AGREEMENT FOR OPERATION OF THE CENTRAL LANDFILL AND COUNTY TRANSFER STATIONS

BETWEEN

COUNTY OF SONOMA

AND

REPUBLIC SERVICES OF SONOMA COUNTY, INC.

~~April 23~~ **2013**

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EXHIBITS

Exhibit	Document Title
Ex. A	Assigned Contracts
Ex. B	Compost License Agreement
Ex. C	Form of Corporate Guaranty
Ex. D	Form of Financial Assurances
Ex. E	Future Compost Facility Map
Ex. F	HHW Facility License Agreement
Ex. G (G-1, G-2, G-3, G-4, G-5)	Legal Descriptions of Property
Ex. H	Permits
Ex. I	Prime Subcontractor Agreement
Ex. J	Waste Delivery Agreement
Ex. K	Mutually Expected Major Capital Replacements
Ex. L	Reserved Operations
Ex. M	Current Days of Operation
Ex. N	Offsite Litter Control on Public Roads Map
Ex. O	Bill of Sale and List of Personal Property to Be Transferred
Ex. P	List of Employment Openings
Ex. Q	Materials Recovery Facility Equipment Description
Ex. R	Concession Payment Schedule
Ex. S	Initial Contractor Service Fee Schedule for Committed County Waste and Committed City Waste
Ex. T	Waste Management Agency Fee Schedule
Ex. U	Legal Opinion
Ex. V	Memorandum of Agreement Regarding Restrictive Covenants
Ex. W	Letter of Credit
Ex. X	Insurance Requirements
Ex. Y	Summary of Liquidated Damages

THIS AGREEMENT FOR OPERATION OF THE CENTRAL LANDFILL AND COUNTY TRANSFER STATIONS is made and entered into between the County of Sonoma, a political subdivision of the State of California (hereinafter "County") and **REPUBLIC SERVICES OF SONOMA COUNTY, INC.,** a Delaware corporation (hereinafter "Contractor") as of the _____ day of _____, 2013 (the "Execution Date").

RECITALS

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

WHEREAS, the County and certain cities within the County desire to provide for the Waste Disposal needs of communities within the County through the County's network of Transfer Stations, a new Materials Recovery Facility and the Central Landfill; and

WHEREAS, the County, the City County Solid Waste Advisory Group (SWAG) and many of the communities within the region, have established as a goal the diversion from landfilling of eighty percent (80%) of all Waste generated in Sonoma County by 2015, including source separated recyclables and organics, and in order to meet this goal, the County has determined that Contractor and its Prime Subcontractor, The Ratto Group, shall collectively divert from landfilling the minimum annual diversion tonnage set forth in this Agreement; and

WHEREAS, County proposes to enter into this Agreement with Contractor for construction of additional Disposal capacity at the Landfill, operation of the Landfill, construction and operation of a new Materials Recovery Facility and operation of the Transfer Stations and implementation of new diversion programs; and

WHEREAS, Contractor will subcontract out the operation of the Materials Recovery Facility and the Transfer Stations to its Prime Subcontractor; and

WHEREAS, Contractor represents it and its Prime Subcontractor are qualified and willing to operate the Landfill, Materials Recovery Facility and the Transfer Stations pursuant to this Agreement, and

WHEREAS, the County has significant public policy goals in entering into this Agreement. Among these public policy goals, each of which form an essential part of the consideration hereunder, the County desires to (i) provide for in-county disposal of Waste under the terms and conditions specified herein; (ii) enhance in-county diversion through development of a Materials Recovery Facility and other related programs to assist the County, the City County Solid Waste Advisory Group (SWAG) and many of the communities within the region, to meet their goal diversion goal of 80% by 2015; (iii) transfer, on behalf of the County and the Committed Cities, the Closure and Post-Closure Obligations and environmental liabilities and obligations associated with the Central Landfill, under the terms and conditions specified herein; (iv) enter into a long-term tip fee and disposal relationship with Contractor whereby the Committed County Waste and Committed City Waste will be disposed of by Contractor at the Central Landfill at reasonable and stable tip fees as set forth in this Agreement; (v) secure certain

indemnities and releases from Contractor in favor of the County and the Committed Cities with respect to the use, operation and condition of the Land pursuant to the terms and conditions set forth herein; and (vi) in exchange for granting Contractor the right to operate the County Facilities, provide Concession Payments to the County; and

WHEREAS, nothing in this Agreement is meant to predetermine or facilitate the dissolution of the Waste Management Agency and it is understood that the extension of the Waste Management Agency will be discussed and voted upon by all 10 members of the Waste Management Agency prior to 2017.

NOW, THEREFORE, intending to be legally bound, the parties agree as follows:

ARTICLE 1.DEFINITIONS

1.1 Definitions.

Initially capitalized words, terms and phrases in this Agreement shall have the meanings set forth below. Defined terms may also be used in their plural form. As used herein, "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term.

Act "Act" means the California Integrated Waste Management Act of 1989, as amended, Public Resources Code Sections 40000, et seq.

Action "Action" means any Claim, suit, formal or informal arbitration or mediation, inquiry, notice of violation, notice to comply, proceeding or investigation by or before any Governmental Authority.

Active Face "Active Face" means the working surface of the Landfill upon which Wastes are deposited during Landfill operations prior to the placement of daily cover material.

Adjustment Date "Adjustment Date" means each anniversary of the Effective Date.

Affiliate "Affiliate" means any Entity that (a) directly or indirectly controls the specified Entity; (b) is controlled by or is under direct or indirect common control with the specified Entity; (c) is an officer, director, employee, representative or agent of the Entity; (d) is a wholly-owned subsidiary of the Entity; or (e) acquires all or substantially all of the assets of such Entity. For the purposes of this definition, "control", when used with respect to any specified Entity, means the power to direct the management or policies of the specified Entity, directly or indirectly, whether through the ownership of voting securities, partnership or limited liability company interests, by contract or otherwise.

Agreement "Agreement" means this "Agreement For Operation of the Central Landfill and County Transfer Stations" between the County and the Contractor, including all exhibits and attachments and any future amendments hereto.

Alternative Daily Cover "Alternative Daily Cover" means an alternative material, including tarps or other suitable materials that are not entirely soil and that are authorized and permitted by Applicable Law to be used as daily cover material at the Landfill. Green Waste suitable for composting shall not be used for Alternative Daily Cover; provided, however, that Green Waste fines and contaminated Green Waste may be used for Alternative Daily Cover.

Applicable Law "Applicable Law" or "Applicable Laws" means any (a) statute, law, code, regulation ordinance, rule or common law, including Environmental Laws, (b) Permit(s), (c) binding judgment, or binding judicial or administrative order or decree, (d) written directive, guideline, policy, requirement or other restriction imposed by any Governmental Authority, or (e) similar form of decision of or determination by, or any written interpretation or administration of any of the foregoing by, any Governmental Authority, in each case, which is applicable to or has an impact on this Agreement, the County Facilities, the Land or any party as it relates to this Agreement, whether taking effect before or after the Execution Date.

Assigned Environmental Claims "Assigned Environmental Claims" means any and all Claims against all Entities other than Committed Cities for any and all Losses that County has sustained or Liabilities incurred, and that may be incurred in the future, as a result of Closure and Post Closure Obligations, Remediation, and Environmental Conditions.

Assigned Contracts "Assigned Contracts" means those written agreements set forth in Exhibit A which, pursuant to this Agreement, are assigned by County to Contractor and expressly assumed by Contractor, which assignments and assumptions shall be effective as of the Effective Date, as provided in Section 14.5 (vii).

Beneficial Reuse Materials "Beneficial Reuse Materials" means materials that are incorporated into the operations of the County Facilities in accordance with Applicable Law, including but not limited to material used as or for Alternative Daily Cover, daily or intermediate soil cover, construction of drainage and erosion controls, retaining walls, French drains, sedimentation basins, roads, all weather surfaces, or other non-disposal, beneficial reuse. The term shall not include materials converted for purposes of producing energy or other products.

Board "Board" means the Board of Supervisors for Sonoma County.

CalRecycle "CalRecycle" means the California Department of Resources Recycling and Recovery and any successor agency or department.

CERCLA "CERCLA" means the Comprehensive Environmental Responsibility Compensation and Liability Act, 42 U.S.C.A. §9601 et seq. (West 1983 & Supp. 1989), as amended, and similar State laws, as amended, and the regulations promulgated thereunder.

Central Transfer Station Central Transfer Station means the Transfer Station located on the Landfill Land.

Change in Law "Change in Law" means (a) the adoption of any Applicable Law after the Execution Date, or (b) any change in any Applicable Law or in the interpretation or application thereof by any Governmental Authority after the Execution Date which, in the case of both clauses (a)-(b), impacts the Landfill, Transfer Stations and/or Materials Recovery Facility, and/or Contractor's operations hereunder, including changes arising out of AB 32 relating to climate change, greenhouse gas management or reduction. "Change in Law" excludes (1) any change in or new Applicable Law proposed or pending (in the current legislative session as of the Execution Date), passed or adopted but not yet effective as of the Execution Date or which was later enacted in similar form (except for new or increased Governmental Fees that become effective after the Execution Date, which shall be reflected as an adjustment in Contractor's Gate Rates consistent with this Agreement); and (2) any existing Applicable Law issued pursuant to the Regulation to Reduce Emissions of Diesel Particulate Matter, Oxides of Nitrogen and Other Criteria Pollutants, and Greenhouse Gases from In-Use Heavy Duty Diesel-Fueled Vehicles, Cal. Code Regs, title 13, section 2025.

City "City" means a city or town located in the County, including cities that are formed or organized after the Execution Date. "Cities" means all such cities and towns. As of the Execution Date, the Cities include: Cloverdale, Cotati, Healdsburg, Rohnert Park, Santa Rosa, Sebastopol, Sonoma and the Town of Windsor.

Claim "Claim" means any and all demands, requests and/or rights for indemnification, contribution or defense, claims, counter-claims, cross claims, Actions, suits, investigations, causes of action, hearings or proceedings.

Closed County Landfills "Closed County Landfills" means the former landfills located immediately adjacent to or under the Transfer Stations (other than the Central Transfer Station). The Landfill is not a "Closed County Landfill" for purposes of this Agreement.

Closure "Closure" means the process by which the Landfill, or a portion of the Landfill, that is no longer receiving Waste, undergoes all operations as required by the approved closure plan and Applicable Law to prepare the Landfill (or portion thereof as appropriate) to enable it to undergo Post-Closure. Closure shall not be complete until the Closure Date.

Closure and Post-Closure Obligations "Closure and Post-Closure Obligations" means any and all obligations related to Closure and Post-Closure of the Landfill required by (i) Applicable Law including (A) any obligation to decommission, deactivate, demolish, seal, cover, grade, landscape, monitor, clean, remediate, excavate, investigate, analyze, test, maintain or close the Landfill or any portion thereof, and (B) the obligation to fund, deposit and maintain Financial Assurances. Closure and Post-Closure Obligations shall remain until the Closure Date and Post-Closure Date respectively.

Closure Commencement Date "Closure Commencement Date" means the date which is concurrent with the end of the Committed Waste Period, or if Contractor's operations are extended in accordance with this Agreement the County Facilities Operations Period, when among other things Contractor ceases accepting all Waste for Disposal at the Landfill.

Closure Date "Closure Date" means the date on which all Governmental Authorities with jurisdiction over Closure of the Landfill have accepted the Contractor's certification that the Landfill has been closed in accordance with Applicable Law, or alternatively when all such Governmental Authorities or the County have indicated in writing that Closure of the Landfill has been completed.

Commercial Food Waste "Commercial Food Waste" means all Food Waste except for Residential Food Waste.

Committed City "Committed City" means a City that has executed a Waste Delivery Agreement. "Committed Cities" shall be the plural of Committed City.

Committed City Waste "Committed City Waste" means, as to each Committed City, Waste from the jurisdictional area of such Committed City that is described in the Waste Delivery Agreement (excluding all exclusions therefrom) for such Committed City and collected and hauled by the Committed City or the City's Franchised Haulers or by any other person or Entity over which the City has Flow Control. Committed City Waste shall also include any residuals remaining after the processing of Source Separated Recyclable Materials or Waste collected in a Committed City at any Prime Subcontractor's and its Affiliates' recycling and material recovery facility in Sonoma County.

Committed County Waste "Committed County Waste" means all Waste generated in any unincorporated area of the County and any Waste which by any lawful means the County has Flow Control over and which is collected or hauled by the County, or by any County Franchised Hauler or by any other Entity over which the County has Flow Control, but excluding the exclusions therefrom in Section 12.2. Committed County Waste shall also include any residuals remaining after the processing of Source Separated Recyclable Materials or Waste collected in the County at any Prime Subcontractor's and its Affiliates' recycling and material recovery facilities in Sonoma County.

Committed Waste "Committed Waste" means Committed City Waste and Committed County Waste.

Committed Waste Period "Committed Waste Period" means the first 20 years of Contractor's operations under this Agreement during which the County and the Committed Cities agree to deliver their respective Waste to Contractor for Disposal under this Agreement.

Compost Facility "Compost Facility" means the compost facility located on a portion of the Landfill Land. The boundaries of the Compost Facility are more particularly described in Section 4.2B.

Compost License Agreement "Compost License Agreement" means that certain Compost License Agreement by and between County, as Licensor, and the Waste Management Agency, as Licensee, attached in Exhibit B, which governs the terms and conditions of the use of the Compost Facility by the Waste Management Agency and its operator.

Construction and Demolition Wastes "Construction and Demolition Wastes" means wood, wallboard, ferrous and non-ferrous metals, glass, any fibrous material (including paper, cardboard, newspaper), plastic, concrete, and other Recyclable Materials and Wastes generated by residential, commercial and industrial demolition, remodeling and construction activities.

Contractor "Contractor" means Republic Services of Sonoma County, Inc.

Contractor Parties "Contractor Parties" means the Contractor, its Prime Subcontractor and their Affiliates or any of their respective officers, directors, employees, agents, representatives, contractors, consultants, successors and assigns.

Contractor Service Fees "Contractor Service Fees" means the per ton compensation provided to Contractor pursuant to this Agreement.

Contractor Service Fee Adjustment "Contractor Service Fee Adjustment" means an adjustment to the Contractor's Service Fees as provided for in Article 11.

Corporate Guaranty "Corporate Guaranty" means the form of corporate guaranty attached hereto as Exhibit C which has been duly authorized and executed by Contractor's parent company, Republic Services, Inc.

Corrective Action "Corrective Action" means the portion of the Financial Assurance obligations required under Applicable Law to demonstrate financial responsibility for known or

reasonably foreseeable releases and any activity necessary to bring the Landfill into compliance with Applicable Law, prevent a reasonably foreseeable release or Remediate a known release to the environment.

County "County" means the County of Sonoma as the contracting party under this Agreement.

