**AMENDED AND RESTATED SOLID WASTE COLLECTION AND RECYCLING FRANCHISE AGREEMENT**

This AMENDED AND RESTATED SOLID WASTE COLLECTION, RECYCLING AND DISPOSAL FRANCHISE AGREEMENT ("Franchise") is entered into effective as of September 11, 2014 ("Effective Date") by and between the CITY OF CHULA VISTA, a chartered municipal corporation of the State of California ("City") and ALLIED WASTE SYSTEMS, INC., a Delaware corporation, which is a subsidiary of Republic Services, Inc., and is doing business as Republic Services of Chula Vista, and also doing business as Allied Waste Services of Chula Vista ("Republic").

Recitals

This Franchise is made and entered into with reference to the following facts:

A. City is a chartered city within the meaning of California Constitution Article 11, Sections 3 and 5 and has reserved its powers pursuant to California Public Resources Code Section 40000 et seq. to grant an exclusive Solid Waste and Recycling franchise; and

B. In 1982, pursuant to Article XII of the City Charter and Chapter 8.24 of the Chula Vista Municipal Code, City granted a Solid Waste disposal franchise ("Original Franchise") to Chula Vista Sanitary Service ("CVSS"); since 1982, the Original Franchise has been assigned on various occasions, most recently to Republic.

C. Since 1982, the Original Franchise has been amended as follows: (1) Ordinance No. 2104, adopted February 28, 1985; (2) Ordinance No. 2332, adopted September 12, 1989; (3) Ordinance No. 2427, adopted December 4, 1990; (4) Ordinance No. 2429, adopted December 11, 1990; (5) Ordinance No. 2475, adopted September 3, 1991; (6) Ordinance No. 2562, adopted July 20 1993; (7) Ordinance No. 2569, adopted September 21, 1993; and (8) Ordinance No. 02792, adopted on July 13, 1999.

D. Ordinance No. 02792, among other things, extended the term of the Original Franchise, as amended, through June 30, 2007. Pursuant to the terms thereof, City and Republic subsequently exercised their rights to extend the term of the Original Franchise, as amended, , through June 30, 2015.

E. In 2013, City staff and Republic entered into negotiations for the further extension of the Original Franchise, as amended, ultimately reaching agreement on terms to be presented to the City Council for consideration.

F. On July 8, 2014, pursuant to City Council Resolution No. 2014-129, City approved a resolution of intention to consider the renewal of the Original Franchise, as amended, on the new terms presented (hereinafter referred to as the

"Franchise") and set a public hearing for such purpose for July 22, 2014 at 2 p.m.

G. On July 22, 2014, a duly noticed public hearing was held on this Franchise, all public testimony was reviewed and considered by the City Council, all protests were overruled, and Ordinance No. 3319 approving the Franchise was placed on first reading.

H. On August 12, 2014, pursuant to its adoption of Ordinance No. 3319 and Republic's written acceptance thereof, City granted, and Republic accepted the Franchise on the terms and conditions set forth herein.

I. The purpose of this Franchise is to set forth in a single document the terms and conditions of the Original Franchise, as extended, the terms and conditions of all subsequent amendments thereto, and the further revisions agreed to by City and Republic which are also set forth herein. This Franchise is intended to supersede and replace, as of the Effective Date, all prior agreements between the City and Republic with respect to the subject matter hereof.

## Agreement

NOW, THEREFORE, in consideration of the above recitals, the covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, City and Republic hereby agree as follows:

1. Definitions. Whenever in this Franchise the words or phrases hereinafter in this section defined are used, either with initial caps or small case lettering, they shall have the respective meaning assigned to them in the following definitions (unless in the given instance, the context wherein they are used shall clearly indicate a different meaning):

1.1 "Affiliate" means any parent or subsidiary corporation, partnership or other entity, controlling, controlled by or under common control with any entity, or any fellow member of an association, joint venture or similar arrangement for the provision of Solid Waste disposal or Recycling services in which Republic holds a direct or indirect interest.

1.2 "Aluminum" means recoverable materials made from aluminum such as used aluminum food or beverage containers, aluminum foil, siding, screening, and other items manufactured from aluminum.

1.3 "Applicable Law" means any federal, State or local law, rule, regulation, requirement, guideline, permit, action, determination or order of any Governmental Body having any jurisdiction applicable to the subject matter of this Franchise, as now in effect and as may be newly enacted or amended from time to time. Applicable Law shall include, without limitation, the City Charter, and Municipal Code.

1.4 "Automated Collection" or automation means the Curbside Collection of

Solid Waste, Recyclables or Yard Waste in Carts designed to be taken from the gutter or street and transferred into a Collection vehicle completely by mechanical means such as a robotic arm. The mechanical arm also replaces the container at the curb or parkway as designated by the City.

1.5 "Bin" means those plastic or metal containers of one cubic yard (202 gallons) to eight cubic yards that have plastic lids on the top (unless metal lids are designated by the City Manager). Bins are used for weekly or more frequent Collection of Solid Waste, Yard Waste or Designated Recyclables by City or Republic.

1.6 "Bulky Waste" means discarded items whose large size or shape precludes or complicates their handling by standard Residential or Commercial Solid Waste, Recycling and Green Waste Collection methods. Bulky items include White Goods, furniture, large auto parts, trees, stumps, carpet and other potentially oversize wastes. Bulky Waste does not include hazardous or infectious waste unless specifically exempt such as Freon containing refrigerators.

1.7 "California Green E Utility Provider" means any power generator or broker certified by the state of California to provide, electricity from wind, photovoltaic, small hydro-electric, thermal or other renewable and clean non-fossil fuel sources.

1.8 "Cardboard" means post-consumer waste paper grade corrugated cardboard (grade #11), kraft (brown) paper bags, or solid fiber boxes which have served their packaging purposes and are discarded and can later be reclaimed for Collection and recovery for Recycling.

1.9 "Carts" means those plastic containers with a capacity of less than 202 gallons (one cubic yard). Carts shall have a fixed lid and are designed for automated and/or semi-automated Collection of Solid Waste, Yard Waste and/or Designated Recyclables by City or Republic.

1.10 "Change in Law" means any of the following events or conditions occurring on or after the date hereof:

(a) the enactment, adoption, promulgation, issuance, material modification or written change in an Applicable Law or administrative or judicial interpretation of any Applicable Law; or

(b) the order or judgment of any Governmental Body with jurisdiction over Solid Waste that applies to this Franchise, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of City or Republic, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence.

1.11 "City" means the City of Chula Vista, a municipal corporation of the State of California in its present incorporated form or in any later reorganized, consolidated, enlarged or reincorporated form.

1.12 "Clean Fuel Source Vehicle" means a vehicle that meets or exceeds the pollution emission performance of a properly equipped and operating compressed natural gas, or equivalent, solid waste collection vehicle, operating in conformance with California law. Pollutant emissions to be considered include, but not limited to: particulate matter, nitrous oxide, carbon dioxide and sulfur dioxide emissions as well as any other emissions that are currently regulated or may be regulated by the California Air Resources Board. Acceptable clean fuels include: electricity, propane, natural gas, liquid natural gas, hydrogen fuel cells, compressed natural gas, bio-fuel, or equivalent fuels approved by City.

1.13 "Collection" means the act of removing and conveying nonhazardous and non-infectious Solid Waste, Yard Waste, Recyclables, co-mingled or source separated materials, from Residential, Commercial, Industrial, or Institutional (governmental) Generators, to a facility for Processing, composting, transfer, disposal or transformation.

1.14 "Commercial" means a site and/or business zoned or permitted for any use other than Residential including but not limited to Commercial, light Industrial, Industrial and agricultural.

1.15 "Compactor Containers" means those fully enclosed metal containers of any size (approximately seven to twenty cubic yards) provided by City's hauler or customer. Compactors typically serve Large Quantity Generators.

1.16 "Curbside Collection" means the service of removing and conveying of non-hazardous and non-infectious Solid Waste, source separated Recyclables, Green Waste, Newspaper (ONP), Mixed Paper (MP), corrugated Cardboard (OCC), steel, Tin and Bi-metal Cans, metal coat hangers, glass food and beverage containers, #1 and #2 plastic containers, used oil and used oil filters from the public thoroughfare at the curb or alley. (City shall make the final determination regarding eligibility for Curbside Collection which shall generally apply to Small Quantity Generators.)

1.17 "Designated Containers" ("Containers") means those containers designated by the City Manager for temporary Storage and Collection of Solid Waste, Yard Waste or Designated Recyclables including but not limited to "Recycling Boxes, Carts, Bins, Roll-off Boxes, and or Compactor Containers.

1.18 "Designated Recyclables" means those materials designated by the City Manager for recovery or reuse through this Franchise or City's Municipal Code. The list currently includes: Newspaper (ONP), Mixed Paper (MP), corrugated Cardboard (OCC), steel, Tin and Bi-metal Cans, metal coat hangers, Aluminum containers, White Goods, glass food and beverage

containers, plastic containers, used oil, used oil filters, concrete and asphalt. This list may be amended from time to time in the City Manager's discretion, based on market conditions or a Change in Law.

1.19 "Designated Solid Waste and Recycling Collection or Storage Location" means a place designated by the City Manager for Storage and/or Collection of Solid Waste, Green Waste and/or Recyclables pursuant to Section 8.24.100 of the Chula Vista Municipal Code. Designated locations include, but are not limited to, the curb, alley, waste/Recycling enclosure, a loading dock, or basement of a Commercial enterprise or Multi-family complex where Solid Waste and Recyclables are placed for Collection or temporary Storage prior to Collection by Republic.

1.20 "Franchised Recyclables" means any Residential, Commercial or Industrial Recyclables, as defined herein, by Municipal Code Chapter 8.25, placed in designated Recycling containers or at designated Recycling Solid Waste and Recycling Collection or Storage Location(s) to be collected by Republic.

1.21 "Garbage" means all non-hazardous, non-infectious organic waste including: kitchen and table waste, and animal or vegetable waste that attends or results from the storage, preparation, cooking, or handling of food stuffs, except organic wastes separated therefrom and used in composting in accordance with Chula Vista Municipal Code Chapter 8.25, Section 8.25.090.

1.22 "General Services" means those services provided to Small Quantity Generators, Large Quantity Generators and Industrial Generators excluding Miscellaneous Equipment and Service Rates or Optional Services as listed on Exhibit G of this Agreement.

1.23 "Generator" means every owner, tenant, occupant or person owning or having the care and control of any premises in the City including the temporary use of parks, open space or a public thoroughfare.

1.24 "Glass Bottles and Jars" means food and beverage containers made from silica or sand, soda ash and limestone, the product being transparent or translucent and being used for packaging or bottling, including container glass designated redeemable under the California Beverage Container Recycling and Litter Reduction Law, Division 12.1 (commencing with Section 14500) of the California Public Resources Code), as well as glass jars and bottles without redeemable value ("scrap"), but excluding household, kitchen, and other sources of non-container glass such as drinking glasses, ceramics, light bulbs, window pane glass, and similar glass products that are not bottles or jars.

1.25 "Governmental Body" means any Federal, State, County, City or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of his or her authority.

1.26 "Green Wastes" means the leaves, grass, weeds, shrubs, tree branches, tree trunk and other wood materials from trees. Green Waste may also include pre-consumer food waste, incidental amounts of waxed or plastic coated corrugated Cardboard, unpainted and untreated lumber. Green Waste does not include tree stumps in excess of 100 pounds, more than incidental dirt or rock, plastic, glass, metal, painted or treated lumber, plywood, particle board or other manufactured products that contain glue, formaldehyde, non-organic or non-biodegradable materials.

1.27 "Gross Receipts" means all gross operating revenues received by Republic from Rates charged to Generators under this Franchise (for collecting, removing, transporting, Processing and/or disposing Solid Waste and Recyclables, composting and related services. Excluding: a) Franchise Fees, b) AB 939 Fees, c) Household Hazardous Waste Fees d) any other City imposed fees, taxes, or surcharges, (except fees, taxes or surcharges of general application), e) revenue generated from the sale of Recyclables collected under this Franchise, and f) revenue generated from the sale or lease of storage containers and la-val locks.

1.28 "Hazardous or Toxic Waste" means any material, waste, chemical, compound, substance, mixture, or byproduct that is identified, defined, designated, listed, restricted or otherwise regulated under Applicable Laws as "hazardous constituent," "hazardous substance," "hazardous waste constituent," "infectious waste," "medical waste," "bio-hazardous waste," "extremely hazardous waste," pollutant," "toxic pollutant," "chemical constituent," "solid waste," or "contaminant," or any other formulation intended to classify substances by reason of properties that are deleterious to the environment, natural resources or public health or safety including without limitation, ignitability, infectiousness, corrosiveness, radioactivity, carcinogenicity, toxicity, and reproductive toxicity. Without limiting the generality of the foregoing, Hazardous or Toxic Waste shall include any form of natural gas, as well as any petroleum products or any fraction thereof, and any substance that, due to its characteristics or interaction with one or more other materials, wastes, chemicals, compounds, substances, mixtures, or by products, damages or threatens to damage the environment, natural resources, or public health or safety, or is required by any law or public entity to be remediated, including remediations which such law or public entity requires in order for real property to be put to any lawful purpose.

1.29 "Hospitality" means any establishment that offers dining services, food or beverage sales. This includes taverns, bars, cafeterias, and restaurants, as well as, motels and hotels (temporary housing of less than one month duration), hospitals, schools, colleges, and other such establishments that have dining services, or a restaurant or bar on their premises.

1.30 "Industrial" means any property or Generator that is engaged in the manufacture of products including but not limited to construction and demolition. Industrial Generators are typically serviced by Roll-off Boxes of

10-40 yard capacities and typically generate Inert materials such as asphalt, concrete, building debris and some wood and dry Green Waste.

1.31 "Industrial Recyclables" means Recyclables from Industrial, construction, and demolition operations, including, but not limited to, asphalt, concrete, dirt, land clearing brush, sand and rock.

1.32 "Inert" means non-reactive materials such as concrete, soil, asphalt, ceramics, earthen cooking ware, automotive safety glass, and mirrors.

1.33 "Institutional" means any premise owned and/or occupied by local, State and federal agencies, typically office or education facilities with a common waste stream.

1.34 "Landfill" means a disposal system by which Solid Waste is deposited in a specially prepared area which provides for environmental monitoring and treatment pursuant to the California Code of Regulations, the California Public Resources Code and the Federal Resource Conservation and Recovery Act.

1.35 "Large Quantity Generator" means those Residential, Commercial, Industrial and Institutional entities that generate more than four (4) ninety-six (96) gallon Carts of waste per week excluding source separated Recyclables diverted from disposal or transformation.

1.36 "Large Quantity Multi-family Generator" means Generators in Multi-family complexes of 10 or more Units.

1.37 "Mandatory Commercial Recycling" means actions to reuse, recycle, compost or otherwise divert commercial solid waste from disposal, as described in Title 14 California Code of Regulations section 18837.

1.38 "Mandatory Organics Recycling" means actions to collect compostable materials separately from solid waste generated by premises within the City, in order to divert such compostable material from disposal, as described in Title 14 California Code of Regulations section 18837or any amendment, supplement or replacement thereof.

1.39 "Mixed Paper" means corrugated Cardboard, all high and low grade ledger and other fibers not contaminated by food waste or other materials that render them unmarketable.

1.40 "Mixed Waste Processing" means a system of recovering Recyclables from the mixed waste stream through separation at a Processing facility, transfer station, Landfill, or other such facility instead of separation at the primary waste generation source.

1.41 "Multi-family" means a structure or structures containing a total of 4 or more dwelling Units in any vertical or horizontal arrangement on a single lot or

building site.

1.42 "Newspaper" means newsprint-grade paper including any inserts that come in the paper, and excluding soiled paper, all magazines, and other periodicals, telephone books.

1.43 "Nuisance" means anything which is injurious to human health, or is indecent or offensive to the senses, and interferes with the comfortable enjoyment of life or property, and affects at the same time an entire community or neighborhood, or any number of persons, although the extent of annoyance or damage inflicted upon the individual may be unequal, and which occurs as a result of the storage, removal, transport, processing, or disposal of Solid Waste, compost and/or Designated Recyclables.

1.44 "Plastic Bottle" means a plastic container with narrow neck or mouth opening smaller than the diameter of the container body, used for containing milk, juice, soft drinks, water, detergent, shampoo or other such substances intended for household or Hospitality use; to distinguish from non-bottle containers (e.g., deli or margarine tub containers) and from non-household plastic bottles such as those for containing motor oil, solvents, and other non-household substances.

1.45 "Processing" means the reduction, separation, recovery, conversion, or Recycling of any component(s) of Solid Waste.

1.46 "Putrescible Wastes" means the waste in organic material with the potential decomposition capacity to emit noticeable quantities of odor and gas by-products. Material in this category includes, but is not limited to kitchen waste, dead animals, food from containers, etc., except organic wastes separated therefrom and used in composting.

