City and County of San Francisco
Department of the Environment
1455 Market Street, Suite 1200
San Francisco, California 94103

Landfill Disposal Agreement between The City and County of San Francisco and Recology San Francisco

This Landfill Disposal Agreement (this "Agreement") is made this 1st day of June, 2015, in the City and County of San Francisco, State of California ("San Francisco"), by and between: Recology San Francisco, a California corporation, hereinafter referred to as "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Department of the Environment.

Recitals

WHEREAS, the City, Contractor (f/k/a Sanitary Fill Company) and Waste Management of Alameda County, Inc. ("Waste Management") (f/k/a Oakland Scavenger Company) are parties to that certain Waste Disposal Agreement dated as of January 2, 1987 (the "Prior Landfill Agreement"), and City and Contractor are parties to that certain Agreement in Facilitation of Waste Disposal Agreement dated January 2, 1987 (the "Prior Facilitation Agreement," and together with the Prior Landfill Agreement, the "1987 Agreements").

WHEREAS, the Prior Landfill Agreement provides the City with landfill disposal capacity of up to 15 million tons at Waste Management's Altamont landfill, approximately 14.6 million of which had been utilized as of January 1, 2015.

WHEREAS, the City estimates that the remaining landfill disposal capacity under the Prior Landfill Agreement will be exhausted sometime in the first half of 2016, depending on the rate at which residual solid waste is disposed of in San Francisco in the coming years.

WHEREAS, the California Department of Resources Recycling and Recovery (CalRecycle) requires that the City have a plan for 15 years of landfill disposal capacity.

WHEREAS, in 2006, the Department of the Environment began considering options for disposal of the City's refuse after the conclusion of the 1987 Agreements. The Department elected to use a competitive selection process ("Competitive Selection Process") to select a proposed contractor. Specifically,

(1) The Department of the Environment held a series of noticed public hearings in 2007 to assess the public's priority considerations for a new disposal agreement.

(2) On May 30, 2008, the Department of the Environment issued a Request for Qualifications ("RFQ"), and invited every landfill operator in the State of California to submit a response.

(3) In February 2009, the Department of the Environment sent all landfill operators that responded to the RFQ the Request for Proposals for Landfill Disposal Capacity ("RFP"). The RFP required each proposer to provide detailed information regarding its principal proposed landfill and any proposed back-up landfill. Only two companies, Recology and Waste Management, submitted responses to the RFP and satisfied all pre-submission requirements.

(4) A neutral and objective scoring panel reviewed and scored both Recology and Waste Management's proposals using standardized criteria, considering both written submissions and an oral interview with each company.

(5) The scoring panel selected Recology's proposal ("Recology Proposal") as the preferred proposal. The Recology Proposal met the City's operational and environmental requirements as set out in the RFP and offered adequate permitted capacity to meet the City's needs, and among other advantages, included proposed disposal rates that were substantially less than those of Waste Management, potentially resulting in considerable future savings for the City's ratepayers. The Recology Proposal provided for disposal of the City's refuse at Recology's Ostrom Road Landfill in Yuba County, with transportation to the landfill by rail, or, as a back-up site, Recology's Hay Road Landfill in Solano County, with transportation to the landfill by truck.

(6) On September 10, 2009, the Department of the Environment issued a Notice of Intent to Award, notifying the public and all interested parties that the Department of the Environment intended to award the contract for landfill disposal capacity to Recology.

(7) In 2010, the Department of the Environment negotiated with Recology a proposed Landfill Disposal Agreement concerning the disposal of the City's refuse, and a proposed Amended and Restated Facilitation Agreement ("Facilitation Agreement") concerning transfer of the City's refuse at Recology's transfer station and the means of transporting refuse to the landfill. Under the terms of those agreements (as under the terms of the 1987 Agreements), the City itself would not procure or pay for disposal, transfer or transportation services. Instead, the agreements established certain charges for disposal, transfer and transportation of refuse that Recology would apply to include in the rates it charges residential ratepayers in San Francisco for the collection and disposal of refuse. Those rates are set by the Director of the Department of Public Works and the Rate Board in accordance with the Refuse Collection and Disposal Ordinance, enacted by initiative and codified at Appendix 1 to the San Francisco Administrative Code.

WHEREAS, on September 23, 2010, the Department of the Environment asked the Board of Supervisors to approve the Landfill Disposal Agreement and Facilitation Agreement with Recology under Charter Section 9.118(b). Consistent with the Recology Proposal, the proposed Landfill Disposal Agreement provided for disposal of the City's refuse at the Ostrom Road Landfill or, as a back-up site, the Hay Road Landfill.

WHEREAS, on July 26, 2011, after four committee hearings over ten months, the Board of Supervisors adopted a resolution approving the Landfill Disposal Agreement and Facilitation Agreement with Recology under Charter Section 9.118(b). At that time, the Board of Supervisors approved the Landfill Disposal Agreement and Facilitation Agreement for terms exceeding ten years, and authorized the Director of the Department of the Environment to execute agreements in substantially the form of the Landfill Disposal Agreement and Facilitation Agreement on file with the Clerk of the Board of Supervisors. The Board of Supervisors also authorized the Director of the Department of the Environment to enter into any additions, amendments, or other modifications to the Landfill Disposal Agreement and Facilitation Agreement that satisfied specified terms. Finally, the Board of Supervisors stated that it "approves and ratifies all prior actions taken by officials, employees, and agents of the Department of the Environment and the City with respect to the Landfill Disposal Agreement and Facilitation Agreement."

WHEREAS, on April 18, 2012, Yuba County announced its intention to complete an Environmental Impact Report ("EIR") concerning the transportation of San Francisco's refuse from Recology's San Francisco transfer station to the Ostrom Road Landfill in Yuba County.

WHEREAS, the City's Department of the Environment and Planning Department elected to participate in the Yuba County EIR process as a Responsible Agency. To facilitate the City's participation as a Responsible Agency, the City asked Recology to agree to terminate the Landfill Disposal Agreement and Facilitation Agreement. Accordingly, the City and Recology terminated the Landfill Disposal Agreement and Facilitation Agreement on November 26, 2012. Under the terms of the Termination Agreement, the City reserved full discretion over any future decisions regarding the Recology Proposal in light of the California Environmental Quality Act (CEQA) review.

WHEREAS, on February 4, 2014, City's Board of Supervisors adopted Ordinance 8-14 by an 11-0 vote, pursuant to which the Board of Supervisors:

(1) Found that the Competitive Selection Process that resulted in the City's selection of Recology, and the Board of Supervisors' approval of the now-terminated Landfill Disposal Agreement and Facilitation Agreement, complied with any requirements of Chapter 21 of the San Francisco Administrative Code and that the purposes of competitive selection had already been satisfied by the Competitive Selection Process.

(2) Ratified and confirmed all actions taken by City officials in carrying out the Competitive Selection Process and selecting Recology as the City's preferred contractor, and then terminating the Landfill Disposal Agreement and Facilitation Agreement.

(3) Endorsed the process under which the Department of the Environment, the Planning Department and other City agencies and staff undertook environmental review of the proposed project, including the disposal and transportation of refuse consistent with the Recology Proposal.

(4) Clarified that, consistent with prior practice in the approval of the 1987 Agreements, contracts for the disposal and transportation of refuse resulting from the Competitive Selection Process were not contracts for "services" within the meaning of Sections 21.02(i), (m) and (s) of the Administrative Code or their statutory predecessors;

WHEREAS, due to delays in the environmental review for the project involving disposal of the City's refuse at Recology's Ostrom Road Landfill in Yuba County, with transportation to the landfill by rail (the "Ostrom Road Project"), the Department of the Environment determined that the Ostrom Road Project could not be approved and constructed in a timely manner prior to the expiration of the Prior Landfill Agreement.

WHEREAS, to ensure disposal capacity for the City's refuse following expiration of the Prior Landfill Agreement, and to enable the City and its ratepayers to take advantage of the substantially lower disposal fees offered in the Recology Proposal, the Department of the Environment decided to pursue a separate project involving the disposal of the City's refuse at the Hay Road Landfill, with transportation to the landfill by truck (the "Hay Road Project").

