste industry,and to achieve a continuing, advanced solid waste collection system, the following system and services review procedures are hereby established.

A. At City's sole option, City may hold a public hearing on or about the first anniversary date of the Franchise Agreement in which it reviews the collection systems and services. Subsequent system and services review hearings may be scheduled by City each two (2) years thereafter. It is City's intent to conduct any system and services review concurrently with any Annual Review of Performance and Quality of Service as provided for in Section 18, above.

B. Sixty (60) days after receiving notice from the City, Grantee shall submit a report to City indicating the following:

(1) All solid waste collection and recycling services reported in solid waste collection and recycling industry trade journals that are being commonly provided on an operational basis, excluding tests and demonstrations, to communities in the United States with comparable populations, that are not provided by Grantee to City; and

(2) Changes recommended to improve the City's ability to meet the goals of AB 939;

(3) Any specific plans for provision of such new services by the Grantee along with the estimated expenses and adjustments to rates necessary to compensate Grantee for providing such services, or a justification indicating why Grantee believes that such services are not feasible for the franchise area; and

(4) A capital and equipment purchasing and improvement plan, covering at least the

following two years, in which is described, among other things, the nature of the capital and equipment which Grantee proposes to acquire, estimated costs of same and the likely effect said plan will have on rates.

C. Topics for discussion and review at the system and services review hearing shall include, but shall not be limited to, services provided, customer complaints, rights of privacy, amendments to the Franchise Agreement, developments in the law, new initiatives for meeting or exceeding AB 939's goals and regulatory constraints.

D. City and the Grantee may each select additional topics for discussion at any system and services review hearing. The Grantee agrees to cooperate in any such examination and shall provide for inspection to the City or its designated representatives, at the Grantee's principal place of business, such information as the City may require, including but not limited to, such things as collection routes and equipment records.

E. Not later than sixty (60) days after the conclusion of each system and services review hearing, City shall issue a report. The report shall summarize the systems and services review hearing and address services not being provided to City that are considered technically and economically feasible by City. City may require Grantee to provide such services within a reasonable time, for reasonable rates and compensation.

SECTION 20 - COMPENSATION

A. Grantee Rates

Grantee shall provide the services described in this Franchise Agreement for the rates specified in Exhibit "C." Multi-Family Unit customers shall be subject to the specific services and rates identified herein and contained within Exhibits B and C to this Agreement. Said rates shall be subject to the following conditions:

(1) Effective Date

The rates specified in Exhibit "C" shall be effective as of January 1, 2011, or later if specified therein, and any adjustments thereto were made in accordance with the Rate Setting Process and Methodology Manual for Solid Waste Charges dated March 2011 and approved May 4, 2011 ("Rate Setting Manual"). The rates specified in Exhibit "C" shall include the implementation of all the services described in Section 6 and Exhibit "B" hereto, as well as the services described in Section 6 and Exhibit "B" to the Restated and Amended Franchise Agreement Between City of Martinez and Republic Services of Contra Costa County (Solid Waste) of even date. Grantee shall deliver written notice to the City certifying that said services have been implemented. Unless otherwise stated, the cost of the services provided by Grantee are assumed to be recovered as part of the rate base.

(2) City's Powers

Except as provided under the "Dispute Resolution" provision of the Rate Setting Manual), the City Council shall review, and in accordance with the methodology as set forth in the Rate Setting Manual, approve adjustments to rates and charges assessed by Grantee for any and all services and activities it performs or engages in the Franchise Area. That only some of Grantee's services and activities are rate-regulated by this Franchise Agreement shall not be construed as a waiver of the City's rights to regulate the rates or charges assessed by Grantee for services covered by this Franchise Agreement.

B. Rate Regulation Procedures

During the term of this Agreement, residential, commercial and industrial solid waste and recycling collection rates will be regulated and adjusted in accordance with the Rate Setting Manual. A true and correct copy of the Rate Setting Manual is attached hereto as Exhibit "D" and hereby incorporated by reference as though fully set forth herein.

C. Resolution of Issues Regarding the Rate Regulation

Except as provided under the "Dispute Resolution" provision of the Rate Setting Manual, any issue regarding rates, or the computation thereof, or any other question regarding Grantee's reimbursement for fees, special services or extraordinary costs described in Exhibit "C," shall be decided by the City Council or the arbitrators under the Rate Setting Manual, as the case may be. The rates in effect at the time any issue or dispute is submitted to the City Council shall remain in effect pending resolution of any issue or dispute. The effective date of any dispute resolution, whether retroactive or prospective, shall reasonably be determined by the City Council or the arbitrators appointed under the Rate Setting Manual, as the case may be.

D. Billing and Payment

(1) Grantee shall bill all customers for all services, whether regular or special. Grantee shall provide bills showing, in one amount, all charges for all classifications of services. However, the charges for late payments shall be separately shown. The Grantee shall collect, for City, AB 939 fees, but shall not designate that portion of a customer's bill attributable to the franchise fee collected by Grantee for City, as a separate item on a customer's bills. Billings may be made every two months (and if in advance, for no more than two (2) months) for all services to residential customers.

(2) City may, at City's sole option, upon such terms and conditions as may be mutually agreed upon between the parties, elect to bill residents for solid waste collection. If City elects to do so, mutually agreed upon guidelines will be established and amended into this Agreement. The portion of the solid waste collection rates paid to Grantee which is attributable to billing for services shall be assigned to City.

E. Delinquent Accounts

Grantee may discontinue service as set forth in this Section. Persons who have not remitted required payments within thirty (30) days after the date of billing shall be notified on forms approved by the City. Said forms shall contain a statement that services may be discontinued fifteen (15) days from the date of notice if payment is not made before that time. Upon payment of the delinquent fees as set forth in Exhibit "C," Grantee shall resume collection on the next regularly scheduled collection day.

F. Refunds

Grantee shall refund to each customer, on a pro rata basis, any advance service payments made by such customer for service not provided when service is lawfully discontinued by the customer or for service not provided by Grantee due to no fault of the customer.

G. Bills Paid Locally

At its sole cost, Grantee shall establish a method by which customers may pay bills at a minimum of one location located in the Downtown area of the City, Monday through Friday, excluding holidays. Currently, the approved location is Char's Flower Shoppe, 635 Main Street,

Martinez, California. Payments will be accepted during normal banking hours. Any changes in the location must be approved by the City.

SECTION 21 - COLLECTION EOUIPMENT

A. Grantee warrants that it shall provide an adequate number of vehicles and all equipment for the collection, and transportation services for which it is responsible under this Franchise Agreement. All vehicles used by Grantee under this Franchise Agreement shall be registered with the Department of Motor Vehicles of the State of California, shall be kept clean and in good repair, and shall be uniformly painted. Solid waste collection vehicles shall be washed such that they are maintained in a clean and sanitary condition. Grantee's name, telephone number and vehicle number shall be visibly displayed on its vehicles. Loads shall be kept completely covered at all times except when material is being loaded or unloaded or when vehicles are en route in theprocess of collection. Collection vehicles shall be designed and operated while en route in such a manner as to prevent solid waste and leachate from leaking, escaping or spilling. Any spillage of materials shall be immediately cleaned up by Grantee at Grantee's sole expense. The noise level generated by compaction vehicles using compaction mechanisms during the stationary compaction process shall be such that it does not unreasonably interfere with the quiet enjoyment of nearby properties. Grantee shall submit to City, annually, a certificate of vehicle noise level testing of all vehicles by an independent testing entity. The equipment of Grantee used under this Franchise Agreement shall be subject to inspection by City on a semiannual basis but shall not be subject to any permit fees therefor.

Notwithstanding the generality of the forgoing, Grantee's equipment shall at all times be in conformance with the City's Municipal Code provisions applicable thereto.

B. At least annually, the Grantee shall provide the City a written list of all equipment (including trucks, processing equipment and containers) being used within the City's limits, including make and model, age, mileage, type of vehicle, etc.

SECTION 22 - PUBLIC ACCESS TO GRANTEE

A. Location; Telephone Service

The Grantee shall maintain an office within one mile of the City limits where bills may be paid and complaints can be received, which shall be located at 441 N. Buchanan Circle, Pacheco, California. The office shall be open, at a minimum, from 8 a.m. to 4:30 p.m. on all business/ collection days. The Grantee shall also maintain telephone services with a number which does not involve a toll call from within the City. The average hold time on customer calls should not exceed 60 seconds. The Grantee shall provide either a representative; telephone answering service; or recorded message (with an emergency telephone number available) to receive customer inquiries during those times when the office is closed. Call back messages left on a business/collection day before noon shall be returned by the end of the same day. Calls received after noon or after normal business hours shall be returned before noon of the next business/collection day. Grantee shall maintain the capability of responding to telephone calls: (1) in English and such other languages as City may direct; and (2) through telecommunications device for the deaf (TDD) services. Grantee shall install telephone equipment sufficient to handle the volume of calls typically experienced on the busiest days and such telephone equipment shall be capable of recording the responsiveness to each call.