1.47 "Recyclables" means any materials that are recyclable, reclaimable, and/or reusable within the following generating categories: Small Quantity Generator and Large Quantity Generator. Any material having an economic value on the secondary materials market or that is otherwise Salvageable shall be included and/or other materials that have been separated from other Small Quantity Generators or Large Quantity Generators for the purposes of being recycled for resale and/or reuse, and placed at a Designated Solid Waste and Recycling Collection or Storage Location or in a Recycling or waste container for the purpose of Collection and Processing, or any such designated recyclable materials collected under a Mixed Waste Processing program. Recyclables shall not include Hazardous or Infectious Waste.

1.48 "Recycling" means any process by which materials which would otherwise be discarded, deposited in a Landfill or transformation facility and become Solid Waste are collected (source separated, commingled, or as "Mixed Waste"), separated and/or processed and returned to the economic mainstream in the form of raw materials or products or materials which are otherwise salvaged or recovered for reuse.

1.49 "Recycling Carts" shall mean those containers with a capacity of 32 gallons to 96 gallons which are supplied by Republic for automated Collection of Designated Recyclables.

1.50 "Refuse" means Garbage and Rubbish.

1.51 "Removal" means the act of taking Solid Wastes, Yard Waste or Designated Recyclables from the place of generation either by the Republic or by a person in control of the premises.

1.52 "Removal Frequency" means frequency of Removal of Solid Wastes, Yard Waste or Designated Recyclables from the place of generation.

1.53 "Residential" means any building or portion thereof designed or used exclusively as the residence or sleeping place of one or more persons, including single and multiple family dwellings, apartment-hotels, boarding and lodging houses. Residential does not include short-term Residential uses, such as motels, tourist cabins, or hostels which are regulated as Hospitality establishments.

1.54 "Roll-off Boxes" means those 10 to 40 cubic yard steel temporary containers with an open top and doors at least at one end typically used for temporary service to remove and convey non-putrescible, inert (concrete, asphalt, other demolition debris) Solid Wastes and Recyclables or Green Waste.

1.55 "Roll-off Service" means service provided for the Collection, Removal and Disposal of Industrial waste such as construction, demolition and other primarily Inert non-Putrescible Wastes and Green Wastes. Roll-off Service is usually provided using metal containers of 10 to 40 cubic yards that are open on the top with doors on one end.

1.56 "Rubbish" means non-Putrescible Solid Wastes such as ashes, paper, glass, bedding, crockery, plastics, rubber by-products or litter. Such materials that are designated as recyclable or compost may be exempt from categorizing as Rubbish provided such materials are handled, processed and maintained in a properly regulated manner.

1.57 "Salvaging or Salvageable" means the controlled and/or authorized Storage and Removal of Solid Waste, Yard Waste, Designated Recyclables or recoverable materials.

1.58 "Scavenging" means the uncontrolled and/or unauthorized Removal of Solid Waste, Yard Waste, Designated Recyclables or recoverable materials. Such activity is unlawful and is a misdemeanor punishable by up to six months in jail and $1,000 in civil penalties under section 8.24.200, 8.25.080 of the Chula Vista Municipal Code and Chapter 9 Section 41950 of the California Integrated Waste Management Act of 1989.

1.59 "Semi-automated Collection" means the Curbside Collection of Solid Waste, Recyclables or Yard Waste using a hydraulic arm or flipper on the collection vehicle combined with collection personnel assistance as necessary.

1.60 "Small Quantity Generator" means all Residential dwellings of four units or less (without restriction on the amount of waste generated by such dwellings) and all Commercial, Industrial and Institutional entities that generate an amount equal to or less than four (4) ninety-six (96) gallons Carts of waste per week excluding source separated Recyclables diverted from Disposal or transformation.

1.61 "Small Quantity Multi-family Generator" means Generators in Residential dwellings of 9 Units or less.

1.62 "Solid Waste" means all Putrescible and non-Putrescible solid waste, semi-solid and liquid wastes, such as Refuse, Garbage, Rubbish, ashes, Industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and Industrial appliances, manure, vegetable or animal solid and semi-solid wastes, and includes liquid wastes disposed of in conjunction with Solid Wastes at Solid Waste Transfer or Processing Stations or disposal sites, which are generated by Residential, Commercial or Industrial sites. Solid Waste shall not include: Hazardous and Infectious Waste, Special or Designated Waste such contaminated soils, sewage collected and treated in a municipal or regional sewage system or materials or substances having commercial value or other importance which can be salvaged for reuse, Recycling, composting or resale.

1.63 "State" means the State of California.

1.64 "Storage" means the interim containment of Solid Wastes, Yard Wastes, or Recyclables in an approved manner after generation and prior to Disposal, Collection or Processing. (Interim means for one week or less, Roll-off containers may store non-Putrescible waste for up to thirty days.)

1.65 "Streets and Byways" means the public streets, ways, alleys and places as the same now or may hereafter exist within said City, including State highways now or hereafter established within said City.

1.66 "Tin and Bi-metal Cans" means any steel food and beverage containers with a tin or Aluminum plating.

1.67 "Transfer or Processing Station" means those facilities utilized to receive Solid Wastes and to temporarily store, separate, convert, or otherwise process the Solid Waste and/or Recyclables.

1.68 "Uncontrollable Circumstances" means any of the following acts, events or conditions, if such act, event or condition is beyond the reasonable control and is not also the result of the willful or negligent act, error or omission or failure to exercise reasonable diligence on the part of the party relying

thereon as a justification for not performing an obligation or complying with any condition required by such party under this Franchise:

(a) an act of God (but not including reasonably anticipated weather conditions for the geographic area of the City), hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance;

(b) strikes or work stoppages occurring with respect to any activity performed or to be performed under this Franchise; and

(c) pre-emption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain.

It is specifically understood that none of the following acts or conditions shall constitute Uncontrollable Circumstances: (a) general economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of commodities, supplies or equipment; (b) changes in the financial condition of City, Republic or any subcontractor affecting their ability to perform their obligations; (c) the consequences of errors, neglect or omissions by City, Republic or any subcontractor; (d) any failure of any subcontractor to furnish labor, materials, service or equipment for any reason (other than an Uncontrollable Circumstance); (e) equipment failure; and (f) any impact of minimum wage law, prevailing wage law, customs or practices on Republic's or City's operating costs.

1.69 "Unit" means an individual residence contained in a Residential Multi-family complex.

1.70 "Variable Rate Structure" means a program for Solid Waste and Recyclables collection and multiple service Rates for Small Quantity Generators based on volume or units of Solid Waste put out for disposal, as compared to a single flat Rate for unlimited disposal.

1.71 "White Goods" means kitchen or other large enameled appliances which includes, but is not limited to, refrigerators, washers, and dryers.

1.72 "Wood Waste" means lumber and wood products but excludes tree stumps in excess of 100 pounds, with more than incidental dirt or rock, plastic, glass, metal, painted or treated wood, plywood, particle board or other manufactured products that contain glue, formaldehyde, non-organic or non-biodegradable materials.

1.73 "Yard Waste" means the leaves, grass, weeds, and wood materials from trees and shrubs from single family and Multi-family Residential sources (to include landscape haulings from Residential sources). Acceptable materials for Collection include all Yard Waste as herein defined, excluding treated or

processed wood or lumber, Bulky Waste or any other materials as shall be determined by City as to not be Salvageable. All acceptable Yard Waste shall be void of nails, wire, rocks, more than incidental dirt or any other material that is not considered Yard Waste. Roll-off Box loads containing 50% or more palm fronds may be delivered to and used by the Otay Landfill as alternative daily cover.

2. Grant of Franchise.

2.1 In General. City hereby grants to Republic, subject to the terms and conditions set forth herein, an exclusive Franchise ("Franchise") to collect and dispose of, for a fee, Solid Waste and Franchised Recyclables from Residential, Commercial and Industrial sites within the City, in the manner and on the terms specified herein, and to use for such purposes the City Streets and Byways. This Franchise is granted pursuant to the authority and subject to the terms and conditions contained in Article XII, Sections 1200 through 1206 of the City Charter, and Chapter 8.23 of the Chula Vista Municipal Code. This Franchise is granted upon each and every condition herein contained, and shall be strictly construed in accordance with Applicable Law. Each of said conditions is a material and essential condition to the granting of this Franchise. Nothing shall pass by the Franchise granted hereby to Republic unless it is granted in plain and unambiguous terms. The parties acknowledge and agree that in the event of a dispute over the interpretation of this Franchise, if the term in dispute is ambiguous and susceptible of two meanings such term shall be construed liberally in favor of the public in accordance with Applicable Law.

2.2 Exclusive Nature of Franchise.

2.2.1 During the Term of this Franchise, except as hereinafter otherwise provided, or except as may otherwise be required by federal or State law, the rights granted to Republic under this Franchise shall be exclusive to Republic, and City will not let any contract to, or enter into any contract with, any other person, firm, or corporation for the performance of the services herein required to be performed by Republic. City shall protect Republic's rights to such exclusive contract by proper ordinances, and by reasonable enforcement thereof.

2.2.2 Such exclusive rights shall not extend to Solid Waste or Recycling Services that cannot be exclusively franchised under federal or State law. In addition, this grant of exclusive Franchise is not intended and does not preclude duly licensed City based non-profit organizations and community groups from conducting Recycling programs for the purpose of raising funds, nor does it preclude a person from selling their own Recyclables at a buy-back center or from donating their own Recyclables, so long as said collection(s), donation(s) or sale(s) do not occur at Designated Solid Waste and Recycling Collection or Storage Location(s); and City hereby expressly excludes from Republic's exclusive rights hereunder the picking up, gathering, and Removal of Refuse pursuant to contracts between (a) State agencies or local governmental districts and (b) some other Solid Waste service provider acting in accordance with Applicable Law.

3. Term.

3.1 Term. The Franchise term ("Term") shall commence on the Effective Date and shall terminate on June 30, 2024, unless extended or earlier terminated in accordance with the provisions hereof.

3.2 Extension of Initial Term by City or Republic. Republic shall have the option to extend the Term for an additional seven (7) year period ("Extended Term"), on the same terms and conditions provided hereunder, or such other terms and conditions as may be agreed upon by City and Republic, each acting in their sole discretion, provided the City Manager reasonably determines that Republic has satisfactorily performed under and is in full compliance with this Franchise and Applicable Law and has the ability to perform its obligations under this Franchise during the Extended Term. Republic shall notify City in writing as to whether it desires to exercise its option to extend the Term at least one hundred eighty (180) days prior to the end of the initial Term. If, for whatever reason, Republic elects not to exercise such option, City may extend this Franchise for the Extended Term on the same terms and conditions provided hereunder, in City's sole discretion, by written notice to Republic within sixty (60) days of City's receipt of notice of Republic's intention.

3.3 Extension of Extended Term by City. City shall have one (1) additional option to further extend the Extended Term in the City Manager's sole discretion, for an additional eight (8) year period on the same terms and conditions; provided, however, in recognition that the Otay Landfill may reach full capacity during such further extension period, Republic may terminate this Franchise prior to the expiration of such City extension period if and when the Otay Landfill reaches full capacity by providing City at least 365 days prior written notice. The City Manager shall notify Republic in writing as to whether the City desires to exercise its option to further extend the Extended Term at least one hundred eighty (180) days prior to the end of the Extended Term.

4. Consideration

4.1 Franchise Fee.

4.1.1 In consideration of City's grant of this Franchise, Republic shall pay to City twenty percent (20%) of Republic's Gross Receipts. City shall have the right to decrease the Franchise Fee at any time by resolution of the City Council (and subsequently require Republic to reduce General Service Rates a corresponding amount). Republic shall not materially change its Collection or Processing methods or the terms and conditions of its existing contracts in such a way as to adversely affect the Franchise Fees to be paid to City, nor shall it enter into any new contracts that would have such effect without City's prior written approval. In the event that the Term is extended pursuant to Section 3.2 hereof, as of the commencement date of the Extended Term, by written notice to Republic, City shall have the right to increase the Franchise Fee by five percent (5%) for a total Franchise Fee of twenty-five (25%). It is understood that with respect to any Franchise Fee increase imposed by City, Republic shall have the right at its sole discretion to increase Rates by such increased amount.

4.1.2 By, on or before the 22nd of each month throughout the term of this Franchise, Republic shall (a) file with the director of finance of City a duly verified statement showing in detail the total Gross Receipts of Republic during the preceding month or fractional month from the Collection and disposal of Solid Waste and Franchised Recyclables within the City; and (b) pay to City, in lawful money of the United States, the aforesaid percentage of its total Gross Receipts for such month, or such fractional month, covered by such statement, plus any and all City imposed fees collected by Republic pursuant to this Franchise or other City approved program.

4.1.3 The acceptance by City of payments of the Franchise Fee shall be without prejudice to City's right to an examination of Republic's books and records maintained with respect to the calculation thereof in order to verify the amount of Republic's Gross Receipts. At any reasonable time within three years after receipt of any statement furnished it by Republic as provided in Section 4.1.2, above, and upon fifteen (15) days prior written notice to Republic, City may cause a special audit to be made of those books and records of Republic (i) relating to the calculation of City's Franchise Fee for the period covered by the statement, relating to (ii) the Net Revenue generated from the sale of Recyclables and (iii) as are reasonably necessary to verify Republic's compliance with its performance obligations hereunder. Except as provided below, the cost of such audit shall be borne by City. If it shall be determined that there has been an error in the payment of the Franchise Fee, then a reconciling payment or credit shall be made. If it is determined that the error exceeded three percent (3%) of the amount owed for the period covered by the audit, and such error is to the disadvantage of City, then Republic shall also reimburse City for the cost of the audit. City shall keep all information received from Republic in connection with any audit hereunder confidential, and shall not disclose or use any such information without the prior written consent of Republic, except to the extent required under Applicable Law or in connection with any dispute resolution proceeding with respect to this Franchise.

4.2 Annual Bonus. In further consideration of City's grant of this Franchise, Republic shall pay to City during the Term an annual bonus ("Annual Bonus"). The Annual Bonus shall be payable commencing July 15, 2014, and on each July 15 thereafter for the remainder of the Term, in annual lump sum installments in the amounts set forth in **Exhibit A** attached hereto.

4.3 Free Disposal for City Business.

4.3.1 City and City designated contractors and sub-contractors performing public works for the City shall not be charged tipping fees for Solid Waste qualified for disposal in and delivered to the Otay Landfill or Sycamore Landfill. City designated educational, medical or sports oriented public or private non-profits developing public or quasi-public facilities within the City (collectively, "Non-Profit Partners") shall also not be charged tipping fees for construction and demolition debris generated from the development of such facilities if qualified for disposal in and delivered to the Otay Landfill or Sycamore Landfill Notwithstanding the foregoing, tipping fees will be charged to City and/or its designated contractors/subcontractors/Non Profit Partners under this section if the tonnage deposited thereby in the Otay Landfill (or Sycamore Landfill) in any one calendar year

exceeds an amount equal to five percent (5%) of the total tonnage of Solid Waste, Recyclable Materials and Green Waste generated in the City and collected by Republic in that year; provided, however, such charges shall only apply to the tonnage that exceeds this five percent (5%) limit. City shall provide advance notice to Republic of City crews and City contractors, subcontractors and Non-Profit Partners for whom City may be entitled to a credit hereunder. City shall submit its requests for free disposal from contractors, sub-contractors and Non-Profit Partners that qualify for free disposal to Republic by providing on City letterhead the name of the company delivering the Solid Waste, the vehicle license number(s), the date or time period of delivery and an estimate of the total tonnage or number of vehicle loads. Republic shall file monthly reports with City to verify appropriate use of free disposal at Republic facilities.

4.3.2 Free City Service. Republic shall provide City with free Solid Waste, Yard Waste and Recycling Collection, Removal, Processing and disposal services at all City facilities during the term of this Franchise. City shall pay for Roll-off Service (or similar temporary services) requested by City. Only the disposal tonnage for Roll-off Service and other temporary services requested by City shall accrue against the annual 5% City disposal allowance described in Section 4.3.1. Roll-off Service shall accrue based on actual weight per load. Temporary services shall accrue at a rate of 100 lbs. per loose cubic yard times the frequency of pickup.

4.4 City Designation as "State Curbside Operator". Throughout the Term of this Franchise, Republic shall maintain City's designation as "State Curbside Operator" with the Department of Conservation, Division of Recycling, for the purposes of all California Redemption Value ("CRV") materials collected in Chula Vista by Republic and deliver to City Annual CRV payments payable pursuant to California Public Resources Code section 14549.6 ("CRV Fee") as it may be amended or replaced. City shall be entitled to the CRV Fees which accrue during the Term. All other CRV revenue and scrap value payments generated as a part of the per ton value from the Processing of Designated Recyclables shall be subject to revenue sharing between Republic and City as described in Section 8.6. Funds accrued to City under this section shall be used to support Integrated Solid Waste Management, Recycling public education, printing, promotion and incentive programs. Republic shall not materially change its Collection or Processing methods or subcontracts in such a way as to adversely affect CRV Fees or other amounts to be paid to City without City's prior written approval.