County Concession Payments "County Concession Payments" means those payments to be paid by Contractor to County in consideration of the exclusive rights granted by County to Contractor to operate the County Facilities for the Term of this Agreement, which are more particularly described in Article 10.

County Facilities "County Facilities" means the Central Landfill, the Transfer Stations, and/or the Materials Recovery Facility. As of the Execution Date of this Agreement, "County Facilities" do not include the Compost Facility or the Household Hazardous Waste Facility. In the event County exercises its option in Article 7 to have Contractor control the operations of the Compost Facility and/or the Household Hazardous Waste Facility, and the Contractor agrees in writing to do so, then such facility(ies) shall be deemed to be included in the definition of "County Facilities".

County Facilities Operations Period "County Facilities Operations Period" means the period after the expiration of the initial twenty year Committed Waste Period during which Contractor may operate either the Central Facilities or all County Facilities as provided herein, (which may include periods during which some or all of the County and Committed Cities may renew their commitment to deliver Waste to the County Facilities). The County Facilities Operations Period may commence in one of three ways: (1) by Contractor unilaterally exercising its right under Section 2.1 to continue to operate the Central Facilities only; (2) as a result of Contractor's response to a Third Party Proposal as described in Section 2.2; or (3) by the County and/or Committed Cities exercising their right under Section 12.5 to extend their Waste Commitments.

County Group "County Group" means County and its supervisors, officers, directors, employees, successors and assigns.

CPI "CPI" means the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, "All Items" for All Urban Consumers in the San Francisco-Oakland-San Jose metropolitan area (1982-1984=100). If the CPI index is no longer in effect, the successor index that replaces the CPI index will be utilized for purposes of this Agreement.

Customer "Customer" means any individual, commercial business, licensed or franchised waste hauler, or other Entity that pays a fee or is otherwise entitled to use any of the County Facilities.

Disposal "Disposal", "Dispose" or "Disposed" means the final disposition of Waste by burial.

Disposal Tonnage "Disposal Tonnage" means the tons of Waste delivered by the County or a Committed City or their Franchised Haulers to any County Facility.

Dispute Claim "Dispute Claim" means any claim or controversy between the parties arising out of or concerning the interpretation of this Agreement, which is subject to the Dispute Resolution Provision of this Agreement.

Dispute Resolution "Dispute Resolution" means the non-judicial resolution of disputes between the parties as described in the "Dispute Resolution Provisions" in Article 17.

Effective Date "Effective Date" means the date upon which all approvals of this Agreement are final and all conditions to the effectiveness of this Agreement, as described in Article 12, have been fully satisfied.

Execution Date "Execution Date" means the date first above written, which shall be deemed the date upon which duly authorized representatives of the County and Contractor have all signed this Agreement.

Entity "Entity" means an individual, partnership, joint venture, corporation, Limited Liability Company, trust, association, unincorporated organization or any Governmental Authority.

Environmental Conditions "Environmental Conditions" means:

(a) **with respect to the Landfill**, the presence, release, threat of release or existence of Hazardous Substances, pollutants, contaminants, Leachate, and Landfill Gas introduced into, on, over, about or from (i) the Landfill Land; and (ii) the air, soil, surface impoundments, ditches, trenches, surface water, water runoff, stormwater runoff, groundwater and/or drinking water at the Landfill Land; in all cases set forth in clauses (i)-(ii), existing prior to or as of the Effective Date and during the Term, which are required to be addressed under Applicable Law.

(b) **with respect to the Transfer Stations and Materials Recovery Facility**, the presence, release, threat of release or existence of Hazardous Substances, pollutants, contaminants, and Grey Water through air, soil, surface impoundments, ditches, trenches, surface water, water runoff, stormwater runoff, groundwater, improvements, buildings, structures, fixtures, machinery and/or equipment to or from the Land, resulting from operation of these Transfer Stations or the Materials Recovery Facility during the Committed Waste Period and any County Facilities Operations Period which are required to be addressed under Applicable Law. With respect to these Transfer Stations and the Materials Recovery Facility, "Environmental Conditions" excludes any migration or contamination of Hazardous Substances, pollutants, contaminants, leachate and/or landfill gas or other hazardous conditions caused by or associated with the Closed County Landfills.

(c) **With respect to the transportation of Waste,** the spill or release of Waste or Waste contact liquids from vehicles used by Contractor or its Prime Subcontractor in the performance of this Agreement.

(d) Unless the County exercises its option in Article 7 to have Contractor control the operations of the Compost Facility, Future Compost facility and/or the Household Hazardous Waste Facility, and Contractor agrees in writing to do so, then the definition of "Environmental Conditions" shall not include the presence, release, threat of release or existence of Hazardous

Substances, pollutants, contaminants, compost leachate, or nuisances, arising prior to, from or after the Effective Date to the extent they are caused by or result from the presence or operation of the Compost Facility, Future Compost Facility, the Household Hazardous Waste Facility, or any other composting operation allowed by County on the Land.

Environmental Laws "Environmental Laws" means any Applicable Law, as in effect from time to time, relating to air quality, water quality (including surface water, stormwater, groundwater, drinking water, and wastewater discharges), Hazardous Substances, Waste, Green Waste or Yard Waste, Household Hazardous Waste, Food Waste, Medical and Infectious Waste, Mixed Waste, Recyclable Materials, Organic Material, Landfill Gas, Leachate, Financial Assurance and similar environmental matters, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Oil Pollution Act (33 U.S.C. § 2701 et seq.) the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.), the Porter-Cologne Water Quality Control Act (Cal. Wat. Code § 13020, et seq.), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health Safety Code § 25249.5, et seq.), the Hazardous Substance Account Act (Cal. Health & Safety Code § 25300, et seq.), the California Integrated Waste Management Act of 1989 (Cal. Public Resources Code § 40000 et seq.), Cal. Health & Safety Code § 39000 et seq., 14 Cal. Code of Regulations § 18010 et seq., 23 Cal. Code of Regulations § 2510 et seq., 27 Cal. Code of Regulations § 20005 et. seq., and the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100, et seq.).

Financial Assurances "Financial Assurances" means any one or any combination of mechanisms to demonstrate, fund and maintain financial responsibility for the Landfill as required by Applicable Law including Closure, Post-Closure, Corrective Action and Operating Liability.

Financial Assurances Mechanism "Financial Assurances Mechanism" means letters of credit, surety / performance bonds or equivalent financial assurances mechanisms acceptable to CalRecycle in amounts estimated to total $52 million upon the Effective Date. The final total amount and form of the Financial Assurances Mechanisms shall be determined by the applicable Governmental Authorities in accordance with Applicable Law. Forms of the proposed Financial Assurances Mechanisms are attached hereto as Exhibit D. The amount of the Financial Assurances Mechanisms shall be reduced as Closure and Post-Closure activities occur and/or the remaining cost of Closure and Post-Closure is reduced, all to be in accordance with Applicable Law.

Flow Control "Flow Control" means the legal ability of the County or of a City to deliver, or cause an Entity to deliver, Waste to a solid waste facility. The County or a City may have "Flow Control" by means of a contract, franchise, permit, authorization or license issued by the County or City, respectively, to an Entity, or it may also exist by reason of Applicable Law.

Food Waste "Food Waste" means material that will decompose or putrefy including pre and post-consumer kitchen and table food scraps; animal or vegetable waste that is generated

during or results from the storage, preparation, cooking or handling of food stuffs; fruit waste; grain waste; dairy waste; meat and fish waste; and paper or waxed cardboard contaminated with various food waste, compostable plastics and compostable foodware. This material can be generated at residential and commercial premises including restaurants, grocery stores and other food processing facilities.

Force Majeure Event "Force Majeure Event" means the occurrence of any of the following events that materially and adversely affects Contractor's ability to perform obligations under this Agreement or Contractor's costs in operating the County Facilities, provided that such events (or the effects of such events) could not have been avoided by the exercise of due diligence or reasonable efforts by Contractor and subject to notice requirements and the duty to mitigate through the most economical means practical: (a) war (including civil war and revolution), invasion, armed conflict, violent act of foreign enemy, military or armed blockade, or military or armed takeover of the Facility, in each case occurring within the State of California; (b) any act of terrorism or sabotage, in each case occurring within the State of California; (c) biological contamination, nuclear explosion or nuclear contamination; (d) fire, explosion, flood, earthquake, landslide, fissure, volcanic activity, tsunami, ionizing radiation that causes direct physical damage to a County Facility or to all of the transportation routes to and from a County Facility; (e) a national strike or local strike not directed at Contractor (and excluding any strike within the control of Contractor); (f) the inability of or refusal by the Water Treatment Plant to accept some or all of the Leachate from the Landfill, or some or all of the liquids from the Compost Facility or Future Compost Facility that Contractor agrees may be delivered to the Water Treatment Plant through the Leachate Pipeline; (g) the unavailability for any reason of the Leachate Pipeline or the Rohnert Park sewer line to convey to the Water Treatment Plant some or all of the Leachate from the Landfill, or some or all of the liquids from the Compost Facility or Future Compost Facility that Contractor agrees may be delivered; (h) any percentage increase in diesel fuel costs, starting from a baseline of $5 per gallon, that is more than the percentage CPI increase for Contractor's Service Fees that Contractor has accumulated at any given point in time and that Contractor has incurred as a result of increased payments made to the Prime Subcontractor in accordance with the Prime Subcontract; and (i) an illegal or criminal act, not caused by Contractor or its agents, that causes direct damage to a County Facility or its access or which otherwise interferes with Contractor's performance of this Agreement.

Franchised Hauler "Franchised Hauler" means an Entity that collects and hauls Waste pursuant to a contract, franchise, permit, authorization or license issued by the County (as to Committed County Waste) or a Committed City (as to its Committed City Waste), as such franchises, licenses, contracts, permits and authorizations may be amended from time to time.

Future Compost Facility "Future Compost Facility" means that certain site located on the Landfill Land which may be developed by the Waste Management Agency, or its successor, as more particularly depicted in Exhibit E attached hereto.

Gate Rates "Gate Rates" means those rates, fees, or charges, whether expressed as per-ton tipping fees or other charges, charged to Customers of the Transfer Stations, the Materials Recovery Facility and/or Landfill.

Governmental Authority "Governmental Authority" and "Governmental Authorities" mean either individually or collectively any federal, state, local or other governmental, regulatory or administrative agency, governmental commission, department, board, subdivision, court, tribunal, other governmental arbitrator or arbitral body or other public agency.

Governmental Fee Component "Governmental Fee Component" or "Governmental Fee" means the component of the Gate Rate collected by Contractor at the scale houses, representing per ton fees assessed by various Governmental Authorities, that Contractor remits to such Governmental Authorities as more fully described in Section 11.6.

Green Waste or Yard Waste "Green Waste" or "Yard Waste" shall have the meaning set forth in that certain Joint Powers Agreement dated February 11, 1992 by and among the County and the Cities which defines it as "any wastes generated from the maintenance or alteration of public, commercial or residential landscapes including, but not limited to, yard clippings, leaves, tree trimmings, pruning, brush, and weeds".

Grey Water "Grey Water" means water that has come into contact with Waste at the Transfer Stations and Materials Recovery Facilities and, therefore, the collection and storage systems are autonomous from the storm water runoff systems.

Guarantor "Guarantor" means Republic Services, Inc., a Delaware corporation.

Hazardous Substances "Hazardous Substances" means any waste, chemical, material or substance that is listed or regulated, whether presently or in the future, under Environmental Laws as a "hazardous" or "toxic" substance, including "hazardous substances" as defined in 42 United States Code section 9601 (14) and "hazardous waste" as defined in California Health and Safety Code section 25117 and 25117.9.

Hired Employee "Hired Employee" has the meaning ascribed to it in Section 4.12 A.

Holiday "Holiday" means a day which is one of the following legal holidays recognized for purposes of this Agreement: January 1, Easter Sunday, July 4, Labor Day, Thanksgiving and December 25. No other legal holidays are considered a "Holiday" for purposes of this Agreement.

Household Hazardous Waste "Household Hazardous Waste" or "HHW" shall have the meaning set forth in California Code of Regulations, Title 14, Division 7, Chapter 7, Article 1.1, §18502, or successor laws and regulations as may be amended from time to time.

Household Hazardous Waste Facility "Household Hazardous Waste Facility" means the household hazardous waste facility located on a portion of the Landfill Land. The boundaries of the Household Hazardous Waste Facility are more particularly described in Section 4.2B.

Household Hazardous Waste Facility License Agreement "Household Hazardous Waste Facility License Agreement" means that certain HHW License Agreement by and between County, as Licensor, and the Waste Management Agency, as Licensee, attached in Exhibit F, which governs the terms and conditions of the use of the Household Hazardous Waste Facility by the Waste Management Agency and its operator.

Impacted Facility Employees "Impacted Facility Employees" has the meaning ascribed to it in Section 4.12 A.

Indemnified Claim "Indemnified Claim" means any Claim specifically described in Article 15 that is covered by one of the parties' respective indemnity obligations set forth in Article 15.

Land "Land" means that certain real property located in the County of Sonoma, State of California and more particularly described on Exhibits G-1, G-2, G-3, G-4 and G-5, together with all rights, privileges, easements and appurtenances thereto, including all rights-of-way and other appurtenances used in connection with the beneficial use or enjoyment of all such real property and, as to the Landfill Land, including Landfill Gas and rights and equipment related thereto. As used in this Agreement, the "Land" shall not include the Closed County Landfills, even if they are a part of the property described in Exhibits G-2 through G-5.

Landfill "Landfill" means that certain landfill located on the portion of the Land described on Exhibit G-1 and commonly known as the Central Landfill. To the extent that the landfill boundaries are altered over time, the landfill, as altered, shall be considered as part of the "Landfill".

Landfill Gas "Landfill Gas" means methane or other gas generated by the decomposition of, or a chemical activity occurring within, Waste deposited within the Landfill.

Landfill Land "Landfill Land" means all that certain Land more particularly described on Exhibit G-1, which is comprised of approximately 432 acres.

Leachate **"**Leachate" means liquid generated by Waste deposited within the Landfill, by the extended contact of water or other liquid with Waste deposited within the Landfill or by the flowing of water or other liquid through the Landfill underdrains and similar equipment.

LEA "LEA" means the County local enforcement agency, certified by the CalRecycle.

Leachate Pipeline "Leachate Pipeline" means the approximately 5 mile leachate pipeline from the Landfill to the interconnect with the Rohnert Park sewer line located at the intersection of Rohnert Park Expressway and Stony Point Road, for ultimate transmission of untreated Leachate from the Landfill to the Water Treatment Plant.

Liabilities "Liabilities" means all debts, liabilities and obligations, whether legal or equitable, accrued or fixed, absolute or contingent, matured or unmatured, determined or determinable, foreseen or unforeseen, ordinary or extraordinary, patent or latent, including those arising under any Applicable Law (including any Environmental Law), Claim or Action and those arising under any contract, agreement, arrangement, commitment or undertaking.