WHEREAS, the Planning Department prepared a final negative declaration (FND) as required by CEQA, and the Planning Commission found the FND was adequate, accurate and objective, reflected the independent analysis and judgment of the Planning Commission, and approved the FND for the Agreement in compliance with CEQA, the CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code in Planning Commission Motion No. 19376.

WHEREAS, consistent with Section V(B) of the RFP, which contemplated that the City could negotiate changes to the terms of the selected proposal before entering into a definitive agreement with

the selected proposer, the Department of the Environment and Recology have negotiated a proposed Landfill Disposal Agreement reflecting the Hay Road Project.

WHEREAS, Contractor represents and warrants that it, together with its affiliates, is qualified to perform the disposal and transport services required by City as set forth under this Agreement.

Now, THEREFORE, the parties agree as follows:

1. Definitions.

Definitions contained in this section shall govern the construction of this Agreement.

1.1 "Applicable Laws" means all laws, ordinances, orders, judgments, rules, regulations and interpretations of any federal, state or local governmental entity applicable to operation of the Landfill, Back-Up Landfill or Transfer Station, or provision of the Disposal and Transport services contemplated by this Agreement.

1.2 "Beneficial Use Material" means any material, including contaminated soils, that is used for alternative daily cover (as defined in Section 20164 of the California Code of Regulations), landfill construction, erosion control, pad or road building, slope stabilization, other beneficial reuse (as defined in Section 20686 of the California Code of Regulations), or any other use that is not deemed to be "disposal" for purposes of the California Integrated Waste Management Act and the rules and regulations thereunder, *provided, however*, that "Beneficial Use Material" shall not include Source-Separated Recyclable Material or Source-Separated Organic Material.

1.3 "Back-Up Landfill" means a landfill to be mutually agreed upon by City and Contractor.

1.4 "Change in Law" means any change in Applicable Law or Permits occurring after the date hereof that is not the result of Contractor's willful or negligent action or omission or violation of Applicable Law or Permits.

1.5 "City Waste" means Solid Waste and/or Beneficial Use Material that is (i) collected in San Francisco by or on behalf of Permitted Haulers or City, (ii) generated in San Francisco and delivered to the Transfer Station by self-haulers, or (iii) residue from the processing of Recyclable Material or Organic Material generated in and processed in or about San Francisco.

1.6 "Commencement Date" means the date, as designated by the City, when all or substantially all the City's Solid Waste is first accepted at the Landfill or Back-Up Landfill.

1.7 "Designated Waste" means any of the following: (i) Hazardous Waste that has been granted a variance from hazardous waste management requirements, (ii) nonhazardous waste that, under ambient environmental conditions at a waste management unit, could be released in concentrations exceeding applicable water quality objectives or that could reasonably be expected to affect beneficial uses of the waters of the state, or (iii) as to the Landfill, Back-Up Landfill or Transfer Station, any material that is not permitted to be disposed of or accepted at such facility under its Permits or Applicable Laws as in effect from time to time.

1.8 "Director" means the Director of the Department of Public Works of the City. The phrase "Director (and, if applicable, the Rate Board)" refers to provisions in the Ordinance which cause a "Recommended Order" by the Director of the Department of Public Works to become an "Order of the

Rate Board" unless an interested party appeals such a recommendation and the Rate Board issues its own "Order" on the appeal.

1.9 "Disposal" means, with respect to Solid Waste, the final disposal of such waste at a fully permitted landfill, and, with respect to Beneficial Use Material, means the beneficial reuse (as defined in Section 20686 of the California Code of Regulations) of such material.

1.10 "Disposal Term" is defined in Section 2.2 hereof.

1.11 "Fees" means the following collectively: the Solid Waste Fee, the Organics-Free Waste Fee, and the Beneficial Use Material Fee, each as defined in **Appendix A**, as well as the Excess Disposal Fee and the Sustainability Fee, each as defined in Section 3.8.

1.12 "Force Majeure" means any (a) act of God, earthquake, fire, flood, storm, epidemic, landslide, lightning, explosion or similar occurrence; (b) act of public enemy, war, terrorism, riot, civil disturbance or disobedience, sabotage or similar occurrence; (c) labor action, strike, picketing, work stoppage, work slowdown, sickout or similar occurrence; (d) order, judgment, injunction, condemnation or other act of any federal, state, county or local court, administrative agency or governmental office or body, not the result of the Contractor's willful or negligent action or omission; or (e) act, event or condition affecting the Contractor or the Landfill, Back-Up Landfill or Transfer Station, or provision of the Disposal or Transport services contemplated by this Agreement, which is beyond the reasonable control of the Contractor and is not the result of the Contractor's willful or negligent action or omission.

1.13 "Governmental Fees" means all government-mandated regulatory fees, charges or assessments that may be imposed from time to time on or applicable to the Landfill, Back-Up Landfill or Transfer Station by federal, state or local authorities, and includes without limitation the county host fee payable to Solano County (in the case of the Landfill), and the AB939 fee payable to CalRecycle.

1.14 "Hazardous Waste" means any materials defined as (i) "hazardous waste" in the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), as amended, (ii) "hazardous waste" in California Public Resources Code Section 40141, as amended, or (iii) "universal wastes" in Section 66261.9 of Title 22 of the California Code of Regulations, as amended.

1.15 "Landfill" means the Hay Road Landfill, located at 6426 Hay Road, Vacaville, California, in unincorporated Solano County.

1.16 "Ordinance" means the Refuse Collection and Disposal Ordinance of November 8, 1932, as amended, and codified as Appendix 1 to the San Francisco Administrative Code.

1.17 "Organic Material" means any food scraps, plant trimmings, food soiled paper, or other waste that can be composted into usable products in a safe and timely manner by facilities accepting such material collected in San Francisco's collection programs.

1.18 "Organics-Free Waste" means processed Solid Waste that contains no Organic Material other than minimal amounts of Organic Material. Removal of Organic Material from Solid Waste shall be through processing, as documented by the Contractor. Contractor shall consult with City regarding the method of processing.

1.19 "Permits" means all licenses, permits, approvals and authorizations necessary for operation of the Landfill, Back-Up Landfill and Transfer Station, and provision of the Disposal and

Transport services contemplated by this Agreement, and includes all permit conditions and obligations under the same.

1.20 "Permitted Hauler" means any person engaged in San Francisco in the collection, transportation or consolidation for transportation of Solid Waste or Beneficial Use Material and that is duly licensed under the Ordinance and/or engages in any such activities pursuant to an agreement, permit or license issued by the City. Although Contractor is a Permitted Hauler within the meaning of the preceding sentence, for purposes of the provisions of this Agreement relating to Contractor's collection of Fees from Permitted Haulers, the term "Permitted Hauler" shall be deemed to exclude Contractor. Where this Agreement refers to the Contractor's authority or responsibility to collect fees or charges contemplated in the Agreement, "Permitted Hauler" shall also include self-haulers operating in compliance with the Ordinance.

1.21 "Rate Board" means the San Francisco Refuse Collection and Disposal Rate Board created pursuant to the Ordinance.

1.22 "Rates" means the rates that Permitted Haulers are permitted to charge, under the Ordinance or any agreement, permit or license issued by the City, for refuse disposal and collection of refuse from residences, flats and apartments in San Francisco, and rates that Contractor is permitted to charge for the Transfer Station.

1.23 "Recyclable Material" means any waste that can be returned to the economic mainstream in the form of raw material for new, reused or reconstituted products that meet the quality standards necessary to be used in the marketplace.

1.24 "Solid Waste" shall have the same meaning as found in California Public Resources Code Sections 40191, as amended, *provided, however*, that "Solid Waste" shall not include Beneficial Use Material, Source-Separated Recyclable Material, Source-Separated Organic Material, Hazardous Waste, Designated Waste, or sewage sludge. For the avoidance of doubt, "Solid Waste" includes without limitation Organics-Free Waste, and residue from the processing of Source-Separated Recyclable Material or Source-Separated Organic Material.