4.5 Limitations on Taxes, Fees and Assessments. Except for the Franchise Fees, Annual Bonuses and other fees provided in this Article IV and any generally City imposed taxes, fees or charges assessed on all businesses for goods or services in City, City shall not impose any other or further fees or assessments on Republic or any valid successor or assign in connection with its activities under this Franchise except to the extent that Republic may immediately pass-through such tax, fee, charge or assessment to Ratepayers (and for which Republic shall cooperate with City in collecting). City agrees to coordinate, whenever possible, the concurrent imposition of any pending regulatory fee increases with any pending service rate increases by Republic. Further, in the event that such taxes, fees charges, or

assessments are imposed on Republic with respect to Republic's rights under this Franchise by any Governmental Body other than City, and the legislative action or actions imposing the same further requires that the same be diverted, earmarked or otherwise paid over to the benefit of City, in whole or in part, and such action or actions (i) are not offset by a related legislative action or actions which reduce City revenues under this Franchise, (ii) do not compensate City for additional regulatory duties, (iii) do not reimburse City for new, direct out-of-pocket costs, or (iv) are related to hazardous materials collection or remediation at the landfill by City due to the failure of Republic or its Affiliates to comply with its obligations to City under Section 10 hereunder, such sums, if any, shall be promptly rebated to Republic's accounts or paid over to Republic.

4.6 AB 939 Fee. City may also impose a fee on Republic to fund the City's AB 939 recycling and diversion planning and implementation activities ("AB 939 Fee"). The current AB 939 Fee is five percent (5%) of Gross Receipts. City shall have the right to increase this AB 939 Fee during the Term in order to address AB 939 program cost increases. The parties agree that if the City increases the AB 939 fee, Republic shall have the right at its sole discretion to increase Rates by such increased amount.

5. Compliance with Laws and Directives.

5.1 Applicable Law. Republic shall comply with all Applicable Law (or such higher standards as may be required under this Franchise) regarding the manner in which it conducts its trade and business. Republic and City agree to cooperate with each other in reaching a modification to this Franchise to the extent required by law at any time it should be deemed necessary in the future. In the event of any Change in Law, or a successful third-party challenge to all or any material provision of this Franchise that in either case materially affects City's consideration or Republic's operational requirements hereunder, the parties agree to meet and confer in order to develop reasonable modifications to this Franchise in order to allow this Franchise to continue in substantial conformance with its terms as they existed prior to such Change in Law.

5.2 City Directives. In addition, at all times during the Term of this Franchise, Republic shall perform its obligations hereunder to the reasonable satisfaction of the City Manager (or a delegate thereof) who shall have the right, consistent with the terms and conditions of this Franchise, to issue orders, directions and instructions to Republic from time to time with respect to the Collection, transportation, and Removal of Solid Waste and Franchised Recyclables, the performance of Republic's services hereunder, and Republic's compliance with the provisions of the ordinances of the City of Chula Vista as they now exist or may from time to time be amended, and Republic agrees to comply therewith.

5.3 New Recycling Programs. In the event City does not meet the current diversion requirement of 50% imposed by AB 939 with respect to all waste generated in City, City may direct Republic to perform additional services (including the implementation of new diversion programs) or modify the manner in which it performs existing services, and Republic agrees to do so at no additional charge. Pilot

programs and innovative services which may entail new Collection methods, and use of new or alternative waste processing and disposal technologies, are included among the kinds of changes which City may direct; provided, however, that Republic shall be entitled to receive additional reasonable compensation for any new programs required by the City or otherwise imposed by Applicable Law to meet diversion requirements greater than the 50% diversion requirement under AB 939.The parties shall meet and confer to mutually determine the timing, amount and form of such additional reasonable compensation.

6. Services to be Provided.

6.1 In General. Republic undertakes and agrees, for the consideration set forth herein, to collect, pick up, remove and dispose of, all Solid Waste and Franchised Recyclables which are generated or accumulated by or upon all property located within the jurisdictional boundaries of the City during the Term of this Franchise, except as herein otherwise provided, subject to and in accordance with the terms and provisions hereof. Republic shall furnish all labor, equipment, and vehicles (including adequate standby equipment and vehicle capacity to provide the service herein required in the event of a breakdown), and all insurance and bonds necessary under Section 9 hereof to insure the efficient and timely performance of such obligation. All Solid Waste and Franchised Recyclables collected by Republic shall become the property of Republic immediately upon the Collection thereof, and shall be forthwith removed and transported by Republic for disposal in the Otay Landfill, the Sycamore Canyon Landfill or such other Landfill or Processing facility for Franchise Recyclables mutually agreed upon by Republic, City, Otay Landfill, Inc. and Sycamore Canyon Landfill, Inc., or for sale, as appropriate, which shall be provided, arranged for or furnished by Republic in accordance with the terms of this Franchise. The Collection and Removal of Solid Waste and Franchised Recyclables shall be done in a prompt, thorough, lawful and workmanlike manner.

6.2 Operational Plan. The Collection, Removal and disposal of said Solid Waste and Franchised Recyclables by Republic shall be done in accordance with an operational plan reasonably approved by the City Manager ("Operational Plan"). The Operational Plan shall describe the routes to be established and shall contain details regarding servicing schedule, the equipment to be used, and alternate procedures to be followed in the event of severe weather or equipment failures. The Operational Plan may be amended at any time by mutual agreement of the parties. In addition, City reserves the right to require reasonable modifications to the Operational Plan if at any time during the Term of this Franchise City determines that the public interest requires a Collection program differing from that which Republic has established, or that technological or other changes materially affect the necessity of or level of the services provided for hereunder. The Operational Plan shall include, at a minimum, the programs, terms and conditions contained in this section and in Section 8 hereof, below. Additional performance standards are contained in **Exhibit B** attached hereto.

6.2.1 Collection Times and Frequency. At least one regular weekly Collection for Solid Waste, Recycling and Yard Waste shall be provided to each Small Quantity Generator and Large Quantity Generator within the City as

applicable (except for multi-family Recycling, which shall be at least once every two weeks). Industrial Collection shall be handled on an on-call basis in a manner mutually agreeable to Republic and individual customers as more specifically provided in Section 6.2.3 below. Republic shall not collect Solid Waste or Franchised Recyclables (i) within a Residential area between the hours of 6:00 p.m. and 7:00 a.m. or (ii) within a Commercial area which is immediately adjacent to a Residential area before 7:00 a.m. Republic shall complete all routes by the end of the scheduled allowed service day, except in the event of emergency, hazardous weather conditions, natural disaster or other unforeseen circumstances beyond Republic's reasonable control. With prior written permission of the City Manager, this time frame may be modified. Republic agrees to meet and confer with City and make a good faith effort to remedy each circumstance where Collection service may be a Nuisance to residents, including but not limited to Commercial Collection adjacent to a Residential dwelling or dwellings.

6.2.2 Holidays. The following shall be considered legal holidays where Collection services shall not be required for purposes of this Franchise: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Any other days must have prior written approval from the City Manager. When a regularly scheduled Small Generator Collection date falls on a legal holiday, the Collection for that day, and the succeeding days of that week, shall be rescheduled for one day later. Holiday disruptions of Large Generator and Industrial Collections shall be handled in a manner mutually agreeable to Republic and individual customers.

6.2.3 Containers; Type and Location. Republic shall make available to all Small Quantity Generators a choice of three sizes of Refuse Carts with approximate sizes of 32 gallons, 64 gallons and 96 gallons, and a 96 gallon Recycling Cart. All Carts and Refuse Bags, shall be color coded in a manner approved by the City. Republic shall provide Bins as required for Large Generator (Commercial) and Industrial Generator customers or whenever other customers of Republic request their use. Each Bin shall be placed in an accessible, outside location according to individual agreements with each customer subject in all cases to the requirement that the Bin(s) be located within an enclosure or some other City-approved Designated Collection location. Any new or replacement Bins shall be fitted with plastic lids. Republic shall color code all Carts, Bins and Recycling Boxes in a manner approved by City. At City's election, at the end of the Term, Republic shall be required to transfer ownership to City and City shall accept all operable Solid Waste, Recycling and Yard Waste Recycling Boxes and Carts which are 5 years old or less (excluding metal containers of one yard capacity or greater) in exchange for City's payment to Republic of an amount equal to (i) 90% of the original wholesale purchase cost of all of such containers which are 1 year old or less, (ii) 80% of the original wholesale purchase cost of all of such containers which are between 1 and 2 years old, (iii) 70% of the original wholesale purchase cost of all of such containers which are between 2 and 3 years old, (iv) 60% of the original wholesale purchase cost of all of such containers which are between 3 and 4 years old and (v) 50% of the original wholesale purchase cost of all of such containers which are between 4 and 5 years old. At City's election, at the end of the Term, Republic shall be required to transfer ownership to City and City shall accept all operable Solid Waste, Recycling and Yard Waste

Recycling Boxes and Carts which are 5 years old or greater (excluding metal containers of one yard capacity or greater) at no charge to City.

6.2.4 Public Place Containers. Republic agrees to provide and maintain up to twenty (20) additional litter containers per year (provided City reimburses Republic for the cost of any such container to the extent such cost exceeds $350) for the use of the general public for public areas such as plazas and rights-of-way and to empty and dispose of the contents as necessary. Republic shall provide additional standard litter bins, with covers and signage approved by City, at locations requested by City within 96 hours of City's request. Materials deposited in such public place litter bins shall be collected weekly or twice per week as needed with Residential or Commercial waste.

6.2.5 Notice of Collection Schedule. Republic shall prepare and furnish to all customers not less than four (4) days prior to the beginning of, or change in service, schedules setting forth the days on which the Collections shall be made. Notice shall be in such form as is first approved by the City Manager or a designee thereof.

6.2.6 Local Operations and Manager. Republic shall maintain its offices and service fleet at its current facility on Energy Way in the City, or at another appropriate location within the City. Republic shall at all times during the term of this Franchise have the general market manager for the San Diego region with decision making authority with respect to this Franchise or the operations manager for the San Diego region responsible for the oversight and implementation of this Franchise located at its Chula Vista offices.

6.2.7 Customer Convenience Center. Republic or its Affiliate shall implement a citizen drop-off program at a customer convenience center whereby Chula Vista residents may drop-off Solid Waste and Recyclables generated by such residents at the Otay Landfill using Landfill Passes in substantially the form attached hereto as **Exhibit D-1** and incorporated herein by this reference.

6.2.8 Construction Demolition Program. Republic shall implement construction demolition recommendations attached hereto as **Exhibit C** and incorporated herein by this reference.

6.2.9 Single Can Service for Seniors. Republic shall maintain a reduced price single can program for eligible senior citizens who maintain eligibility. Such service shall have scheduled billing comparable to standard Residential curbside. Republic shall maintain a reduced price single can program for eligible senior citizens who have established senior rate service prior to January 1, 2002, and who maintain eligibility thereafter.

6.2.10 Missed Pick-Ups. In case of a missed pick-up called in by City or a Generator, Republic shall, where possible, provide Collection within 24 hours. If unable to accommodate due to inadequate notice, the Generator shall be so notified and the materials shall be picked up on the next scheduled Collection day. Information on missed pick-ups shall be logged by Republic and shall be available to

City upon request.

6.2.11 Special Events. Republic shall cooperate with City in carrying out special events to improve community appearance. Such cooperation shall include, but not be limited to, Republic's provision of free Solid Waste and Recycling containers and Collection services for at least two special public events sponsored by City. Additional events may be serviced at Republic's discretion. Free services shall not be offered to special event organizers other than City until such parties have submitted a solid waste, recycling and litter abatement plan to the City Manager and received his or her approval thereof. Special events shall include, but not be limited to, Harbor Days, Chula Vista Expo, Arturio Barrios and Youth runs, Bonitafest, Lemon Festival and Christmas Parade.

6.2.12 Bulky Waste. Republic shall institute and carry out for the Term of this Franchise a free Bulky Waste pick- up program for Small Quantity Generators and a limited Bulky Waste pick-up program for Large Quantity Multi-family Generators in accordance with the terms and conditions set forth on **Exhibit D** attached hereto and incorporated herein by this reference.

6.2.13 Equipment Specifications and Maintenance. Throughout the Term, the average age of all Collection vehicles must be not more than ten (10) years, and all such vehicles must be radio or similar communication technology controlled. All trucks shall be completely enclosed with metal, watertight and capable of withstanding internal fires. Republic shall utilize smaller and lighter Collection vehicles for mobile home parks and special services. Republic shall clean and wash all trucks at least once each week and shall otherwise keep them clean, neat and in a sanitary condition at all times. All vehicles shall be field inspected by someone other than the driver on a regular basis, but not less than quarterly, for solid or liquid leakage. All leaks discovered shall be immediately repaired. Republic shall paint its name and telephone number on the side of each truck and on all drop bodies and similar equipment in letters not smaller than four inches high or use a decal approved by the City Manager. Each vehicle shall at all times have in the cab, the registration of the truck, certificate of insurance card and an identification card with the name of whom to telephone in case of an accident. Each vehicle shall also be equipped with a five-pound fire extinguisher certified by the State fire marshal, as well as a two-way radio or similar communication technology. All graffiti on equipment shall be promptly removed, by no later than 2 weeks after the earlier to occur of Republic's discovery or City's notice to Republic thereof. All of Republic's equipment may be inspected at the discretion of the City Manager or any other appropriate agency at the point of operation at any time.

6.2.14 Spillage. Republic shall exercise all reasonable care and diligence in collecting Solid Waste and Franchised Recyclables so as to prevent spilling, scattering or dropping of Solid Waste or Franchised Recyclables, and shall immediately, at the time of known occurrence, or upon notification by City, clean up any spillage.

6.2.15 Disposal of Solid Waste. Republic shall dispose of Solid Waste (which has not been source separated for the purposes of recycling or

composting), at its expense, at the Otay Landfill or the Sycamore Canyon Landfill, both being City authorized Landfills, in accordance with all Applicable Law, or such other Landfill mutually agreed upon by Republic, City, Otay Landfill, Inc. and Sycamore Canyon, Inc. Disposal of Solid Waste at waste-to-energy plants and Landfills located outside of the State requires the prior approval of City. Republic shall not dispose of Solid Waste, Yard Waste or Recyclables generated within the City by land application, incineration, waste-to-energy or any other form of transformation without first obtaining written approval from the City Manager.

6.2.16 Employees. Republic shall provide top quality service by industry standards, including competent, qualified and sober personnel who serve the public in a courteous, helpful and impartial manner. Subject to all Applicable Law, and the provisions of collective bargaining agreements negotiated in good faith (a) City may, at its option, require fingerprinting of Republic's employees or agents whose service will cause them to enter onto or work in close proximity to private property; and (b) Republic shall hire employees without regard to race, religion, color, national origin, sex, political affiliation, or any other non-merit factor. Any employee driving a vehicle shall at all times have in his possession a valid and appropriate vehicle operator's license issued by the State. Republic and its employees and agents shall be required to wear clean clothing of a uniform type when engaged in Collection service on public streets.

6.2.17 Inquiries and Complaints.

a. Telephones will be attended by competent personnel providing live customer response from 8:00 a.m. to 6:00 p.m. on regular work days, 8:00 a.m. to 12:00 p.m. on Saturdays, and an answering service shall be provided after hours, weekends and holidays.

b. Republic shall have a formal and auditable complaint procedure. Upon request, City will be provided details of any complaints, including the resolution thereof. Republic shall make a good faith effort to return such calls by noon the next business day, and to resolve all Collection issues by 6:00 p.m. the next business day. Republic shall staff its phones such that the average wait time to reach a customer representative does not exceed ninety (90) seconds for any standard calendar week and is otherwise not excessive.

6.2.18 Billing. Republic will provide the billing and be totally responsible for the collection of payments, including City imposed fees for remittance to City. Republic shall include City inserts in its billing statements upon City's request, at no cost to City. Service to Small Quantity Generators shall not be shutoff for nonpayment and delinquent Small Quantity Generator accounts will be referred to City for collection. Service shutoff of service to Large Quantity Generators and Industrial customers for nonpayment shall not be instituted before thirty days after initial billing and after sufficient notification (including a list of such accounts to City), to the extent permissible under Applicable Law. To the extent of any inconsistency between the provisions of this section and the Chula Vista Municipal Code the terms of the Municipal Code shall govern. Commercial billing shall be monthly in arrears of service. Republic will exercise its best efforts to convince the individuals responsible

for corporate billing policies at Republic to exempt City and this Franchise from existing corporate policies such that Republic may convert its stationary and billing notices to a post-consumer content recycled paper and may remove plastic window or other non-recyclable items from billing.