Losses "Losses" means any and all damages, assessments, losses, Liabilities, judgments, orders, interest, costs, expenditures, attorneys' fees, debts, liens of any kind and nature whether known or unknown, penalties, fines, interest and expenses, including court costs and investigative, remedial, construction, consultant, expert witness, legal, engineering, accounting and other fees and expenses.

Material County Default "Material County Default" means a material default by the County, after being given notice and an opportunity to cure the failure pursuant to Section 16.4 of this Agreement, where such failure significantly impacts the core benefits of the Agreement for Contractor including the following types of defaults: (1) sustained interference with Contractor or Prime Subcontractors' performance under the Agreement; (2) failure to direct all or any substantial portion of County Committed Waste to the County Facilities; (3) failure to take reasonably necessary enforcement action against a County Franchised Hauler to require the hauler to pay Gate Rates on Waste delivered to County Facilities; (4) failure to provide Contractor with rights provided in this Agreement for access to, use or improvement of County Facilities, Land and appurtenant easements; (5) opposition to or interference with the granting, renewal or modification of permits, licenses or approvals that Contractor needs to perform its obligations in this Agreement and that Contractor is authorized to seek under this Agreement; (6) the destruction or elimination by County of environmental control systems or material components thereof; and (7) failure to provide Contractor with indemnity for County Indemnified Claim.

Materials Recovery Facility "Materials Recovery Facility" or "MRF" means that portion of the Central Transfer Station building interior that will contain materials recovery and processing equipment for the purposes of sorting Recyclable Materials from Waste.

Medical and Infectious Waste "Medical and Infectious Waste" means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities and other similar establishments including waste regulated pursuant to the California Medical Waste Management Act.

Mixed Waste "Mixed Waste" means Waste that includes both Recyclable Materials and Waste in varying proportions.

Operating Liability "Operating Liability" means the portion of the Financial Assurance obligations required under Applicable Law to demonstrate financial responsibility for compensating third parties for bodily injury and property damage caused by accidental occurrences, including exposure to pollution.

Operating Year "Operating Year" means each successive period of twelve (12) months during the Committed Waste Period and any County Facilities Operations Period. The initial Operating Year under this Agreement begins on the Effective Date.

Organic Material "Organic Material" means Food Waste and Green Waste.

Permits "Permits" means the Solid Waste Facilities Permits, the Waste Discharge Requirements applicable to the Landfill Land, excluding the portion of the Landfill Land used for operation of the Compost Facility, the permits listed on and included within Exhibit H and all other necessary permits, licenses, consents, orders, certificates, authorizations, waivers, approvals and variances issued by a Governmental Authority including, in each case, all agreements, mandates, requirements, and directives related thereto, applicable to the ownership,

operation and management of the County Facilities, currently in effect or issued after the Execution Date (including any transfers, modifications, successors or reissuances thereof).

Permitted Disposal Capacity "Permitted Disposal Capacity" means the capacity of the Landfill to Dispose of additional Waste (in addition to the Waste already Disposed of and in place at the time in question) under Permits in effect as of the Execution Date, as well as any additional Disposal capacity allowed in any and all future Permits.

Post-Closure "Post-Closure" means all activities undertaken at the Landfill following Closure to maintain the integrity of the containment features and to monitor compliance with applicable performance standards which are required for Post-Closure of the Landfill under the closure plan and Applicable Law. Post-Closure shall not be complete until the Post-Closure Date.

Post-Closure Date "Post-Closure Date" means the date on which all Governmental Authorities with jurisdiction over Post-Closure of the Landfill have accepted the Contractor's certification that the Post-Closure and any then required Remediation work has been completed in accordance with Applicable Law, or alternatively when all such Governmental Authorities or the County have indicated in writing that the Remediation and Post-Closure of the Landfill has been completed.

Power Purchase Agreements "Power Purchase Agreement" means any agreement or arrangement entered into by Contractor directly or indirectly with any other Entity for the sale of Landfill Gas or the sale of electricity or other form of energy produced from the conversion of Landfill Gas.

Prime Subcontract "Prime Subcontract" means that certain subcontract agreement between Contractor and Prime Subcontractor, a copy of which is attached as Exhibit I.

Prime Subcontractor "Prime Subcontractor" means, with respect to the Transfer Stations and Materials Recovery Facility, The Ratto Group of Companies, Inc., a Delaware corporation, which has entered into a separate operations agreement with Contractor (the Prime Subcontract) whereby Prime Subcontractor, among other things, will operate the Materials Recovery Facility and the Transfer Stations and will provide transportation services between these County Facilities.

Prudent Solid Waste Practices "Prudent Solid Waste Practices" means any of the practices, methods and acts engaged in or approved by a significant portion of the solid waste and landfill industry during the relevant time period, or any of the practices, methods or acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, environmental compliance and stewardship and expedition. Prudent Solid Waste Practice is not intended to be the optimum practice, method or act, but rather to be acceptable practices, methods or acts generally and significantly accepted in the solid waste and landfill industry, and specifically in the State of California. Prudent Solid Waste Practices shall be consistent with Applicable Law at the time such practices were followed.

Recyclable Materials "Recyclable Materials" means glass, fibrous material (including paper, cardboard, newspaper), wood, green waste and organic material, food waste, concrete, plastic, ferrous and non-ferrous metal, aluminum, used motor oil and filters, and any other materials that are Recycled.

Recycle "Recycle", "Recycled" and "Recycling" each mean and refer to the process of collecting, sorting, cleansing, treating, and/or reconstituting Recyclable Materials and Mixed Wastes and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products that meet the quality standards necessary to be used in the marketplace.

Remediate or **Remediation** "Remediate" or "Remediation" means any or all of the following activities, to the extent required by Applicable Law to address the actual or threatened presence of Environmental Conditions associated with the Landfill Land whether such activity is conducted at the Landfill Land or off-site of the Landfill Land boundary: (i) monitoring, investigation, sampling, testing, analysis, treatment, cleanup, containment, remediation, removal, burning, mitigation, transportation, disposal, handling, response or restoration work, including pumping of Leachate from the portion of the Landfill referred to as Landfill 1; (ii) any other activities that are reasonably necessary or appropriate or required under Applicable Law or Prudent Solid Waste Practices; (iii) known or reasonably foreseeable corrective action as required by the RWQCB, CalRecycle, the LEA or other Governmental Authority (iv) obtaining and maintaining Permits (including revisions or modifications), consents, approvals, directives or authorizations of any applicable Governmental Authority necessary to conduct any work identified in (i) through (iii); and (v) preparing, implementing and/or submitting any reports, plans, sampling, analysis, other requests or studies for work identified in (i) through (iii).

Residential Food Waste "Residential Food Waste" means all Food Waste generated by Customers owning or occupying single family homes or residential structures with no more than four separate residential living units.

RWQCB "RWQCB" means the North Coast Regional Water Quality Control Board.

Security Letter of Credit "Security Letter of Credit" means that certain letter of credit in the amount of $3 million as required by Section 14.1.

Self-Haul Waste "Self-Haul Waste" means all Waste, Special Waste and Beneficial Reuse Materials that are delivered to the County Facilities other than Committed County Waste and Committed City Waste.

Sonoma County "Sonoma County" is meant as a more general reference to the jurisdictional boundaries and residents of the County of Sonoma.

Source Separated "Source Separated" means materials separated from an owner's Waste at the owner's premises with the intention of diversion for a beneficial use. Such materials include wood, metal, glass, plastic, cardboard, office paper and yard debris. For purposes of this definition, "owner" means the individual resident or commercial business generating the materials. Source Separated materials for the purpose of this definition should have no more than ten percent (10%) maximum residue that is not Recyclable Material and shall

include only those materials placed in separate designated containers, which shall only include residential recycling, recyclable materials collected from business and Organic Material collected from residential, commercial and industrial customers, and collected by a Franchised Hauler. Source Separated materials for the purpose of this definition do not include Food Waste.

Specially Handled Waste "Specially Handled Waste" includes, but is not limited to, discarded materials that may require special handling by the Contractor in order to be properly Disposed in the Landfill. Specially Handled Waste are those materials which fall into the following general categories: (a) bulky items, including field plastic, box springs, mattresses, appliances, wood stumps over 2 foot in diameter, tree limbs or poles over 8 feet in length, and other similar bulky items intended for Disposal; and (b) loads that require special burial.

Special Waste "Special Waste" means any solid, liquid, semi-solid, gaseous material and associated containers which would not normally be disposed of by a municipal garbage removal and disposal system, which by way of example would include materials generated as a direct or indirect result of an industrial process or from the removal of contaminants(s) from the air, water or land. "Special Waste" includes any Waste from a non-residential source that includes, but is not limited to any of the following: industrial process waste, pollution control waste, incinerator residues, ash, spent catalyst, coke, sludges; tires, bottom settlements and water from storage tanks, oily silt, gasoline additive residues, tars, oils, grease, contaminated soil, contaminated wood, dead animals, residue, debris, articles from the cleanup of a spill or release of materials listed in this section, and regulated asbestos-containing material as defined in 40 CFR 61.141.

Term "Term" means the duration of this Agreement, as specified in Section 2.1, unless terminated earlier in accordance with Section 16.2.

Third Party "Third Party" means any Entity other than the County, the County Group, a Committed City or Contractor.

Third Party Claim "Third Party Claim" means any Claim by a Third Party except a Third Party Environmental Claim.

Third Party Environmental Claim "Third Party Environmental Claims" means (i) any Claim by a Third Party, including any toxic tort Claims, related to any past, present or future Environmental Condition of the Landfill, excluding the Household Hazardous Waste Facility, the Compost Facility, Future Compost Facility or any other composting operations on the Landfill Land, unless and until the Contractor assumes operations of such facilities and operations consistent with the terms of this Agreement; and (ii) any Claim by a Third Party for any Environmental Condition arising during the Committed Waste Period or County Facilities Operations Period, associated with the Transfer Stations or Materials Recovery Facility.

Transaction Records "Transaction Records" means Contractor's books of account and records of transactions conducted involving Waste, County Concession Payments, Waste Management Agency Fees and any other related matters as provided herein.

Transfer Stations "Transfer Stations" means those certain County owned transfer stations which are located on the portion of the Land described on (i) Exhibit G-1 and commonly

known as the Central Transfer Station; (ii) Exhibit G-2 and commonly known as the Annapolis Transfer Station; (iii) Exhibit G-3 and commonly known as the Guerneville Transfer Station; (iv) Exhibit G-4 and commonly known as the Healdsburg Transfer Station; and (v) Exhibit G-5 and commonly known as the Sonoma Transfer Station. The Transfer Stations expressly exclude the Closed County Landfills.

Unpermitted Material "Unpermitted Material" means materials that the Landfill, Transfer Stations and/or Materials Recovery Facility may not receive under Applicable Law.

Waste "Waste" means all putrescible and nonputrescible solid, semi-solid and associated liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes; discarded non-hazardous home and industrial appliances; dewatered, treated or chemically fixed sewage or sludge that is not a Hazardous Substance; manure; vegetable or animal solid and semi-solid wastes; other discarded solid and semi-solid wastes; Mixed Waste; Construction and Demolition Wastes; Recyclable Materials, Beneficial Reuse Materials, Organic Material, agricultural wastes; and non-hazardous industrial wastes; and any other types of waste allowed to be received at the County Facilities under their Permits. Waste does not include (i) Hazardous Substances; (ii) Medical and Infectious Waste; HHW and (iii) other material that is not allowed by Applicable Law to be received at a County Facility to which it is delivered.

Waste Delivery Agreement "Waste Delivery Agreement" means an agreement between Contractor and any City that wishes to become a Committed City, the form of which is attached hereto as Exhibit J.

Waste Management Agency "Waste Management Agency" means that certain joint powers agency created pursuant to the Joint Powers Agreement dated February 11, 1992 by and among the County and the Cities, including any successor agency. Currently the expiration date of the JPA is February, 2017, however, the parties to the Joint Powers Agreement may extend the life of the Waste Management Agency past such date.

Waste Management Agency Fee "Waste Management Agency Fees" mean those fees collected by Contractor as part of the Governmental Fee Component of the Gate Rate, which are to be paid by Contractor to the County for use by the Waste Management Agency. The initial Waste Management Agency Fee shall be $4.50 per ton.

Water Treatment Plant "Water Treatment Plant" means the Subregional Wastewater Treatment and Reclamation System Laguna Plant in Santa Rose, California.

Wood Waste "Wood Waste" shall have the meaning set forth in that certain Joint Powers Agreement dated February 11, 1992 by and among the County and the Cities which defines it as "solid waste consisting of wood pieces or particles which are generated from the manufacturing or production of wood products, harvesting, process or storage of raw wood materials, or construction and demolition activities."

ARTICLE 2.TERM

2.1 Term of Agreement.

This Agreement shall commence on the Effective Date. This Agreement shall remain in effect during the Committed Waste Period, the County Facilities Operations Period, and until completion of all Closure, Post-Closure, Remediation of the Landfill, and work necessary to address Environmental Conditions at the Transfer Stations or Materials Recovery Facility ("Term").

Pursuant and subject to all other terms and conditions of this Agreement, the Contractor will operate the County Facilities during the Committed Waste Period. Although the Waste delivery commitments of the County and Committed Cities to the Contractor and County Facilities may expire at the end of the Committed Waste Period, the Contractor shall nevertheless have the option to elect to continue to operate the County Facilities despite the absence of such Waste delivery commitments. This extended period or any other period provided herein during which Contractor may operate the County Facilities following the Committed Waste Period (which may include periods during which some or all of the County and Committed Cities may still commit to deliver their Waste to the County Facilities) will be known as the "County Facilities Operations Period."

Consistent with Section 2.2 of this Agreement, Contractor may provide notice of its election to continue operating beyond the Committed Waste Period by delivering written notice to the County of Contractor's election to do so, no later than 18 months before the expiration of the Committed Waste Period.

At the end of the longer of the Committed Waste Period or County Facilities Operations Period, all Landfill, Transfer Station and Materials Recovery Facility operations under this Agreement, except Closure, Post-Closure, Remediation of the Landfill and any work to address Environmental Conditions at the Transfer Stations and Materials Recovery Facility, shall cease upon the earlier to occur of: (a) the Landfill has no remaining Permitted Disposal Capacity; (b) the date that Contractor is required to commence final Closure of all portions of the Landfill by order of a Governmental Authority with jurisdiction to do so, and such order is non-appealable and final; (c) the Contractor commences final Closure of all portions of the Landfill, provided the Contractor does not commence such final Closure prior to the expiration of the Committed Waste Period unless the Landfill ceases to have Permitted Disposal Capacity prior to expiration of the Committed Waste Period; or (d) upon written agreement of the County and Contractor.