B. Service Complaints

(1) All customer complaints shall be directed to Grantee. Grantee shall record all complaints received by mail, by telephone or in person (including date, name, address of complainant and nature of complaint). Grantee agrees to use its best efforts to resolve all complaints by close of business of the second business (waste collection)

day following the date on which such complaint is received. Service complaints may be investigated by the City's Solid Waste and Recycling Coordinator ("City Coordinator"), or his/her designee. Unless a resolution satisfactory to the complainant, the Grantee and the City Coordinator is reached, the complainant may refer the matter to the City Manager or his/her designee for review.

(2) Grantee will maintain records listing the date of customer complaints, the customer, describing the nature of the complaint or request, and when and what action was taken by the Grantee to resolve the complaint. All such records shall be maintained for a period of twenty-four (24) months and shall be available for inspection by the City.

C. Government Liaison Person

The Grantee shall designate a "government liaison person" who shall be responsible for working with the City Coordinator to resolve consumer complaints. Unless a resolution satisfactory to the complainant, the Grantee and the City Coordinator is reached, the complainant may refer the matter to the City Manager or his/her designee for review.

D. Regular Meetings with City

At least every semiannually, or as often as requested by the City, Grantee shall meet with the City at City Hall to discuss matters of mutual concern including but not limited to, problems in Grantee's service, compliance with AB 939 and future planning. The person attending these meetings on behalf of Grantee shall be vested with sufficient authority to make decisions binding on Grantee.

SECTION 23 - CUSTOMER COMPLAINTS

A. The Grantee shall notify customers of this complaint arbitration procedure at the time customers apply for service, and subsequently, annually.

B. A customer dissatisfied with Grantee's decision regarding a complaint may ask the City to review the complaint. To obtain this review, the customer must request City review within thirty (30) days of receipt of Grantee's response to the complaint, or within forty-five (45) days of submitting the complaint to the Grantee, if the Grantee has failed to respond to the complaint. The City may extend the time to request its review for good cause.

C. The City Manager shall determine if the customer's complaint is justified, and if so, what remedy, if any, shall be imposed. The remedy under this Section shall be limited to a rebate of customer charges related to the period of breach of any of the terms of this Franchise Agreement.

SECTION 24 - SERVICE EXCEPTIONS: HAZARDOUS WASTE NOTIFICATIONS

A. The parties hereto recognize that federal, state and local agencies with responsibility for defining hazardous waste and for regulating the collection, hauling or disposing of such substances, are continually providing new definitions, tests and regulations concerning these substances. Under this Agreement, it is Grantee's responsibility to keep current with the regulations and tests on such substances, to identify such substances and to comply with all federal, state and local regulations concerning such substances. Grantee shall make every reasonable effort to prohibit the collection and the disposal of hazardous waste in any manner inconsistent with applicable law.

B. When Recyclables are not collected from any approved recycling container, Grantee shall notify its customer why the collection was not made and shall attach tags approved by the City to the Recyclables or waste not so collected which clearly identify the reasons for such non-

collection.

C. Grantee has represented to City that Grantee will carry out its duties to notify all agencies with jurisdiction, including the California Department of Toxic Substances Control and Local Emergency Response Providers, and, if appropriate, the National Response Center, of reportable quantities of hazardous waste, found or observed by Grantee in solid waste anywhere within the City, including on, in, under or about City property, including streets, easements, rights of way and city waste containers. In addition to other required notifications, if Grantee observes any substances which it or its employees reasonably believe or suspect to contain hazardous wastes unlawfully disposed of or released on City property, including streets, storm drains, or public rights of way, Grantee also will immediately notify the City Manager, or the City Manager's designee.

D. Grantee shall conduct visual surface inspections, in accordance with its current operating practices, of all solid wastes that it collects, transports and/or disposes pursuant to this Franchise Agreement for the purpose of discovering, identifying and refusing to collect, transport and dispose of hazardous wastes or materials.

E. Household Hazardous Waste Program

Except as provided in this subsection 24 E, Grantee shall not collect, handle, process, transport, arrange for the transport of or dispose of hazardous waste pursuant to this Franchise Agreement. Notwithstanding the immediately preceding sentence to the contrary, the Grantee shall provide hazardous waste materials handling in accordance with the program it is presently offering, which is described in Section 6 A (3) of this Franchise Agreement and Exhibit "B".

SECTION 25 - INDEMNIFICATION AND INSURANCE

A. Indemnification of City

(1) Grantee shall defend with counsel reasonably acceptable to the City and indemnify and hold harmless the City from and against any and all liabilities, costs, claims and damages which are caused by Grantee's failure to comply with the laws described in Section 4, including but not limited to liabilities, costs, claims and damages described in Section 7 D (2), but excluding liabilities, costs, claims and damages pertaining to hazardous waste and materials not described in Section 7 D (2).

(a) The City takes the position that the former franchise agreement with Martinez Sanitary Service and assigned to Grantee includes the obligation on the part of the Grantee to defend and indemnify the City for hazardous waste liabilities arising out of the Grantee's performance under the Franchise Agreement, including those liabilities arising out of Grantee's generation of, arranging for, collecting of, handling of, disposing of or releasing of hazardous wastes under CERCLA, RCRA, or any other pollution or hazardous materials law or regulation. Grantee contends that it has no such obligation under the Franchise Agreement or under the law and disputes the City's contention in its entirety. Consequently, except as is provided in Sections 7 and 25 A (1) above, no agreement has been reached between the City and the Grantee on this indemnification issue and, as such, it is not resolved as part of the Franchise Agreement.

(2) Grantee agrees that it shall protect, defend with counsel reasonably acceptable to City, indemnify and hold harmless the City, its officers, employees and agents from and against any and all losses, liabilities, fines, penalties, claims, damages, liabilities or judgments, including attorney's fees, arising out of or resulting in any way from

Grantee's exercise of the franchise, unless such claim is due to the sole active negligence or willful misconduct acts of the City, its officers, employees, agents or contractors, or from the City's grant of this franchise to Grantee.

(3) In addition, Grantee shall defend with counsel reasonably acceptable to the City, indemnify and hold the City harmless from any and all litigation and claims, damages and liabilities arising therefrom, brought to enforce or to challenge the Franchise Agreement, the City's actions thereunder, and/or Grantee's exclusive rights granted thereunder; provided, however, that Grantee's obligations hereunder extend only to actions brought against or by persons not parties to this Agreement; and, provided, further, that Grantee's obligations hereunder do not extend to any litigation or dispute between the City and Mt. View Sanitary District concerning their respective powers to control the collection and disposal of solid waste in the City's corporate limits. Notwithstanding the immediately preceding sentence, Grantee hereby waives any and all claims for damages that it may now or hereafter have relating to any dispute between the City and Mountain View Sanitary District concerning the respective powers of same, and in this regard, Grantee shall not be entitled to any damages or any compensation whatsoever as a result of any reduction of the Franchise Area or termination of this Franchise Agreement due to claims by Mountain View Sanitary District relating thereto.

B. Indemnification of Grantee

The City shall defend, with counsel reasonably acceptable to Grantee, indemnify and hold Grantee harmless from any and all fines, penalties and assessments levied against or threatened to be levied against the City and/or Grantee for the City's failure to meet the requirements of AB 939, its amendments or any successor legislation and/or all rules and regulations promulgated thereunder if said failure is due to the sole active negligence or willful misconduct of the City, including but not limited to the City's failure to adopt source reduction and recycling elements mandated under AB 939.

C. AB 939 Indemnification

(1) In addition, Grantee shall defend with counsel reasonably acceptable to the City, indemnify and hold the City harmless from any and all fines, penalties and assessments levied against or threatened to be levied against the City for the City's failure to meet the requirements of AB 939, its amendments or any successor legislation and/or all rules and regulations promulgated thereunder if said failure results from Grantee's failures as described in Exhibit "C" to the Consent to Assignment of Franchise Agreement between the City and the Grantee dated March 30, 1992, or its failures to comply with this Franchise Agreement and/or Grantee's failure to comply with said laws, rules or regulations, including but not limited to failing to timely supply to the City the reports and information required by the City in order to comply with AB 939.

(2) In addition, Grantee will defend, indemnify and hold the City harmless and pay all fines, assessments and penalties resulting from the City's failure to comply with AB 939, its amendments and successor legislation, and/or all regulations and rules promulgated thereunder to the extent said failure is a consequence of the City's residents' failure to participate in the solid waste programs and/or services made available to them by the City and/or Grantee; provided, however, that this indemnity and hold harmless shall not apply unless, upon the request of Grantee, the City Council has passed a resolution providing for an increase in Grantee's rates to fully compensate Grantee for its payments hereunder, which resolution shall become effective upon Grantee's payment of such fines, assessments and penalties.