6.2.19 Public Information. As City may elect, City shall produce and provide, at Republic's cost, or Republic shall produce, each year an updated brochure for all classes of new customers. Republic shall mail the same to the new customers as soon as reasonably possible but in no event later than the date of initial service to such customers. Where City has elected to have Republic produce the brochure, City shall have ten (10) business days advance notice to review and approve public information before printing and distribution, including billing inserts and handouts. City's failure to respond within such 10-day notice period shall be deemed City's approval of such public information.

6.2.20 Tagging and Penalties. Republic shall "tag" and collect (as trash, if necessary) inappropriate set outs of Solid Waste, Yard Waste and Franchise Recyclables by the end of the scheduled service day and shall provide City a monthly report of same. Republic shall comply with and implement City's system for imposing penalties on Generators which violate applicable Municipal Code provisions.

6.2.21 Reports. Monthly, quarterly and annual reports shall be provided to the City Manager regarding Franchise operations. Monthly reports shall be provided on the 22nd day of each month for the prior month. Quarterly reports shall be provided on the 22nd day of the first month after each calendar year quarter for the prior quarter. Annual reports shall be provided by February 16 of the subsequent year. Unless otherwise agreed upon by the parties, the contents of the reports and their format shall be in substantially the form attached hereto as **Exhibit F**. City shall have the right to audit such records as necessary to verify operational performance. If the reports and records are found to have major discrepancies with Republic's reports and/or the requirements of the Operational Plan, Republic shall reimburse City for the costs directly related to the audit. City will not request such an audit without having provided Republic with 20 working days to respond to a verification of Operational performance or the contents of a report.

6.2.22 Industrial Roll-Off Service. Republic shall provide Roll-off Services and compactor equipment and personnel sufficient to meet the Solid Waste, Recycling and composting demands of local contractors, Industrial Collection shall be handled on an on-call basis in a manner mutually agreeable to Republic and individual customers with the standard being the delivery of bins and/or Collection service by the end of the next regular business day following a request for service, and same day service shall be available upon request. The level and cost of each service shall be as outlined in **Exhibit G**.

6.2.23 Notice of Change of Equipment. Republic shall notify City prior to changing the color or signage of vehicles, and shall meet and confer with City in order to determine the appropriateness of same.

6.2.24 Clean Fuel Source. Republic or its Affiliate shall provide

and continuously operate new Clean Fuel Source Collection vehicles using clean energy. Collection, support vehicles and on-site equipment using gasoline or diesel (such as fork lifts or generators) shall be converted to new Clean Fuel Source equivalent upon replacement.

6.2.25 Co-Mingling.

a. Republic shall not co-mingle Solid Waste, Yard Waste or Recyclables with Solid Waste of any kind from other jurisdictions. Republic shall separately reflect in its reports Solid Waste or Recyclables collected from other franchises from the Solid Waste or Recyclables collected in the performance of this Franchise. Republic and City shall meet and confer regarding on-board scales or other such provisions that Republic may recommend to accurately report the origin of such material. Co-mingling shall be allowed only with prior City approval at City's sole discretion and is anticipated to apply to a limited number of routes where Commercial or Residential developments are divided by two or more jurisdictional boundaries.

b. Republic shall be authorized to "co-mingle" designated recyclables in a Collection vehicle with one compartment approved by City.

7. Rates for Collection and Other Services.

7.1 In General. In consideration of Republic's provision of Solid Waste and Recycling services in accordance with the terms of this Franchise, Republic shall be permitted to charge service fees ("Rates") to Generators, except for Generators that are exempt from Rates under this Franchise or under Applicable Law for which, Republic has received prior written approval from City authorizing such exemption ("Ratepayers"). Notwithstanding the foregoing, in no event shall the Rates charged exceed the Maximum Rates established by City under this Section 7 ("Maximum Rates").

7.2 Variable Rate System.

a. In General. Republic shall maintain an Automated Variable Rate Structure program utilizing three basic Refuse Cart sizes, and three corresponding Maximum Rates ("Variable Rate System").

b. Carts and Refuse Bags. Carts shall be approximately 32-gallons, 64-gallons and 96-gallons and shall be color-coded to contrast with Recycling and Yard Waste Carts. Residents will be eligible for one free cart exchange during their first six months of participation in the Variable Rate program. Thereafter any increase in Refuse cart size will be accompanied by a one-time Cart exchange fee. Small Quantity Generators will all be eligible to purchase supplemental disposal capacity by purchasing a box of specially identified plastic bags, (to be sold in boxes of approximately ten bags each). Small Quantity Generators that have more than 96-gallons of waste will also have the option of requesting an additional 64 to 96 gallon Refuse Cart for an additional (discounted) monthly fee. Initial rates for these services shall be as set forth on **Exhibit G** attached hereto and incorporated herein by this reference. Such rates are subject to adjustment as provided in Section 7.4.1(a)

hereof.

7.3 Initial Collection Rates. The initial Maximum Rates permitted to be charged by Republic and paid by Ratepayers for Solid Waste and Recycling services provided by Republic under this Franchise shall be those set forth on Exhibit G attached hereto and incorporated herein by this reference.

The Maximum Rates set forth on **Exhibit G** shall remain in effect from the beginning of the Term until July 1, 2015. Thereafter, the Maximum Rates shall be subject to increase by Republic in accordance with the terms of Section 7.4 hereof, below.

7.4 Republic's Right to Increase Collection Rates.

7.4.1 Commencing on July 1, 2015, and upon each one year anniversary for the remainder of the Term, except as provided in subsections 7.4.1.b. and c., below, the Maximum Rates (excluding any City imposed Franchise Fees, Household Hazardous Waste and AB 939 Fees and future allowable "pass throughs" under this Franchise) shall be increased on the following basis:

a. Commencing on July 1, 2015 for Large Quantity Generators and September 1, 2015 for Small Quantity Generators and each annual anniversary thereafter during the term of this Franchise, Maximum Rates for General Service Rates shall increase in an amount not to exceed the product of the previous year's Rate multiplied by one hundred (100%) of the increase in the San Diego Area Consumer Price Index for All Urban Consumers (all items) for the previous calendar year.

b. Notwithstanding the foregoing, at no time shall the Small Quantity Generator Rates exceed ninety percent (90%) of the average for the County of San Diego for the same level of service [as published in the SANDAG semi-annual rate review, or in the event SANDAG no longer published such review, such independent survey or surveys mutually agreed upon by City and Republic (all franchise cities in the County, with Republic and City each at their option excluding one jurisdiction)], after subtracting any Franchise Fees, AB 939 Fees, Household Hazardous Waste Fees, and any other pass-throughs expressly allowed under this Franchise, and after adding back any readily identifiable direct local subsidies ("Adjusted Mean County Average"). The limitations set forth in this subparagraph shall be applied only to determine whether Republic is entitled to the CPI adjustment described above, and in no event shall Republic be required to reduce Small Quantity Generator Rates as a result of this calculation.

c. Beginning July 1, 2015 and at each four year anniversary thereof throughout the Term of this Franchise, Republic shall be eligible for a market adjustment for its then applicable Maximum Rates for Commercial Recycling (excluding three-yard bin or smaller/once per week service)and Commercial Green Waste. The maximum market adjustments applicable to such Maximum Rates shall be ninety-five percent (95%) of the corresponding Mean County Average. Such market adjustments are intended to allow Republic to make upward adjustments in its Rates. In no event shall this market adjustment provision require Republic to reduce

its Maximum Rates for any service level.

7.4.2 Republic's right to increase a Rate as provided above is contingent upon Republic providing written notice of a proposed increase including proposed Rates for all Generator classes of fees to City and all affected Ratepayers by no later than 45 days prior to the effective date of the proposed increase. At City's discretion, failure to comply with this notice requirement may be deemed to be a final decision by Republic not to increase Rates for the upcoming year. Notwithstanding the foregoing, if Republic does not elect to increase a Rate in any year, or does elect to increase a Rate, but not up to the allowable Maximum Rate for such year, the allowable Maximum Rate for such year shall become the base Rate for purposes of determining the allowable Maximum Rate for the ensuing year such that its unused capacity to increase Rates in any given year shall be carried forward to subsequent years. If Republic elects not to increase service Rates up to the Maximum Rate allowable for any given year, upon City's request, Republic agrees to meet and confer with City to discuss the expected timing and amounts of possible future imposition of Rate increases.

7.4.3 Miscellaneous Rates shall automatically increase at the rate of 100% of the Applicable CPI Increase. Miscellaneous Rates shall include all Rates other than General Service Rates, storage container Rates and la-val lock Rates.

7.4.4 Republic agrees to coordinate, whenever possible, the concurrent imposition of any pending Rate increase with any pending regulatory fee increases by City.

7.4.5 Whenever Franchise Fees and AB 939 Fees are to be subtracted or excluded for purposes of determining Maximum Rates under this Section 7.3, City agrees to meet and confer with Republic with respect to the inclusion or exclusion of any other additional fees by any other Governmental Body for such calculations.

7.5 Senior and Other Preferred Rate Schedules. To the extent allowed by Applicable Law City Council may, at any time, establish a program for preferential Rates for senior citizens or other classifications which are deemed to be in the public interest, and Republic shall have the right to pass through the cost of any decrease in Rates payable by under such program(s) to the remaining Ratepayers.

7.6 Most Favored Nation Rate.

7.6.1 Notwithstanding any provision in this section 7 to the contrary, in the event that, during the Term of this Franchise, Republic, or any Affiliate thereof, agrees to a Rate or Rates for collecting, removing, transporting, Processing and/or disposing Solid Waste and Recyclables under a waste management franchise (or equivalent contract) with a City or local district within the County of San Diego which is/are lower than the Rate or Rates then in effect for the corresponding service(s) within the City, then Republic shall immediately charge such lower Rate(s) to City Ratepayers. For purposes of comparing City Rates with those offered in

another franchise (or equivalent contract) within the County of San Diego, Franchise Fees, AB 939 Fees, Household Hazardous Waste Fees, and any other pass throughs expressly allowed under this Franchise shall first be subtracted and any readily identifiable direct local subsidies by other jurisdictions shall be added back so that no such amount shall be a component of the Rate comparison.

7.6.2 In the event that the lower Rate or Rates that formed the basis for downward adjustments in City Rates are subsequently increased in the other Franchised territories, Republic shall have the right, after meeting and conferring with City to coordinate timing issues, to make a corresponding increase in the corresponding City Rate(s); provided, however, in no event shall such increased Rate exceed the maximum Rate that would have been chargeable pursuant to City's standard Rate structure as set forth in Sections 7.1 and 7.2 hereof, calculated as if no initial downward adjustment in City Rates had been made.

7.6.3 For purposes of implementing this section 7.6 the "median" Small Quantity Generator Rate charged under the Variable Rate System," (i.e. the Rate for a container of approximately 64 gallons of Refuse collected once per week with Recyclables and Yard Waste services as set forth in Exhibit G) shall be the Rate used for comparison to other San Diego County jurisdictions. At City's discretion, any required downward adjustment to the "median rate" under this section may be distributed among the three Small Quantity Generator rates (instead of solely to reduce the "median rate") as the City may direct in its sole discretion.

7.7 Republic's Reserved Right to Request Increases Based on Extraordinary Circumstances. Notwithstanding the foregoing, Republic may submit a request to the City Council for additional Rate relief at any time extraordinary expenses are incurred beyond Republic's reasonable control. City Council reserves the right to approve or disapprove such a request in its sole discretion.

8. Recycling Services.

8.1 In General. Republic agrees to provide all necessary labor, services, materials and equipment to implement Residential, Multi-family and Commercial Recycling services for Franchised Recyclables on the terms and conditions set forth below:

8.2 Recycling Collection.

8.2.1 Small Quantity Generators. Republic shall collect and remove all Franchised Recyclables that are placed in a Designated Recycling container at the curbside on public streets or Designated Solid Waste, Yard Waste and Recycling Location, from Small Quantity Generators. Republic shall collect the Franchised Recyclables once each week, regardless of weather conditions. Collection will be on the same day of the week as the regularly scheduled trash Collection day. Republic and City will mutually agree to any changes in Collection day. Republic will notify Small Quantity Generators of any changes in the Collection day by distributing a flyer no later than two weeks prior to the affected day. Unless Republic obtains City's prior written approval, Republic shall not change the current

method of commingled Collection at the curb for Small Quantity Generators for the following materials: (a) news print (ONP), (b) mixed Residential paper (MRP), corrugated Cardboard (OCC), (d) rigid containers, including glass, tin, bi-metal, steel, White Goods, Aluminum, plastic No. 1 and No. 2 plastics, motor oil and filters, metal coat hangers and Yard Waste (collectively "Designated Recyclables"). Republic shall not change the method for collection for used oil, oil filters and Yard Waste without obtaining City's prior written approval.

8.2.2 Multi-Family Residential. Republic shall provide curbside Recycling Rates and services to all Multi-family complexes of nine Units or less. Commingled Recycling services shall be provided to Multi-family complexes of ten Units or more. Collection will be on regularly scheduled days as shall be arranged with the building property owner, manager or designated agent thereof, with service as needed, but no less than every two weeks. Republic and City will mutually agree to any changes in Collection schedule frequencies or Removal Frequency.

8.2.3 City-Wide. Republic shall provide free Mixed Paper Collection services at all California Redemption Value Program convenience zone locations in Chula Vista in accordance with a program approved by the City Manager. City and Republic shall meet and confer regarding any changes to the program that may contribute to City's efforts to meet State-mandated recycling goals.

8.3 Recycling Containers. The type and cost of container to be used, or changes of container type shall be approved by City prior to purchase and distribution. Containers may include 32 to 96 gallon Solid Waste, Recycling and Yard Waste Carts, and 2 to 8 cubic yard Bins. Each container shall conform to the following: new plastic containers and/or lids shall contain a minimum of 25% post-consumer content recycled plastic; be fire resistant; be of durable quality and warranty; be heat stamped or labeled for commodity; be clearly labeled on the lids and the front facing of the Bin, in Spanish and English (with graphics) as to the Designated Recyclable(s) and "No Trash"; and be clearly labeled with Republic's name and phone number.

8.3.1 Small Quantity Generator and Small Quantity Multi-family Generator Curbside. Republic shall purchase and distribute 32, 64 and 96 gallon curbside Recycling Carts to be used by each Small Quantity Generator and Small Quantity Multi-family Generator included in the program as necessary to implement the Variable Rate System. Republic shall retain ownership of the Carts subject to City's right to purchase set forth in Section 6.2.3 hereof. [Note: This cite is the correct one.] Each dwelling eligible to participate in the program will receive one container. If Republic determines that the volume of recyclable material exceeds the capacity of the one container, additional containers shall be provided at no cost to the Generator. Replacement of containers that are stolen and/or damaged shall be made at no cost to the Generator at Republic's discretion. Republic will be responsible for keeping records and making them available to City regarding additional containers requested, and the reason for the request, e.g., damaged, stolen, needed to handle residence Recyclables beyond capacity of one container.

8.3.2 Large Quantity Multi-family Generators. Appropriate container(s) shall be provided for use by each Large Quantity Multi-family Generator not provided Curbside Collection service for each Unit under Section 8.2.2., above. Such container(s) shall meet the space restraints and Collection needs of the respective complex and the residents therein. Republic shall provide to each Large Quantity Multi-family Generator at least one exterior Recycling container per complex for co-mingled Recyclables. To the extent possible, exterior Recycling containers shall be required to be placed adjacent to or near the Refuse Collection containers.

8.3.3 Yard Waste; Green Waste. Republic shall purchase and distribute, or otherwise arrange for the distribution of Yard Waste container(s) as follows:

a. Small Quantity Generators. A container on wheels (approximately 64 to 96 gallons) to be used for the Collection of Yard Waste shall be offered to each eligible Small Quantity Generator for purchase or rent. Republic shall distribute containers to all Small Quantity Generators requesting use of said containers. Republic shall retain ownership of the containers unless the Small Quantity Generator pays in full for the container, as specified herein. Notwithstanding the foregoing, customers shall continue to be allowed to place Yard Waste in their own standard waste containers pursuant to the provisions contained in Chula Vista Municipal Code Section 8.24.080.A.

b. Multi-Family. An appropriate Yard Waste Collection and Storage container(s) shall be provided for use at each Multi-family complex that meets the space restraints and Collection needs of the respective complex and the residents therein.

Unless Republic obtains City's prior written approval, Republic shall not change the current method of source separated Collection at Residential or Commercial locations for Green Waste.

8.4 Transportation of Materials.

8.4.1 In General. Except as provided below, Republic shall transport collected Franchised Recyclables to a central Collection point for Processing and shall retain responsibility for the sale of such materials so as to yield the highest available market value for the material. No non-contaminated Franchised Recyclables shall be landfilled, unless approved by City. Should market failure occur for one or more material types, only the City Manager (or designee) of City may decide not to collect the affected material. All written contracts, if any, with processors, recyclers or other buyers of Franchised Recyclables shall be submitted to City.