When Contractor commences final Closure of all portions of the Landfill, absent further agreement with Contractor, the County shall take over operation of the Materials Recovery Facility and the Transfer Stations. Contractor may, at its election, perform a partial Closure of a portion of the Landfill at any time. Such partial closure shall not constitute final Closure of the Landfill for purposes of triggering the cessation of Contractor's rights to operate the County Facilities. Contractor's obligations under this Agreement shall continue after the later of the end of the Committed Waste Period or County Facilities Operations Period until Contractor completes all Closure and Post-Closure Obligations, Remediation of the Landfill and any work

to address then existing Environmental Conditions at the Transfer Stations and/or Materials Recovery Facility.

2.2 County and City Option To Obtain Third Party Proposal.

No later than 12 months prior to the termination of the Committed Waste Period or any County Facilities Operations Period in which the County and/or any Committed City elect to provide their Committed Waste to Contractor for Disposal in accordance with the Agreement, the County and any Committed City may at their joint option present to Contractor a single written proposal from one or more joint third party proposers (hereinafter, "Third Party Proposal") obtained by the County and such Committed Cities for the materials processing and disposal of Waste from the waste stream representing a minimum of 60% of the Committed County Waste and Committed City Waste then being delivered to Contractor under this Agreement ("Minimum Extension Commitment").

A. Minimum Requirements of Third Party Proposal.

The Third Party Proposal shall meet the following minimum requirements:

- It must be bona fide;
- It must be for a term commencing on the expiration of the Committed Waste Period or the then current expiration date of the County Facilities Operations Period and extending for a minimum of five years thereafter or the projected date when the Landfill will run out of Permitted Disposal Capacity, whichever is sooner,
- It must be in writing and signed by a duly authorized representative of the proposer(s),
- It must be capable of being jointly accepted by the County and Committed Cities until the expiration date of the Committed Waste Period, or the then current expiration date of the County Facilities Operations Period in the event the parties have already entered into an extension agreement, and, in the event of acceptance by the County and Committed Cities, it must then be legally binding on the proposer(s), the County and the Committed Cities;
- It must state all material terms and conditions for (a) the processing of the County and Committed City waste stream through a permitted materials recovery facility with capacity for such waste stream; (b) the disposal of residue from such materials recovery facility and of all Waste that is not processed through the materials recovery facility at a permitted landfill with capacity to receive such residue and Waste other than the Central Landfill; and (c) all ancillary services being provided at the time the Third Party Proposal is received;
- The material terms must include substantially the same material terms and conditions of this Agreement, to reflect a fair comparison between Contractor's

services under this Agreement if it is extended and the alternative proposal obtained from the Third Party Proposer(s); and

- The County and Committed Cities must accept such proposal if the Contractor does not exercise its option, described below, to enter into a written extension of the County Facilities Operations Period on "Equal Terms" to the Third Party Proposal.

- Alternatively, instead of Disposal through landfilling, the Third Party Proposal may propose the use of a Conversion Technology to dispose of residual Waste. As used herein, "Conversion Technology" means any technology, process or treatment for permanently disposing, treating or converting Waste, other than Disposal in a landfill, so that the Waste no longer represents a potential source of air, ground water or surface water contamination as required and permitted by Applicable Law. Without limiting the generality of the foregoing, Conversion Technology includes transformation, gasification, digestion, composting, autoclave conversion and other forms of conversion of Waste other than landfill Disposal permitted under Applicable Law.

B. Contractor's Option To Meet Terms and Conditions of Third Party Proposal.

If the County and Committed Cities timely present a Third Party Proposal to Contractor that meets all of the foregoing requirements, then Contractor shall have 90 days to either:

(1) agree in a writing duly executed by Contractor to extend the County Facilities Operations Period by providing the County and Committed Cities "Equal Terms" compared with the Third Party Proposal Price per ton, provided that the County and such Committed Cities comprising the Minimum Extension Commitment agree in a writing duly executed by them to commit their Waste to the County Facilities for the term of years contained in the Third Party Proposal; or

(2) decline to offer Equal Terms to the County and Committed Cities, in which case Contractor shall nevertheless be entitled to extend at its sole option the County Facilities Operations Period in accordance with Section 2.1, but such extension shall only be effective with respect to the Central Landfill, Central Transfer Station and Materials Recovery Facility.

If Contractor agrees to extend the County Facilities Operations Period with the County and Committed Cities on Equal Terms, then Contractor, the County and Committed Cities shall all execute a written extension of the County Facilities Operations Period containing such Equal Terms no later than 30 days before the then termination date of the Committed Waste Period or the then applicable County Facilities Operations Period.

C. Definition of Equal Terms.

As used herein, the phrase "Equal Terms" means: a per ton price for scale house services, transfer, transportation, materials recovery, disposal and/ or use of Conversion Technology and all ancillary services being provided at the time the Third Party Proposal is received that is

adjusted relative to the per ton pricing contained in the Third Party Proposal (the "Third Party Proposal Price per Ton") to reflect all of the following factors:

- The "Third Party Proposal Price per Ton" shall include all costs that would be incurred by the County and Committed Cities if the Third Party Proposal is accepted by them, that are contained in said proposal, but also including, if not set forth in said proposal, all costs for scale house services, transfer, round trip transportation, recycling processing and marketing services, materials recovery, disposal and/ or use of Conversion Technology and all ancillary services being provided at the time the Third Party Proposal is received for the term of the Third Party Proposal, including all taxes, fees, assessments, franchise fees, mitigation fees and surcharges associated with the use of any solid waste facilities under the Third Party Proposal or that otherwise would be paid by County and the Committed Cities if said proposal was accepted by them, as such costs would be escalated over the proposed term of the Third Party Proposal;

- The Third Party Proposal Price per Ton shall not be reduced in determining the "Equal Terms" by any contingent or fluctuating rebates or discounts based on variables such as the future value of recyclable materials or other indeterminate factors. Additionally, in determining the "Equal Terms", the amount of governmental fees paid to entities within and outside of Sonoma County such as the Waste Management Agency Fee and County Concession Payment shall also be included in the analysis;

- The Third Party Proposal Price per Ton shall include a cost factor reflecting the value of greenhouse gas savings or reductions associated with using the County Facilities rather than the Third Party facilities;

- Contractor shall be deemed to have agreed to extend the County Facilities Operations Period on Equal Terms to the Third Party Proposal Price per Ton if Contractor agrees to offer a service fee with price escalators during the proposed term of the Third Party Proposal extension period no greater than the Third Party Proposal Price per Ton as adjusted for Equal Terms as defined in this section.

- In the case where the Third Party Proposal includes the use of Conversion Technology, Contractor may propose to dispose of residual Waste through a Conversion Technology that is the same or substantially equivalent to the Conversion Technology described in the Third Party Proposal; provided, however, that if the Third Party Proposal employs any patented or proprietary technology not reasonably available to Contractor, Contractor may propose to use an alternative Conversion Technology that employs similar processes to reasonably achieve the same environmental benefits as the Conversion Technology contained in the Third Party Proposal.

2.3 Extension of Waste Commitments.

In the alternative to the option of the County and Committed Cities set forth in Section 2.2 above, the County and the Committed Cities shall have the option to extend their Waste Delivery Agreements, subject to Contractor's approval, pursuant to the terms and conditions set forth in Section 12.5 of this Agreement.

2.4 Expiration of Rights to County Facilities Upon Closure Commencement.

Upon the Closure Commencement Date, Contractor will no longer operate any of the County Facilities absent further written agreement of the parties; provided, however, Contractor will retain a license to complete Remediation, its Closure and Post-Closure Obligations and any remaining work to address Environmental Conditions at the Transfer Stations and Materials Recovery Facility. Upon the Closure Commencement Date, the County shall have the right to use the County Facilities except for the Landfill in any manner it deems fit.

2.5 Closure and Post-Closure Obligations; Continuing Obligations.

Upon the Closure Commencement Date, the Contractor shall timely complete any work to address then existing Environmental Conditions at the Transfer Stations and Materials Recovery Facility consistent with the terms of this Agreement, and commence Closure of the Landfill. Following Governmental Authority approval of the Closure, Contractor shall perform Post-Closure of the Landfill, and County shall grant Contractor a license and access to the County Facilities to perform this work. This license and grant of access shall remain in effect until the earlier of: (a) Contractor's completion of its Closure and Post-Closure Obligations, any Remediation, and any work to address any such Environmental Conditions at the Transfer Stations or Materials Recovery Facility; or (b) the County instructs Contractor to cease performing the Closure and Post-Closure Obligations and Remediation and releases Contractor from any and all remaining duties and obligations Contractor may have under this Agreement or Applicable Law relating in any way to the County Facilities, and provides for and obtains the release by CalRecycle and any other applicable Governmental Authority of Contractor's remaining Financial Assurances.

Until completion of all Remediation and Closure and Post-Closure Obligations, Contractor shall retain full rights to operate the Landfill Gas to energy plant and all related components of the Landfill Gas collection system. During such period Contractor shall also own and retain all gas rights in the Landfill and the right to receive and retain all revenues, tax credits and other benefits accruing from control and operation of the Landfill Gas collection system and the Landfill Gas to energy plant.

The Committed Cities are intended as, and shall be deemed to be, third party beneficiaries of the Contractor's Remediation obligations and Closure and Post-Closure Obligations, and obligations to address Environmental Conditions at the Transfer Stations and Materials Recovery Facility in accordance with the triggering events and conditions set forth in this Agreement

ARTICLE 3.GENERAL INTENT OF AGREEMENT

3.1 Operation of County Facilities.

In entering into this Agreement, Contractor shall assume overall responsibility for the post-collection receipt, processing and Disposal of Waste generated within Sonoma County and full responsibility for maintaining all aspects of the County Facilities. This Agreement describes the Contractor's obligations and Liabilities with respect to: the permitting, build-out, filling of Permitted Disposal Capacity, Remediation and Closure and Post-Closure Obligations; the provision by Contractor of materials recovery equipment at the Central Transfer Station, so that a portion of the Central Transfer Station will operate as a Materials Recovery Facility; the operation of the Central Transfer Station and Materials Recovery Facility; the operation of the County Transfer Stations in Annapolis, Guerneville, Healdsburg and Sonoma; addressing any Environmental Conditions that arise at the Transfer Stations and Materials Recovery Facility during the Committed Waste Period and any County Facilities Operations Period; and the operation of the scale houses at the County Facilities. Contractor shall operate the County Facilities so as to achieve the minimum Waste diversion (recycling) rates described in this Agreement. Throughout the Term of this Agreement, as between Contractor and the County, Contractor shall have all ownership and operational responsibilities and Liabilities for the Landfill subject to the limitations expressed in this Agreement. Throughout the Committed Waste Period and any County Facilities Operations Period, as between Contractor and the County, Contractor shall have all ownership and operation responsibilities and Liabilities for Transfer Stations (excluding the Closed County Landfills) and Materials Recovery Facility subject to the limitations expressed in this Agreement, and such responsibilities and Liabilities shall continue for any Environmental Conditions arising during the Committed Waste Period and any County Facilities Operations Period until the Environmental Conditions have been fully addressed.

Neither Contractor nor any of its subcontractors shall have any obligation whatsoever (including but not limited to closure, post-closure, monitoring, maintenance, and any release response, remediation or clean-up) with respect to the Closed County Landfills or the migration of Hazardous Substances, leachate or landfill gas from the Closed County Landfills, including those Closed County Landfills that are located under or proximate to some of the Transfer Stations.

3.2 Waste Flow Commitments.

In exchange for Contractor's operation of the County Facilities, the County agrees, and the parties will request that Cities agree, to deliver or cause their Franchised Haulers or other Entities over which they have Flow Control to deliver to the County Facilities all Waste collected within their respective jurisdictions as described in Article 12. All Waste and Beneficial Reuse Materials delivered to any of the County Facilities will be required to pay Contractor a Gate Rate per ton established pursuant to this Agreement. The effectiveness of this Agreement is conditioned upon the Contractor receiving enforceable Waste Delivery Agreements satisfactory to Contractor from the County and Cities as provided in Article 12.

3.3 Changing Regulatory Environment.

Contractor acknowledges that given the Term of this Agreement, it is expected that Applicable Law will change and may require more stringent requirements than those specified as of the Execution Date of this Agreement. Notwithstanding the foregoing, and subject to its other rights in this Agreement, Contractor shall comply with Applicable Law as it applies to Contractor's obligations under this Agreement, including Contractor's obligations to perform Remediation and address Environmental Conditions at the Transfer Stations and Materials Recovery Facility, and Contractor's Closure and Post-Closure Obligations. If the specific requirements in this Agreement for a Gate Rate adjustment are met, Contractor shall have the right to an increase in the Gate Rates for Committed County Waste and Committed City Waste.

ARTICLE 4.GENERAL OPERATIONS AND MAINTENANCE OF ALL COUNTY FACILITIES

4.1 General.

Each of the provisions of this Article shall apply to the Contractor's operations at the County Facilities during all time periods that the Contractor is operating thereon pursuant to this Agreement.

Contractor shall provide all labor, supervision, equipment, materials, supplies, and all other items necessary to perform its obligations under this Agreement. All activities of Contractor hereunder shall comply with Applicable Law.

Subject to other provisions in this Agreement, including without limitation Section 3.1 as it pertains to the Closed County Landfills, Contractor accepts all County Facilities and the Leachate Pipeline in their "AS IS, WHERE IS" condition and state of repair as of the Execution Date. County makes no representations or warranties, express or implied, with respect to the existence, extent or absence of Environmental Conditions at the County Facilities or the condition and state or repair of the County Facilities, and Contractor enters into this Agreement relying solely on its own independent judgment and after conducting its own due diligence investigation of the County Facilities, including the Environmental Conditions at, on and under the Landfill.

Contractor shall maintain all County Facilities in good condition and repair, suitable for use by the public, and in accordance with Prudent Solid Waste Practices, but with normal wear and tear excepted. At the end of the Committed Waste Period or County Facilities Operations Period, whichever is later, Contractor shall leave the County Facilities in good condition and repair and working order, with the understanding that (a) Contractor shall comply with its, Remediation and Environmental Conditions obligations and Closure and Post Closure Obligations and (b) Contractor shall not be obligated to deliver the Transfer Stations to the County in better condition than the condition of the Transfer Stations on the Effective Date. The expected capital replacement schedule for the Transfer Stations is set forth in Exhibit K. On or before the Effective Date, the parties shall document the existing condition of the Transfer Stations that will be used as a baseline to compare with the condition of the Transfer Stations at the end of the Committed Waste Period or County Facilities Operations Period, whichever is later.

4.2 County Facilities.

A. Contractor's Right to Use County Facilities During Agreement Term.

Subject to Section 4.2 B below, Contractor shall have an exclusive non-revocable license for the Term of this Agreement, to operate, use and improve the County Facilities and the Land and their associated rights-of way, utilities and easements as provided in this Agreement. Contractor's license shall be terminable pursuant to the same terms and conditions as apply to termination of this Agreement. The County shall not unreasonably interfere with the Contractor's license and rights set forth herein or materially interfere with Contractor's performance of this Agreement.