1.25 "Source-Separated" materials means any type of waste that has been segregated from the rest of the solid waste stream by the generator or at a centralized facility.

1.26 "Transfer Station" means a facility or facilities operated by Contractor in or adjacent to San Francisco that receives, temporarily stores and/or processes City Waste (and/or Recyclable Material or Organic Material the residue of which constitutes City Waste) and/or that transfers City Waste from smaller to larger vehicles for transport to a Disposal site. The Transfer Station currently consists of the facilities located at 501 Tunnel Avenue and Pier 96.

1.27 "Transport" means all activities associated with the transportation of City Waste from within San Francisco to a Disposal site, including without limitation the activities conducted by Contractor at the Transfer Station authorized or required under the Agreement or an order of the Director or the Rate Board.

2. Disposal Site and Agreement.

2.1 Exclusive Disposal Site: The parties agree that, from and after the time that the City exhausts the 15 million ton capacity contracted for under the Prior Landfill Agreement, until the termination of this Agreement, the Landfill and Back-Up Landfill will be the exclusive sites used by the

City and Contractor for Disposal of all City Waste. The only exception to the foregoing grant of exclusivity is that the Director of the Department of the Environment may direct small amounts of City Waste to alternative disposal sites for the purpose of testing alternative waste handling technologies.

2.2 Term of the Agreement: The Contractor hereby agrees to provide the City the right to deposit for Disposal, in a lawful manner, from and after the Commencement Date, at the Landfill, all Solid Waste collected in San Francisco by Permitted Haulers or self-haulers, until 5 million tons of Solid Waste have been deposited under this Agreement. The period from the Commencement Date until the expiration or earlier termination of this Agreement is referred to herein as the "Disposal Term." The parties may mutually agree to terminate this Agreement.

2.3 Effective Date of Agreement: This Agreement shall become effective upon signing and shall continue until the end of the Disposal Term. The parties acknowledge that the Commencement Date is uncertain, because the date of termination of the Prior Landfill Agreement depends (among other things) on the rate at which Solid Waste is disposed of in San Francisco in future years. Upon the Commencement Date, the Prior Facilitation Agreement (other than the last two sentences of Section 5 thereof) shall be deemed superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect.

2.4 Enforcement: The City agrees to make its best effort to take any administrative or legal action as is reasonable and necessary for the continued enjoyment of all parties of the benefits of this Agreement during its full term for as long as Solid Waste is being produced in San Francisco, regardless of any change in the identity of persons collecting, transporting or consolidating for transportation any Solid Waste, or of any change in the manner in which these acts are performed.

2.5 Hazardous and Designated Wastes Not Included: The Landfill is currently designated as a Class II disposal site. No provision of this Agreement shall be deemed to require acceptance at the Landfill or Back-Up Landfill of any material that is or contains Hazardous Waste or Designated Waste. Any material that is currently permitted for Disposal under this Agreement but is later reclassified as Hazardous Waste or Designated Waste shall cease to be covered by this Agreement until such time as those classifications are removed. Except as provided in Section 2.5, arrangements for disposal of Hazardous Waste or Designated Waste must be made by separate agreement. If City and Contractor enter into a separate agreement regarding acceptance of Designated Waste at the Landfill, Contractor shall quantify, and provide City with tonnage information regarding, any Designated Waste so accepted.

2.6 Permits and Approvals: Except as otherwise agreed, each party will pay its own expenses for preparation of such applications, environmental impact reports (EIS or EIR), and other documents and studies which have been necessary or become necessary to obtain all permits and approvals from various government agencies required for operation under this Agreement. In the event any litigation becomes necessary to protect the continued validity of permits or approvals held or required to be held by Contractor or its affiliates for operation of the Landfill, the cost of that litigation will be borne by the Contractor or its affiliates. The City agrees to cooperate with the Contractor and its affiliates in any such litigation.

3. Rates and Compliance.

3.1 Disposal Fees: The Contractor agrees to abide by, and shall be entitled to charge and collect from Permitted Haulers, the Fees provided for in this Agreement. The initial maximum Fees per ton of Solid Waste, Organics-Free Waste or Beneficial Use Material delivered to the Landfill or Back-Up Landfill pursuant to this Agreement shall be those specified in **Appendix A**. The Contractor shall prepare

and submit to the City a fee statement for all Fees paid to the Contractor, including Solid Waste tonnage, Organics-Free Waste tonnage and Beneficial Use Material tonnage, by the 20th of each month for the prior calendar month. If the initial categorization of material is subsequently modified (e.g., if material initially categorized as Beneficial Use Material is subsequently determined to be unsuitable for such use and must be disposed of), then an appropriate adjustment shall be made in a subsequent fee statement. The Contractor reserves the right to enter into agreements with Permitted Haulers and self-haulers regarding matters relating to this Agreement or the Ordinance, provided that such agreements do not conflict with this Agreement.

3.2 Fee Structure. Each of the Solid Waste Fee, the Organics-Free Waste Fee and the Beneficial Use Material Fee consists of two components: The "Landfill Operations" component represents the compensation to the Contractor for Disposal of Solid Waste or Beneficial Use Material at the Landfill or Back-Up Landfill. The "Governmental Fees" component represents Governmental Fees. Contractor shall ensure that Governmental Fees are remitted to the applicable governmental authority from the Solid Waste, Organics-Free Waste and Beneficial Use Material Fees paid by Permitted Haulers.

3.3 Fee Adjustments: The Fees defined in **Appendix A** shall be adjusted as follows:

(a) Adjustment of Landfill Operations Component. Each year commencing on July 1, 2016 (regardless of whether the Commencement Date occurs before or after July 1, 2015), and continuing each July 1 thereafter until this Agreement terminates, the "Landfill Operations" component of each Fee defined in **Appendix A** shall be automatically adjusted by 100% of the percentage change in the Consumer Price Index, San Francisco-Oakland-San Jose, All Urban Consumers produced by the United States Department of Labor, Bureau of Labor Statistics ("CPI-U") for the 12 months ending on the April 30 immediately preceding such July 1. Should the aforementioned index become unavailable in the same form and on the same basis as last published immediately prior to the execution of this Agreement, the parties shall utilize a replacement index that shall produce as nearly as possible the same result as would have been achieved had the aforementioned index remained available.

(b) Adjustment of Governmental Fees Component.

(i) The Governmental Fees component of each Fee defined in **Appendix A** shall be increased or decreased by the amount of any changes after the date hereof in per-ton Governmental Fees (including without limitation the introduction of any new per-ton Governmental Fees).

(ii) Adjustments to the Governmental Fee component shall occur to the extent possible concurrently with the effective date of the change to such per-ton Governmental Fees.

(iii) Contractor understands that, under the Ordinance, Contractor will not be entitled to increase Fees pursuant to this Section 3.3(b) unless and until such increase has been approved by the Director and, if applicable, the Rate Board. City understands that, in the event of a proposed increase in Fees pursuant to this Section 3.3(b), Contractor will seek an order of the Director and, if applicable, the Rate Board to approve such Fee increase, approve the inclusion of such Fee increase in the cost base used to set Rates, and approve a corresponding adjustment in the then-current Rates. Upon Contractor's provision of substantial evidence that an existing per-ton Governmental Fee has been or will be increased, or a new per-ton Governmental Fee has been or will be introduced, and of the per-ton amount of such Governmental Fee, the City departments responsible for reviewing Rate applications under the Ordinance (currently the Department of Public Works and the Department of the Environment) shall, subject to their confirmation of such evidence and Contractor's supporting calculations, recommend that the Director and, if applicable, the Rate Board, approve the inclusion of such amounts in the cost base used to set Rates; *provided, however*, that said City departments (currently the Department of Public Works and the

Department of the Environment) may make independent recommendations regarding the timing and allocation of any resulting rate adjustment for the purpose of avoiding major rate fluctuations while compensating Contractor for its increased expense.