8.4.2 Yard Waste. Republic shall deliver Green Waste collected under the Franchise to the Otay Landfill, and cause it to be used as ADC at the Otay Landfill, throughout the term of the Franchise, in a manner which qualifies, pound for pound, as waste stream diversion under the California Integrated Waste Management Act of 1989 or any equivalent Applicable Law ("Diversion Laws"). Green Waste generated in the City shall, at all times, have priority access to the Otay

Landfill's ADC capacity over Green Waste generated outside the City. In the event of a Change of Law within or affecting the Diversion Laws that requires a different ADC process, or eliminates ADC as a qualified waste stream diversion, subject to City's prior written approval, Republic shall modify its ADC process to comply with such Change of Law, or process Green Waste in a manner that does qualify for pound for pound waste stream diversion, as the Change of Law requires. Republic shall provide the Green Waste service and ADC processing contemplated hereby within the existing General Service Rates structure under the Franchise, subject to any and all allowed Rates increases and limitations set forth therein.

8.5 **[Intentionally Deleted]**

8.6 Sale of Materials. Republic shall use its best efforts to sell Franchised Recyclables (excluding Yard Waste) for cash at the highest available market rates. The "Net Revenues" (defined below) from such sales based upon an "All Materials Annual Average" (defined below) shall be shared between Republic and City in accordance with the following formula:

a. Where the applicable All Materials Annual Average is equal to or less than sixty dollars ($60) per ton, Republic shall retain one hundred percent (100%) of the Net Revenues.

b. Where the applicable All Materials Annual Average is greater than sixty dollars ($60) per ton, and the California Department of Resources, Recycling and Recovery ("CalReycle") has determined that City has not met the 50% diversion goal stated in AB 939, the amount of "Incremental Net Revenues" (defined below), derived from the portion of the All Material Annual Average above $60 per ton, shall be split forty percent (40%) of the Incremental Net Revenues to Republic and sixty percent (60%) of the Incremental Net Revenues to City.

c. Where the applicable All Materials Annual Average is greater than sixty dollars ($60) per ton, and CalRecycle has determined that City has met or exceeded the 50% diversion goal stated in AB 939, the amount of "Incremental Net Revenues" (defined below), derived from the portion of the All Material Annual Average above $60 per ton, shall be split sixty percent (60%) of the Incremental Net Revenues to Republic and forty percent (40%) of the Incremental Net Revenues to City.

For purposes of this section: "Net Revenues" shall mean all Gross Revenues accrued by Republic over a relevant time period from sale of Franchised Recyclables (excluding Yard Waste, but including CRV and scrap value payments from each ton of material collected in the City), minus any amounts paid to third parties for Processing of sold Recyclables or as a broker's fee or commission. "Incremental Net Revenues" shall mean Net Revenues less the product of $60 multiplied by the number of tons of Franchised Recyclables (excluding Yard Waste) sold to generate such Net Revenues. "All Material Annual Average" shall mean the average price per ton (2,000 pounds U.S.) agreed to be paid to Republic by purchasers of all Franchised Recyclables sold (excluding Yard Waste) over a relevant calendar year. Such amount shall be calculated by dividing the Net Revenues

generated over the relevant calendar year by the number of tons of Franchised Recyclables sold (excluding Yard Waste) over that same period. Republic shall pay any sums due to City under this Section 8.6 no later than March 22nd of each year.

8.7 Contamination

8.7.1 Franchised Recyclables from a single Small Quantity, Large Quantity or Industrial Generator (as opposed to an entire vehicle load) that are contaminated due to the placement of Solid Waste in a designated Recycling container, or inclement weather that leaves the Franchised Recyclables unmarketable, may be placed in a designated landfill. Republic shall retain a record of such occurrences and report said occurrences to City on a quarterly basis. Should contamination occur more than twice at a single Generator, said Generator shall be notified. Should contamination occur at a Generator site three or more times, the Small Quantity Generator shall be notified and charged pursuant to Section 6.2.16. Should contamination occur at a Large Quantity or Industrial Generator site the Generator shall be notified in advance and charged the disposal fee for dumping the contaminated Recyclables as Refuse at the Landfill.

8.7.2 Yard Waste, Wood Waste and pre-consumer food waste that is contaminated by plastic or non-organic material may from a specific Generator (as opposed to an entire vehicle load) be disposed of as Solid Waste. Republic shall retain a record of such occurrences and report said occurrences to City on a monthly basis. Should contamination of Franchised Recyclables occur at a Generator site, Republic shall "tag" such Generator and enforce City Municipal Code provisions in accordance with the procedures contained in Section 6.2.16 hereof.

8.8 Recycling Education. For each City fiscal year during the Term, Republic shall pay City $110,000, payable on July 1, 2015 and every annual anniversary thereof, which amount shall escalate one percent (1%) per year, all of which funds City agrees to use for purposes of partially funding a Recycling public information and enforcement program ("Recycling Education Program"). The parties agree to meet and confer from time to time in order to assess the effectiveness of the Recycling Education Program, and, if necessary, to agree upon appropriate modifications thereto. City shall have lead responsibility for directing the development and implementation of the Recycling Education Program. City also agrees to take such steps as may be reasonably necessary to protect Franchised Recyclables placed at the curbside for Collection by Republic under the terms of this Franchise and shall reasonably enforce the existing anti-Scavenging ordinance, as it may be amended from time to time by City.

8.9 Large Multi-Family Recycling Program Severable. The Small Quantity Generator curbside Recycling service, the large Multi-family Recycling service and the Small Quantity Generator Yard Waste Recycling service required hereunder are each subject to the performance standards and Franchise conditions detailed herein. For purposes of measuring satisfactory performance, and for enforcement purposes hereunder, Republic agrees that its performance of the large Multi-family Recycling service will be considered severable from this Franchise, as further described in Section 8.7 below.

8.10 Recycling Program Expansion. It is City's intention to develop a comprehensive Recycling program to reduce the amount of material being disposed of in the Landfills and to comply with the mandates of the California Integrated Waste Management Act of 1989 (AB 939) and/or any similar federal or state law enactments. Republic agrees to use its best efforts to assist City in meeting such mandates by adding commodities to existing programs as resale markets are identified. Republic also agrees to meet and confer with City to direct recovered materials futures to local manufacturers developing or improving long term markets at a comparable or greater net value. Contracts with non-Affiliates previously provided to and approved by City shall not be governed by this meet and confer obligation. However, Republic shall meet with City to address such opportunities prior to renewing or entering into any new contract. Both parties hereby agree that City may not go out to bid for the expansion of this Recycling program until after City has met and conferred with Republic with regard to its intent to do so. If separate amendments to this Franchise for Refuse Collection are not negotiated between City and Republic as a result of such meet and confer process, City may go out to separate bid.

8.11 ADC Program. Republic shall accept non-compostable greens such as large Commercial loads of palm from Chula Vista Generators as ADC.

9. Insurance and Performance Bond.

9.1 Republic agrees, at Republic's own expense, to carry insurance in the forms and amounts set forth on **Exhibit H** attached hereto and incorporated herein by this reference. Such policies shall guarantee payment of any final judgment rendered against Republic or City within the coverage provided, irrespective of the financial condition of, or any acts or omission of, Republic. All of said policies shall be subject to the approval of the City attorney.

9.2 Republic shall also secure at its own expense and deliver to the City Manager a twelve (12) month performance bond in the amount of $1,000,000 to secure the full, true and faithful performance of all their terms, obligations and conditions of this Franchise on the part of Republic. Republic shall present said bond together with a certificate from the surety showing payment in full for such bond, to the City Manager prior to the commencement of operations pursuant hereto and provide a one-year renewal and certificate of payment prior to the start of each year of this Franchise. Such performance bond shall also be subject to the approval of the City Attorney.

9.3 In the event of the termination or cancellation of the insurance or bond required hereunder or the failure of Republic to provide the insurance and/or bond as hereinabove provided, prior to the effective date of such cancellation or termination, this Franchise may be suspended or terminated forthwith by City, by written notice thereof to Republic. Any such suspension shall be for such period or periods as the City Manager from time to time may determine. No liability or obligation shall be incurred by City in favor of Republic by virtue of any such notice or notices or from any such suspension or termination. In the event of such suspension or termination by City upon the failure of Republic to secure and maintain on file said

insurance and/or bond during the full term of this Franchise, Republic shall be liable for any and all damages suffered by City arising out of such suspension or termination.

10. Indemnification and Hold Harmless.

10.1 In General. To the maximum extent allowed by law, Republic shall protect, defend, indemnify, save and hold harmless, City and any elected representatives, officers, employees, agents and volunteers thereof (each a "City Indemnified Party," and collectively "City Indemnified Parties") against and from all damages, including bodily injury and property damages, losses, liabilities, demands, claims, remediation or investigation obligations related to government regulated materials, judgments, decrees, costs (including court costs and reasonable attorneys' fees) and expenditures (collectively, "Losses") which such City Indemnified Party may suffer, or which may be sought or recovered from, or obtainable against such City Indemnified Party for, or by reason of, or growing out of or resulting from, directly or indirectly, City's grant or the exercising by Republic of any or all of the rights or privileges granted hereby, or by reason of any act(s) or omissions of Republic, its Affiliates, or any officers, employees, contractors, servants or agents thereof, in fulfilling any of its/their obligations or exercising any of its/their rights hereunder (collectively, the "Losses Causing Activities").

10.2 Duty of Defense. Republic's obligations under this Section 10 shall include the duty of defense with counsel selected by Republic and reasonably approved by City, with respect to any suit or claim that may be instituted against any City Indemnified Party by reason of or growing out of or resulting from any Losses Causing Activity.

10.3 Hazardous Materials. Without limiting the generality of the foregoing, Republic shall protect, defend, indemnify, save and hold harmless any City Indemnified Parties from and against all Losses which such City Indemnified Parties may suffer, including Losses which may be recovered from, or obtainable against such City Indemnified Parties resulting from any investigation, repair, clean-up or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan or replacement or restoration of natural resources (regardless of whether undertaken due to governmental action), for, or by reason of, or growing out of or resulting from, directly or indirectly, the Removal or disposal of Solid Waste collected from City Generators at any Landfill by Republic (including its predecessor-in-interest and its successors-in-interest), or other activities of Republic or its Affiliates, which result in a release or threatened release of hazardous materials into the environment in or around the City or at any Landfill. The foregoing obligation is intended to operate as an indemnity and hold harmless agreement allowed by Section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 USC, Section 9607(e), and California Health and Safety Code 25364 for the allocation of liability thereunder as between the City, Republic and its Affiliates.

10.4 Miscellaneous. Republic's obligations under this Section 10 shall not be restricted to insurance proceeds, if any, received by City Indemnified Parties, .

Republic's obligations under this Section 10 shall not be limited by any prior or subsequent declaration by the Republic. Republic further agrees to pay any and all costs City incurs enforcing its rights under this Section 10. Nothing in this Section is intended to supersede any other of the parties obligations under this Franchise, including, without limitation, the obligation to meet and confer in the event of a Change in Law as provided in Section 5.1 hereof.

10.5 Survival. The provisions of this Section 10 shall survive the end of the term or termination of this Franchise.

11. Remedies for Default Resolution of Dispute.

11.1 Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of this Franchise by Republic:

11.1.1 Republic's failure to make any payment of the Franchise Fee or any other sum due under this Franchise, as and when due, where such failure shall continue for a period of ten (10) days after written notice from City that such amount was not paid on the date such payments is due;

11.1.2 Republic's failure to observe or perform any of the material covenants, conditions or provisions of this Franchise to be observed or performed by Republic (other than a monetary default as described in Subsection 11.1.1, above, a minor default as described in Section 11.2.1, below, or where such failure is excused by an Uncontrollable Circumstance as described in Section 13.9 below), where such failure shall continue for a period of thirty (30) days after delivery of written notice thereof from City to Republic; provided, however, if the nature of such default reasonably requires more than thirty (30) days to cure, then Republic shall not be in default in the event that Republic shall commence cure of such breach within the foregoing thirty day period and diligently prosecute such cure to completion; or

11.1.3 Republic files for bankruptcy protection, or is placed involuntarily into bankruptcy, control of a material portion of its assets thereof is assumed by a receiver or trustee or assigned for the benefit of its creditors, and such proceeding or condition is not dismissed or vacated within thirty (30) days of its commencement;

11.1.4 Republic's excessive commission of minor defaults as more specifically described in Section 11.2.1(b), below; or

11.1.5 The failure of Otay Landfill Inc. ("OLI") to observe or perform any material covenants, conditions or provisions of that certain Amended and Restated Otay Landfill Expansion Agreement between City and OLI dated _____, 2014 ("Landfill Agreement") resulting in a material breach of that agreement under the terms and conditions thereof. OLI is an Affiliate of Republic and the parties agree that a material condition of the City's willingness to enter into this Franchise with Republic is OLI's fulfillment of its obligations under the Landfill Agreement.

11.2 Remedies Upon Republic's Default. Upon the occurrence of any

event of default by Republic, City shall have any and all remedies available to City at law or in equity. Without limiting the generality of the foregoing, City shall have the following remedies:

11.2.1 Liquidated Damages.

a. Imposition of Liquidated Damages. City may assess liquidated damages against Republic for unsatisfactory performance under the terms and conditions of this Franchise (except where such failure is excused by an Uncontrollable Circumstance as described in Section 13.9 below). A description of the actions or omission which will result in damages and the monetary amount of damages corresponding thereto is attached hereto as **Exhibit B**. City will provide Republic with five (5) days written notice of any proposed assessment. Republic will have the right to appeal City's assessment to the City Manager in accordance with the dispute resolution procedures set forth in **Exhibit B** hereof.

b. Default. Notwithstanding the foregoing, if more than 200 individual penalties, or fifteen thousand dollars ($15,000) in aggregated damages assessed under this Section 11.2.1 (excluding those late fees and interest amounts determined as a percentage of delinquent amounts due and payable to City hereunder) are imposed with respect to any calendar quarter, Republic shall be in material default under this Franchise and City shall be entitled to pursue any and all additional remedies provided hereunder, including termination of this Franchise, but without the obligation to provide Republic with an opportunity to cure.

11.2.2 Termination. If Republic shall fail, neglect or refuse to comply with any of the material conditions of this Franchise (other than where such failure is excused by an Uncontrollable Circumstance as described in Section 13.9), and if such failure, neglect or refusal shall continue for more than thirty (30) days after written demand by the City Manager for compliance therewith (subject to extension as described in Section 11.1.2), then City, by the City Council, in addition to all rights and remedies allowed by law, thereupon may terminate the right, privilege and Franchise granted hereby, and all the rights, privileges and this Franchise of Republic granted hereby shall thereupon be at an end. Thereupon and immediately, Republic shall surrender all rights and privileges in and to this Franchise granted hereby. This Franchise is also subject to termination by City in the event that Republic fails to obtain City Council approval for a change in ownership of its operating company in accordance with Chula Vista municipal Code Section 8.23.080.

11.2.3 Self Help. In the event Republic fails, refuses, or neglects to collect and dispose of Solid Waste or Franchised Recyclables set out or placed for Collection at the time and in the manner herein required (after delivery of notice by City of City's intention to exercise its rights under this Section 11.2.3), City may collect and dispose of the same or cause the same to be collected and disposed of and Republic shall be liable for all expenses incurred in connection therewith. Such remedy of City shall be cumulative and in addition to any and all other remedies it may have in the event of such failure, refusal or neglect of Republic. The Collection, Processing and disposal of Solid Waste or Franchised Recyclables by City or by others as aforesaid shall not be deemed an election of remedies which shall preclude

City from availing itself of additional remedies for Republic's breach of contract.

11.2.4 Remedies Cumulative. No provision herein made for the purpose of securing the enforcement of the terms and conditions of this Franchise granted hereby shall be deemed an exclusive remedy or to afford the exclusive procedure for the enforcement of said terms and conditions, but the remedies and procedure outlined herein or provided, including forfeiture, shall be deemed to be cumulative.

11.3 City's Default. City shall be in default of its obligations hereunder as a result of a breach by City of any material obligation required to be performed by it hereunder (other than where such failure is excused by an Uncontrollable Circumstance as described in Section 13.9) if City fails to cure such default within thirty days after the receipt of written notice from Republic specifying such default; provided, however, if the nature of City's default is curable, but more than thirty days are required therefor, City shall not be in default so long as it has commenced performance of such cure within said thirty day period and thereafter diligently pursues the same to completion. Upon any default by City hereunder, Republic shall be entitled to pursue any and all rights provided at law or in equity. Notwithstanding the foregoing, City shall not be in default under this Agreement for any act or omission by City where City is required by law to exercise independent legislative quasi-judicial, judicial or administrative discretion.

11.4 No Waiver of Remedies. The failure of either party at any time to require performance by the other of a provision hereof, shall in no way affect the right of such party entitled to performance to enforce the same thereafter. Nor shall the waiver of either party of any breach of any provisions hereof be construed to be a waiver of such provisions or of any succeeding breach thereof.