D. Workers' Compensation Insurance

Grantee shall obtain and maintain in full force and effect throughout the entire term of this Franchise Agreement full workers' compensation insurance in accord with the provisions and requirements of the Labor Code of the State of California. Endorsements that implement the required coverage shall be filed and maintained with the City Clerk throughout the term of this Franchise Agreement. Such policy shall provide that it will not be cancelled without first giving thirty (30) days written notice to the City. Said Worker's Compensation insurance shall include the following endorsement: "All rights of subrogation are hereby waived against the City, its officers and employees when acting within the scope of their appointment or employment."

E. General Liability Insurance

Grantee shall obtain and maintain in full force and effect throughout the entire term of this Franchise Agreement a Broad Form Comprehensive General Liability (occurrence) policy with a minimum limit of FOUR MILLION DOLLARS ($4,000,000.00) aggregate and TWO MILLION DOLLARS ($2,000,000.00) per occurrence for bodily injury and property damage, with any self-insured retention not exceeding $200,000.00 per occurrence. Said insurance shall protect Grantee and City from any claim for damages for bodily injury, including accidental death, as well as from any claim for property damage which may arise from ongoing and completed operations performed pursuant to this Franchise Agreement, whether such operations be by Grantee itself, or by its agents, employees and/or subgrantees. Copies of the policies or endorsements evidencing the above required insurance coverage shall be filed with the City Clerk. Endorsements are required to be made a part of all of the following insurance policies required by this Section:

(1) "The City, its employees, agent, Grantees and officers, are hereby added as insureds as respects liability arising out of activities performed by or on behalf of Grantee."

(2) "This policy shall be considered primary insurance as respects any other valid collectible insurance the City may possess including any self-insured retention the City may have, and any other insurance the City does possess shall be considered excess insurance and shall not contribute with it."

(3) "This policy shall act for each insured, as though a separate policy had been written for each. This, however, will not act to increase the limit of liability of the insuring company."

(4) "Thirty (30) days' prior written notice by certified mail, return receipt requested, shall be given to the City in the event of suspension, cancellation, reduction in coverage or in limits or non-renewal of this policy for whatever reason. Such notice shall be sent to the City Clerk."

The limits of such insurance coverage, and companies, shall be subject to review and approval by the City Manager every year and may be increased at that time and match the coverage provided by the City's own liability insurance policy. The City shall be included as an additional insured on each of the policies, or policy endorsements.

F. Modification

The insurance requirements provided herein may be modified or waived in writing by the City Council, provided the City Council determines that such waiver or modification does not unreasonably increase the risk of exposure to the City, including the fact that the parent of Grantee may be self-insured up to a certain acceptable amount.

SECTION 26 - GENERAL

PROVISIONSA. Force Majeure

Grantee shall not be in default under this Franchise Agreement in the event that the collection, transportation and/or disposal services of Grantee are temporarily interrupted or discontinued for any of the following reasons: riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides and fires, or othercatastrophic events which are beyond the reasonable control of Grantee. Events of force majeure and "other catastrophic events" do not include labor disturbances, the financial inability of the Grantee to perform each and every obligation of Grantee or failure of the Grantee to obtain any necessary permits or licenses from other governmental agencies or Grantee's inability to obtain or maintain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of the Grantee.

(1) Labor Disturbance

Notwithstanding anything in subsection A above to the contrary, in the event a labor disturbance interrupts collection, transportation and/or disposal of solid waste or Recyclables by Grantee as required under this Franchise Agreement, City may elect to exercise its rights under Section 13 of this Franchise Agreement only upon the expiration of 14 calendar days from the commencement of a service interruption due to a labor disturbance. "Labor disturbance" includes, without limitation, strikes, lockouts, sick-outs, or similar actions.

B. Independent Contractor

Grantee is an independent contractor and not an officer, agent, servant or employee of City. Grantee is solely responsible for the acts and omissions of its officers, agents, employees, Grantees and subgrantees, if any. Nothing in this Franchise Agreement shall be construed as creating a partnership or joint venture between City and Grantee. Neither Grantee nor its officers, employees, agents or subgrantees shall obtain any rights to retirement or other benefits which accrue to City employees.

C. Pavement Damage

Notwithstanding the Franchise Fee, community impact payment specified in Section 3 B of the Restated and Amended Franchise Agreement Between City of Martinez and Republic Services of Contra Costa County (Solid Waste) of even date, and AB939 and Climate Action Plan support payments specified in Section 3 B of this Franchise Agreement, Grantee shall be responsible for any extraordinary damage to City's driving surfaces, whether or not paved, resulting from the weight of vehicles providing collection services at the location of bins and containers on public property. This Franchise Agreement does not purport to affect, in any way, Grantee's civil liability to any third parties.

D. Property Damage

Notwithstanding the Franchise Fee, community impact payment specified in Section 3 B of the Restated and Amended Franchise Agreement Between City of Martinez and Republic Services of Contra Costa County (Solid Waste) of even date, and AB939 and Climate Action Plan support payments specified in Section 3 B of this Franchise Agreement, any physical damage caused by the negligent or willful acts or omissions of employees, Grantees or subgrantees of the Grantee to private or public property shall be repaired or replaced by Grantee, at Grantee's sole expense.

E. Right of Entry

Grantee may assume, until receipt of written notice revoking permission to pass is delivered to Grantee, to enter or drive on any private street, court, place, easement or other private property for the purpose of collecting or transporting solid waste pursuant to this Franchise Agreement.

F. Law to Govern: Venue

The law of the State of California shall govern this Franchise Agreement. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Contra Costa. In the event of litigation in a U. S. District Court exclusive venue shall lie in the Northern District of California.

G. Fees and Gratuities

Grantee shall not, nor shall it permit any agent, employee or subgrantee employed by it to, request, solicit, demand or accept, either directly or indirectly, any compensation or gratuity for the collection of solid waste otherwise required to be collected under this Franchise Agreement.

H. Prior Agreements and Amendment

No amendment of this Franchise Agreement shall be valid unless in writing duly executed by the parties. Except as to Exhibit "C" to Consent to Assignment of Franchise Agreement dated March 30, 1992, and as to the Consent to Franchise Assignment dated March 3, 1999, by and between the City, the Grantee and Browning-Ferris Industries of California, Inc., this Franchise Agreement contains the entire agreement between the parties and no promises, representations, warranty or covenant not included in this Franchise Agreement have been or are relied upon by either party. This Franchise Agreement is intended to and does supersede and replace the January 4, 1978, and January 14, 1987 agreements between Martinez Sanitary Service and the City, City Resolutions 170-80, 220-81, 154-85, 157-87, 134-89, 175-90 and 74-91, the Second Addendum to Contract Between City of Martinez and Bart Bisio, dba Martinez Sanitary Service executed on March 30, 1992 and the Original Agreement.

I. Compliance with Franchise Agreement

Grantee shall comply with those provisions of the City's Municipal Code which are applicable, and with any and all amendments to such applicable provisions during the term of this Franchise Agreement, subject to Section 1 C.

J. Notices

All notices required or permitted to be given under this Franchise Agreement shall be in writing and shall be personally delivered or sent by telecopier or United States certified mail, postage prepaid, return receipt requested, addressed as follows:

To City: City Manager
City of Martinez
525 Henrietta Street
Martinez, CA 94553-2394
Telecopier Number (925) 229-5012

Copy to: Solid Waste and Recycling Coordinator
City of Martinez
525 Henrietta Street
Martinez, CA 94553-2394
Telecopier Number (925) 229-5012

And to: City Attorney
City of Martinez
670 West Napa Street, Suite F
Sonoma, CA 95476
Telecopier Number (707) 996-9603

To Grantee: Mr. Tim Argenti
Allied Waste Systems, Inc.
441 N. Buchanan Circle
Pacheco, CA, 94553
Telecopier Number (925) 685-8153

Copy to: Mr. Tom Bruen
Law Office of Thomas M. Bruen
1990 North California Blvd., Suite 620
Walnut Creek, CA 94596
Telecopier Number (925) 295-3132

Or to such other address as either party may from time to time designate by notice to the other given in accordance with this Section. Notice shall be deemed effective on the date personally served or sent by Telecopier or, if mailed, three (3) business days from the date such notice is deposited in the United States mail.

K. Savings Clause and Entirety

If any non-material provision of this Franchise Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the validity and enforceability of any of the remaining provisions of this Franchise Agreement.

L. Exhibits Incorporated

Exhibits "A" through "G" are attached to and incorporated in this Franchise Agreement by reference.

M. Identification Required

Grantee shall provide its employees, Grantees and subgrantees with identification for all individuals who may make personal contact with residents of the City.

N. Joint Drafting

This Franchise Agreement was drafted jointly by the parties to the Franchise Agreement.

O. Contest of Agreement's Terms by the Parties

In the event either party to this Agreement attempts to challenge the validity of any portion of this Agreement, such action in attempting to challenge the Agreement shall constitute a material breach of this Agreement and the nonbreaching party shall have the right to elect to terminate forthwith without suit or other proceeding.