For the Term of this Agreement, Contractor shall have the right and privilege to use the County's existing structures, facilities, wells, electrical, water, pipelines and other utility lines and conduits (to the extent reasonably deemed necessary or advantageous by Contractor for Contractor to perform it obligations under this Agreement), and to install additional portable or permanent structures, wells, utility lines, pipelines and conduits suitable for the performance of this Agreement, maintenance of equipment, storage of supplies, employee facilities and office functions. Contractor shall have the exclusive right to use the existing office and administration building and the maintenance building and shop at the Landfill Land. Any such alterations or improvements shall be at Contractor's sole cost and expense. Contractor shall be responsible for maintenance of all buildings, structures and other improvements located on the Land for the Committed Waste Period and County Facilities Operations Period. The area(s) for placement of any additional facilities or structures constructed by the Contractor on the Land shall be subject to County's approval, which shall not be unreasonably withheld. Contractor has the right and privilege to lease portable facilities and structures for Contractor's use in lieu of constructing facilities or structures.

In addition, upon the granting of all final permits and approvals by the County, Contractor shall have the right to install such materials processing, sorting and baling equipment at the Central Transfer Station and to make alterations in the Central Transfer Station floor and building as deemed necessary by Contractor for the purpose of operating a Materials Recovery Facility, which may include, but not be limited to, those items described in Article 6.

All costs and charges for any alterations or improvements to a County Facility, or any equipment required in connection with the use and operation thereof, shall be the obligation of Contractor. Contractor shall at its expense have the responsibility of obtaining all necessary Financial Assurances, Permits and approvals, including any and all necessary environmental review, for any building, facility, structure or equipment provided by Contractor. County agrees to cooperate with Contractor in obtaining all necessary Permits and approvals by executing any applications or documents required in connection therewith for improvements approved by County, which approval shall not be unreasonably withheld.

Contractor is expressly advised that nothing contained herein shall be construed as authorizing, nor interpreted as a representation that the County will authorize, the construction, installation or use of any structure, facility or equipment contrary to Applicable Law, including the applicable provisions of the zoning ordinance, building code, fire code or other applicable ordinances of the County, nor as a representation that the County shall grant any exception or variance from any such Applicable Law for such purposes; provided, however, that if any authorization, Permit or approval required by Contractor to perform under this Agreement is not granted by the County, the Contractor shall be excused from performing the impacted obligations to the extent Contractor is prevented by the lack of such authorization, Permit or approval to perform such obligations.

Because the Guerneville and Healdsburg Transfer Stations may overlay a portion of Closed County Landfills at these facility sites, Contractor shall not perform any excavation activities at the Guerneville and Healdsburg Transfer Stations without the prior written consent of County.

B. Cooperation with Other Contractors, Licensees, Lessees and Vendors.

The other contractors, licenses and reserved facilities listed in this Section 4.2B below (and as more particularly described on Exhibit L) shall continue to be located at the County Facilities and shall remain outside the control of Contractor. Contractor acknowledges and agrees that the contractors, licenses and reserved facilities listed below shall retain certain rights of access and use of the County Facilities. Except for the uses described below, County represents and warrants that as of the Effective Date, no other parties will have a right of access to or use of the County Facilities. County has provided Contractor with all copies of the leases, agreements and licenses for the contractors, licenses and reserved facilities described on Exhibit L and Contractor understands and has reviewed the contents thereof. Contractor shall not violate the terms of any lease, license or access right of such parties and shall cooperate with all of such vendors, contractors, licensees and lessees and not interfere with their respective rights, use and enjoyment with respect to the County Facilities. County represents and warrants that it has not modified, canceled or otherwise amended any of the leases, licenses or access rights provided to Contractor prior to the date hereof, and from and after the Effective Date, County will not modify, cancel or otherwise amend any of such rights or documents in a manner which creates a material impact on Contractor's rights hereunder without the prior written consent of Contractor.

1. Compost Facility

2. Future Compost Facility

3. Household Hazardous Waste Facility

4. Reuse and Recycling Operations at Sonoma Transfer Station

5. CNG Grant Agreement

6. UNAVCO License Agreement

7. Guerneville Maintenance Site

C. Transport of Compost to Compost Facility.

Contractor shall allow the Waste Management Agency or its contractor access to the County Facilities for purposes of transferring and transporting Source Separated loads of Organic Material, that are delivered to the County Facilities, to the Compost Facility or Future Compost Facility. Should the Waste Management Agency or its contractor reject any Source Separated loads of Organic Material delivered by Contractor's Prime Subcontractor due to excessive contamination of the materials, Contractor's Prime Subcontractor shall either remove such materials from the County Facilities, at its expense, or dispose of the rejected materials at the County Facilities by paying Contractor the Gate Fees normally charged for Residuals from Prime Contractor's in-County Processing operations. Contractor shall not have any obligation to transfer and transport Source Separated loads of Organic Material, that are delivered to the County Facilities, to the Compost Facility or Future Compost Facility.

D. Electrical Connections; Utilities.

Contractor may, at its own expense, install electrical connections and lines, in addition to any such electrical connections existing at the Landfill Land, the Materials Recovery Facility and the Transfer Stations as of the Effective Date. Installation and maintenance of such additional electrical connections and lines shall be the responsibility of Contractor, provided, however, that nothing in this Agreement shall prohibit Contractor from passing these costs on to its subcontractors. County shall cooperate with Contractor in obtaining any such connections and lines. Contractor shall be solely responsible for the provision of utilities, including electricity, gas, sewer and water, to the County Facilities and payment of any utility bills relating to the County Facilities during the Committed Waste Period and County Facilities Operations Period. County shall not add or impose any charges, surcharges or markups to utility bills or charges associated with Contractor's use of wells, or electrical, water or other utilities serving the County Facilities. County shall not take or fail to take any action which would cause the cessation nor interruption of any utilities to the County Facilities. Contractor acknowledges that water at the Healdsburg Transfer Station is shared with the nearby County road yard owned by County and usage is subject to County approval, in its reasonable discretion.

The Compost Facility, any composting operations at the Landfill Land, the Household Hazardous Waste Facility, and any other third party operators and operations at the Landfill Land, and not Contractor, shall be responsible for obtaining and paying for any and all utility connections, utility connection fees and charges, utility related permits and approvals, including but not limited to electrical, water, power, gas, sanitary, waste water, storm water, cable, internet, and other utilities, and for the payment of all associated utility hookup fees, bills, charges, taxes, fines and penalties associated therewith.

E. Telephone

Contractor shall maintain a telephone at the Landfill and each Transfer Station at all times. All charges for telephone service installed and/or used by Contractor shall be the sole responsibility of Contractor. In the event a phone line is unavailable, Contractor shall provide a two-way radio or cellular phone at the Landfill and each Transfer Station.

F. Sanitary Facilities and Drinking Water for Employees.

Contractor shall provide sanitary facilities for its employees at the Landfill and each Transfer Station. A well maintained chemical toilet and hand wash facility are the minimum requirements. In addition, Contractor shall provide on-site potable drinking water for all employees.

G. Days and Hours of Operation.

Contractor shall operate the Landfill and Transfer Stations during no less than the days and hours that these County Facilities are being operated as of the Execution Date (as set forth in Exhibit M) and no more than allowed by the Permits. In addition, after the first full year of MRF operations, Contractor shall operate the MRF a minimum of forty (40) hours per week, unless an alternative minimum is approved in writing by the County.

H. Other Provisions.

Contractor shall provide all other necessary facilities including, but not limited to: eye wash stations, personal protective equipment, and other items that may be required to comply with California Division of Occupational Safety and Health and Department of Transportation standards, or other Applicable Laws at each of the County Facilities.

I. Permits and Financial Assurances

Regardless of whether the County or the Contractor are identified as the owner, operator, discharger, responsible party or other similar designation on any Permit required under Applicable Law to operate or maintain the County Facilities during the Term of this Agreement, as between County and Contractor, Contractor shall have all responsibilities and Liabilities to obtain and maintain all Permits, and comply with all terms of the Permits.

Subject to agency approval, Contractor shall be designated as the operator under the Solid Waste Facilities Permits for the Landfill and the Transfer Stations. Subject to agency approval, Contractor shall be designated as the discharger in the Waste Discharge Requirements for the Landfill, excluding the Compost Facility and Future Compost Facility. The Solid Waste Facilities Permit shall designate the Waste Management Agency as the discharger for the Compost Facility and Future Compost Facility.

Contractor shall be responsible to prepare, and to the extent permissible under Applicable Law, submit, all required monthly, quarterly and annual reports as required under any Permits. Contractor shall not seek any future Permit modifications without giving the County prior written notice.

With the exception of the Compost Facility, Future Compost Facility and the Household Hazardous Waste Facility, unless Contractor assumes responsibility for these operations in accordance with Article 7 of this Agreement, Contractor, at its expense, shall do all work necessary to apply for, maintain and comply with all Permits required for continued operation of the Landfill, the Transfer Stations and the Materials Recovery Facility, for Closure and Post-Closure, Remediation and to address Environmental Conditions. By way of example only, Contractor shall be responsible for preparation of the Joint Technical Document, including any revisions or modifications required by Applicable Law.

County shall fully cooperate with Contractor and shall provide all information in County's possession and execute all documents and instruments reasonably necessary to enable Contractor to obtain all such Permits.

Contractor shall be required to comply with all Financial Assurances required under Applicable Law. Contractor shall provide County with all cost estimates for Financial Assurances at least 15 business days prior to submitting them to any Governmental Authority. Contractor shall reasonably consider any comments or concerns raised by the County with respect to the cost estimates, but Contractor's obligations with respect to the amount or form of such Financial Assurances shall not exceed those requirements imposed by Applicable Law. Contractor's Financial Assurance obligations shall not be a basis for a Force Majeure Event or

trigger a Contractor Service Fee Adjustment, unless the obligations are changed due to a Change in Law.

J. Obligation to Keep County Informed and Provide Access

Throughout the Term, Contractor shall provide the County, within five (5) business days of receipt by Contractor, written notice of any Action or Claim by a Governmental Authority or Third Party that relates to the County Facilities. Throughout the Term, Contractor shall provide the County, within a reasonable time after knowledge by Contractor, with written notice of any other matters related to the County Facilities that reasonably could materially interfere with Contractor's performance of its obligations in this Agreement. Contractor's obligation hereunder extends to the activities of all Contractor's subcontractors, including the Prime Subcontractor. Throughout the Term, Contractor shall copy County on any communications, other than communications related to day to day operations, to a Governmental Authority and provide County with a copy of such communication, to the extent County is not already copied, related to the following: (i) Permit compliance, monitoring and reporting, renewals, modifications and revisions; (ii) alleged non-compliance at any of the County Facilities, including efforts to resolve and achieve compliance; (iii) submittals related to Remediation or work to address Environmental Conditions; (iv) Closure and Post-Closure Obligations; and (v) Financial Assurance.

4.3 Hazardous Waste Exclusion Program.

Contractor shall not knowingly or negligently allow receipt or Disposal of material other than Waste at the Landfill. It is recognized that some non-approved materials, including Hazardous Substances or Household Hazardous Waste, and any other prohibited Waste excluded under the Permits, may occasionally be unloaded by a Customer.

Contractor shall follow the County's Hazardous Waste Exclusion Plan which meets the requirements of Applicable Law. The Hazardous Waste Exclusion Plan provides for Contractor's ability and responsibility to reject loads that are discovered to contain Hazardous Substances or Household Hazardous Waste. Contractor shall implement the approved Hazardous Waste Exclusion Plan using Prudent Solid Waste Practices.

Contractor shall use suitable temporary storage that is in place at the Landfill and at the Transfer Stations for Hazardous Substances and Household Hazardous Waste that are discovered through the implementation of the Hazardous Waste Exclusion Plan (or otherwise) in conjunction with Contractor's operation of the Landfill, the Transfer Stations and the Materials Recovery Facility. Contractor shall, at its expense, arrange for the transport and disposal, and transport and dispose of such materials in accordance with Applicable Law or require that the Entity or Franchised Hauler which delivered such materials to the County Facility, remove such materials in a timely manner and transport it to an appropriate disposal location. Contractor shall transport such materials on a daily basis to temporary storage lockers and have such materials removed at intervals required by Applicable Law or more frequently as necessary. Ownership or title to such Hazardous Substances or Household Hazardous Waste shall remain with the generator thereof and shall not be deemed to have passed to Contractor or the County.

4.4 Required Signage and Traffic Control.

Contractor will provide signage identifying the County Facilities, the hours of operation for the County Facilities and other programs located on the Landfill Land, rules applicable to the County Facilities and signs at the Landfill and Transfer Station scale houses listing the appropriate Gate Rates, prohibited materials and other information as deemed necessary by County. Contractor shall be responsible for all costs and activities associated with future signage as information incorporated into the signage changes or the signs are in need of repair, replacement or relocation.

Contractor shall be responsible for providing all on-site signage necessary to safely and efficiently direct traffic from the scale houses to the material unloading areas of the Landfill, Transfer Stations and Materials Recovery Facility.

4.5 Waste Acceptance.

Contractor shall develop and maintain adequately sized unloading areas at the County Facilities for Waste, including Specially Handled Waste, soil, asphalt and concrete materials, Construction and Demolition Waste, and Green Waste so as to provide a safe and efficient environment for vehicles to unload their vehicles. Unloading areas shall be of sufficient design to provide for safe distances between unloading vehicles, accommodate the turning radius of a tractor-trailer vehicle, enable the queuing of vehicles during peak usage periods and ensure that vehicles do not have to come into contact with Wastes in order to unload their vehicles. Contractor shall control dumping at all locations that Wastes are unloaded, including, but not limited to, the Active Face and the inert material unloading and stockpiling areas, inspect Waste loads for prohibited materials in accordance with the County's Hazardous Waste Exclusion Plan, and perform other duties as may be required to operate the County Facilities in compliance with this Agreement, Applicable Laws, and Prudent Solid Waste Practices.

A. Materials Salvaging Prohibited.

Contractor shall take all steps reasonably necessary and consistent with Prudent Solid Waste Practices to prevent its employees, Customers, and any other users of the County Facilities from engaging in any materials salvaging activities.

B. Soil and Concrete.

At its sole discretion, Contractor may accept and stockpile materials that can feasibly be reused onsite at the Landfill, including clean fill dirt, rock and concrete. Said materials shall be available for the Contractor's use for Landfill maintenance activities as needed during the Committed Waste Period, County Facilities Operations Period and Closure of the Landfill. In no event shall Contractor be entitled to use such materials for any facility other than the Landfill.

C. Tires.

Whole tires encountered during Disposal operations shall be removed by Contractor and stockpiled in a designated area adjacent to the Active Face or at the Transfer Stations. Contractor, at its expense, shall arrange for proper disposal consistent with Applicable Law.