(c) Adjustment for Change in Law.

(i) The Landfill Operations component of each Fee defined in **Appendix A** shall be adjusted by the Permitted Haulers' per-ton ratable share of any increased costs (including without limitation any increased Governmental Fees other than per-ton Governmental Fees), legally required to be incurred as a result of any Change in Law, of operating the Landfill, or of providing for or maintaining any funds, reserves, insurance coverages or like financial assurances relating to the operation, closure or postclosure of the Landfill.

(ii) For the purpose of determining each Permitted Hauler's share of such costs, the following principles shall apply: (i) non-capital costs shall be allocated on a per-ton basis; (ii) capital costs shall be amortized over the useful life of the asset (or, if less, over the remaining useful life of the Landfill) and allocated on a per-ton basis; and (iii) costs relating to the closure or postclosure of the Landfill shall be amortized over the remaining useful life of the Landfill and allocated on a per-ton basis.

(iii) Adjustments under this Section 3.3(c) shall occur to the extent possible sufficiently in advance of the effective date of the Change in Law to enable Contractor to take such steps as are reasonably necessary to ensure compliance with such Change in Law as of its effective date.

(iv) Contractor understands that, under the Ordinance, Contractor will not be entitled to increase Fees pursuant to this Section 3.3(c) unless and until such increase has been approved by the Director and, if applicable, the Rate Board. City understands that, in the event of a proposed increase in Fees pursuant to this Section 3.3(c), Contractor will seek an order of the Director and, if applicable, the Rate Board to approve such Fee increase, approve the inclusion of such Fee increase in the cost base used to set Rates, and approve a corresponding adjustment in the then-current Rates. Upon Contractor's provision of substantial evidence that a Change in Law has occurred or will occur, that the increased costs resulting from such Change in Law are legally required to be incurred and otherwise meet the requirements of Section 3.3(c)(i), and that the Permitted Haulers' per-ton ratable share of such costs has been calculated in a manner consistent with this Section 3.3(c), the City departments responsible for reviewing Rate applications under the Ordinance (currently the Department of Public Works and the Department of the Environment) shall, subject to their confirmation of such evidence and Contractor's supporting calculations, recommend that the Director and, if applicable, the Rate Board, approve the inclusion of such amounts in the cost base used to set Rates; *provided, however*, that said City departments (currently the Department of Public Works and the Department of the Environment) may make independent recommendations regarding the timing and allocation of any resulting rate adjustment for the purpose of avoiding major rate fluctuations while compensating Contractor for its increased expense.

3.4 Incorporation Into Rate Structure: For the purpose of assuring the ability of the Permitted Haulers to pay the Fees, charges and expenses for which this Agreement provides, the City departments responsible for reviewing Rate applications under the Ordinance (currently the Department of Public Works and the Department of the Environment) will recommend to the Director (or, in the event of an appeal under the Ordinance, the Rate Board), that (i) the obligations assumed by Contractor under this Agreement are prudent, reasonable and necessary for Contractor to incur in order to render its services to the public, and (ii) subject to Contractor's evidentiary showing, City's confirmation thereof, and City's right to make independent recommendations as set forth under Section 3.3(b)(iii) or Section 3.3(c)(iv), if applicable, such Fees, charges and expenses (as adjusted from time to time in accordance

with the provisions hereof) be included in the cost base used to set Rates. With regard to all other costs, fees, charges and expenses incurred by Contractor in order to perform its obligations hereunder, to the extent they have been or will be reasonably incurred, the City shall not unreasonably oppose their inclusion in the cost base used to set Rates.

3.5 Annual Statements: Within ninety (90) days of the end of each of the Contractor's fiscal years during the term of this Agreement, the Contractor shall furnish to the City's Controller a financial statement of the Contractor. Such statement shall be under oath and in such detail as the Controller may reasonably require.

3.6 Compliance Issues: In the performance of this Agreement, Contractor shall comply with all Applicable Laws, provided that the Contractor may contest the validity or applicability of any provision of Applicable Law so long as such contest (if against a party other than the City) is conducted without prejudice, liability, damage or expense to the City. Contractor agrees to use its best efforts to maintain all Permits, and to maintain landfill capacity sufficient to satisfy Contractor's obligation under Section 2.2. Notwithstanding any other provision of this Agreement, nothing in this Agreement shall require Contractor (or its affiliates) to violate any provision of Applicable Law or any Permit, and no failure by Contractor (or its affiliates) to perform any obligation under this Agreement shall be deemed a breach or default hereunder if such failure to perform is required in order to comply with Applicable Law or any Permit.

3.7 Acceptance of Waste: The Contractor has the affirmative duty to accept (or cause to be accepted) from Permitted Haulers, at the Landfill, all Solid Waste and Beneficial Use Material generated in San Francisco, subject to payment to Contractor of the Fees provided for under this Agreement. This section shall not bar Contractor from setting reasonable rates and terms for services not covered by this Agreement that the Contractor may provide to Permitted Haulers or other parties.

3.8 City Fees; Zero Waste Account: The parties acknowledge that City intends, subject to any required approval by the Director (and, if applicable, the Rate Board), and, if required, by the Board of Supervisors, to impose certain fees on waste generators in City to facilitate achievement of City's disposal targets and other diversion and environmental goals. Such fees comprise: (i) a fee on each ton of Solid Waste Disposed during any calendar year at the Landfill, Back-Up Landfill or other landfill designated hereunder that exceeds City's annual disposal target for such calendar year as set forth on **Appendix B** (the "Excess Disposal Fee"), which fee is expected to be up to $5.00 per ton, and (ii) a fee for each ton of Solid Waste or Beneficial Use Material Disposed at the Landfill, Back-Up Landfill or other landfill designated hereunder (the "Sustainability Fee"), which fee is expected to be up to $10.00 per ton for Organics-Free Waste and Beneficial Use Material, and up to $15.00 per ton for Solid Waste other than Organics-Free Waste. The proceeds of such Fees shall be paid into a separate City account (the "Zero Waste Account") to be used exclusively for projects, mutually approved by the Director of the Department of the Environment and Contractor, to increase diversion from landfill or high-temperature disposal of waste generated within San Francisco, or to reduce carbon emissions associated with the management of waste (including without limitation Source-Separated materials) generated within San Francisco, by City, Contractor or Permitted Haulers (so long as such projects do not reduce diversion or provide an incentive to do so). If so directed by the Director (and, if applicable, the Rate Board), Contractor agrees to collect such Fees from Permitted Haulers and others, but only if and to the extent such Fees are included in the cost base used to set Rates under the Ordinance. City may change the amount of such Fees from time to time in its sole discretion, subject to any required approval by the Director (and, if applicable, the Rate Board), although Contractor's duty to collect such Fees shall remain subject to compliance with the preceding sentence. The manner in which such Fees shall be calculated and collected shall be determined through the Rate process and any necessary legislation.

4. Transport.

4.1 Operation of Transfer Station: To facilitate the parties' intent that all Solid Waste and Beneficial Use Material generated in the City be Disposed of at the Landfill and to provide for transportation of such waste to the Landfill, the parties agree that Contractor shall operate a Transfer Station for the duration of the Disposal Term. The parties further agree to seek, as part of the approval of this Agreement by the City's Board of Supervisors, an appropriate resolution or ordinance of the Board of Supervisors pursuant to Section 5 of the Ordinance, designating Contractor as the sole entity for receipt of all City Waste for the duration of the Disposal Term, and directing that during such period all City Waste shall be delivered to Contractor at the Transfer Station or the Landfill for Disposal in accordance with this Agreement. The only exception to the foregoing grant of exclusivity is that the Director of the Department of the Environment may direct small amounts of City Waste to alternative disposal sites for the purpose of testing alternative waste handling technologies. Nothing in this Agreement shall prevent Contractor from accepting materials other than City Waste at the Transfer Station or the Landfill, or from utilizing the Transfer Station or the Landfill for purposes other than those contemplated by this Agreement, so long as those activities are conducted in compliance with Applicable Laws and do not conflict with this Agreement.