P. Police Powers

Nothing in this agreement is intended to or may limit City authority pursuant to its police power.

Q. Affiliated Entities

Whether or not Grantee shall provide information necessary to satisfy City that the charges made by any affiliated entity are reasonable, shall be determined as part of the rate review process described in Section 20 B. Information gained from examination of books and records pertaining to operations not regulated by the City shall be treated by the City and its agents as confidential information in accordance with a Confidentiality Agreement described in Section 16 B. Any data which the Grantee seeks to be excluded from provisions of the California Public Records Act or any similar federal or state law shall be clearly identified as such by Grantee with the basis for such exclusion clearly specified. In the event City receives a request under the Public Records Act or similar state or federal law, or by subpoena, the City shall notify Grantee to permit Grantee to object to the release of the information requested or subpoenaed. In such case, the City shall in its discretion provide public access to said information according to law or tender the defense of any claims made against the City concerning said information to Grantee. Prior to releasing any information pursuant to this paragraph, City shall make a good faith effort to notify Grantee of the intended release.

"Affiliated entity" shall be defined, for purposes of this paragraph, as any entity which provides products or services to Grantee and in which either Grantee or the affiliated entity owns a ten percent (10%) or greater interest in the other, or where one person or entity owns ten percent (10%) or greater interest in both. City shall have the right to inspect the financial records of any affiliated entity. For purposes of this paragraph, the term "Grantee" shall include Grantee, and if Grantee is an individual, or a group of individuals (partnership) all immediate family members, or if a corporation, major shareholders and any major shareholder is an individual, said individuals' immediate family members. For the purpose of this paragraph, "immediate family" includes spouses and relatives of the first degree of sanguinity, and their spouses.

WITNESS the execution of this Agreement on the day and year first written above.

CITY OF MARTINEZ

By:_____
City Manager

ATTEST:

By:_____, Deputy
City Clerk

APPROVED AS TO FORM:

By:_____
City Attorney

ALLIED WASTE SYSTEMS, INC., d.b.a. REPUBLIC SERVICES OF CONTRA COSTA COUNTY

By:_____

Name: Timothy M. Argenti

Title: General Manager

APPROVED AS TO FORM:

By:_____
Thomas M. Bruen, Attorney for Grantee

EXHIBIT A - FRANCHISE AREA

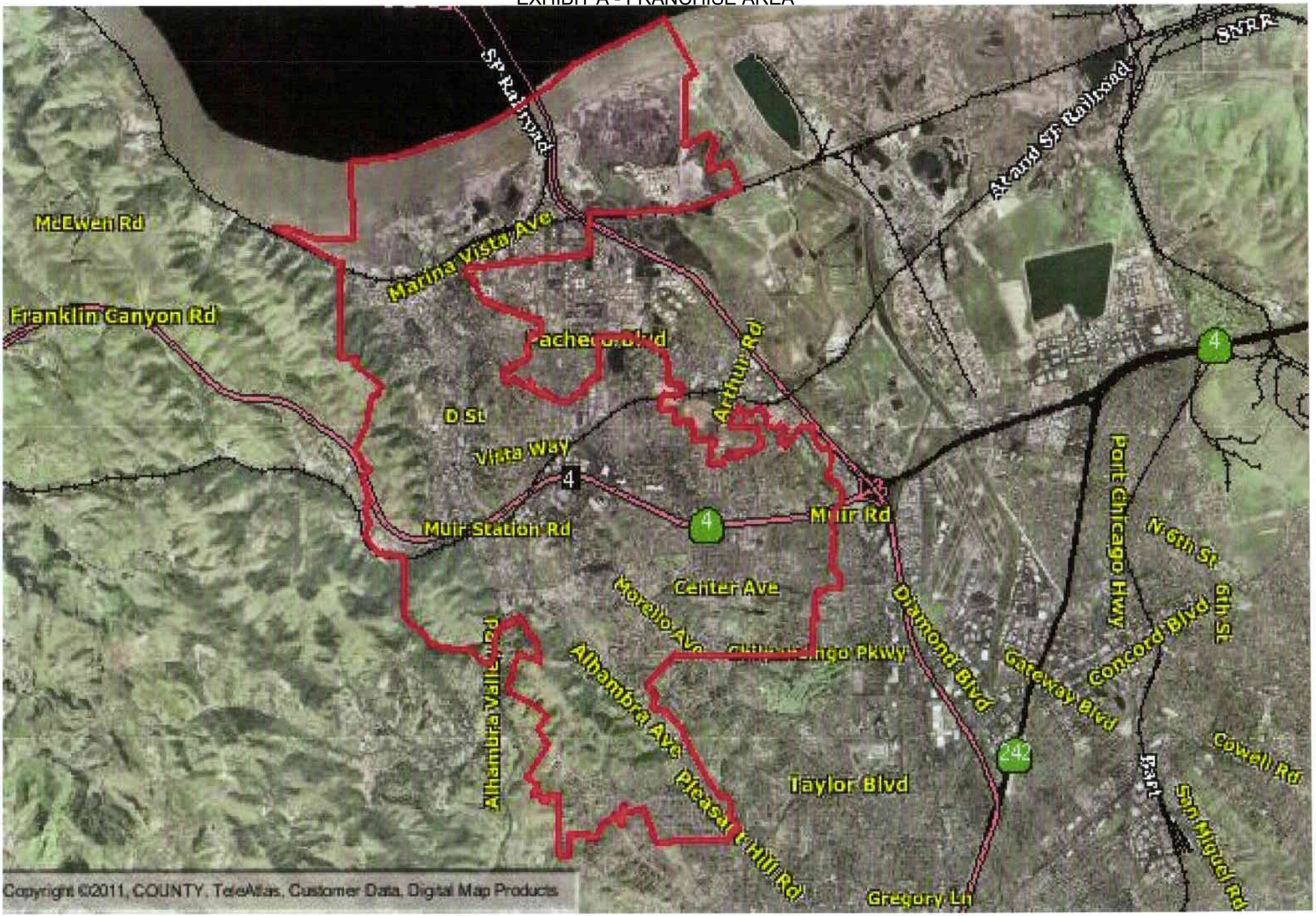

Exhibit B.

Residential Solid Waste, Residential Recycling, Residential Organics and Yard Waste, Commercial Solid Waste, Commercial Recycling, Commercial Organics, Industrial Solid Waste, Industrial Recycling and Industrial Organics Services

Residential Solid Waste Services– Single Family Units

1. Republic Services of Contra Costa County shall provide each City Single-Family Unit with a 20, 32, 64, or 96-gallon cart for weekly solid waste collection service. Republic Services of Contra Costa County shall have sufficient reserves of carts to allow for future changes in customer cart size preferences and carts that are stolen or lost. Republic Services of Contra Costa County shall automate the City's residential refuse collection operations in areas where automation is determined feasible. Units in Multi-Family residential complexes that are not provided one or more common containers shall be considered Single-Family Units.

2. Effective July 1, 2011, and twice each calendar year, any Single-Family residential unit customer may call Republic Services of Contra Costa County to have the customer's solid waste collected at no charge with a three (3) cubic yard quantity limit and subject to materials and weight limitations. Such limitations are subject to prior approval from the City.

3. Effective July 1, 2011, Republic Services of Contra Costa County shall provide at no charge to all Single-Family residential customers two (2) separate on-call pickups at the curb each calendar year for large bulky items. A list of allowable items is included for reference. Additional items beyond the two (2) free items would be picked up for a fee not to exceed that shown on the price list below:

Bulky Item Maximum Fee List

Description	Per Unit Fee
1. Twin mattress	$40.00
2. Twin box spring	$40.00
3. Double mattress	$40.00
4. Double box spring	$40.00
5. Queen mattress	$40.00
6. Queen box spring	$40.00
7. King mattress	$40.00
8. King box spring	$40.00
9. Stove	$40.00
10. Dryer	$40.00
11. Washer	$40.00
12. Dishwasher	$40.00
13. Hot water heater	$40.00
14. Couch/sofa	$40.00

15.	Hide a bed	$40.00
16.	Refrigerator (pick up and Freon removal)	$100.00
17.	Freezer (pick up and Freon removal)	$100.00
18.	Air conditioner (pick up and Freon removal)	$100.00
19.	Swamp cooler	$40.00
20.	Tires (less than or equal to19")	$6.00
21.	Tires with rim (less than or equal to19")	$8.00
22.	Tires (larger than 19")	$9.00
23.	Tires with rim (larger than 19")	$14.00
24.	TV (32" or smaller)	$25.00
25.	TV (larger than 32")	$40.00
26.	Computer monitors	$25.00
27.	E-waste (up to 3 pieces)	$5.00
28.	Extra 32-gallon bag	$2.50

Residential Solid Waste Services– Multi Family Units

1. Republic Services of Contra Costa County shall provide Multi-Family Unit complexes which have one or more common container and are therefore considered commercial accounts with 32 gal, 64 gal or 96 gal cart service and one (1) to eight (8) cubic yard bin service, collected not less often than once per week.