4.6 Litter Control.

Contractor shall be responsible for both on-site and off-site litter control as follows:

A. On-Site Litter Control.

Contractor shall use Prudent Solid Waste Practices to maintain and keep the County Facilities free of litter including adding additional temporary employees to collect litter. Said efforts shall be consistent with the requirements of Applicable Law. Litter consists of any Waste outside of the Active Face or any other unloading, designated storage areas or stockpiling areas. Contractor shall be solely responsible for maintaining the County Facilities in a clean and sanitary condition and shall be responsible for any public nuisance created as a result of its operations. Contractor shall construct and maintain litter fences at the Landfill during windy conditions to contain blowing Waste. Contractor shall provide adequate personnel to collect and properly dispose of litter from the Landfill, as needed, and to keep the litter fences clear of Waste.

B. Off-Site Litter Control.

Contractor shall be responsible for the prompt removal of litter blown off-site to surrounding properties as well as litter along those portions of public roads shown on Exhibit N. Prior to entering off-site properties to pick-up litter, Contractor shall contact the landowner(s) for permission to enter. If any landowner refuses entry by Contractor, Contractor shall document such refusal and shall not enter the refusing landowner's property unless and until the landowner subsequently gives permission to either County or Contractor to enter the subject property. In addition, Contractor shall reimburse County for its reasonable costs, not to exceed $25,000 per year (as adjusted by the CPI), to provide additional litter control services by the California Highway Patrol around the public roads near the Landfill Land.

4.7 Vector Control.

Contractor shall use Prudent Solid Waste Practices to control birds, rodents, insects and other disease carrying or breeding organisms, consistent with Applicable Law. Contractor shall provide any chemical sprays, traps and similar measures approved by Governmental Authority to control these pests, as necessary.

4.8 Dust Control.

Contractor shall comply with all requirements of Applicable Law including but not limited to the applicable Air Quality Management District with respect to dust control and mitigation. Contractor shall maintain all existing dust control systems existing at the County Facilities. Contractor shall provide sufficient equipment and manpower to apply water for the alleviation and prevention of dust that may occur during Contractor's daily operations at the County Facilities. Contractor shall post, adhere to and make all reasonable attempts to have Customers adhere to traffic speeds on all on-site unpaved roads of fifteen (15) miles per hour or less.

Contractor shall water active on-site roadways at the Landfill as needed to suppress dust. Watering may be suspended during periods of wet weather, provided that visual inspection indicates that dust generation has ceased.

4.9 Fire Safety.

A. Fire Control.

Should any fires occur, it shall be the responsibility of Contractor to notify the fire department immediately, to use all available methods to control and extinguish such fires, and to notify the County of the event within 2 hours of Contractor's first knowledge of the event.

B. No Smoking Allowed.

At no time shall smoking be allowed at any of the County Facilities.

C. Burning.

No burning shall be permitted at the County Facilities and Contractor shall use all reasonable means and act in a manner consistent with Prudent Solid Waste Practices to prevent burning of any kind at the County Facilities.

4.10 Equipment.

Contractor shall supply all equipment necessary to handle, push, cover or transfer Waste, maintain on-site roads, provide dust control, perform both on and off-site litter clean-up services, excavate and transport soils and/or other operational materials, conduct Remediation and Closure and Post-Closure Obligations, address Environmental Conditions and otherwise perform the requirements of this Agreement. Equipment shall be of sufficient size and quantity to safely and efficiently operate the County Facilities and shall comply with Applicable Law.

Contractor is responsible for providing and maintaining equipment which will operate with a minimum of down time. Should any individual piece of equipment necessary for the daily Disposal of Wastes, Remediation, Closure and Post-Closure Obligations or to address Environmental Conditions become non-operational for a period of more than eight (8) hours, or if it is unavailable to perform necessary work at the end of the working day, Contractor shall immediately provide substitute equipment, unless the Contractor, in its reasonable discretion and consistent with Prudent Solid Waste Practices, determines that the piece of equipment is not necessary to properly complete the day's work, or, in the case of Remediation, work to address Environmental Conditions or performance of Closure and Post-Closure Obligations, as authorized by Applicable Law.

Contractor shall promptly remove all equipment and other property not used in, or necessary for proper operations. Contractor shall furnish or have available at all times sufficient backup equipment or provide substitute equipment to prevent material delay in the Disposal of Wastes as a result of breakdowns or peak loading conditions.

As of the Effective Date, the County will transfer to Contractor the title and registration (if applicable) for no consideration other than the Contractor's other covenants in this Agreement, all County equipment and rolling stock itemized in Exhibit O.

As of the Effective Date, Contractor shall take ownership, title to and be entitled to use all County equipment and rolling stock itemized in Exhibit O.

As of the Effective Date, the Contractor shall have a license to fully occupy and utilize, for the Term of this Agreement, the County's existing maintenance facility and administrative building at the Landfill. This license shall include all equipment, fixtures, furniture, tools, supplies and inventory in or about said buildings, in addition to the equipment being transferred by County to Contractor as described in Exhibit O.

When the County Facilities revert back to the County upon the commencement of Closure, the County shall have use of the administrative building but will provide Contractor with the use of an office during the period of Contractor's performance of Closure and Post-Closure and Remediation.

4.11 Labor.

A. Sufficient Number of Employees

Contractor shall employ and have on duty, during all hours that the County Facilities are required to be open, a sufficient number of trained and competent employees to perform efficient operations. Contractor shall have additional labor forces available within 24 hours of severe wind events to provide on-site and off-site litter control.

B. On-Site Contractor Representative; Employee General Qualifications/Training.

At least one of Contractor's (or in the case of the Transfer Stations, the Prime Subcontractor's) employees shall be designated as a representative to interact with the County and Customers, shall be at the Landfill and the Transfer Stations in each case during all weekday hours of operation and shall be reachable by phone at all times. One such representative is required for each County Facility. Contractor shall notify the County in writing of each such representative at least 30 days prior to the commencement of services under this Agreement.

C. Employee Clothing.

Contractor employees and subcontractors shall wear identifying uniforms and appropriate personal safety equipment, including, but not limited to, hard hats, rain gear, steel-toed boots, back supports, hearing protection, and other appropriate equipment. Contractor is responsible at all times to enforce use of all such safety equipment by its employees.

D. Safety Program and Monthly Safety Meetings.

Contractor shall develop and maintain a complete safety program for the County Facilities. Contractor shall provide documentation to the County, at least annually, that

Contractor and Contractor's employees are adhering to this safety program. Contractor shall conduct operations, safety, and Hazardous Substances recognition training meetings at least monthly.

E. Retaining Additional Services from County.

Contractor may request to use additional County resources throughout the Committed Waste Period by paying County on a time and material basis for such resources. Such additional resources may include: (i) the use of Supervised Adult Crews to perform services in and around the County Facilities; and (ii) services provided by County employees who have specialized technical expertise about the County Facilities, such as a County employee with a job classification of Landfill Facilities Specialist. Contractor shall submit a request for additional services at least 14 days prior to Contractor's need for the services. County shall respond to Contractor's request within 10 days indicating whether the requested services are available and if so the estimated costs for the services.

4.12 Hiring of Existing County Landfill Personnel.

A. Contractor and/or its Prime Subcontractor will have a total of fifteen (15) job openings as more particularly described in Exhibit P. On a date mutually acceptable to County and Contractor, (a) County shall notify the Facility Employees not otherwise expressly retained as County employees by the County that the County will terminate their employment as of the Effective Date ("Impacted Facility Employees"), and (b) Contractor and/or Prime Subcontractor shall notify the Impacted Facility Employees of the job openings which will be made available to qualified Impacted Facility Employees who are then currently performing the same or substantially similar jobs at the County Facilities. Impacted Facility Employees may apply for the job openings of Contractor and/or Prime Subcontractor. Contractor and/or Prime Subcontractor shall offer the positions listed in Exhibit P to the Impacted Facility Employees.

B. Any Impacted Facility Employee hired by Contractor or Prime Subcontractor as of the Effective Date (hereinafter referred to as "Hired Employee") shall be an at-will employee of Contractor or Prime Subcontractor and shall be provided wages, benefits and terms and conditions of employment as determined by Contractor and/or Prime Subcontractor at their sole discretion, and as these terms and conditions may be amended from time to time. Contractor shall offer each Hired Employee continued full-time employment for six (6) months from the date of hire, subject to the terms and conditions of employment in effect under the employment policies of Contractor or Prime Subcontractor, as they may be amended from time to time; provided, however, that Contractor and Prime Subcontractor may terminate or layoff any such Hired Employees for any reason by paying such Hired Employee the base wages the Hired Employee would have earned during the remaining portion of the six (6) month term of employment.

C. After receiving and approving such documentation as Contractor may reasonably request to verify the basis of calculating severance for Impacted Facility Employees who are not Hired Employees, Contractor shall make a payment to any such Impacted Facility Employee who is not a Hired Employee, in an amount equal to two weeks of base pay for each year of continuous service worked at the County, up to a maximum of 24 weeks of base pay. The

combined total number of County employees hired or eligible to receive this severance benefit shall not exceed 23.

D. Notwithstanding anything contained in this Section 4.12, (a) County shall retain responsibility to pay to employees at the County Facilities any and all wages, salaries, commission, bonuses, or other compensation, vacation or sick-pay accrued through the Effective Date, (b) County shall retain any and all obligations related to the employees at the County Facilities under any benefit plans, programs or policies, including, but not limited to, any obligations under any collective bargaining agreements, (c) Contractor's payment of severance payments as provided for in Section 4.12(b) above is not an assumption by Contractor to incur any Liability with respect to any Facility Employee and County shall retain sole responsibility for, and any Liability with respect to, the provision of severance pay other than the payment being made by Contractor described above, compensation, benefits (including without limitation any continuation of health care, pension or retirement plan benefits, or other fringe benefits) due and owing to any Facility Employee or other County employee, and (d) Contractor does not assume, and shall not be deemed to have assumed, any past or future obligations of County to Facility Employees, or any County employees who are not hired by Contractor or Prime Subcontractor.

E. It is the desire and the intent of the parties hereto that any organizing efforts of Contractor's employees be conducted in an orderly and lawful manner, with recognition that the Contractor's employees be granted the freedom to choose whether to be represented by a union and, if so, the selection of a collective bargaining representative. To that end, Contractor agrees to be neutral as to which collective bargaining representative its employees might choose to represent them, and not to violate any federal or state laws or regulations by improperly influencing, either in writing or orally, the decision of its employees, or any of them, to be represented or not to be represented by a labor organization.

F. Contractor agrees to commence interviews with all Impacted Facility Employees within 14 days of the Execution Date of this Agreement, and complete such interviews and make hiring decisions within 75 days of the Execution Date.

4.13 Green House Gas Baseline Study.

Contractor shall conduct and make public the results of a Greenhouse Gas Emissions Study in accordance with this Section. Beginning within nine months of the Effective Date of this Agreement, Contractor shall prepare the baseline Greenhouse Gas Emissions Study. Starting with the second anniversary of the Effective Date, Contractor shall annually conduct subsequent Greenhouse Gas Emissions Study for five years. Thereafter, Contractor shall update the Study on a tri-annual basis throughout the Commitment Waste Period . The Study will include the greenhouse gas emissions from out-of-county transportation and disposal of Sonoma County Waste. The Study will include the impact on greenhouse gas emissions from the residual from the new Materials Recovery Facility and other recycling and diversion operations occurring pursuant to this Agreement. The Study will be based on the most current Waste Characterization Study performed by the Waste Management Agency. Contractor will use the Greenhouse Gas Emissions Study to guide diversion and waste reduction efforts.

4.14 In-County Disposal Requirements; No Importation of Out of County Waste for Disposal.

A. Except as provided in Section 5.3, Contractor and the County acknowledge and agree that it is the intent of each party that Waste generated within the County, including Committed County Waste and Committed City Waste, is Disposed of within the County of Sonoma during periods when the Landfill is authorized to receive Waste for Disposal. Contractor shall Dispose at the Landfill all Committed County Waste, Committed City Waste, and Self Haul Waste that is delivered to any County Facility or any other facility located in the County that is owned or operated by Contractor or an Affiliate, and is not otherwise diverted pursuant to Article 9 below, to the extent that the Landfill is allowed, by Applicable Law, to receive and Dispose of such Waste.

B. Contractor agrees to not accept any out-of-county Waste at the County Facilities, except for Beneficial Reuse Materials, which shall not be Disposed of in the Landfill.

4.15 Backup Disposal Facilities.

A. If Contractor is unable to accept Committed County Waste or Committed City Waste at the County Facilities or any other facility owned or operated by Contractor or any of its Affiliates that is located within the County because of (i) the acts, omissions, negligence, recklessness, willful misconduct, fault, breach of contract, breach of the requirements of this Agreement, violation of or non-compliance with Applicable Law; (ii) lack of Permitted Disposal Capacity; or (iii) the occurrence and continuation of a Force Majeure Event that prevents Contractor from receiving Waste at the Landfill, then notwithstanding anything stated to the contrary in this Agreement, Contractor shall (1) accept and Dispose of such Waste at another landfill owned or controlled by Contractor or its Affiliate at rates equivalent to the tip fees established pursuant to Article 11, and Contractor shall pay any additional costs (including transfer and transportation costs) incurred by the County, the Committed Cities and their respective Franchised Haulers delivering such Waste to the other landfill, or (2) at Contractor's discretion arrange for all such Waste to be Disposed of at another landfill not owned by Contractor or its Affiliate, in which case Contractor shall pay any difference between: (x) the landfill disposal fees charged at such landfill plus any additional transfer, transportation and other costs incurred in delivering such Waste to the other landfill; and (y) the Gate Rates established pursuant to Article 11.

B. During a period in which Contractor is Disposing of Committed County Waste and Committed City Waste at a facility other than the Landfill, if such facility becomes unavailable for the Disposal of such Waste for any reason (including as a result of a Force Majeure Event), Contractor shall (1) accept and Dispose of such waste at another landfill owned or controlled by Contractor or its Affiliate for the Gate Rates established pursuant to Article 11, for the period in which such facility is not available for Disposal of waste, and Contractor shall pay any additional transportation costs incurred by the County, the Committed Cities and their respective Franchised Haulers delivering such Waste to the other landfill, or (2) at Contractor's discretion arrange for all such Waste to be Disposed of at another landfill not owned by Contractor or its Affiliate, in which case Contractor shall pay any difference between: (x) the landfill disposal fees charged at such landfill plus any additional transfer and transportation costs

incurred in delivering such Waste to the other landfill; and (y) the Gate Rates established pursuant to Article 11.

4.16 Community Clean-up Events.

Contractor understands that County supports and approves a certain number of community waste clean-up events throughout Sonoma County. Contractor agrees to waive up to $20,000 (escalated by 3% per year) of Gate Fees annually for these County sponsored events, provided that the County Concession Fee and Waste Management Agency Fee are both waived as to such clean-up event tonnage. County shall provide Contractor with 5 days prior written notice of any County sponsored community waste clean-up event and shall continue to be the coordinator with various community groups for these events.