4.2 Further Transport. During the Disposal Term, Contractor shall be responsible for transporting, or causing to be transported, from the Transfer Station to the Landfill or Back-Up Landfill, all City Waste delivered to the Transfer Station and accepted by Contractor.

5. Force Majeure and Service Interruptions.

5.1 Force Majeure: If Contractor or any of its affiliates or subcontractors is unable to perform any of Contractor's obligations hereunder, in whole or in part, by reason of an event of Force Majeure or the effect thereof, then such obligations shall be suspended for the duration of such event of Force Majeure and the effect thereof, and such failure to perform shall not be deemed a breach or default hereunder. If Contractor intends to rely upon this Section 5.1 to suspend its obligations, it shall notify City as soon as reasonably practicable, describing in reasonable detail the event of Force Majeure, and shall again notify City when the effect of the event of Force Majeure has ceased.

5.2 Interruption of Service: If Contractor or its affiliates are unable to perform operations at the Landfill for more than three (3) business days for any reason not principally caused by City, including an event of Force Majeure, then City may direct Contractor and the Permitted Haulers to utilize the Back-Up Landfill. If Contractor's or its affiliates' operations under this Agreement are suspended or otherwise materially affected by reason of an event of Force Majeure (or the effect thereof), then, subject to City's approval (not to be unreasonably withheld, conditioned or delayed), Contractor may utilize the Back-Up Landfill (and in such event, City shall cause the Permitted Haulers to utilize the Back-Up Landfill). Any utilization of the Back-Up Landfill pursuant to this Section 5.2 shall be on the same terms and conditions as are set forth in this Agreement, *provided*, *however*, that the Governmental Fees imposed on or applicable to the Back-Up Landfill shall be substituted for those imposed on or applicable to the Landfill, and the Fees payable by the Permitted Haulers at the Back-Up Landfill shall be adjusted accordingly. If operations are unable to be performed at both the Landfill and the Back-Up Landfill concurrently for more than three (3) business days for any reason, including an event of Force Majeure, then City may either (a) utilize (and cause the Permitted Haulers to utilize) a landfill other than the Landfill and the Back-Up Landfill, or (b) take temporary possession of the Contractor's (or its affiliates') equipment at the Landfill to continue in the interest of public health and safety the services which the Contractor has agreed (but is unable) to provide. Except for the foregoing adjustment to the Governmental Fees component, Contractor will be responsible for any additional Disposal and Transport costs incurred as a result of using the Back-Up Landfill or other landfill.

5.3 Possession of Contractor's Equipment. If the City takes possession of equipment pursuant to Section 5.2, (i) the City shall employ only qualified operators satisfactory to the Contractor; (ii) the City shall comply with all reasonable instructions of the supervisor at the Landfill for the conduct of operations; (iii) the City shall be responsible for the proper use and operation of the equipment and facilities, including maintenance and repair; (iv) the equipment and facilities shall be returned to it in the same condition as when the City took possession, ordinary wear and tear excepted; (v) the Fees provided in **Appendix A** (as adjusted) shall apply, which Fees shall continue to be paid to the Contractor to the extent possible (and if not possible, then paid to the City and held in trust for the Contractor); (vi) the Contractor shall reimburse the City for its reasonable, documented costs of operating the Landfill; and (vii) the City will defend, indemnify and hold harmless the Contractor and its affiliates from claims by third parties resulting from the City's negligence or intentional misconduct in the use of the facilities or equipment.

5.4 Exercise and Duration of City's Rights. The City may exercise any of the rights set forth in Section 5.2 only upon 24 hours' prior written notice to the Contractor. Such rights shall terminate as soon as the Contractor demonstrates to the City's reasonable satisfaction that it (and its affiliates) are ready, willing and able to resume operations at the Landfill, at which time the City shall promptly resume delivery (and cause the Permitted Haulers to resume delivery) of Solid Waste and Beneficial Use Material to the Landfill and Transfer Station.

6. Landfill Operations.

6.1 Hours of Operation: The Landfill and Transfer Station will receive Solid Waste and Beneficial Use Material under this Agreement on days and times sufficient to accept all City Waste in accordance with this Agreement. Self-haulers will be able to deliver Solid Waste and Beneficial Use Material generated in City to the Landfill, during its business hours, for Disposal at the Landfill.

6.2 Hazardous Waste and Designated Waste: The Contractor shall use reasonable efforts to see that only Solid Waste, Beneficial Use Material, permitted Hazardous Waste, and permitted Designated Waste are accepted from the Permitted Haulers, City or self-haulers at the Landfill and Transfer Station. The Contractor agrees to use reasonable efforts to identify and remove from the waste stream unpermitted Hazardous Waste or unpermitted Designated Waste it may receive from the Permitted Haulers, City or self-haulers at the Landfill or Transfer Station. "Reasonable efforts" shall include, but not be limited to, employee training and inspection by qualified personnel, as well as working cooperatively with the City on public education, particularly to educate self-haulers. The Contractor agrees to ensure compliance at the Landfill with the Landfill Load Check Program attached hereto as **Appendix C**, and at the Transfer Station with the Waste Acceptance Control Program attached hereto as **Appendix D**, as the same may be amended or updated from to time. Incoming loads at the Landfill must be screened before, during and after tipping for the presence of unpermitted Hazardous Waste. Contractor will provide for disposal or recycling of any unpermitted Hazardous Waste and unpermitted Designated Waste determined to be abandoned, as defined in the Waste Acceptance Control Program in Appendix D, at the Transfer Station or the Landfill, in compliance with all applicable laws and regulations and this Agreement. No later than August 31 of each year during the term of the Agreement, Contractor will provide the City with an annual report on the quantities of unpermitted Hazardous Waste and unpermitted Designated Waste (if any) removed prior to and at the Landfill from the City's waste stream during the prior July through June period. The parties recognize that, notwithstanding Contractor's reasonable efforts and compliance with the Landfill Load Check Program and the Waste Acceptance Control Program, it is possible that unpermitted Hazardous Waste or unpermitted Designated Waste may be delivered to and/or inadvertently accepted at the Landfill or Back-Up Landfill. Accordingly, delivery and/or inadvertent acceptance of unpermitted Hazardous Waste or unpermitted Designated Waste to or at the Landfill or Back-Up Landfill shall not in itself evidence Contractor's failure

to comply with this Section 6.2. For avoidance of doubt, Contractor's obligations under this Section 6.2 shall apply only to waste delivered (or attempted to be delivered) under this Agreement, and nothing in this Agreement shall be deemed to prohibit the Landfill or Transfer Station from accepting Hazardous Waste or Designated Waste in accordance with such facility's permits.

6.3 Landfill Gas: The Contractor agrees to use commercially reasonable efforts to ensure that a state-of-the-art gas recovery system (which employs commercially reasonable methods to maximize capture of landfill gas and minimize flaring) is maintained at the Landfill, using best available control technology, for the duration of the Disposal Term. The Contractor shall use commercially reasonable efforts to ensure that the portion of the gas recovered from such system during the Disposal Term, attributable to tonnage Disposed at the Landfill pursuant to this Agreement, is used by the Contractor or its affiliates to produce energy or fuel vehicles, or is sold to third parties whom the Contractor reasonably believes intend to use such gas to produce energy or fuel vehicles or to transfer such gas to end users who intend to use it for such purposes. The Contractor and the Department of the Environment will cooperate in good faith to design and implement a plan to use such portion of Landfill gas in accordance with the preceding sentence, it being understood that such plan shall not conflict with any agreements for the use of Landfill gas entered into by the Contractor or its affiliates before the date hereof. The Contractor will provide an annual report on the percent and amount of Landfill gas captured from such system during the Disposal Term. The Contractor further agrees to use good faith efforts to explore the feasibility (subject to applicable permitting and land use requirements) of installing renewable energy facilities on property adjacent to the Landfill that will offset a minimum of 50% of all energy imported to the Landfill. The Contractor shall not be obligated to install any such facilities unless it determines that doing so would be commercially reasonable and profitable.