2. Effective July 1, 2011, Republic Services of Contra Costa County shall provide Multi-Family Unit complexes with two (2) on-call solid waste pickups each calendar year. The property manager or designated representative must call in advance to schedule a debris box, and Republic Services of Contra Costa County will determine the appropriate debris box size based on the size of the complex. Republic Services of Contra Costa County will provide the property manager/designee with information to distribute to the tenants regarding the acceptable material for the cleanups. Republic Services of Contra Costa County will provide Bulky Item pick-up for a fee not to exceed that specified in the "Bulky Item Maximum Fee List" included with this Exhibit B.

Commercial Solid Waste Services

Service Description	Service Level Per Week
32, 64, 96 Gallon Commercial Cart Service	1 to 5 times
One (1) to Eight (8) cubic yard containers	1 to 5 times
Special Service	On-Call

Industrial Solid Waste Services

Service Description	Service Level Per Week
Roll-Off Debris Box Service	Scheduled or On-Call
20,30, 40 Cubic Yard Debris Boxes	Monday-Friday with some Saturday Service

Residential Recycling Services – Single Family Units

1. Republic Services of Contra Costa County shall provide weekly curbside collection of commingled recyclables. Collection shall take place on the same day as refuse collection between the hours of 6 AM and 7 PM, using a fully automated collection system. Republic Services of Contra Costa County shall collect recyclables from the curb of the roadway. An alternative collection location may be used if the resident is physically unable to move the collection container to the curb, at no cost to the resident. Units in Multi-Family residential complexes that are not provided one or more common containers shall be considered Single-Family Units.

2. Republic Services of Contra Costa County shall provide each resident with one new 64 gallon, wheeled cart consisting of undivided holding capacity for collection of commingled recyclables, which includes, but is not limited to, mixed paper, glass, aluminum, cardboard, chipboard (i.e. cereal and shoe boxes), newsprint, plastic food and beverage containers (labeled #1through #7), tin/bimetal containers, E-waste peripherals (such as keyboards, mouse, and speakers), hardcover books, rigid plastics (such as toys, buckets, trays, and crates), plastic bags and scrap metal/aluminum (under ten pounds per item). Used motor oil, oil filters, and auto/truck batteries will be collected separately from the contents of the recycling cart. A 32 gallon wheeled cart will be provided as a smaller alternative to the 64 gallon wheeled cart, on a case by case basis. Recycling carts will incorporate distinctive color, symbols, and text that clearly identify their purpose. Republic Services of Contra Costa County shall provide outreach through its website and its annual customer guide to identify a comprehensive list of materials that can be included in the recycling cart. Each time Republic Services of Contra Costa County includes additional materials that can be included in the recycling cart (in this case, the addition of E-waste peripherals, hardcover books, rigid plastics, and scrap metal/aluminum), the additional materials will be collected at no extra cost to the ratepayer. Republic Services of Contra Costa County will provide advance notification of additional materials which may be included in the recycling cart as an insert within the customer bill.

3. Republic Services of Contra Costa County will conduct necessary public education to inform residents how to use commingled recycling collection and to respond to increased levels of refuse contamination. Promotional and educational materials explaining the commingled curbside recycling program shall be distributed by Republic Services of Contra Costa County prior to distribution of new recycling carts. Duplicate or supplemental promotional and educational materials explaining the commingled curbside recycling program will also be distributed by Republic Services of Contra Costa County to each customer when the recycling container is delivered. Republic Services of Contra Costa County shall, at minimum, distribute promotional and educational materials to all its solid waste customers, pre-approved by the City, at least twice a year. This material shall, at a minimum, specify all recyclable items to be collected, and shall further provide any additional information as necessary in order to satisfy the requirements set forth in Section 5 – " Recycling Component", and Section 8 – "Education and Public Information Component" of the City's most current SRRE.

4. Republic Services of Contra Costa County will provide customers with an additional recycling cart upon request at no extra charge, and promote the availability of this service in the same manner as described in #2 above.

Residential Recycling Services – Multi-Family Units

1. Republic Services of Contra Costa County shall provide Multi-Family Units with weekly, commingled recycling collection service. Collection shall take place between the hours of 6 AM and 7 PM, using a fully automated collection system. Carts will be shared by occupants of the Multi-Family Units. Grantee will work with the property manager, owner, or HOA representative to determine the most efficient and easily accessible location for the recycle carts for the customer and Republic Services of Contra Costa County.

2. Republic Services of Contra Costa County shall provide one (1) to eight (8) cubic yard bin service and/or new 96 gallon, wheeled carts consisting of undivided holding capacity in sufficient numbers to serve all units in the complex, for the collection of commingled recyclables. Collected recyclables will include, but are not limited to, mixed paper, glass, aluminum, cardboard, chipboard (i.e. cereal and shoe boxes), plastic bags, newsprint, plastic food and beverage containers (labeled #1 through #7), tin/bimetal containers, E-waste peripherals (such as keyboards, mouse, and speakers), hardcover books, rigid plastics (such as toys, buckets, trays, and crates), and scrap metal/aluminum (under ten pounds per item).

3. A 32 or 64 gallon wheeled cart will be provided as a smaller alternative to the 96 gallon wheeled cart, on a case by case basis, based upon need. Recycling carts will incorporate distinctive color, symbols, and text that clearly identify their purpose.

4. Republic Services of Contra Costa County will conduct necessary public education to inform Multi-Family Unit residents how to use commingled recycling collection and to respond to increased levels of refuse contamination. Promotional and educational materials explaining the commingled curbside recycling program shall be distributed by Republic Services of Contra Costa County prior to distribution of new recycling containers. After implementation and/or upon request, Republic Services of Contra Costa County will furnish informational materials to property managers, owners, and HOA representatives for distribution during periods of increased refuse contamination. Republic Services of Contra Costa County will advise management of outreach and educational activities that will help reduce levels of contamination.

Commercial and Industrial Recycling Services

Commercial recycling services are available and required of businesses and public entities, with a number of container options ranging from one to eight cubic yard bins, 64, and 96-gallon containers, and for industrial recycling customers, 8, 10, 20, 30 and 40 cubic yard debris recycling boxes. Commercial recycling services include fiber, paper, plastics, glass, metal and cardboard recycling as well as a 96 gallon container for yard waste collection. Chapter 8.18.120 of the City's Municipal Code requires all non-residential establishments, including without limitation all commercial and industrial use classifications, to subscribe to an approved recycling collection program. Additionally, Republic Services of Contra Costa County is required to provide various recycling services to City facilities including providing recycling containers at special events sponsored by the City.

Residential Organics and Yard Waste Services — Single Family Units

1. Republic Services of Contra Costa County shall provide weekly curbside collection of Yard Waste. Beginning January 1, 2016, Republic Services of Contra Costa County shall provide weekly curbside collection of Organics with such Yard Waste. Collection of Organics and Yard Waste shall take place on the same day as refuse collection between the hours of 6 AM and 7 PM, using a fully automated collection system. Republic Services of Contra Costa County shall collect Organics and Yard Waste from the curb of the roadway. An alternative collection location may be used if the resident is physically unable to move the collection container to the curb, at no cost to the resident. Units in Multi-Family residential complexes that are not provided one or more common containers shall be considered Single-Family Units.

2. Republic Services of Contra Costa County will use the existing 96 gallon yardwaste cart at each Single-Family Unit receiving solid waste/curbside recycling service for collection of Yard Waste and Organics.

3. Republic Services of Contra Costa County will provide customers with an additional Organics and Yard Waste cart upon request at no extra charge, and promote the availability of this service to customers through its website and its annual customer guide. A 32 or 64 gallon wheeled cart will be provided as alternatives to the 96 gallon cart, on a case by case basis. Organics and Yard Waste carts will incorporate distinctive color, symbols, and text that clearly identifies their purpose. Organics and

Yard Waste shall consist of but not be limited to brush, flower cuttings, flowers, garden trimmings, hay, house plants, lawn clippings, leaves, prunings, shrubbery, straw, tree twigs (3 inches or less in diameter, 3 feet or less in length), weeds, wood chips food scraps and food soiled paper such as raw or cooked food scraps, veggies, meats, seafood, dairy products, breads, grains, pastas, fruits, bones, shells, food soiled napkins, paper towels, paper cups, paper plates, and paper "to go" containers and compostable bags.

Residential Organics and Yard Waste Services – Multi-Family Units

1. Republic Services of Contra Costa County shall provide weekly collection of shared Yard Waste containers for all Multi-Family Units. Beginning April 1, 2016, Republic Services of Contra Costa County shall provide weekly curbside collection of Organics with such Yard Waste for all Multi-Family Units meeting the volume requirements of AB 1826 (Chapter 12.9, Section 42649.8 of the Public Resources Code) and shall work in good faith with the City to offer an opt-in Multi-Family Organics recycling collection program to all other City Multi-Family Unit customers not subject to the volume requirements of AB 1826 at that time, on terms mutually agreeable to Republic and the City. Collection of Yard Waste and, where applicable, Organics, shall take place on the same day as refuse collection between the hours of 6 AM and 7 PM, using a fully automated collection system. Additional pickups may be arranged by the customer as required. Carts will be shared by occupants of the Multi-Family Units. Grantee will work with the property manager, owner, or HOA representative to determine the most efficient and easily accessible location for the Organics carts for the customer and Republic.