11.5 Administrative Review of Disputes. Prior to commencing litigation, a party shall first give the other party written notice of any dispute with respect to this Franchise. Such notice shall specify a date and location for a meeting of the parties hereto at which such parties shall attempt to resolve such dispute, and the name of a mediator selected by such party to mediate the meeting. City shall keep a record of the proceedings conducted and information presented during such meeting. The cost of such resolution shall be divided and paid equally by the parties. In the event that such dispute cannot be resolved by the parties hereto within thirty (30) days, the matter may be referred by mutual agreement of the parties to non-binding arbitration, or by either party to legal proceedings. Neither party may act to terminate this Franchise for cause except (a) at the conclusion of the meeting of the parties held pursuant to this Section 11.5, or (b) in the event the parties have referred the dispute to arbitration, at the conclusion of the arbitration.

12. Renewal. This Franchise may be renewed pursuant to Municipal Code Section 8.23.060 which provides as follows:

> Where a contract or Franchise has been entered into between the City and an operator and the operator has satisfactorily performed under such contract or Franchise, the City Council, without inviting

bids or proposals therefor, may, either prior to or after the expiration of such contract, extend or renew the same upon the same conditions or such other conditions as the City Council may provide. The City Council shall, however, whether considering a contract or a Franchise follows the procedures established by Article XII of the Charter for notice and hearing.

Notwithstanding the foregoing, and except as provided in Section 3.2, Republic acknowledges and agrees that Republic has no right whatsoever to require City to renew or extend this Franchise, and City retains the right, in its sole discretion to decide to renew or extend this Franchise, or not to renew or extend this Franchise. Except for any extension expressly provided for herein, any extension or renewal of this Franchise shall require, and shall be subject to, the mutual written agreement of the parties on the terms and conditions applicable to any such extension or renewal period.

13. General Provisions.

13.1 Authority. Each party represents that it has full right, power and authority to execute this Franchise and to perform its obligations hereunder, without the need for any further action under its governing instruments, and that the parties executing this Franchise on behalf of such party are duly authorized agents with authority to do so.

13.2 Assignment. Except as expressly provided herein, neither this Franchise, nor any rights or interest herein, shall be assigned by either party. City's prior consent shall be subject to the terms and conditions of City Charter Section 1203. Any attempted assignment in violation of this section shall be void and shall constitute a material default entitling the other party to terminate this Franchise. In addition, both parties agree to comply with any and all provision contained in the Municipal Code governing the change of ownership of Republic or the transfer of this Franchise.

13.3 Counterparts. This Franchise may be executed in multiple copies, each of which shall be deemed an original, but all of which shall constitute one agreement after each party has signed such a counterpart.

13.4 Entire Agreement. This Franchise, together with all exhibits attached hereto and other agreements expressly referred to herein, constitutes the entire agreement between the parties with respect to the subject matter contained herein. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded.

13.5 Exhibits. All exhibits referred to herein are attached hereto and incorporated herein by this reference.

13.6 Governing Law. This Franchise shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.

13.7 Notice. Any notice that may be given to either party under or with respect to this Franchise shall be deemed to have been given when delivered personally or when sent by registered or certified mail, postage prepaid, addressed as follows:

REPUBLIC:

Allied Waste Systems, Inc.
dba Republic Services of Chula Vista
dba Allied Waste Services of Chula Vista
881 Energy Way
Chula Vista, CA 91911
Attn: Alberto Guardado, General Manager

with a copy to:

Allied Waste Systems, Inc.

San Diego, CA 92111
Attn: Nathan Cabbil, Region President
7025 N. Scottsdale Road, Ste. 200
Scottsdale, AZ 85253

with a copy to:

General Counsel
Republic Services, Inc.
18500 North Allied Way
Phoenix, AZ 85054

CITY:

City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910
Attn: City Manager

with a copy to:

City Attorney

13.8 Successors. Subject to the restrictions on assignment and change of ownership contained herein, all terms of this Franchise shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, legal representatives, successors, and assigns.

13.9 Uncontrollable Circumstances. Except as otherwise specifically provided in this Franchise, neither Republic nor City shall be in breach of this Franchise for any temporary failure or delay in the performance of any obligation

under this Franchise (other than any payment at the time due and owing) to the extent such failure or delay is due to the occurrence of an Uncontrollable Circumstance; provided, however, the party experiencing an Uncontrollable Circumstance shall not be in breach only if such party complies with the requirements in this Section 13.9. The party experiencing an Uncontrollable Circumstance shall notify the other party by telecommunication or telephone and in writing ("Notice immediately after the party experiencing such Uncontrollable Circumstance first learns of the commencement thereof, followed within forty-eight hours by a written description of (1) the Uncontrollable Circumstance and the cause thereof (to the extent known) and (2) the date the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such party's obligations hereunder will be delayed. Each party shall provide prompt written notice of the cessation of such Uncontrollable Circumstance. A party's obligations hereunder shall be delayed commencing at the date of Notice time for only so long as the Uncontrollable Circumstance continues and prevents full compliance with Franchise obligations. Whenever such act, event or condition shall occur, the party claiming to be adversely affected thereby shall (a) use its best efforts to eliminate the cause therefor, (b) minimize the adverse impacts caused thereby, and (c) shall take all necessary and appropriate actions, including, if necessary, bringing in labor and equipment from unaffected areas to resume full performance under this Franchise as quickly as possible.

13.10 Other Governmental Bodies. In the event any value paid to City under this Franchise is to be shared with or otherwise paid over to any other Governmental Body, City shall be solely responsible for transferring such value to such Governmental Body, without any indemnification or any other reimbursement from Republic or its Affiliates under this Franchise. Notwithstanding the foregoing, any such requirement shall be considered a Change in Law pursuant to the terms of this franchise and this Section shall not relieve Otay, Republic or its Affiliates of its obligations under section 5.1 hereof.

[Next Page Is Signature Page]

**[SIGNATURE PAGE TO SOLID WASTE DISPOSAL AND RECYCLING FRANCHISE AGREEMENT BETWEEN CITY OF CHULA VISTA AND ALLIED WASTE SYSTEMS INC. DBA REPUBLIC SERVICES OF CHULA VISTA]**

IN WITNESS WHEREOF, Republic and City have entered into this Franchise Agreement as of the Effective Date.

CITY:

City of Chula Vista,
a municipal corporation

By: [redacted]
Cheryl Cox, Mayor

Attest: [redacted]
Donna Norris, City Clerk

Approved as to form by

[redacted]
Glen R. Googins, City Attorney

REPUBLIC:

Allied Waste Systems, Inc.,
a Delaware corporation,
dba Allied Waste Services of Chula Vista, dba Republic Services of Chula Vista

By: [redacted]

ALBERTO GUARDADO, AUTHORIZED AGENT
[Print Name and Title]

By: [redacted]

NEIL R. MOHR, AUTHORIZED AGENT
[Print Name and Title]

**EXHIBIT A**

**CITY OF CHULA VISTA**

**ANNUAL PAYMENT SCHEDULE**

**Beginning July, 2000**

| Issue Date | Monies Issued | % Increase |
|---|---|---|
| 7/1/2000 | $ 636,540.00 | |
| 7/1/2001 | $ 655,636.20 | 3.00% |
| 7/1/2002 | $ 675,305.29 | 3.00% |
| 7/1/2003 | $ 695,564.44 | 3.00% |
| 7/1/2004 | $ 716,431.38 | 3.00% |
| 7/1/2005 | $ 737,924.32 | 3.00% |
| 7/1/2006 | $ 760,062.05 | 3.00% |
| 7/1/2007 | $ 782,863.91 | 3.00% |
| 7/1/2008 | $ 806,349.83 | 3.00% |
| 7/1/2009 | $ 830,540.32 | 3.00% |
| 7/1/2010 | $ 855,456.53 | 3.00% |
| 7/1/2011 | $ 881,120.23 | 3.00% |
| 7/1/2012 | $ 907,553.83 | 3.00% |
| 7/1/2013 | $ 934,780.45 | 3.00% |
| 7/1/2014 | $ 962,823.86 | 3.00% |
| 7/1/2015 | $ 991,708.58 | 3.00% |
| 7/1/2016 | $ 1,021,459.84 | 3.00% |
| 7/1/2017 | $ 1,052,103.63 | 3.00% |
| 7/1/2018 | $ 1,083,666.74 | 3.00% |
| 7/1/2019 | $ 1,116,176.74 | 3.00% |
| 7/1/2020 | $ 1,149,662.05 | 3.00% |
| 7/1/2021 | $ 1,184,151.91 | 3.00% |
| 7/1/2022 | $ 1,219,676.46 | 3.00% |
| 7/1/2023 | $ 1,256,266.76 | 3.00% |
| 7/1/2024 | $ 1,293,954.76 | 3.00% |
| 7/1/2025 | $ 1,332,773.40 | 3.00% |
| 7/1/2026 | $ 1,372,756.61 | 3.00% |
| 7/1/2027 | $ 1,413,939.30 | 3.00% |
| **TOTAL** | $ 27,327,249.42 | |

**EXHIBIT A** (Continued)

**CITY OF CHULA VISTA**

**ANNUAL PAYMENTS SCHEDULE**

**Beginning July, 2000 thru contract term**

| Issue Date | Monies Issued | % Increase |
|---|---|---|
| 07/01/2028 | $1,456,357.48 | 3.00% |
| 07/01/2029 | $1,500,048.20 | 3.00% |
| 07/01/2030 | $1,545,049.65 | 3.00% |
| 07/01/2031 | $1,591,401.14 | 3.00% |
| 07/01/2032 | $1,639,143.17 | 3.00% |
| 07/01/2033 | $1,688,317.47 | 3.00% |
| 07/01/2034 | $1,738,966.99 | 3.00% |
| 07/01/2035 | $1,791,136.00 | 3.00% |
| 07/01/2036 | $1,844,870.08 | 3.00% |
| 07/01/2037 | $1,900,216.19 | 3.00% |
| 07/01/2038 | $1,957,222.67 | 3.00% |
| 07/01/2039 | $2,015,939.35 | 3.00% |
| **Total** | $29,343,188.77 | |

## EXHIBIT B
## Enforcement Summary

The parties agree that calculating damages caused by Republic's failure to adhere to performance standards is difficult if not impossible to ascertain. Consequently, the parties agree that the following liquidated damages schedule shall reflect liquidated damages that shall be payable to City in accordance with the terms hereof, and Section *11.2.1* of the Franchise.

| # | Unsatisfactory Service Indicator | Description | Penalty Amount |
|---|---|---|---|
| 1 | Missed Pick Up Response Time *[Section 6.2.10]* | Failure to Collect Missed Pick-Up By The End Of The Next Business Day After The City Notification.<br>Each Additional Business Day After Receiving Notification From City. | $15.00<br>$25.00 |
| 2 | Failure to Respond *[Section 6.2.17]* | Failure To Make A Good Faith Effort To Resolve Customer Request By Next Business Day. | $15.00 |
| 3 | Improper Imposition of Special Service *[Section 2]* | Franchisee Charges For A Special Service Not Included In Exhibit F Or By Prior City Written Approval | $500.00 |
| 4 | Spillage Or Litter *[Section 6.2.14]* | Failure To Make A Good Faith Effort To Clean Up Spillage Or Litter Within 90 Minutes After Notification By The City Or Customer | $15.00 |
| 5 | Processing Claim For Damages | Failure To Respond In Writing To A Damage Claim Within 30 Days Of Receipt And Initiate A Process To Resolve. | $100.00 |
| 6 | Remitting City Fees *[Section 4.1.2]* | Failure To Remit City Fees By The 22nd Of The Month. | 1 ½% of the Amount of Late Payment |
| 7 | Providing Reports *[Section 6.2.21]* | Penalty Assessed For Not Providing All Reports By The 22nd Of The Month.<br>Recycling Revenue Reported Will Always Be 60 Days In Arrears.<br>Each Additional Day Late. | $100.00<br>$15.00 |
| 8 | Billing Problems *[Section 6.2.18]* | Failure To Resolve A Billing Complaint Within 50% Of the Billing Cycle Time Period.<br>Each Additional Day Problem Not Resolved. | $25.00<br>$5.00 |
| 9 | Container Supply *[Section 6.2.3]* | Failure To Repair Or Replace Inoperable Containers/Bins Within Fourteen Working Days Of Request.<br>Each Additional Day Problem Not Resolved. | $25.00<br>$5.00 |
| 10 | Unauthorized Operating Hours *[Section 6.2.1]* | Contractor Operating During Hours Not Previously Authorized By City | $100.00 |
| 11 | Sub-Contractor Provisions | Failure To Deliver Material To City Approved Sub-Contractor For Yard Waste, By End Of Their Scheduled Working Day On The Same Day As Collection, Or If Not Reasonably Possible By The Following Business Day.<br>Per Vehicle Load. | $100.00 |

| # | Unsatisfactory Service Indicator | Description | Penalty Amount |
|---|---|---|---|
| 12 | Tagging Materials *[Section 6.2.20]* | Failure To Tag Or Otherwise Collect On The Same Day And Properly Dispose Of Contaminated Or Improperly Set Out Materials. | $15.00 |
| 13 | Equipment Maintenance *[Section 6.2.13]* | Equipment Not Maintained To Franchise Standards. | $25.00 |
| 14* | Excessive Contamination | If Total Residuals From Curbside Recycling Program Exceed 7% And/Or Multi-Family Recycling Program Exceed 9% Of Total Material Collected In A Quarterly Allocation Study Plus Incremental Residual Disposal Cost For Quarter | $250.00 |
| 15 | Improper Disposal *[Section 6.2.15]* | When Materials Collection From Source Separated Program Intended For Diversion Are Disposed Of At A Landfill Or Transformation Facility Without Prior City Approval.<br>Up To First Ton:<br>Every Ton Or Part Of A Ton Thereafter | <br><br><br>$50.00<br>$50.00 |
| 16 | Excessive Violations | Damages Amount Increase When Contractor Has Received A Penalty For A Particular Service Indicator More Than 15 Times Per Quarter. After 15 Violations In A Category, The Damages Amount Will Increase By An Additional 25% For Each 5 Additional Penalties. | 15% Per Quarter |

*Footnote to Box #14: The City agrees to meet and confer with Republic Services to review cause due to activity in the field, such as proposed services/automation.

1. Cross References. Where an unsatisfactory service indicator includes a cross-reference to a Section of the Franchise, any additional or inconsistent performance standards set forth in this Schedule shall govern.
2. Following Day Obligations. In each where a cure for unsatisfactory performance can be rendered within a specified time period, if the expiration of such time period falls on a non-business day, Republic's right to cure shall be extended until the following business day.
3. Penalties for Additional Days in Breach: Minor Violation. Republic may obtain relief from "Each Additional Day Late" damages by providing notice to City of the problem and by diligently proceeding to cure the problem as quickly as possible, subject to City's approval. The City will not unreasonably withhold a request for additional time to cure. In addition, minor occasional violations with advance notice from Republic and prompt cure may be excused at the discretion of the City Manager.
4. Right to Appeal. Republic will have the right to appeal any City Assessment to the City Manager.
5. Single Assessment. Where a single operational failure may potentially constitute multiple violations, such failure will constitute only a single violation, subject to only one penalty.

## EXHIBIT C

## Construction Demolition Guidelines

**Small Quantity Generators.** The fees, vehicles and safety equipment used for collecting standard household waste are not designed to handle large quantities of construction or landscape debris. When building, remodeling or re-landscaping homeowners shall be encouraged by City and Republic to reuse materials on site whenever possible. When homeowners cannot reuse the materials on site they should contact Republic Services to request an appropriately sized demolition recycling or waste bin. Small Quantity Generators may also haul the waste to an appropriate recycler or landfill themselves. Construction and demolition debris is not considered standard Residential waste.

Small Quantity Generator waste service is not an acceptable means of disposing of landscape or demolition debris in excess of 200 pounds. When disposing of small quantities of demolition or landscape debris please observe the following guidelines:

- A small quantity of rock, bricks, dirt, wood or other demolition debris that is generated as an incidental part of regular home occupancy will be collected as long as the driver believes it is safe for him and the equipment to do so,

- The material must be free of protruding nails, glass or sharp objects,

- The demolition debris must be less than 10% of the total waste being collected and the Republic collection personnel makes the final determination regarding the 10% limit,

- An automated container must weigh less than 250 pounds (or the maximum weight identified on the container by manufacturer) when collected,

- Wood must be free of nails, glass or sharp objects and cut into four foot lengths or less and placed into a waste receptacle or tied into bundles weighing less than 35 pounds each,

- Non painted or treated wood should also be free of nails or sharp objects and should be bundled and placed as Yard Waste not trash.

- When quoting a demolition Roll-off or bin for concrete/asphalt, clean dirt and wood the customer shall be instructed to keep the items separate from each other and regular Garbage so it may be recycled not land filled.

- Republic shall sponsor the "Free Landfill Passes" program.