6.4 Minimizing Climate Impacts: The Contractor and the Department of the Environment will cooperate in good faith to design and implement a plan to reduce greenhouse gas emissions at the Landfill during the Disposal Term. Such a plan may include baseline emissions levels, projected reduction of emissions, and the quantification, monetization and use of carbon emission credits (through the California Climate Action Registry or other agencies), if any. If the plan generates carbon credits during the Mining Rights Term (as defined in Section 6.5), the parties will negotiate in good faith the sharing of the net proceeds or net value of such credits attributable to tonnage Disposed at the Landfill pursuant to this Agreement. Nothing in this Section 6.4 shall obligate the Contractor to incur any costs in connection with such plan or to otherwise reduce greenhouse gas emissions at the Landfill, unless the Contractor determines (after consultation with City) that doing so is commercially reasonable.

6.5 Mining Rights: If, at any time during the Mining Rights Term, the Contractor performs (or causes to be performed) any mining of materials Disposed at the Landfill, the parties will negotiate in good faith the sharing of the net profits (if any) earned by the Contractor during the Mining Rights Term from such mining that are attributable to tonnage Disposed at the Landfill pursuant to this Agreement. Such net profits (if any) shall be determined taking into account all costs relating to such mining, including without limitation reasonable insurance, reserves, development, capital and operating expenses, actual and potential liability and all measures to mitigate the environmental and other risks and liabilities associated with such mining. The "Mining Rights Term" means the term of this Agreement and for a period of ten (10) years (or, if less, the length of the Disposal Term) thereafter, *provided, however*, that the Mining Rights Term shall automatically terminate upon the transfer of the Landfill to any party other than the Contractor or an affiliate of the Contractor. Nothing in this Section 6.5 shall obligate the Contractor to engage in any landfill mining, unless the Contractor determines (after consultation with City) that doing so is commercially reasonable and profitable. Nothing in this Section 6.5 shall confer upon the City any rights against any subsequent owner or transferee of the Landfill. This Section 6.5 in no way reduces the responsibility of the Contractor to properly operate the Landfill or manage it after closure, nor does it subject the City to any liability.

6.6 Compliance with Solano County Requirements. Contractor shall comply with all applicable Solano County requirements and regulations, including but not limited to the requirements and conditions of approval imposed in the Conditional Use Permit (Land Use Permit No. U-11-09) and the Mitigation Monitoring and Reporting Program adopted in connection with the Conditional Use permit, and of the Solid Waste Facility Permit for the Landfill.

7. Reserve Fund.

7.1 Subject to the continuing approval of the Director (and, if applicable, the Rate Board), City shall establish and, once funded, shall maintain throughout the Disposal Term a special reserve fund (the "Reserve Fund") in an amount not less than $10 million in 2014 dollars, as adjusted by the Consumer Price Index, All Urban Consumers, All Items, Not Seasonally Adjusted, San Francisco-Oakland-San Jose Metropolitan Area, published by the U.S. Department of Labor, Bureau of Labor Statistics. Notwithstanding the above, the Director (and, if applicable, the Rate Board) may provide for the gradual initial funding of the Reserve Fund over the first four years of the Agreement. The Reserve Fund shall be funded from a one percent (1%) surcharge on all Solid Waste generated in San Francisco that is delivered to the Transfer Station or the Landfill (or Back-Up Landfill, if applicable), and/or by reallocation of funds from the reserve fund established under Section 5 of the Prior Facilitation Agreement, as determined by the Director (and, if applicable, the Rate Board). City shall recommend to the Director (and, if applicable, the Rate Board) approval of the creation of the Reserve Fund, the maintenance thereof throughout the Disposal Term, and the funding thereof through such surcharge or reallocation of funds. The size of the Reserve Fund and/or the amount of the surcharge may be changed if mutually agreed by the Director of the Department of the Environment and Contractor, subject to approval by the Director (and, if applicable, the Rate Board).

7.2 The Reserve Fund may be drawn upon from time to time by Contractor or Permitted Haulers, subject to appropriate City controls as approved by the Director and, if applicable, the Rate Board. The sole purpose of the Reserve Fund is to temporarily reimburse costs that have been or will be incurred by Contractor or Permitted Haulers, which costs are expected to be recoverable through Rates but have not yet been recovered (e.g., because a corresponding adjustment in Rates has not yet taken effect, or has taken effect but has not yet fully reimbursed Contractor or Permitted Haulers for such costs). Such costs consist of (i) the Solid Waste Fee, the Organics-Free Waste Fee and the Beneficial Use Material Fee, and all adjustments thereto, and (ii) any other costs relating to the performance of this Agreement and/or the collection, Transport, processing or Disposal of City Waste or other waste generated in San Francisco that the City Administrator and Contractor agree may be reimbursed from the Reserve Fund, including the costs of control and alternative disposal of Hazardous and Designated Wastes. If a withdrawal is made from the Reserve Fund to cover certain costs and the Director (or, if applicable, the Rate Board) subsequently disapproves the inclusion of such costs in the cost base used to set Rates, then the Director (or, if applicable, the Rate Board) may offset the amount of the withdrawal, in whole or in part, in future rate adjustments, or Contractor may repay the amount of the withdrawal into the Reserve Fund.

7.3 It is not the intention of the parties that withdrawals from the Reserve Fund should take the place of normal ratemaking processes by which Rates are adjusted to reimburse the recoverable costs of Contractor and Permitted Haulers. Rather, the Reserve Fund is meant to ensure that Rates are not subject to major fluctuations, to streamline the ratemaking process by obviating the need for continuous adjustments to Rates as costs change, and to protect Contractor and Permitted Haulers against events which cause actual costs to exceed the cost forecasts approved in the rate process. It is understood that nothing in this Section 7 shall limit the right of Contractor or any Permitted Hauler to seek a special rate adjustment.

7.4 To the extent Rates are increased to cover the costs that gave rise to the withdrawal from the Reserve Fund, Contractor and the Permitted Haulers shall, as such increased Rates are collected, remit the monies derived from such increase to the Reserve Fund until the amount withdrawn has been repaid. If the withdrawal has been approved by the City Administrator, but the amount in the Reserve Fund is insufficient to cover the withdrawal, then Contractor and Permitted Haulers may seek to recover through a subsequent rate adjustment interest on the unreimbursed amount at a rate equivalent to the U.S. Prime Rate plus two percent (2.0%) per annum (after the first 120 days, during which no interest shall accrue) for the period from the time the cost was incurred until the time the cost is recovered (through Rates or otherwise).

7.5 As such times as they deem appropriate, the Director (and, if applicable, the Rate Board) shall determine whether there is, or will be, any continuing need for the Reserve Fund after the Disposal Term ends. If the Director (and, if applicable, the Rate Board) determines there is, or will be, no further need for the fund, then the Director (and, if applicable, the Rate Board) shall allocate the remaining funds for the benefit of the then-current and future residential and/or commercial customers of the Permitted Haulers.

8. No Duplication of Liquidated Damages. Liquidated damages or penalties payable by the Contractor under the terms of this Agreement shall be in lieu of, and not in addition to, liquidated damages or penalties payable by the Contractor under the Municipal Code of the City with respect to the same event or circumstance. Under no circumstances shall the Contractor be liable for liquidated damages or penalties under both the Municipal Code and this Agreement with respect to the same event or circumstance.

9. Submitting False Claims; Monetary Penalties. Pursuant to San Francisco Administrative Code Section 21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

10. Taxes. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

11. Payment Does Not Imply Acceptance of Work. The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

12. Qualified Personnel. Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor or its affiliates or subcontractors.

13. Responsibility for Equipment. Except as set forth in Section 5.3, City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

14. Independent Contractor. Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

15. Insurance.

(a) Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(i) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than $1,000,000 each accident, injury, or illness; and

(ii) Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(iii) Commercial Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(iv) Pollution and Remediation Legal Liability Insurance with limits not less than $2,000,000 each occurrence, and $5,000,000 in the aggregate, for the sudden and accidental release of hazardous materials generated within San Francisco during loading or unloading at, or transport to or from, an insured site, including coverage for clean-up costs.