2. Republic Services of Contra Costa County shall use existing 64 gallon, wheeled carts consisting of undivided holding capacity in sufficient numbers to serve all units in the development for the collection of Yard Waste and, where applicable, Organics. Organics and Yard Waste shall consist of but not be limited to brush, flower cuttings, flowers, garden trimmings, hay, house plants, lawn clippings, leaves, prunings, shrubbery, straw, tree twigs (3 inches or less in diameter, 3 feet or less in length), weeds, wood chips food scraps and food soiled paper such as raw or cooked food scraps, veggies, meats, seafood, dairy products, breads, grains, pastas, fruits, bones, shells, food soiled napkins, paper towels, paper cups, paper plates, and paper "to go" containers and compostable bags. All collected organics must be diverted from landfill. Acceptable diversion includes composting at a properly permitted compost facility or use as biofuel.

3. Organics and Yard Waste carts will incorporate distinctive color, symbols, and text that clearly identify their purpose.

4. Republic Services of Contra Costa County will conduct necessary public education to inform Multi-Family Unit residents how to use Yard Waste and Organics services and to respond to increased levels of refuse contamination. Promotional and educational materials explaining the Organics program shall be distributed by Republic Services of Contra Costa County prior to distribution of new Organics and Yard Waste containers. After implementation and/or upon request, Republic Services of Contra Costa County will furnish informational materials to property managers, owners, and HOA representatives for distribution during periods of increased refuse contamination. Republic Services of Contra Costa County will advise management of outreach and educational activities that will help reduce levels of contamination.

Commercial and Industrial Organics Services

Beginning April 1, 2016, Republic Services of Contra Costa County shall provide Organics services to Commercial and Industrial customers whose volume of Organics meets the requirements of AB 1826 (Chapter 12.9, Section 42649.8 of the Public Resources Code), and to those Commercial and Industrial customers wishing to participate on an opt-in basis. Republic Services of Contra Costa County will provide an appropriate number of 64-gallon containers to collect the volume of Organics generated by each such customer. Collection shall be at least once per week and up to three times per week, as necessary. Organics shall consist of but not be limited to brush, flower cuttings, flowers, garden trimmings, hay, house plants, lawn

clippings, leaves, prunings, shrubbery, straw, tree twigs (3 inches or less in diameter, 3 feet or less in length), weeds, wood chips food scraps and food soiled paper such as raw or cooked food scraps, veggies, meats, seafood, dairy products, breads, grains, pastas, fruits, bones, shells, food soiled napkins, paper towels, paper cups, paper plates, and paper "to go" containers and compostable bags. All collected organics must be diverted from landfill. Acceptable diversion includes composting at a properly permitted compost facility or use as biofuel. Depending upon amount of Organics and/or Solid Waste generated each week, some commercial and industrial customers may be subject to mandatory participation in the Organics collection program as required by State law. Additionally, Republic Services of Contra Costa County is required to provide various recycling services to City facilities including providing Organics recycling containers at special events sponsored by the City if so requested by the City.

Residential Recycling Services – Special Collection Services

1. On-Call Bulky Recycling and Yardwaste Pickups – Single Family Units: Effective July 1, 2011, Republic Services of Contra Costa County shall provide four (4) free on-call bulky recycling and/or yard waste clean-up collections per calendar year for Single-Family residents for recyclable items such as cardboard, yard waste, or wood waste, in addition to customers' regular recycling service. Household batteries, cellular phones, and compact fluorescent light bulbs shall also be collected with the on call pickups. The procedures for such collections shall be established by Republic Services of Contra Costa County and included in their annual customer guides.

2. On-Call Bulky Recycling Pickups – Multi-Family Complexes: Effective July 1, 2011, Republic Services of Contra Costa County shall provide one (1) free on-call bulky recycling clean-up collection per calendar year for Multi-Family complexes for recyclable items such as cardboard, yard waste, or wood waste, in addition to customers' regular recycling service. Household batteries, cellular phones, and compact fluorescent light bulbs shall also be collected with the on call pickups. The procedures for such collections shall be established by Republic Services of Contra Costa County and included in their annual customer guides.

3. Electronic Waste –Republic Services of Contra Costa County shall provide curbside collection and disposal services for Cathode Ray Tube (CRT) and other electronic waste items. Collection and disposal costs will be paid for by the resident using the collection service OR subsidized by the City when outside funding becomes available. Republic Services of Contra Costa County will publish and promote collection rates for designated electronic waste items.

4. Holiday Tree Collection –Republic Services of Contra Costa County will provide curbside collection and recycling of holiday trees from Single-Family residential and Multi-Family customers during a one week period in January of each year of this agreement. This service will be provided at no cost to the customer. Republic Services of Contra Costa County will coordinate scheduling of the collection week with City Staff and conduct necessary promotion. Holiday trees, cut to a specified size, shall also be accepted in the yard waste collection program.

Annual Pre-Scheduled Residential Clean Up Day

In addition to the various aforementioned on-call pickups, effective July 1, 2011, Republic Services of Contra Costa County shall provide Single-Family residential customers with one pre-scheduled curbside "clean up day" each calendar year. Republic Services of Contra Costa County would agree to collect unlimited recycling and yardwaste, and refuse up to 3 cubic yards, during this pre-scheduled clean up day. The City and Republic Services of Contra Costa County will mutually agree to the timing of this cleanup day each year. Republic Services of Contra Costa County will provide this curbside service to residents during their regularly scheduled collection day, completing this service for all City customers over one service week.

Annual Reuse Day

Republic Services of Contra Costa County will partner with a non-profit organization to schedule an annual reuse day (called the "Reuse Roundup") during which businesses and residents can drop off specified reusable items at a pre-determined location in the City. The event details will be coordinated with and approved by the City. Republic Services of Contra Costa County shall, beginning with the Reuse Roundup in 2016, offer one cubic yard of compost annually to each household with proof of residency. Compost can be loose or bagged, at the discretion of Republic.

Outreach/Promotion of Available Services

Republic Services of Contra Costa County will provide outreach to customers to identify the availability of the services specified in this Exhibit B. This outreach will include identifying the service on Republic Service's website, within an annual newsletter or customer guide, and within the bill as an insert.

Exhibit C

Schedule of Rates

RESIDENTIAL RATES (Changes effective January 1, 2016)

Service Description	2015 Monthly Rate	2016 Monthly Rate
BASIC RESIDENTIAL SERVICE –		
One 20 Gallon Container /Weekly 64 gallon Curbside Recycling/Bi-Weekly 96 Gallon Yard Waste Curbside Collection	$19.35	$20.62
One 32 Gallon Container /Weekly 64 gallon Curbside Recycling/ Bi-Weekly 96 Gallon Yard Waste Curbside Collection	$27.73	$29.54
One 64 Gallon Container /Weekly 64 gallon Curbside Recycling/ Bi-Weekly 96 Gallon Yard Waste Curbside Collection	$30.91	$32.93
One 96 Gallon Container /Weekly 64 gallon Curbside Recycling/ Bi-Weekly 96 Gallon Yard Waste Curbside Collection	$64.95	$69.20
SENIOR RESIDENTIAL SERVICE (62+ Years) –		
One 20 Gallon Container /Weekly 64 gallon Curbside Recycling/Bi-Weekly 96 Gallon Yard Waste Curbside Collection	$16.67	$17.76
One 32 Gallon Container/Weekly 64 gallon Curbside Recycling/Bi-Weekly 96 Gallon Yard Waste Curbside Collection	$20.81	$22.17
One 64 Gallon Container /Weekly 64 gallon Curbside Recycling/ Bi-Weekly 96 Gallon Yard Waste Curbside Collection	$23.95	$25.52
EXTRA RESIDENTIAL SERVICE –		
Each Additional 32 gallon Garbage Container	$21.87	$23.30
Each Additional 64 gallon Garbage Container	$25.05	$26.69
Each Additional 96 gallon Garbage Container	$59.10	$62.97
EXTRA RESIDENTIAL SERVICE -Each 32 Gallon Bag Service	$15.00	$15.00

Delinquent Charges:

1.5% charge per month on all outstanding balances.