**Large Quantity Generators.** When building, remodeling or landscaping Large Quantity Generators shall be encouraged by City and Republic to reuse materials on site, recycle, and compost with landfilling as the last option. When materials cannot be reused on site, Republic will provide appropriately sized demolition, recycling, composting or waste bins / roll-off containers, pricing as described in Exhibit G. Large Quantity Generators may also haul the waste to an appropriate recycler or landfill

themselves, providing the generator is utilizing their own personnel and equipment. Large Quantity Generators are to comply with C.V.M.C Section 8.25.095 – Construction and Demolition Debris Recycling and the California Green Building Code Standard which includes completion of a Waste Management Report and a performance deposit.

# EXHIBIT D

## Free Bulky Pick-Up Policy
## Small Quantity Generators

The program is intended to provide Small Quantity Generators with free Collection service for bulky items generated from the "standard" Residential use of a single family dwelling. The "standard" is based on the number, frequency and type of items generated. Items that do not meet that standard may be subject to additional fees.

- Free service includes up to one free service stop per week for non-hazardous, non-infectious household bulky items such as a sofa, chair, mattress, lawn furniture, barbecue, or appliance than can be easily and safely moved by hand or hand truck. Free bulky service does not include items brought from another location or generated from a business such as an auto mechanic or upholstery business conducted at home. Such items will be subject to a fee per item or per half hour as described on Exhibit G.

- Collection of more than 10 household bulky items in any week or 60 items in any 90 day period may be subject to a surcharge per item or per half hour charge as described on Exhibit G.

- Republic shall provide service on an on call basis, with 24 hours' notice from the customer on the next regular Residential trash service day for that residence.

- Whenever possible, the customer should dismantle or break down items so they may be easily and safely collected. Each item shall weigh less than 60 pounds if they need to be removed by hand.

- Items over 60 pounds shall be prepared by residents so they can be safely collected on a hand truck. Collection of items that cannot be safely collected with a hand truck may be subject to a fee of per half hour or may be tagged with an explanation and left.

- Collection on any day other than the standard Refuse and Recycling day is subject to an initial service charge of up to described on Exhibit G for up to the first five items and a per item charge for every additional item.

- Loose construction, demolition, Yard Waste and other items are not considered bulky items and should be properly recycled or disposed of at a permitted drop-off facility or the customer may subscribe to temporary Roll-off Box/Bin Collection service as appropriate.

- Republic shall sponsor the "Free Landfill Passes" program described in Exhibit D-1 attached hereto.

  Small Quantity Generators shall be eligible for two (2) Free Yard Waste Passes per year as described in Exhibit D-2. The pass is limited to one standard truck load of material. This tonnage does not count against City's 5% annual free tonnage allowance.

## Free Bulky Pick-Up Policy
## Large Quantity Multi-Family Generators

- The free program is intended to collect only those items generated from the dwelling Units as a part of normal Residential use.

- Republic shall provide up to one free service stop per month for non-hazardous, non-infectious materials such as a sofa, chair, mattress, lawn furniture, barbecue, or appliances that can be easily and safely moved by hand or hand truck. Free Collection does not include construction and demolition debris.

- Free Service is to be provided on an on call basis, with 24 hours' notice from the customer.

- Collection to be performed on the same day as Residential Trash for their service area.

- Items shall be dismantled or broken down so they may be easily collected and loaded. Items shall weigh less than 60 pounds if they need to be removed by hand. Items over 60 pounds shall be prepared by residents so they can be collected on a hand truck. Example: carpet shall be cut into four foot widths, rolled into sections weighing under 55 pounds and secured with twine or packing tape so that it can also be moved by a hand truck.

- All items for one complex must be ready for Collection at one time and at one location in the complex that is accessible to the Republic bulky collection vehicle. Location to be established at the time of 24-hour notice.

- Free Collection is limited to up to 5 items for every ten Units in the complex. (i.e., a building with 11 Units gets up to 10 items a building of 21 Units gets up to 15 items)

- Collection of more than the standard number of items will result in a per item charge described on Exhibit G. Additional items that are not collectible by hand-truck will be subject to a per half-hour charge describe on Exhibit G.

- Collection of any day other than the standard day may include a service charge for the first five items and a per item charge for every additional item, as described on Exhibit G.

- Loose construction/demolition, Yard Waste and other items are not considered bulky items and should be properly recycled disposed of at a permitted drop-off facility (see demolition guide) or the customer may subscribe to temporary Roll-off Box/Bin collection service with Republic as appropriate.

## EXHIBIT D-1

## LANDFILL DISPOSAL PASSES

Republic Services will provide landfill passes to Chula Vista residents in lieu of semi-annual community clean ups. Each resident will be entitled to two passes per calendar year which Republic will track in the customer account notes within its proprietary software.

Passes will be valid 90 days from the issue date. The passes may be used anytime during regular landfill hours. Residents pick up their passes at Republic Services' offices in Chula Vista. Their account must be current with Republic Services. Residents must have identification demonstrating their residency (i.e. Driver's license, telephone, electric or disposal bill with Chula Vista address) when going to the landfill with the pass. Residents may also request by phone to have passes mailed to the address associated with the customer account. Republic Services will not be responsible for lost or stolen passes.

The residents will have a special area to dump their materials and will not be in the commercial traffic at the face of the landfill. Roll off boxes will be set up for each material type at the Convenience Center located near the main entrance of the Otay Landfill. Residents will be expected to off-load their separated materials into the appropriate roll off boxes; recyclable materials, non-recyclable trash, metals, white goods, concrete/asphalt and wood waste/organics.

Each pass may be used for a maximum material weight of one (1) ton. Loads over the one (1) ton limit will be charged current landfill rates.

REPUBLIC SERVICES

**Otay Landfill Disposal Pass**

Chula Vista Small Quantity Generators Only

CITY OF CHULA VISTA

881 Energy Way
Chula Vista, CA 91912

Control # 68348 Date Issued _____

Pass expires 60 days from the Date Issued

Name _____

Address _____

City _____ State _____ Zip _____

**Who:** Chula Vista Small Quantity Generators Only; including all residential customers and commercial customers with cart service

**What:** This pass is good for a maximum weight of 1 ton and can be used for disposal of trash and/or recycling of concrete and green waste. You can recycle the following materials for free and without a pass at the Otay Landfill; metal, cardboard, paper, bottles and cans. Loads with any amount of billable materials such as trash, concrete or green waste will require a pass or payment.

**Where:** Otay Landfill 1700 Maxwell Road Chula Vista (619) 421-3773

**When:** Landfill hours of operation: Mon. - Fri. 7AM - 4PM and Sat. 7AM - 3PM Closed Sundays Thanksgiving Day, Christmas Day and New Years Day

**Why:** To keep Chula Vista clean and beautiful

Must be at least 16 years old to enter the landfill. Sturdy leather boots recommended. No open toe shoes. No Pets. No returns or exchanges. Allied Waste is not responsible for lost or stolen passes.

Printed on Recycled Paper

REPUBLIC SERVICES

**Otay Landfill Disposal Pass**

Chula Vista Small Quantity Generators Only

CITY OF CHULA VISTA

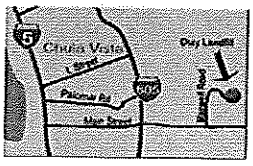
**Another Great Service Provided By Republic Services and the City of Chula Vista**

**Picture ID Required:** Please have a picture ID available. THE PERSON TO WHOM THIS PASS WAS ISSUED MUST BE IN THE VEHICLE WHEN IT GOES TO THE LANDFILL.

**Recycle:** This pass is good for disposal of trash and/or recycling of concrete and green waste. You can recycle the following materials for free and without a pass at the Otay Landfill; metal, cardboard, paper, bottles and cans. Loads with any amount of billable materials such as trash, concrete or green waste will require a pass or payment.

**Load Limits:** Each pass may be used for a maximum material weight of 1 ton. Loads over 1 ton limit will be charged current landfill rates. Do not exceed the recommended weight capacity of your vehicle. Please load your vehicle to keep the following materials seperate for recycling; concrete/asphalt, metal, appliances, recyclables (cardboard, paper, bottles and cans) and green waste.

**Secure Loads:** Please secure all materials in your vehicle with a tarp, rope or other means to ensure that no items are lost in transit.




Map to the Otay Landfill

Printed on Recycled Paper

## EXHIBIT D-2

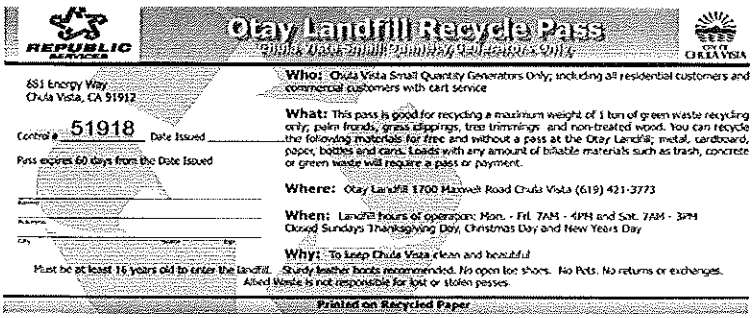
## LANDFILL YARD WASTE PASSES

Republic Services will provide 2 yard waste passes to Chula Vista residents per calendar year which Republic will track in the customer account notes within its proprietary software.

Passes will be valid 90 days from the issue date. The passes may be used anytime during regular landfill hours. Residents pick up their passes at Republic Services' offices in Chula Vista. They must have a current account with Republic Services and identification demonstrating their residency (i.e. Driver's license, telephone, electric or disposal bill with Chula Vista address) when going to the landfill with the pass. Residents may also request by phone to have passes mailed to the address associated with the customer account. Republic Services will not be responsible for lost or stolen passes.

The residents will have a special area to dump their materials and will not be in the commercial traffic at the face of the landfill. Roll off boxes will be set up for each material type at the Convenience Center located near the main entrance of the Otay Landfill. This pass will be good for recycling green waste recycling only; palm fronds, grass clippings, tree trimmings and non-treated wood. Residents can recycle the following materials for free and without a pass at the Otay Landfill; metal, cardboard, paper, bottles and cans. Residents will be expected to off-load their separated materials into the appropriate roll off boxes; wood waste/organics and recyclable materials.

Each pass may be used for a maximum material weight of 1 ton. Loads over the 1 ton limit will be charged current landfill rates.



REPUBLIC SERVICES

**Otay Landfill Recycle Pass**

Double Check Small Quantity Generators Only

CITY OF CHULA VISTA

851 Energy Way
Chula Vista, CA 91912

Control # 51918 Date Issued _____

Pass expires 60 days from the Date Issued

Name _____

Address _____

City _____ State _____ Zip _____

**Who:** Chula Vista Small Quantity Generators Only, including all residential customers and commercial customers with cart service

**What:** This pass is good for recycling a maximum weight of 1 ton of green waste recycling only; palm fronds, grass clippings, tree trimmings and non-treated wood. You can recycle the following materials for free and without a pass at the Otay Landfill; metal, cardboard, paper, bottles and cans. Loads with any amount of billable materials such as trash, concrete or green waste will require a pass or payment.

**Where:** Otay Landfill 1700 Maxwell Road Chula Vista (619) 421-3773

**When:** Landfill hours of operation: Mon. - Fri. 7AM - 4PM and Sat. 7AM - 3PM
Closed Sundays Thanksgiving Day, Christmas Day and New Years Day

**Why:** To keep Chula Vista clean and beautiful

Must be at least 16 years old to enter the Landfill. Sturdy boots/shoes recommended. No open toe shoes. No Pets. No returns or exchanges.
Allied Waste is not responsible for lost or stolen passes.

Printed on Recycled Paper



REPUBLIC SERVICES

**Otay Landfill Recycle Pass**

Double Check Small Quantity Generators Only

CITY OF CHULA VISTA

**Another Great Service Provided By Republic Services and the City of Chula Vista**

**Picture ID Required:** Please have a picture ID available. THE PERSON TO WHOM THIS PASS WAS ISSUED MUST BE IN THE VEHICLE WHEN IT GOES TO THE LANDFILL.

**Recycle:** This pass is good for green waste recycling only; palm fronds, grass clippings, tree trimmings and non-treated wood. You can recycle the following materials for free and without a pass at the Otay Landfill; metal, cardboard, paper, bottles and cans. Loads with any amount of billable materials such as trash, concrete or green waste will require a pass or payment.

**Load Limits:** Each pass may be used for a maximum material weight of 1 ton. Loads over 1 ton limit will be charged current landfill rates. Do not exceed the recommended weight capacity of your vehicle. Please load your vehicle to keep the following materials separate for recycling; concrete/asphalt, metal, appliances, recyclables (cardboard, paper, bottles and cans) and green waste.

**Secure Loads:** Please secure all materials in your vehicle with a tarp, rope or other means to ensure that no items are lost in transit.




Map to the
Otay Landfill

Printed on Recycled Paper

# EXHIBIT E

**Tagging Improper Set Outs - Small Quantity Generators** When tagging a customer container for improper set out (as described in Section 6.22 Tagging and Penalties) the tag should identify the specific violation. Republic Services shall preserve the stub demonstrating proof of notice for three (3) years). Information on trash, Recycling, Yard Waste or bulky Collection shall be left with tag to instruct customer on future set outs.

First Contact - Generator to be tagged and served. Item(s) should be collected either as a recyclable, bulky item or trash on the same day as regular service unless the Collection of items would be hazardous to Republic Services personnel, equipment or their Collection is specifically prohibited by federal, State or local law.

Second Contact - Generator receives a tag only (preferably marked 2nd request)

Third Contact - Generator receives a tag (preferably marked 3rd request). Information is forwarded to City. City shall then send a letter and instruction regarding violation and warning of fine to customers and fax a list of addresses notified to Republic. Republic shall continue to tag address if necessary and forward information to City.

Fines - A first fine may follow no sooner than 15 days after notice from City. The first fine shall be up to $3 per applicable service. A second fine shall be up to $5 per applicable service. A third fine and each fine thereafter shall be up to $10 per applicable service. Substantiated fines are part of the regular Refuse fee and are subject to collection in the same manner.

## EXHIBIT F

## General Reporting Requirements

Quarterly and annual reports shall include a cumulative and up to date accounting of the monthly report form in a format approved by the city. Reports shall also include the market price received for each commodity in the Quarterly and Annual Reports (quarterly average is acceptable). The weight receipts and market value for material at the time sold shall be available for inspection by City upon request under the provisions outlined in *Section 4.1.3* regarding right to audit.

Republic shall not be expected to include actual revenues for the most recent month in the monthly reports however they shall make a good faith effort to include them in the quarterly reports. Republic shall update actual revenue no later than the first monthly report due date or the 22nd day following the end of the quarter.

The Quarterly and Annual Reports shall also include a summary of customer service inquiries taken by Republic Customer Service Staff for Chula Vista. The report shall include an outline of any future operational or customer service adjustments that may be necessary to reduce or eliminate the general type of service inquiry or complaint in the future. Additionally, the annual report shall include recommendations for future changes in Collection or customer service operations that may contribute to an increase in the potential diversion of recyclable or reusable material from landfill disposal.

Finally, the monthly, quarterly and annual reports shall also include any additional information necessary to meet State and/or Federal mandated reporting requirements that apply to Republic's or their sub-contractor's Collection, Processing and or disposal of material under the franchise agreement.