(b) Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(i) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(ii) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

(c) Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

(d) Contractor shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the following address:

Department of the Environment
Attn: Rachel Buerkle
1455 Market Street, Suite 1200
San Francisco, CA 94103

(e) Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made during such three-year period, such claims shall be covered by such claims-made policies.

(f) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

(g) Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated by the end of the notice and cure period provided for in Section 19(b), the City may, at its sole option, terminate this Agreement immediately upon notice to Contractor.

(h) Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement, subject to the notice and cure period provided for in Section 19(b).

(i) Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

(j) If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall, to the extent possible, name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insureds.

16. Indemnification. Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against, any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor, or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, and including, but not limited to, any claim for damages made on account of any substance deposited in the Landfill, all regardless of the negligence of City, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that this Section 16 is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, cost, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any of the foregoing claims against the City. Without prejudice to the foregoing limitations on Contractor's obligation to indemnify, save harmless and defend, Contractor specifically acknowledges and agrees that such obligation includes the obligation to defend City from any claim which falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter.

17. Incidental and Consequential Damages. Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions.

18. Liability of City. THE CITY SHALL HAVE NO PAYMENT OBLIGATIONS UNDER THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Default; Remedies; Termination. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(a) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

9. Submitting False Claims
22. Proprietary or Confidential Information of City
26. Assignment
33. Drug-Free Workplace Policy
50. Protection of Private Information

(b) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of 30 days after written

notice thereof from City to Contractor, *provided, however*, that if such breach cannot reasonably be cured within such 30-day period, then Contractor shall not be deemed to be in default if Contractor commences efforts to cure such default within such 30-day period and thereafter diligently pursues such cure to completion.

(c) Contractor (i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, or (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property.

(d) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property material to this Agreement, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor, and, in each case, such order remains in effect for more than 60 calendar days.

On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement upon 90 days prior written notice to Contractor (except in the event of an uncured breach of Section 15 (Insurance), which shall entitle City to terminate this Agreement immediately upon notice to Contractor, pursuant to Section 15(g)), or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

20. Rights and Duties upon Termination or Expiration. This section and the following sections of this Agreement shall survive termination or expiration of this Agreement:

9. Submitting False Claims
10. Taxes
11. Payment Does Not Imply Acceptance of Work
13. Responsibility for Equipment
14. Independent Contractor
15. Insurance
16. Indemnification
17. Incidental and Consequential Damages
18. Liability of City
22. Proprietary or Confidential Information of City
24. Audit and Inspection of Records
43. Modification of Agreement.
44. Administrative Remedy for Agreement Interpretation.
45. Agreement made in California; Venue
46. Construction
47. Entire Agreement
49. Severability
50. Protection of Private Information

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. This subsection shall survive termination of this Agreement.

21. Conflict of Interest. Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

22. Proprietary or Confidential Information of City. Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all proprietary or confidential information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data. Information will not be, or will cease being, proprietary or confidential information of City if or when (i) it enters the public domain other than by Contractor's breach of this Section 22, (ii) it is rightfully communicated to Contractor free of any obligation of confidentiality, or (iii) it is independently developed by Contractor without use of any proprietary or confidential information of City.

23. Notices to the Parties. Unless otherwise indicated elsewhere in this Agreement, or otherwise legally required, all communications required or permitted hereunder shall be in writing and shall be sent by e-mail, facsimile, registered U.S. mail, or nationally recognized overnight courier, and shall be addressed as follows:

To City: Deborah O. Raphael, Director, San Francisco Department of the Environment, 1455 Market Street, Suite 1200, San Francisco, CA 94103, Fax: 415-554-6393, E-Mail: debbie.raphael@sfgov.org.

To Contractor: Mark Arsenault, Vice President and Group Manager, San Francisco Region, Recology San Francisco, 250 Executive Park Boulevard, Suite 2100, San Francisco, CA 94134, Fax: 415-468-2209, E-Mail: marsenault@recology.com.

with copies to:

Michael J. Baker, Arnold & Porter LLP, 3 Embarcadero Center, 10th Floor, San Francisco, CA 94111, Fax: 415-471-3400, E-Mail: michael.baker@aporter.com.

Cary Chen, Senior Director of Legal Affairs, Recology Inc., 50 California Street, 24th Floor, San Francisco, CA 94111, E-Mail: cchen@recology.com.

Notices shall be deemed effective upon confirmation of receipt or, in the case of registered mail, three (3) business days after proper deposit in the U.S. mail. Each party may change the foregoing contact information by prior written notice to the other party given in accordance with this section.

24. Audit and Inspection of Records. Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after a final audit commenced during such five-year period has been completed, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this section.

25. Subcontracting. Contractor is prohibited from subcontracting this Agreement or any part of it to any party other than an affiliate of Contractor, unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

26. Assignment. The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor to any party other than an affiliate of Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

27. Non-Waiver of Rights. Nothing in this Agreement shall constitute a waiver or limitation of any rights that either party may have under applicable law. The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

28. Consideration of Criminal History in Hiring and Employment Decisions.

(a) Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at www.sfgov.org/olse/fco. A partial listing of some of Contractor's obligations under Chapter 12T is set forth in this Section. Contractor is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

(b) The requirements of Chapter 12T shall only apply to a Contractor's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, shall apply only when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco, and shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

(c) Contractor shall incorporate by reference in all subcontracts the provisions of Chapter 12T, and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(d) Contractor or Subcontractor shall not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(e) Contractor or Subcontractor shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection 32(d), above. Contractor or Subcontractor shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(f) Contractor or Subcontractor shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that the Contractor or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(g) Contractor and Subcontractors shall post the notice prepared by the Office of Labor Standards Enforcement (OLSE), available on OLSE's website, in a conspicuous place at every workplace, job site, or other location under the Contractor or Subcontractor's control at which work is being done or will be done in furtherance of the performance of this Agreement. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace, job site, or other location at which it is posted.

(h) Contractor understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of $50 for a second violation and $100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

29. Local Business Enterprise Utilization; Liquidated Damages.

(a) The LBE Ordinance. Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively, the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to the notice and cure period provided for in Section 19(b), to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any

remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

(b) Compliance and Enforcement. If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or $1,000, whichever is greatest. The Director of the City's Contracts Monitoring Division or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of CMD") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of CMD will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the CMD for non-compliance with the LBE Ordinance shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City. Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three (3) years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of CMD or the Controller upon request.

30. Nondiscrimination; Penalties.

(a) Contractor Shall Not Discriminate. In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Subcontracts. Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement, subject to the notice and cure period provided for in Section 19(b).

(c) Nondiscrimination in Benefits. Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by City, or where work is being performed for City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

(d) Condition to Contract. As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contracts Monitoring Division (formerly "Human Rights Commission").

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of $50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

31. MacBride Principles—Northern Ireland. Pursuant to San Francisco Administrative Code §12F.5, City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

32. Tropical Hardwood and Virgin Redwood Ban. Pursuant to §804(b) of the San Francisco Environment Code, City urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

33. Drug-Free Workplace Policy. Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1988, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement, subject to the notice and cure period provided for in Section 19(b).

34. Resource Conservation. Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract, subject to the notice and cure period provided for in Section 19(b).

35. Compliance with Americans with Disabilities Act. Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement, subject to the notice and cure period provided for in Section 19(b).

36. Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between City

and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by the first sentence of this paragraph will be made available to the public upon request.

37. Limitations on Contributions. Through execution of this Agreement, Contractor acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

38. Requiring Minimum Compensation for Covered Employees.

(a) Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance ("MCO"), as set forth in San Francisco Administrative Code Chapter 12P ("Chapter 12P"), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this section.

(b) The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this section against Contractor.

(c) Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

(d) Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

(e) The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

(f) Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

(g) Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(h) Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(i) If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than $25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed $25,000 in the fiscal year.