Martinez Commercial Rates (changes effective April 1, 2016)			
Service level	Frequency	Current Trash & Recycling	April 1, 2016 Trash, Recycling & Organics
1yd	1 x per wk	$ 140.31	$ 149.49
Extra		$ 42.39	$ 45.16
2yd	1 x per wk	$ 248.38	$ 264.62
2yd	2 x per wk	$ 423.47	$ 451.16
2yd	3 x per wk	$ 496.44	$ 528.91
2yd	4 x per wk	$ 620.44	$ 661.02
2yd	5 x per wk	$ 736.84	$ 785.03
Extra		$ 46.52	$ 49.56
3yd	1 x per wk	$ 310.40	$ 330.70
3yd	2 x per wk	$ 496.44	$ 528.91
3yd	3 x per wk	$ 851.65	$ 907.35
3yd	4 x per wk	$ 884.21	$ 942.04
3yd	5 x per wk	$ 1,419.43	$ 1,512.26
Extra		$ 58.16	$ 61.96
4yd	1 x per wk	$ 372.41	$ 396.77
4yd	2 x per wk	$ 620.49	$ 661.07
4yd	3 x per wk	$ 884.21	$ 942.04
4yd	4 x per wk	$ 1,179.00	$ 1,256.11
4yd	5 x per wk	$ 1,473.73	$ 1,570.11
Extra		$ 75.60	$ 80.54
5yd	1 x per wk	$ 434.43	$ 462.84
5yd	2 x per wk	$ 736.84	$ 785.03
5yd	3 x per wk	$ 1,105.31	$ 1,177.60

5yd	4 x per wk	$ 1,473.73	$ 1,570.11
5yd	5 x per wk	$ 1,842.15	$ 1,962.63
Extra		$ 93.05	$ 99.14
6yd	1 x per wk	$ 496.44	$ 528.91
6yd	2 x per wk	$ 930.78	$ 991.65
6yd	3 x per wk	$ 1,326.37	$ 1,413.11
6yd	4 x per wk	$ 1,768.43	$ 1,884.09
6yd	5 x per wk	$ 2,210.58	$ 2,355.15
Extra		$ 110.49	$ 117.72
8yd	1 x per wk	$ 620.51	$ 661.09
8yd	2 x per wk	$ 1,179.00	$ 1,256.11
8yd	3 x per wk	$ 1,768.43	$ 1,884.09
8yd	4 x per wk	$ 2,357.92	$ 2,512.13
8yd	5 x per wk	$ 2,947.45	$ 3,140.21
Extra		$ 139.78	$ 148.92
32 gal can	1 x per wk	$ 28.89	$ 30.78
32 gal can	2 x per wk	$ 57.40	$ 61.15
32 gal can	3 x per wk	$ 86.83	$ 92.51
32 gal can	4 x per wk	$ 114.80	$ 122.31
32 gal can	5 x per wk	$ 144.23	$ 153.66
Extra		$ 11.63	$ 12.39
64 gal cart	1 x per wk	$ 41.54	$ 44.26
64 gal cart	2 x per wk	$ 95.64	$ 101.89
64 gal cart	3 x per wk	$ 149.80	$ 159.60
64 gal cart	4 x per wk	$ 203.96	$ 217.30

64 gal cart	5 x per wk	$ 258.19	$ 275.08
Extra		$ 22.37	$ 23.83
96gal cart	1 x per wk	$ 60.53	$ 64.49
96gal cart	2 x per wk	$ 134.93	$ 143.75
96gal cart	3 x per wk	$ 208.03	$ 221.64
96gal cart	4 x per wk	$ 281.11	$ 299.49
96gal cart	5 x per wk	$ 354.11	$ 377.27
Extra		$ 34.89	$ 37.17
96 gal yw	Cart	$ -	$ -

Compactor/Debris Box Rates (changes effective April 1, 2016)

	Current	April 1, 2016
Compactor Rate	$365.27	$389.16
Minimum Monthly	$441.31	$470.17
Regular Debris Box	$455.47	$485.26
Excess Tonnage Rate	$ 87.33	$ 93.04
Specials	$ 75.00	$ 75.00
Box Liner	$ 25.00	$ 25.00
Dry Run	$150.00	$150.00

Martinez Multi-Family Rates (changes effective April 1, 2016)			
Service Level	Frequency	Current Trash & Recycling	April 1, 2016 Trash, Recycling & Organics
1unit 1 cart 1x/week	1 x per week	$ 25.53	$ 27.20
Duplex 2 carts 1x/week	1 x per week	$ 46.71	$ 49.76
2 units 2 carts 1x/week	1 x per week	$ 50.83	$ 54.15
2 units 3 carts 1x/week	1 x per week	$ 67.32	$ 71.72
3 units 1 cart 1x/week	1 x per week	$ 25.53	$ 27.20
3 units 2 carts 1x/week	1 x per week	$ 46.71	$ 49.76
3 units 3 carts 1x/week	1 x per week	$ 67.32	$ 71.72
4 units 2 carts 1x/week	1 x per week	$ 49.45	$ 52.68
4 units 3 carts 1x/week	1 x per week	$ 68.72	$ 73.21
4 units 4 carts 1x/week	1 x per week	$ 87.92	$ 93.67
4 units 5 carts 1x/week	1 x per week	$ 108.52	$ 115.62
4 units 6 carts 1x/week	1 x per week	$ 122.29	$ 130.29
4 units 7 carts 1x/week	1 x per week	$ 127.79	$ 136.15
4 units 2 carts 2x/week	2 x per week	$ 87.92	$ 93.67
4 units 4 carts 2x/week	2 x per week	$ 126.41	$ 134.68
5 units 4 carts 1x/week	1 x per week	$ 89.32	$ 95.16
5 units 5 carts 1x/week	1 x per week	$ 125.01	$ 133.19
5 units 6 carts 1x/week	1 x per week	$ 126.41	$ 134.68
5 units 10 carts 1x/week	1 x per week	$ 185.49	$ 197.62
5 units 5 carts 2x/week	2 x per week	$ 126.41	$ 134.68
6 units 6 carts 1x/week	1 x per week	$ 129.12	$ 137.56
6 units 8 carts1x/week	1 x per week	$ 162.10	$ 172.70

Exhibit D

Rate Setting Manual

(on file with Martinez City Clerk)

Exhibit E
Solid Waste and Recycling Services – City Facilities

Facility	Service
City Hall, 525 Henrietta	1 X 4 Yd Box 2x wk(Refuse), 1 X 4 Yd 1x wk(Recycle)
Senior Center, 818 Green St	1 X 2 Yd Box 1x wk (Refuse), 2 X 64 Gal Cart 1x wk(Recycle)
Water Treatment Plant, 3003 Pacheco Blvd	2 x 20 Yd Box 2x wk (Refuse) 1 20 yd 2x wk (street sweeping) 2 X 64 gal 1x wk (Recycling) 20-40 cubic yards of dirt quarterly
Marina, 111 Tarantino	20 yard cardboard box, on call
City Public Pool, 100 Buckley St	1 X 2 Yd 3x wk (Refuse)
Waterfront Park	1 X 20 Yd Box 1x wk
Off Tarantino Dr	1 X 20 Yd Box on call
City Cans/Cement Cans, Main St	10 X 32 Gal Can 2x wk
Boat Wash Station, N Court St	1 X 8 Yd, 2x wk (Refuse), 1 4yd 2x wk (Refuse), 2 64 gal 1x wk (Recycle)
Kiwanis, 750 Allen St	3 X 32 Gal (Garbage) 1x wk
At Marina	1 X 20 Yd., 1x wk
1111 Ward Street	1 2yd 1x wk (Refuse), 1 64 gal 1x wk (Recycle)
Martinez Amphitheatre Offices	2 96 gal carts, 3x wk (refuse), 1 1yd 1x wk (recycle)

City Recycling Services:

1. PHBD shall provide recycling containers to all City Facilities collecting the same materials as in the residential curbside program. No fee shall be charged to the City for providing this service.

2. At the request of the City, PHBD shall provide City approved recycling containers at special events sponsored by the City.

Services provided change based upon City's needs. Customer list is subject to change upon agreement by both parties.

Exhibit F.

City of Martinez Mandatory Commercial Recycling Strategies

Overview

Recycling Services: Commercial recycling services are available to businesses, public entities, and multi-family complexes with a number of container options ranging from one to eight yard bins, 32, 64, and 96-gallon containers, and for industrial recycling, 8, 10, 20, 30 and 40 cubic yard debris recycling boxes. Commercial recycling services include fiber, paper, plastics, glass, metal and cardboard recycling as well as a 96 gallon container for yard waste collection. Section 8.18.120 of the Martinez Municipal Code requires all non-residential establishments, including without limitation all commercial and industrial use classifications, to subscribe to an approved recycling collection program. Additionally, PHBD, as the City's authorized recycler, is required to provide various recycling services to City facilities including providing recycling containers at special events sponsored by the City.