ARTICLE 5.OPERATION OF CENTRAL LANDFILL

5.1 General.

Contractor shall operate the Landfill to receive and Dispose of Waste pursuant to this Agreement. Contractor shall provide the required services following Prudent Solid Waste Practices and Applicable Law. Contractor shall comply with the provisions, conditions and requirements of all existing and future Permits for the Landfill.

5.2 Surveying and Staking.

Contractor shall perform all surveying and staking necessary for Waste placement and Disposal, miscellaneous drainage work and related Landfill support activities.

5.3 New Cell Construction; Interim Disposal.

Contractor shall construct new cells as needed for the continuation of Disposal operations at the Landfill, as allowed by Applicable Law. Contractor shall use its best efforts and proceed expeditiously with the construction of the new cells so that out-of-County Disposal of Waste generated within the County is eliminated as soon as possible.

Effective September 1, 2013, and continuing until the construction of new Disposal capacity has been completed following the Effective Date, to the extent there is insufficient capacity at the Landfill to accept all Waste received at the County Facilities, any excess Waste that cannot be received at the Landfill shall be transported to the Keller Canyon Landfill in Pittsburg, California for Disposal until construction of such additional landfill airspace is completed, provided that Contractor and the County's transfer station and transportation contractor shall not charge a combined rate for the transportation to and Disposal of Waste at the Keller Canyon Landfill that is greater than the then current rate that would have been charged under the County's current master agreement for the transportation and Disposal of Waste at an out-of-County landfill. This paragraph shall become operative upon the Execution of this Agreement even though the conditions to the effectiveness of this Agreement as a whole have not yet been satisfied and even though the Effective Date has not yet occurred, and shall continue until additional Disposal capacity at the Landfill has been constructed as required under this Agreement following the Effective Date. The County shall initiate any required contractual changes with the existing transfer station and transportation contractor in a timely manner to effect this obligation.

5.4 Waste Placement.

Contractor shall keep the Active Face of the Landfill as confined as is practical consistent with Prudent Solid Waste Practices. Contractor agrees that the efficient use of the available capacity (air space) of the Landfill is of extreme importance to the County and agrees to perform all operations in such a way as to optimize the amount of Waste Disposed within the available air space consistent with Prudent Solid Waste Practices. Furthermore, Contractor shall maintain an active and final fill slope ratio in conformance with Applicable Law.

5.5 Landfill Cover and Related Operations.

A. Daily Cover

Prior to the end of Disposal operations each day, Contractor shall cover all exposed Waste with an approved Alternative Daily Cover or clean soil cover material. Prior to placement of any cover material, including Alternative Daily Cover, Contractor shall prepare the exposed Waste surface to minimize any depressions in the exposed surface so as to maximize cover usage efficiency. Alternative daily cover shall be used by Contractor to the extent possible, with clean soil cover only being utilized in cases where the use of Alternative Daily Cover is not reasonably practical.

Prior to the start of daily Disposal operations, Contractor shall remove, for reuse, the maximum practical amount of the previous day's cover soil, if soil is used, from areas upon which Waste is to be Disposed of that day. Contractor shall not be obligated to remove Alternative Daily Cover previously placed by Contractor. Contractor may, at its sole expense but consistent with Applicable Law and Prudent Solid Waste Practices, use other types of Alternative Daily Cover including films and tarps.

B. Intermediate Cover

Contractor shall place and compact intermediate cover consisting of twelve (12) inches of compacted soil on areas of the Landfill where no additional Waste will be Disposed of within 180 calendar days. Contractor shall place an additional twelve (12) inches of compacted soil – for a total of twenty four (24) inches of compacted soil over areas where no additional Waste will be Disposed of within two (2) years. Where Contractor has placed intermediate cover on side slopes of the Landfill, Contractor shall compact, track walk and vegetate the cover to prevent rills and erosion channels.

C. Soil Excavation and Stockpiling

Contractor shall excavate soil for daily and intermediate cover from the soil stockpiles and soil borrow areas located at various locations on the Landfill Land. Subject to Section 4.2B, County will allow Contractor full access to all areas of the Landfill Land for use as borrow areas for excavating and removing soil, without limitation, for use in Landfill operations, to enable Contractor if feasible to operate the Landfill without the need to import soil to the Landfill. Within 6 months of the Effective Date, Contractor shall provide a grading plan to County, for the purpose of removing soil and providing an excavated area for the potential future location of the Future Compost Facility. Contractor shall have 30 months from County's approval of the grading plan to excavate the area and fully implement the approved grading plan. Contractor shall not be required to obtain a grading permit or other Permits from the County for the excavation and removal of soil from borrow areas selected by Contractor on the Landfill Land. If, notwithstanding the foregoing rights to develop and use borrow areas anywhere on the Landfill Land, Contractor is required to import soil for Landfill operations, Contractor will not be entitled to a Contractor Service Fee Adjustment.

5.6 Landfill Maintenance.

A. Liner.

Contractor shall construct and place all required subdrains, liners, leachate collection, gas collection and other environmental control systems in all new and existing cells constructed and developed by Contractor. Contractor shall take all reasonable measures consistent with Prudent Solid Waste Practices to ensure the Landfill liner is not damaged or destroyed as a result of Contractor's operation of the Landfill. If any portion of the liner system, including under drains, exposed liners or other temporary covers along slopes, is damaged during the course of operations, Contractor shall cease operations in and immediately adjacent to the damaged area in a manner consistent with Prudent Solid Waste Practices.

B. Cover.

Contractor shall take all reasonable measures consistent with Prudent Solid Waste Practices to ensure that foreign objects do not protrude from the Landfill cover. Contractor shall be responsible for augmenting Landfill surface areas on unclosed portions of the Landfill where Landfill Gas emissions have been detected.

C. Surfaces and Slopes.

Contractor shall be responsible for minimizing surface erosion at the Landfill Land, including but not limited to the Landfill, soil borrow, and stockpile areas, but excluding the Compost Facility, Future Compost Facility and Household Hazardous Waste facility unless Contractor assumes responsibility for such operations pursuant to Article 7. Contractor shall promptly repair any and all cracks, depressions and erosions of the surface and side slopes, both interim and final. Contractor shall implement mitigation efforts, including but not limited to the repair of cracks, depressions and erosions of the Landfill surface and slopes, in response to any surface Landfill Gas emissions and Leachate seeps.

D. Control of Leachate Seeps.

Contractor shall implement mitigation measures as necessary to prevent Leachate seeps and to prevent Leachate from contacting surface or ground water. Furthermore, Contractor shall make all reasonable efforts and shall act in a manner consistent with Prudent Solid Waste Practices to prevent Landfill Customers and their vehicles from coming into contact with Leachate. Contractor shall regularly inspect exposed surfaces of the Landfill and shall immediately contain and repair any Leachate seeps encountered by Contractor, or otherwise brought to Contractor's attention.

E. Borrow Areas.

Contractor shall be responsible for maintenance of soil borrow areas, and for excavating soil from the borrow areas according to an excavation plan developed by Contractor. Contractor shall be responsible for providing proper drainage along borrow area access roads and at the borrow areas. Contractor shall be responsible for pumping any storm water which accumulates in the borrow areas to storm water drainage ditches.

F. Inert and Soil Stockpiles.

Contractor shall keep inert material and soil stockpiles consolidated and free of trash, litter and inappropriate Waste material. Contractor shall keep the designated stockpile area(s) graded to ensure positive drainage away from materials and prevent ponding.

G. On-Site Roads.

Contractor shall maintain all internal unpaved Landfill access roads that serve soil excavation areas, the maintenance facility, active areas of Landfill, materials stockpiling areas and other areas necessary for the performance under this Agreement. The access road to the Active Face shall be a sufficient thickness of road material above Waste to prevent damage to vehicle tires or equipment, and have sufficient width to permit turning and passage of two-way traffic.

H. Winterization Plan.

Contractor shall develop on or before September 1st of each Operating Year a winterization plan for the Landfill. Contractor shall implement such plan prior to October 1st of each Operating Year.

At a minimum, Contractor's winterization plan shall include provisions for Contractor to construct and maintain: 1) all-weather roads to the Active Face and all other stockpile or material unloading areas; 2) all-weather tipping areas; 3) vegetation of interim and final cover slopes; and 4) any other winterization efforts needed to ensure safe and proper operation of the Landfill during the wet season.

Contractor shall be solely responsible for any and all costs associated with developing and implementing the winterization plan for the Landfill, including without limitation major repair and maintenance of permanent on-site access roads.

5.7 Landfill Drainage.

Contractor shall, consistent with Prudent Solid Waste Practices, at all times make the necessary provisions and take the necessary actions to: 1) maintain positive drainage of all surface water, storm water and contact water; 2) minimize erosion of all active areas of the Landfill; and 3) minimize to the extent possible the infiltration of liquids into the Waste that have the potential to result in the production of Leachate.

Contractor shall at least annually inspect the surface of the Landfill and fill in depressions as necessary to prevent ponding and promote positive drainage of surface water.

With respect to the active Disposal areas, Contractor, consistent with Prudent Solid Waste Practices, is responsible for diverting surface water from active Disposal areas and exposed or damaged liner areas at all times.

5.8 Landfill Gas Collection and Control Systems, Flares and Gas Rights.

For the Term of this Agreement Contractor shall construct, repair, operate, and maintain the existing Landfill Gas collection and control system and flares, and shall expand this system as required by Applicable Law in existing and new cell development areas. For the Term of this Agreement Contractor is hereby granted all of County's rights, title and interest in the Landfill Gas generated in the Landfill, the Central Landfill Gas to Energy Plant, in existing contracts governing the Landfill Gas to Energy Plant, and in the existing Power Purchase Agreement from and after the Effective Date. County represents that no other Entity owns or has rights to any such Landfill Gas or the Central Landfill Gas to Energy Plant. Contractor shall have the sole right to any proceeds from the sale or use of such Landfill Gas and any electric energy generated from such Landfill Gas.

As of the Effective Date, capitalization, operation and management of the Central Landfill Gas to Energy Plant will be performed by Contractor and will include engine rebuilds or replacements, day to day operation and maintenance and compliance with Applicable Law as well as well field expansion/upkeep and management. From and after the Effective Date, Contractor will receive all revenues from the sale of Landfill Gas and the Gas to Energy plant. Contractor shall have the right to enter into its own Power Purchase Agreements once the current County contract for the sale of Landfill Gas expires. Upon expiration of any current landfill energy contracts, which shall all be assigned to Contractor as of the Effective Date, Contractor may enter into agreements or arrangements with independent contractors and/or subcontractors for the expansion, repair, maintenance, or operation of the gas collection system or the gas-to-energy plant, or Power Purchase Agreements or for any other purpose relating to the Landfill Gas collection system, the sale of Landfill Gas or electric energy, or any other aspects covered by this Section without any requirement that Contractor obtain County consent or approval.

5.9 Leachate Control Systems.

The Contractor shall construct, repair, operate, and maintain the existing Landfill Leachate collection and control system and shall expand this system as required by Applicable Law in existing and new cell development areas. Contractor is hereby granted an exclusive license to use and maintain the Leachate Pipeline for the disposal of Landfill Leachate.

In addition, following the Execution Date Contractor shall promptly apply to the City of Santa Rosa Waste Water Treatment Plant for a permit to dispose of Landfill Leachate. The permit shall be for a minimum term of five years and shall be in Contractor's name as the waste disposer. Except as may be assigned or released in connection with the Leachate Pipeline Litigation described in Section 12.3.1 F, County shall assign to Contractor any other assignable permits and contract rights, including all warranties, indemnities and guarantees that benefit the County, relating to the Leachate Pipeline, the Rohnert Park sewer line and City of Santa Rosa Waste Water Treatment Plant. The granting, assignment or renewal of these Leachate disposal permits or agreements satisfactory to Contractor in its sole discretion shall be a condition precedent to this Agreement becoming effective. Should Contractor be unable to use the Leachate Pipeline or the Rohnert Park sewer line to deliver Leachate to the Water Treatment Plant or to dispose of Leachate or other liquids at the City of Santa Rosa Waste Water Treatment Plant for any reason, or should there be a material increase in the rates for disposal of Leachate

or other liquids at the treatment plant, such events shall constitute a Change in Law. For purposes of this paragraph, a "material increase in the rates for disposal" shall mean any percentage increase that is more than the percentage CPI increase that Contractor has accumulated at any given point in time and as projected for future years based on the average CPI increase over the prior five years.

5.10 Environmental Controls, Monitoring and Reporting.

Without limiting the more specific provisions of Sections 5.2 through 5.9 of this Agreement, Contractor shall assume responsibility for funding, installation and maintenance of all environmental control systems at the Landfill, except for those environmental control systems associated with the operation of the Compost Facility, Future Compost Facility and the Household Hazardous Waste Facility; provided, however that if the County and Contractor reach agreement for Contractor to operate either of these facilities as provided in Article 7, Contractor will assume responsibility for the environmental control systems for one or both of these facilities as well. Environmental controls for the Landfill include landfill protective liners, Leachate management (including without limitation the Leachate Pipeline), gas controls, stormwater controls for the Landfill area, groundwater monitoring and testing, overall monitoring of the Landfill control systems, and Remediation. Contractor shall be responsible for the preparation of all required reports to Governmental Authorities required under this Section.

5.11 Protection and Maintenance of Wetlands Mitigation Parcel.

Contractor shall comply with that certain Sonoma County Central Disposal Site Improvement Project Wetland Mitigation And Monitoring Plan dated March 2000 ("Wetlands Mitigation Parcel") which was submitted to the Army Corp of Engineers as part of the 404 permit process in connection with the Central Disposal Site Improvement Project.

5.12 Neighbor Relations for the Central Landfill.

A. Visual Screening of Central Landfill.

Within ninety (90) days of the Effective Date, Contractor shall submit a visual screening plan to the County. The plan shall enhance current tree planting to improve the visual appearance of the site. The plan shall include details on the type and number of plantings, the location of the plantings, and Contractor's plan for on-going maintenance of the visual screening around the Central Landfill. Contractor shall maintain the plantings throughout the Term.

B. Quarterly Meetings with Central Landfill Neighbors.

Contractor shall conduct quarterly meetings open to the neighbors of the Central Landfill. Contractor shall provide 30 days advance notice of such meetings to the neighbors and the County.

ARTICLE 6.OPERATION OF COUNTY TRANSFER STATIONS AND MATERIALS RECOVERY FACILITY

6.1 Transfer Station Operations.

Transfer Station operations shall continue for the longer of the Committed Waste Period or the County Facilities Operations Period. Contractor shall provide all labor, supervision, equipment, materials, supplies, and all other items necessary to operate the Transfer Stations. Contractor shall provide the required services in accordance with Applicable Law and with Prudent Solid Waste Practices so that the Transfer Stations are provided with efficient, reliable, courteous and high-quality operations at all times. All activities of Contractor hereunder shall comply with Applicable Law.