39. Requiring Health Benefits for Covered Employees. Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance ("HCAO"), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

(c) Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

(d) Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with Chapter 12Q. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

(e) Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

(h) Contractor shall keep itself informed of the current requirements of the HCAO.

(i) Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(j) Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

(k) Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

(l) City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

(m) If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than $25,000 ($50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach $75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than $75,000 in the fiscal year.

40. First Source Hiring Program.

(a) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

(b) First Source Hiring Agreement. As an essential term of, and consideration for, any contract or property contract with City, not exempted by the FSHA, and subject to the exclusion in San Francisco Administrative Code Section 83.15 for existing labor agreements (to the extent any collective bargaining agreements to which Contractor is a party satisfy the requirements of that section), Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the date services are first performed under the contract or property contract. Subject to the same exemptions and exclusions, Contractor shall also enter into an agreement with the City for any other work that it performs in San Francisco. Such agreement shall:

(i) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of Chapter 83. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of Chapter 83.

(ii) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period,

the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(iii) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(iv) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(v) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of Chapter 83. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of Chapter 83, that employer shall be subject to the sanctions set forth in Section 83.10 of Chapter 83.

(vi) Set the term of the requirements.

(vii) Set appropriate enforcement and sanctioning standards consistent with Chapter 83.

(viii) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with Chapter 83.

(ix) Require the developer to include notice of the requirements of Chapter 83 in leases, subleases, and other occupancy contracts.

(c) Hiring Decisions. Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

(d) Exceptions. Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with Chapter 83 would cause economic hardship.

(e) Liquidated Damages. Contractor agrees:

(i) To be liable to the City for liquidated damages as provided in this section;

(ii) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by Chapter 83 as set forth in this section;

(iii) That the contractor's commitment to comply with Chapter 83 is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by Chapter 83 will cause harm to the City and the public which is significant and substantial but extremely difficult to quantity; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to $5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(iv) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to $10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(v) That in addition to the cost of investigating alleged violations under this section, the computation of liquidated damages for purposes of this section is based on the following data:

(A) The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of $348 per month, totaling approximately $14,379; and

(B) In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

Therefore, liquidated damages that total $5,000 for first violations and $10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

(vi) That the failure of contractors to comply with Chapter 83, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

(vii) Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of $5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

(f) Subcontracts. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this section.

41. Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement pursuant to Section 19, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

42. Preservative-Treated Wood Containing Arsenic. Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

43. Modification of Agreement. This Agreement may not be added to, amended or otherwise modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement, *provided, however*, that, to the extent permitted by law, the Director of the Department of the Environment may enter into any additions, amendments, or other modifications to, or waivers of any terms of, this Agreement (including, without limitation, changes to the exhibits) that the Director, in consultation with the City Attorney, determines are in the best interests of the City, do not materially decrease the benefits of this Agreement to the City, do not materially increase the obligations or liabilities of the City, and are necessary and advisable to carry out the purpose of this Agreement, which determination shall be conclusively evidenced by the execution and delivery by the Director of this Agreement and of such additions, amendments, or other modifications to, or waivers of any terms of, this Agreement.

44. Administrative Remedy for Agreement Interpretation.

a. **Negotiation; Alternative Dispute Resolution.** The parties will attempt in good faith to resolve any dispute or controversy arising out of or relating to the performance of services under this Agreement by negotiation. The status of any dispute or controversy notwithstanding, Contractor shall proceed diligently with the performance of its obligations under this Agreement in accordance with the Agreement and the written directions of the City. If agreed by both parties in

writing, disputes may be resolved by a mutually agreed-upon alternative dispute resolution process. Neither party will be entitled to legal fees or costs for matters resolved under this Section 44(a).

b. Government Code Claims. No suit for money or damages may be brought against the City until a written claim therefor has been presented to and rejected by the City in conformity with the provisions of San Francisco Administrative Code Chapter 10 and California Government Code Section 900 et seq. Nothing set forth in this Agreement shall operate to toll, waive or excuse Contractor's compliance with the Government Code claim requirements set forth in Administrative Code Chapter 10 and Government Code Section 900 et seq.

45. Agreement Made in California; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

46. Construction. All paragraph captions are for reference only and shall not be considered in construing this Agreement.

47. Entire Agreement. This contract sets forth the entire agreement between the parties with respect to the subject matter hereof, and supersedes all other oral or written agreements or understandings with respect to such subject matter. This contract may be modified only as provided in Section 43, "Modification of Agreement."

48. Compliance with Laws. Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time, provided that Contractor may contest the validity or applicability of any such law, code, ordinance, order or regulation so long as such contest (if against a party other than the City) is conducted without prejudice, liability, damage or expense to the City. Notwithstanding anything to the contrary in this Agreement, Contractor's obligations under the sections of this Agreement that refer to or incorporate by reference sections of City's Municipal Code are subject to any applicable qualifications, limitations, exceptions and exemptions available under or applicable to such sections of the Municipal Code; it is not the intention of the parties to expand Contractor's obligations under such sections of this Agreement beyond the obligations set forth in the corresponding sections of the Municipal Code.

49. Severability. Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

50. Protection of Private Information. Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contactor to comply with the requirements of Section 12M.2 of the Administrative Code shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement pursuant to Section 19 hereof, bring a false

claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

51. Food Service Waste Reduction Requirements. Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars ($100) liquidated damages for the first breach, two hundred dollars ($200) liquidated damages for the second breach in the same year, and five hundred dollars ($500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

52. Cooperative Drafting. This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Landfill Disposal Agreement on the day first mentioned above.

CITY	**CONTRACTOR**
Recommended by: _____ Deborah O. Raphael, Director Department of the Environment Approved as to Form: Dennis J. Herrera City Attorney By _____ Thomas J. Owen Deputy City Attorney	Recology San Francisco By signing this Agreement, I certify that Recology San Francisco complies with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off. I have read and understood paragraph 31, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles. _____ Michael J. Sangiacomo President and Chief Executive Officer City vendor number:

Appendices

A: Initial Fees
B: City Landfill Disposal Targets
C: Landfill Load Check Program
D: Waste Acceptance Control Program

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Appendix A
Initial Fees

SOLID WASTE FEE

The per-ton disposal fee at the Landfill and Back-Up Landfill for all Solid Waste (other than Organics-Free Waste) tonnages (the "Solid Waste Fee") will be:

Landfill Operations (2015 dollars)	$22.73
Governmental Fees (all in 2014 dollars)*:	
County Solid Waste Business License Fee*	$4.95
County Solid Waste Disposal Facilities Fee*	$1.03
Solano County Waste Mitigation Fee*	$0.21
CalRecycle AB939 Fee*	$1.40
TOTAL FEE	**$30.32**

ORGANICS-FREE WASTE FEE

The per-ton disposal fee at the Landfill or Back-Up Landfill for all Organics-Free Waste tonnages (the "Organics-Free Waste Fee") will be:

Landfill Operations (2015 dollars)	$22.43
Governmental Fees (all in 2014 dollars)*:	
County Solid Waste Business License Fee*	$4.95
County Solid Waste Disposal Facilities Fee*	$1.03
Solano County Waste Mitigation Fee*	$0.21
CalRecycle AB939 Fee*	$1.40
TOTAL FEE	**$30.02**

BENEFICIAL USE MATERIAL FEE

The per-ton tip fee at the Landfill or Back-Up Landfill for all Beneficial Use Material tonnages (the "Beneficial Use Material Fee") will be:

Landfill Operations (2015 dollars)	$21.33
Governmental Fees (2014 dollars)*	$0.00
TOTAL FEE	**$21.33**

* Figures shown are for Solano County and apply to the Landfill only. For the Back-Up Landfill, Governmental Fees imposed on or applicable to such landfill will apply instead.

Appendix B
City Landfill Disposal Targets

Calendar Year	Annual Disposal Target
2014	373,940
2015	320,520
2016	267,100
2017	213,680
2018	160,260
2019	106,840
2020	53,420
2021	0

Appendix C
Landfill Load Check Program

(see attached)

Appendix D
Waste Acceptance Control Program

(see attached)