MCR Education, Outreach and Monitoring Strategy

1. **Website**: The City, via PHBD, provided a website update with language about the state law. The website informs covered entities on how to comply locally. The City will create a webpage dedicated to explaining the State law and the City's Municipal Code about mandatory recycling requirements and how to comply.
2. **Print**: PHBD, in consultation with the City, will update its educational material to reflect information about the state law and the City's related Municipal Code as well as to include information on how to comply locally. In 2012, the PHBD will send out letters to inform covered entities of the change and the various options available to businesses: site visits/waste audits, requests for bins/dumpsters/containers, and the June 21st public workshop. Each year thereafter, PHBD will educate businesses, public entities, and multi-family complexes about the state law, the City's Municipal Code, and how to comply locally. This yearly outreach effort will be in one of the following forms: newsletter, bill insert, letter, e-mail message, or something similar approved by the City.
3. **Direct Contact**: Information about the state law (and local ordinance) and how to comply will be provided to businesses, public entities, and multifamily complexes during free waste audits available upon request to entities conducted by PHBD as well as other projects and efforts under taken by PHBD's Recycling Coordinator assigned to the City.
4. **Monitoring**:
   a. Each year, PHBD will notify multifamily complexes not recycling about the state law and how to comply. Additionally each year, the City will have PHBD provide the City with a report that identifies which multifamily complexes are and are not recycling, broken down by complexes with 5 or more units and complexes with less than five units.
   b. Each year, the City will have PHBD provide the City with a report that identifies which businesses and public entities are and are not recycling, broken down by entities that subscribe to 4 or more cubic yards of garbage service per week, and entities with less than 4 cubic yards of garbage service per week.
   c. For the businesses and public entities not recycling, PHBD will follow-up to let them know they are not in compliance with state law and the City's Municipal Code, provide information about the law/Code, and how to comply locally in 2012. Thereafter 2012, PHBD, in consultation with the City, may target outreach by sector (i.e. shopping centers, businesses generating over 4 cubic yards of garbage service, schools) each year for businesses and public entities not in compliance.
   d. Each year, PHBD will let the City know the number of waste audits conducted as well as information on additional educational and outreach efforts undertaken by PHBD.

5. **Annually Reporting in EAR**: The following is an overview of what the City would provide to CalRecycle:
   a. Update on education/outreach/monitoring activities, e.g., updated website, made two presentations to Chamber and Apt Assoc. organizations, sent letters to xx, conducted xx amount of audits.
   b. Number of complexes, businesses, and public entities that subscribe to garbage service.
   c. Number of businesses, public entities and multi-family complexes that are not recycling (but not including those that recycling through other legitimate means outside PHBD, such as self-haul or donation).
   d. Description of follow-up efforts to those businesses, public entities, or multifamily complexes that are not recycling, e.g., PHBD met with them, PHBD sent a letter, PHBD sent them the newsletter.
6. **Establishment of a Commercial Recycling Recognition Program:** The City and the PHBD agree to collaborate on the establishment of a program designed to recognize commercial customers setting a positive example through their recycling efforts. Recognition could take the form of public presentations by the Martinez City Council and the Martinez Chamber of Commerce; special mention in City and PHBD website and print materials; and other types of positive acknowledgement.
7. **Annual Goal Setting:** The City and PHBD agree to establish goals and objectives for the commercial recycling program prior to each calendar year. These goals and objectives shall be measureable to the greatest extent possible to ensure accountability, and shall be documented in writing (electronic transmission acceptable).

Exhibit G.

City of Martinez Mandatory Commercial Organics Strategies

Overview

Organics Services: Commercial Organics services are available to businesses, public entities, and multi-family complexes. Business and multi-family customers will receive collection service utilizing 64-gallon containers, with pickups scheduled for at least once per week and up to three times per week, as necessary. Commercial Organics services include brush, flower cuttings, flowers, garden trimmings, hay, house plants, lawn clippings, leaves, prunings, shrubbery, straw, tree twigs (3 inches or less in length, 3ft or less in diameter), weeds, wood chips food scraps and food soiled paper such as raw or cooked food scraps, vegetables, meats, seafood, dairy products, breads, grains, pastas, fruits, bones, shells, food soiled napkins, paper towels, paper cups, paper plates, paper "to go" containers and compostable bags. Additionally, Republic Services of Contra Costa County as the City's authorized Organics service provider, is required to provide Organics service to those businesses subject to mandatory participation (April 1, 2016, for businesses - including public entities - generating eight cubic yards or more of Organics per week; by January 1, 2017, for businesses generating four cubic yards or more of Organics each week; and by January 1, 2019, for businesses generating four cubic yards or more of solid waste each week) and as an opt-in program to other commercial and multifamily customers. Republic Services of Contra Costa County is required to provide various Organics collection services to City facilities including providing Organics containers at special events sponsored by the City.

Mandatory Commercial Organics Education, Outreach and Monitoring Strategy

1. **Website**: Republic Services of Contra Costa County, will update its website with language about the State Organics law, AB 1826, and the State ADC law, AB 1594. The website informs covered commercial entities on how to comply locally including information about the implementation schedule of AB 1826. The City will also create a webpage dedicated to explaining the State law, the local Organics collection program and how to benefit from and comply with the new program.
2. **Print**: Republic Services of Contra Costa County, in consultation with the City, will update its educational material to reflect information about the State Organics law and the City's related Municipal Code as well as to include information on how to comply locally. No later than March 1, 2016, Republic Services of Contra Costa County will send out letters to inform commercial businesses of the change and the various options available to businesses: site visits/waste audits, requests for 64 gallon carts/internal slim Jims, and posters. Each year thereafter, Republic Services of Contra Costa County will educate businesses, public entities, and multi-family complexes about the State law, the local Organics collection program, and how to comply. This yearly outreach effort will be in one of the following forms: newsletter, bill insert, letter, e-mail message, social media, or something similar approved by the City.
3. **Direct Contact**: During free waste audits, Republic Services of Contra Costa County will provide information to businesses, public entities, and multi-family complexes about the State law, local Organics collection program, and how to comply with and benefit from the new program. Republic Services of Contra Costa County will provide training of employees upon request as well as other projects and efforts undertaken by Republic Services of Contra Costa County's Recycling Coordinator assigned to the City.
4. **Monitoring**:
   a. Each year, Republic Services of Contra Costa County will notify commercial entities and multifamily complexes about the opt-in Organics program, the State law, and how to participate.

b. Each year, the City will have Republic Services of Contra Costa County provide the City with a report that identifies which businesses and public entities and multifamily complexes are and are not participating in the Organics program, broken down by businesses generating eight cubic yards or more of Organics per week; businesses generating four cubic yards or more of Organics each week; and businesses generating four cubic yards or more of solid waste each week. For the businesses and public entities subject to the Organics law and not participating, Republic Services of Contra Costa County will follow-up to let them know they are not in compliance with State law and provide information about how to comply locally. Republic Services of Contra Costa County, in consultation with the City, may target outreach by sector (i.e. shopping centers, businesses generating quantities subject to AB 1826, and schools) each year for businesses and public entities and multifamily complexes not in compliance.

c. For the businesses and public entities subject to AB 1826, Republic Services of Contra Costa County will follow-up to let them know they are not in compliance with State law and/or the City's Municipal Code, provide information about the law/Code, and how to comply locally. Republic Services of Contra Costa County, in consultation with the City, will target outreach by generation (i.e. April 1, 2016, businesses - including public entities - generating eight cubic yards or more of Organics per week; January 1, 2017, businesses generating four cubic yards or more of Organics each week; and January 1, 2019, businesses generating four cubic yards or more of solid waste each week).

d. Each year, Republic Services of Contra Costa County will let the City know the number of waste audits conducted as well as provide information on additional educational and outreach efforts undertaken by Republic Services of Contra Costa County.

5. **Establishment of a Commercial Organics Recognition Program:** The City and Republic Services of Contra Costa County agree to collaborate on the establishment of a program designed to recognize commercial customers setting a positive example through their Organics diversion efforts. Recognition could take the form of public presentations by the Martinez City Council and the Martinez Chamber of Commerce; special mention in City and Republic Services website and print materials; and other types of positive acknowledgement.

6. **Annual Goal Setting:** The City and Republic Services of Contra Costa County agree to establish goals and objectives for the commercial Organics program prior to each calendar year. These goals and objectives shall be measureable to the greatest extent possible to ensure accountability, and shall be documented in writing (electronic transmission acceptable).

7. **Annual Reporting in EAR:** The following is an overview of what Republic Services of Contra Costa County will provide to the City annually for reporting purposes:

   a. Update on education/outreach/monitoring activities, e.g., updated website, made two presentations to Chamber and Apt Assoc. organizations, sent letters to xx, conducted xx amount of audits.

   b. Number of regulated[1] complexes, businesses, and public entities.

   c. Number of regulated complexes, businesses, and public entities that subscribe to Organics service.

   d. Description of follow-up efforts, including informing them of the law and how to recycle organics, to those regulated businesses, public entities, or multifamily complexes and that are not recycling (e.g., Republic Services sent a letter or newsletter).

[1] The term "regulated," refers to businesses that meet the implementation threshold requirement in effect during a given year. This number will evolve each year based on the tiered implementation schedule called out for in the law.