**EXHIBIT G**
**[ATTACHED RATE SHEETS]**

Revised: July 4, 2014

## CHULA VISTA FRANCHISE - 2015 RATE SCHEDULE FOR LQG & 2015 RATE SCHEDULE FOR SQG RATES

Estimated 2014 CPI = 2.0%

**PROJECTED** LQG and Industrial CPI Rate Increase Effective: July 1, 2015

**PROJECTED** SQG CPI Rate Increase Effective: September 1, 2015

City Franchise Fee = 20.0%

AB 939 Recycling Fees = 5.0%

| SERVICE DESCRIPTION : | 2014 SQG RATES | | | | 2015 SQG RATES | | | |
|---|---|---|---|---|---|---|---|---|
| | CART SERVICE | | | Other | CART SERVICE | | | Other |
| | 32 Gal | 64 Gal | 96 Gal | Service | 32 Gal | 64 Gal | 96 Gal | Service |
| **A. SMALL QUANTITY GENERATOR :** | | | | | SQG 100% CPI % Adj = | | | 2.00% |
| | | | | | Based upon Estimated 2014 CPI | | | |
| Residential - single unit | 15.22 | 19.73 | 23.21 | | 15.52 | 20.12 | 23.67 | |
| Additional cart | | | | 6.91 | | | | 7.05 |
| Trash Exempt | | | | 3.58 | | | | 3.65 |
| Minimum Service Charge | 15.22 | | | | 15.52 | | | |
| Extra trash set out / 32 gal equivalent | | | | 4.04 | | | | 4.12 |
| Prepaid extra 32 gal - bag services | | | | 2.02 | | | | 2.06 |
| Residential - Senior (On program before 12/31/01) | 10.72 | NA | NA | | 10.93 | NA | NA | |
| Residential - Multi-family up to 9 units | 15.22 | 19.73 | 23.21 | | 15.52 | 20.12 | 23.67 | |
| Mobile Home Parks - coach to coach | 15.22 | 19.73 | 23.21 | | 15.52 | 20.12 | 23.67 | |
| Commercial/Industrial SQG | | | | | | | | |
| One time weekly on residential service day for the area | 15.22 | 19.73 | 23.21 | | 15.52 | 20.12 | 23.67 | |
| Additional carts | | | | 6.91 | | | | 7.05 |
| Replacement cart charge (32, 64, or 96 gal cart) due to repeated customer abuse | | | | 99.74 | | | | 101.73 |
| SQG Bulky Item(s) - Pick up free if called in 48 hours in advance of service day for up to 10 items. | | | | Free | | | | Free |
| Per Bulky item fee applied for items over the 10 items allowance. Items over 60 lbs. must be prepared for safe handling with a hand truck. If not properly prepared, may be subject to a 1/2 hour service fee. Collection requested on any day other than the standard service day is subject to the Bulky Item 1/2 Hour Service Fee for the first five items. Any Bulky Items over 5 item allowance will be charged the per item fee. | | | | 3.79 | | | | 3.87 |
| Bulky Item 1/2 Hour Service Fee - for non-scheduled service. Will pickup maximum of 5 items, where upon the SQG Bulky Item Fee is applied for each of the items over the 5 item allowance | | | | 32.60 | | | | 33.25 |
| Temporary 3 yd container at residential unit (includes 1 dump and 17 day limit) | | (LQG Pricing) | | 170.29 | | | | 173.70 |
| Additional dumps - same as LQG extra pick up rate | | (LQG Pricing) | | 64.10 | | | | 65.38 |
| Temporary Bin Rental charges begin at 18 days. | | (LQG Pricing) | | 3.79 | | | | 3.87 |
| Green Waste Cart Rental (1, 64 gal or 96 gal. Cart- min. 6 mth. Rental period) | | | | 1.27 | | | | 1.30 |
| Special Handling Charges | | | | | | | | |
| Call Backs / Non scheduled - customer requested | | | | 12.65 | | | | 12.90 |
| Customer Requested Special Service - i.e.cart cleaning , misc electronic waste | | | | 12.65 | | | | 12.90 |
| Televisions and Computer Monitors curbside pickup | | | | 6.33 | | | | 6.46 |
| Restricted Access | | | | 12.65 | | | | 12.90 |
| City Non-Compliance Fee (City Staff Imposed) | | | | * | | | | * |
| *($3, $5, $10.00 as appropriate for the situation) | | | | | | | | |

CHULA VISTA FRANCHISE - 2015 RATE SCHEDULE FOR LQG & 2015 RATE SCHEDULE FOR SQG RATES Estimated 2014 CPI = 2.0%

Revised: July 4, 2014

PROJECTED LQG and Industrial CPI Rate Increase Effective: July 1, 2015

PROJECTED SQG CPI Rate Increase Effective: September 1, 2015

City Franchise Fee = 20.0%

AB 939 Recycling Fees = 5.0%

| SERVICE DESCRIPTION : | | 2014 LQG RATES | 2015 LQG RATES |
|---|---|---|---|
| B. LARGE QUANTITY GENERATORS : | | | LQG CPI Adjustment = 2.00% |
| ( SEE ATTACHED SCHEDULES FOR DETAILED PRICING MATRIX BY BIN SIZES AND SERVICE LEVELS) | | | Based upon Estimated 2014 CPI |
| 1 X 2YD X 1/WK BASIC SERVICE | | 81.16 | 82.78 |
| 1 X 2YD X 1/WK EXPANDED SERVICE | | 96.52 | 98.45 |
| 1 X 3YD X 1/WK BASIC SERVICE | | 110.05 | 112.25 |
| 1 X 3YD X 1/WK EXPANDED SERVICE | | 126.75 | 129.29 |
| 1 X 4YD X 1/WK BASIC SERVICE | | 175.27 | 178.78 |
| 1 X 4YD X 1/WK EXPANDED SERVICE | | 197.78 | 201.74 |
| 1 X 5YD X 1/WK BASIC SERVICE | | 219.04 | 223.42 |
| 1 X 5YD X 1/WK EXPANDED SERVICE | | 247.25 | 252.20 |
| 1 X 6YD X 1/WK BASIC SERVICE | | 262.84 | 268.10 |
| 1 X 6YD X 1/WK EXPANDED SERVICE | | 296.69 | 302.62 |
| Note: "Expanded Service" such as a container push out in excess of 25 feet. | | | |
| Extra pick up Charges: | Commercial Trash | 64.10 | 65.38 |
| | Commercial Recycling | 48.85 | 49.83 |
| | Green Waste Recycling | 37.92 | 38.68 |
| | Overloaded Bin - per one yard extra | 16.74 | 17.07 |
| GREEN WASTE RECYCLING | 1 X 1/WEEK | 104.08 | 106.16 |
| | 1 X 2/WEEK | 170.05 | 173.45 |
| | 1 X 1/BI-WEEKLY | 56.11 | 57.23 |
| COMMERCIAL RECYCLING | | | |
| ( SEE ATTACHED SCHEDULES FOR DETAILED PRICING MATRIX BY BIN SIZES AND SERVICE LEVELS) | | | |
| up to 8 yard of service 1x wl | 1 X 1/WEEK 3 YD Bin | 59.56 | 60.75 |
| | 1 X 1/BI-WEEKLY | 50.02 | 51.02 |
| NON-HOSPITALITY | 1 X 1/WEEK | 25.18 | 25.68 |
| ( UP TO 4-96GAL CARTS ) | 1 X 1/BI-WEEKLY | 21.01 | 21.43 |
| **Residential Multi-family bin service for 6 to 9 units** (with City approval) | | | |
| Trash rates - commercial service as needed, per commercial container rate schedules | | | |
| Recycling only - charge per unit (in addition to the trash rate) | | 2.24 | 2.28 |
| Recycling and Greenwaste - charge per unit (in addition to the trash rate) | | 3.67 | 3.74 |
| **Over weight Bins** - Upon approval by the City, | | | |
| 1. Determine the ratio of pounds per cubic yard over the 110 pounds average per cubic yard. | | | |
| 2. Ratio establishes the number of bins to use when calculating the charge. | | | |

CHULA VISTA FRANCHISE - 2015 RATE SCHEDULE FOR LQG & 2015 RATE SCHEDULE FOR SQG RATES

Revised: July 4, 2014

PROJECTED LQG and Industrial CPI Rate Increase Effective: July 1, 2015
PROJECTED SQG CPI Rate Increase Effective: September 1, 2015

Estimated 2014 CPI = 2.0%
City Franchise Fee = 20.0%
AB 939 Recycling Fees = 5.0%

| SERVICE DESCRIPTION : | 2014 LQG RATES | 2015 LQG RATES |
|---|---|---|
| **B. LARGE QUANTITY GENERATORS : Continued** | | LQG CPI Adjustment = 2.00% |
| | | Based upon Estimated 2014 CPI |
| **Vertical compactor service rate calculation -**<br>1. Select the compactor bins size that corresponds with the bin size on the rate table.<br>2. The compaction ration of the compactor becomes the number of bins serviced (Example: 4 to 1 = 4 bins)<br>3. Select the "Weekly Lifts" or service frequency chosen by the generator.<br>4. The commercial trash rate table identifies the applicable "Basic Service" rate for that level of service. | | |
| **Lock on carts /bins** | 6.83 | 6.97 |
| **Container exchange after complementary annual exchange (30 days notice requested, not required)** | 67.63 | 68.98 |
| **Delay wait time/Special Service (upon customer request) per 1/2 hour** | 61.18 | 62.40 |
| **Replacement 3 yd bin container due to repeated customer abuse**<br>(extra charges may apply for personalized container purchase upon City approval). | 819.50 | 835.89 |
| **Bulky Item Pick up 1/2 Hour Service Fee** | 33.98 | 34.66 |
| **Bulky Item Pick up Commercial/Industrial** - if called in 48 hours in advance of service day for the SQG route in that area.Items over 60 lbs. must be prepared for safe handling with a hand truck. If not, may be subject to a 1/2 hourly service rate fee. Collection on any day other than SQG route day for the area is subject to be charged a 1/2 hourly service rate fee. | 3.79 | 3.87 |
| **Bulky Item Pick up for Multi-family (LQG)** - 5 items for every 10 units are free if called in 48 hours in advance of SQG route day for the area. Items over 60 lbs. must be prepared for safe handling with a hand truck. If not, may be subject to a 1/2 hourly rate service fee. Collection on any day other than SQG route day for the area is subject to be charged a 1/2 hour service fee. Additional items over the 5 per 10 units allowance will be charged for each additonal item. | 3.79 | 3.87 |
| **Extra pickup or call back on recycling services (per stop not per container)** | 12.65 | 12.90 |

CHULA VISTA FRANCHISE - 2015 RATE SCHEDULE FOR LQG & 2015 RATE SCHEDULE FOR SQG RATES Estimated 2014 CPI = 2.0%

Revised: July 4, 2014

PROJECTED LQG and Industrial CPI Rate Increase Effective: July 1, 2015

PROJECTED SQG CPI Rate Increase Effective: September 1, 2015

City Franchise Fee = 20.0%

AB 939 Recycling Fees = 5.0%

| SERVICE DESCRIPTION : | 2014 LQG RATES | 2015 LQG RATES<br>LQG CPI Adjustment = 2.00%<br>Based upon Estimated 2014 CPI |
|---|---|---|
| C. INDUSTRIAL GENERATORS : | | |
| Compactor | 258.48 | 263.65 |
| Roll-off | 167.17 | 170.51 |
| C.O.D. HAUL + DELIVERY + 7 TON DISPOSAL<br>2014 $162.33 + $40.51 + $366.80 = 569.64<br>(Haul charge + Delivery Charge +7 Ton Disposal)<br>Anything over 7 tons is charged at current disposal rate per ton. | 586.61 | 598.34 |
| * DISPOSAL PER TON (includes Franchise Fee & AB939 Tax)<br>All recycling material processing fees are passed through to the generator.<br>Any disposal charges due to contamination will be passed through to the generator.<br>A rebate of 50% of the market value minus processing costs is offered for clean recycling loads. | 53.96 | 55.04 |
| Bulky Item Hourly Service Rate - per 1/2 hour | 33.98 | 34.66 |
| Compactor Container Wash Out | 102.44 | 104.49 |
| Relocation of the Container | 102.44 | 104.49 |
| Dry Run Charge - 50% of the Haul Rate | 83.59 | 85.26 |
| Roll -off Delivery Charge (initial delivery only, subsequent exchanges do not get charged) | 41.71 | 42.54 |
| Roll-off Container Daily Rental Charge (After 17 days) | 3.79 | 3.87 |
| Bulky Item Pick up Commercial/Industrial - if called in 48 hours in advance of service day for the SQG route in that area.Items over 60 lbs. must be prepared for safe handling with a hand truck. If not, maybe subject to $25 per half hour service fee. Collection on any day other than SQG route day for the area is charged Bulky Item Hourly Service rate per 1/2 hour. | 3.79 | 3.87 |
| Same Day Service Request until 3:00 pm | 61.99 | 63.23 |
| Special Events: | | |
| Trash Bin, each | 158.02 | 161.18 |
| Recycling Bin, each | 103.56 | 105.63 |
| 96 or 64 gallon cart | 12.65 | 12.90 |
| Recycling 15 gal "Red Box" OR Special Event Cardboard Box | 6.32 | 6.45 |

# EXHIBIT H

## Insurance Requirements

CITY OF CHULA VISTA

**Insurance Requirements for Republic Services of Chula Vista, dba Allied Waste ("Contractor")**

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with its exercise of its rights or performance of its duties under the Franchise, including acts or omissions by the Contractor, its agents, representatives, employees, or subcontractors. With respect to Commercial General Liability, Automobile Liability, Workers Compensation and Pollution Legal Liability, coverage should be maintained for a minimum of five (5) years after contract completion.

**MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 07 04, or equivalent, covering CGL on an "occurrence" basis, including products-completed operations, property damage, bodily injury, & personal injury, with limits no less than $10,000,000 combined single limit per accident or occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required per occurrence limit.

2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering any auto (Code 1), or if Contractor has no owned autos, hired (Code 8) and non-owned (Code 9) autos, with limit no less than $10,000,000 combined single limit per person for bodily injury and property damage, **per accident or occurrence.**

3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

4. **Pollution Legal Liability** applicable to the work being performed, with a limit no less than $10,000,000 per claim or occurrence and $10,000,000 aggregate per policy period of one year. The forms and other terms of Pollution Legal Liability insurance shall be subject to the reasonable approval of the City Attorney and the City's Risk Manager. Additional amounts or types of such insurance may be reasonably required consistent with industry standards or best practices.

If Contractor maintains higher limits than the minimums shown above, the Entity requires and shall be entitled to coverage for the higher limits maintained.

Any combination of primary and excess/umbrella policies may be utilized to satisfy the required limits of liability.

***Deductible and Self-Insured Retentions***

Regardless of the existence or amount of any deductibles or self-insured retentions that may exist under Republic's insurance policies, Republic shall provide to City the benefits of policy coverages by applying or deducting any such deductibles or self-insured retentions, so that the policy coverage shall apply starting with the first dollar of any covered defense cost or indemnity obligation.

***Other Insurance Provisions***

A. The Commercial General Liability, Automobile Liability, and Pollution Legal Liability policies are to contain, or be endorsed to contain, the following provisions:

   1. **The Entity, its officers, officials, employees, and volunteers are to be covered as additional insureds** with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of the Contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used). The Endorsement must not exclude Products /Completed Operations.

   2. For any claims related to this project, **the Contractor's insurance coverage shall be primary insurance** as respects the Entity, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, agents, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

   3. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Entity.

B. The Automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract. This coverage may also be provided on the Contractors Pollution Liability policy.

C. If Commercial General Liability, and/or Pollution Legal Liability coverages are written on a claims-made form:

   1. The retroactive date must be before the date of the contract or the beginning of contract work.
   2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
   3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.
   4. If the services involve lead-based paint or asbestos handling, disposal, identification and/or remediation, the Pollution Legal Liability shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification

/ remediation, the Pollution Legal Liability shall not contain a mold exclusion and the definition of "Pollution" shall include microbial matter including mold.

***Acceptability of Insurers***

Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII if admitted in the State of California. If Pollution Legal Liability coverage is not available from an admitted insurer, the coverage may be written by a non-admitted insurance company. A non-admitted company should have an A.M. Best rating of A:X or higher. Exception may be made for the California State Compensation Insurance Fund if not rated.

***Verification of Coverage***

Contractor shall furnish the Entity with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this contract. All certificates and endorsements are to be received and approved by the Entity before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them.

***Waiver of Subrogation***

Contractor hereby grants to Entity a waiver of subrogation which any insurer may acquire against Entity, its officers, officials, employees, and volunteers, 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 but this provision applies regardless of whether or not the Entity has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Entity for all work performed by the Contractor, its employees, agents, and subcontractors.

***Subcontractors***

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

***Special Risks or Circumstances***

Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Contractor agrees to meet and confer with City every 5 years regarding any required increases in coverage amounts or types based upon new industry standards or best practices.

**CERTIFICATE OF SECRETARY**

**RELATING TO THE AMENDED AND RESTATED SOLID WASTE COLLECTION AND RECYCLING FRANCHISE AGREEMENT WITH THE CITY OF CHULA VISTA IN THE STATE OF CALIFORNIA**

The undersigned, Secretary of **ALLIED WASTE SYSTEMS, INC.**, a Delaware corporation (the "Company"), hereby certifies that the following is a true and correct copy of the resolution which was duly adopted by unanimous written consent of the Board of Directors of the Company on July 15, 2011, that such resolution has not been rescinded, amended or modified in any respect, and is in full force and effect on the date hereof:

**RESOLVED,** that any individual at the time holding the position of Area President, Area Controller, or General Manager be, and each of them hereby is, appointed as an Authorized Agent, to act in the name and on behalf of the Company, in connection with the day-to-day business activities of the Company, and further, in addition to the foregoing positions, any Municipal Services Director or Area Municipal Services Manager be, and each of them hereby is, appointed as an Authorized Agent to execute any bid and proposal, and if awarded, any related contract for services to be performed by the Company and any bond required by such bid, proposal or contract in accordance with the existing Levels of Authority.

I further certify that **ALBERTO GUARDADO** holds the title of Area President and **NEIL MOHR** holds the title of General Manager and in such respective capacities have full authority to act in the name and on behalf of the Company as set forth in the foregoing resolution.

**WITNESS MY HAND**, this 1st day of October, 2014.

Eileen B. Schuler, Secretary