A detailed scope of services required of Contractor in the performance of its Transfer Station operations and obligations (including transportation services) under this Agreement is provided in Exhibit I herein. Contractor's performance of its obligations in this Agreement for operations of the Transfer Stations may be performed by Prime Subcontractor.

Contractor accepts the Transfer Stations, including all equipment at the Transfer Stations, in "AS IS, WHERE IS" condition. Contractor shall comply with all Applicable Laws during its operations of the Transfer Stations and shall be responsible and liable to perform the work required to address any Environmental Conditions that arise as a result of Contractor's operation of the Transfer Stations.

6.2 Materials Recovery Facility.

Subject to obtaining all required Permits and approvals from the County, Contractor will fund and construct the installation of Materials Recovery Facility processing lines and equipment (MRF) at the Central Transfer Station for processing dry commercial waste, Construction and Demolition material (C&D) and selected Self-Haul materials.

The MRF will be constructed within the confines of the current Central Transfer Station and this construction will be completed within eighteen months after all Permits required for the construction and operation of the MRF are received by Contractor, and are final and no longer subject to legal challenge. The intent of this provision is that Contractor will have a minimum 18 month period to procure, install, construct, test and commence full scale operation of the MRF and MRF equipment. County agrees to reasonably cooperate with Contractor in obtaining all Permits and approvals necessary for the construction and operation of the MRF. Contractor shall be diligent in pursuing all Permits and approvals necessary for construction and operation of the MRF.

Notwithstanding the foregoing, Contractor shall have installed and rendered operational equipment substantially similar to that described in Exhibit Q no later than 24 months after the Effective Date unless the installation or operation of said equipment is delayed due to not timely obtaining final Permits for reasons which are beyond the reasonable control of Contractor, or by any Force Majeure Event or Change in Law.

The Contractor shall Process at the MRF all suitable dry commercial routes and C and D material reasonably deemed suitable for processing by Contractor. Contractor shall operate the MRF, at full scale capacity, at least 8 hours per day, 5 operational days per week, Holidays excepted. Contractor's obligations in this Agreement for operation of the Material Recovery Facility may be performed by Prime Subcontractor.

Contractor shall be responsible and liable for any work associated with any Environmental Conditions that arise as a result of Contractor's construction and/or operation of the MRF. Contractor shall comply with all Applicable Laws during its operation of the Materials Recovery Facility and shall be responsible and liable to perform the work required to address any Environmental Conditions that arise as a result of Contractor's operation of the Materials Recovery Facility.

The contemplated MRF has been analyzed pursuant to CEQA based on available information, but Contractor and County acknowledge that the MRF plans are subject to refinement and change. In light of the fact that the current plans for the MRF are not sufficient to conduct a more detailed environmental review pursuant to CEQA, both Contractor and County acknowledge that all rights and obligations in this Section 6.2, including construction and operation of the MRF but excluding Contractor's obligation to diligently pursue permits for the MRF, are expressly conditioned upon County's project-level compliance with CEQA for the MRF based on detailed design plans in connection with the County's use permit for the MRF.

ARTICLE 7.OTHER OPERATIONS: COMPOSTING AND HOUSEHOLD HAZARDOUS WASTE FACILITY

7.1 General.

As of the Effective Date, the Committed Cities and County have not yet determined whether Contractor should be involved in certain Waste Management Agency programs. The County and Committed Cities are interested in having more time to decide whether to have Contractor involved in these programs. If Contractor is given a license to control these programs and the parties have agreed on a price and other terms for Contractor to assume control over these operations, then Contractor is willing to oversee such programs and be fully responsible for the programs, including, indemnifying, defending and releasing the County and Committed Cities for any Liabilities associated with such programs while under the control of Contractor. If Contractor does not agree to assume control over one or both of these programs, then Contractor will not be responsible for any Environmental Conditions, Liabilities, Claims, or Losses associated with these programs. This Article provides the County and Committed Cities with a period of 18 months from the Effective Date to come to agreement with Contractor as to whether these programs will be included within Contractor's operations and describes the impact if responsibility for one or both of these programs is not assumed by Contractor pursuant to a written agreement duly executed by Contractor.

7.2 Option to Include Additional Program Services.

The County shall provide written notice to Contractor, within 18 months of the Effective Date, as to whether the County is requesting Contractor to provide pricing and other terms for Contractor's operations of the compost and/or household hazardous waste programs operated at the Landfill. Upon County's notice to Contractor that County is interested in having Contractor control one or both of the programs, the parties shall meet and confer in good faith to negotiate pricing and other terms for Contractor's operation of the requested programs. Should the County provide notice to Contractor that the County is interested in the Contractor overseeing the compost program, Contractor shall first negotiate in good faith with the existing local composting operator to be the subcontractor to Contractor and shall try to reach agreement on a proposed subcontract within 90 days of County's notice. In the event negotiations are unsuccessful after 90 days, Contractor shall have the option to bring in another subcontractor for its proposal to the County; provided, however, that (a) Contractor's agreement with such other third party subcontractor shall provide for the same scope of services as previously offered by Contractor to Sonoma Compost and (b) Sonoma Compost shall be given the opportunity within thirty (30) days written notice from Contractor to agree to match the proposal received from a third party subcontractor. Should County and Contractor reach agreement on the pricing and other terms for one or more of the programs, including the form of any license agreement with the subcontractors who may operate the Compost Facility, Future Compost facility and the Household Hazardous Waste Facility, Contractor and County shall execute a written agreement whereby Contractor shall accept assignment from County of the Compost License Agreement and/or Household Hazardous License Agreement, in accordance with the terms of this Article 7.

7.3 Composting Provisions if County and Contractor Reach Agreement on Compost Operations.

If County and Contractor reach agreement on pricing and other terms for compost operations, including the form of any license agreement with any Compost Facility or Future Compost Facility subcontractor, and enter into a written agreement whereby Contractor will assume responsibility for the Compost Facility or Future Compost Facility operations, then the following provisions shall apply unless they are superseded by the terms of the further written agreement between the County and Contractor:

A. Contractor shall accept all Green Waste and Wood Waste at the Facilities. Until the earlier of February 2017 or the completion date of the Future Compost Site, Contractor shall direct such waste to the existing composting facility at the Landfill.

B. The liability carve-out provisions set forth in Articles 14 and 15 shall be void and of no effect.

7.4 Composting Provisions if Agreement Not Reached.

Until County and Contractor execute a written agreement whereby Contractor will assume responsibility for the Compost Facility and/or Future Compost Facility operations, then the following provisions shall apply:

A. The County and Committed Cities may still direct the Green Waste and Wood Waste to the County Facilities and Contractor shall allow such materials to be processed on the Landfill Land and/or provide for such materials to be delivered to the appropriate collection or processing sites designated by the County.

B. County reserves the right to establish a Processing Gate Fee at the County Facilities for processing Wood Waste and Green Waste. Contractor shall collect those Gate Fees through the existing gate and weigh station process and immediately disperse such Gate Fees as directed by County.

C. County reserves the right to develop the Future Compost Facility at the location identified on Exhibit E and Contractor shall not have access to that portion of the Landfill Land.

D. The County and Committed Cities reserve the right to direct Contractor to allow its Prime Subcontractor to accept Green Waste at the County Facilities for transport by Contractor to a third party facility. Contractor shall have no obligation to provide for the transfer or transport of Green Waste delivered to any of the County Facilities. County and Committed Cities shall also be responsible for paying the transportation and processing costs to the third party facility.

E. The liability carve-out provisions set forth in Articles 14 and 15 shall be deemed to continue in full force and effect. Contractor shall not be responsible for any closure, post-closure, remediation or other work to address Environmental Conditions of the Compost Facility, Future Compost Site or any other composting operations on the Landfill Land. In addition, County shall indemnify Contractor for such operations in accordance with Section 15.6.

F. The County shall cause the Compost License Agreement to include the following requirements, and shall not approve or enter into any Compost License Agreement that does not include these requirements:

1. The Waste Management Agency and the Compost Facility operator (currently Sonoma Compost), and not the Contractor, shall be responsible for the managing of all surface water, process water, and run-off discharges, on and at the Compost Facility, Future Compost Facility and/or resulting from any future composting operations at the Landfill Land in accordance with this Agreement, Applicable Law and the Permits for the Compost Facility, future composting operations and Landfill.

2. Should the Waste Management Agency and the Compost Facility operator wish to use the Leachate Pipeline for the discharge of water from the Compost Facility or Future Compost Facility or any other composting operations at the Landfill Land, the Waste Management Agency shall enter into negotiations for and execute an agreement with Contractor and County concerning the potential discharge of liquids from the Compost Facility into the Leachate Pipeline. Contractor and County agree to negotiate any such agreement in good faith.

3. Any such agreement between the Waste Management Agency, County and the Contractor for use of the Leachate Pipeline shall, at a minimum, include provisions whereby the Waste Management Agency and its compost contractor shall be jointly responsible to: (a) obtain all permits and approvals for such discharge as may be required throughout the Term by the Water Treatment Plant; (b) pay Contractor each month a proportionate share of all of Contractor's direct costs and expenses for the use and maintenance of the Leachate Pipeline, which costs shall include but are not limited to Contractor's costs of connecting to, using, maintaining, repairing, replacing, monitoring, and testing said pipeline; (c) pay for the installation of a flow meter, of a type and capacity approved by Contractor, to measure the volume of water discharged each month from the Compost Facility or Future Compost Facility or any other composting operation; (d) comply with all Permits (including Contractor's permits providing for Contractor's discharge of Leachate to the Water Treatment Plant through the Leachate pipeline); (e) comply with all agreements of said operator and/or Contractor regarding discharge to the Water Treatment Plant and Leachate Pipeline; (e) not adversely affect Contractor's rights and Permits to discharge to the Water Treatment Plant; and (f) pay any charges, fines or penalties if the discharge of water from the Compost Facility or Future Compost Facility does not comply with the Permits and Applicable Law and reimburse Contractor for any charges, fines and penalties paid by Contractor due to such non-compliance.

4. All water from the Compost Facility or Future Compost Facility and any other composting operation shall only be allowed to be discharged through the Leachate Pipeline if it flows through and is measured by the flow meter. The Waste Management Agency and the Compost Facility operator shall be responsible for the periodic testing, maintenance and, if necessary, replacement of the flow mater to ensure its accuracy. The Contractor shall be promptly given copies of all records of monthly measured flows through the flow meter and, if requested by Contractor, all records of the testing and maintenance of the flow meter.

5. The proportionate share of all of Contractor's costs for the use and maintenance of the Leachate Pipeline shall be determined by calculating each month the

percentage of the total monthly water volume discharged to the Water Treatment Plant through the Leachate Pipeline that is represented by the total water volume from the Compost Facility or Future Compost Facility or any other composting operation at the Landfill Land that flows through the flow meter.

6. The terms and conditions of this Section shall be in full force and effect at all times during which water from the Compost Facility or Future Compost Facility or any composting operation at the Landfill Land discharge through the Leachate Pipeline.

7. Contractor shall be made an express third party beneficiary of any and all agreements between the County and the Waste Management Agency and the Compost Facility or Future Compost Facility operator for the purpose of enforcing all of the foregoing requirements.

8. Contractor shall not be in breach of this Agreement if Contractor refuses to allow the Waste Management Agency and/or the Compost Facility or Future Compost Facility operator to use the Leachate Pipeline if all of the foregoing requirements are not met.

9. In the event Contractor takes over operation of the Compost Facility or Future Compost Facility in accordance with Article 7 of this Agreement, Contractor shall have sole responsibility and liability for any Loss or Claim associated with discharges of liquid from the Compost Facility or Future Compost Facility, including discharges to the Rohnert Park sewer line and the Water Treatment Plant, from and after the effective date of Contractor's agreement.

7.5 Household Hazardous Waste Provisions if Agreement is Reached.

If County and Contractor reach agreement on pricing and other terms for household hazardous waste operations, including the form of any license agreement with any Household Hazardous Waste Facility subcontractor, and enter into a written agreement whereby Contractor will assume responsibility for the Household Hazardous Waste Facility operations, then County and Contractor shall execute a written agreement whereby Contractor will assume responsibility for the Household Hazardous Waste Facility operations, and the following provisions shall then apply unless they are superseded by the terms of the further written agreement between the County and Contractor:

A. Contractor shall accept all HHW at the Household Hazardous Waste Facility.

B. The liability carve-out provisions set forth in Article 14 and 15 shall be void and of no effect.

7.6 Household Hazardous Waste Provisions if Agreement is Not Reached.

If County and Contractor do not execute a written agreement whereby Contractor will assume responsibility for the Household Hazardous Waste Facility operations, then the following provisions shall apply:

A. The County and Committed Cities may still direct HHW to the Household Hazardous Waste Facility and Contractor shall direct deliveries of such materials to the HHW Facility.

B. County reserves the right to establish a gate fee at the County Facilities for processing HHW. Contractor shall pass through all such gate fees to County.

C. The liability carve-out provisions set forth in Article 14 and 15 shall be deemed to be in effect. Contractor shall not be responsible for any closure, post-closure or work to address Environmental Conditions of the Household Hazardous Waste Facility. In addition, County shall indemnify Contractor for such operations in accordance with Section 15.6.

7.7 Relocation of Compost Facility.

Upon request of Contractor, the County will cause the existing Compost Facility to be entirely relocated from its current location on top of a portion of the existing Landfill and to the Future Compost Facility site location or an area of the Landfill Land that is not designated by Contractor for any current or future use associated with Contractor's operations under this Agreement. This relocation shall be completed no later than one year after Contractor gives written notice to the County requesting such relocation, but in no event shall Contractor serve this written notice on the County prior to February 2, 2016.

7.8 Procedures In the Event the Waste Management Agency No Longer Is In Existence.

In the event that the Waste Management Agency, or its successor, is not in existence during the Committed Waste Period or the County Facilities Operation Period, the County and Committed Cities shall have the option to request Contractor to enter into negotiations with the County and Committed Cities as to whether and upon what terms some or all of the Waste Management Agency programs (that have not already otherwise been transferred to Contractor pursuant to Section 7.2) will be included within Contractor's operations. Upon determination that the Waste Management Agency, or a successor agency, will not be extended, the County shall provide written notice to Contractor requesting Contractor to enter into such negotiations and provide pricing and other proposed terms for Contractor's operations of the remaining Waste Management Agency programs. Upon County's notice to Contractor, the parties shall meet and confer in good faith to negotiate pricing and other terms for Contractor's operation of the requested programs. In the event the parties do not come to agreement over the pricing of the programs and other terms, the County shall have the option of notifying Contractor that the Waste Management Agency Fee, or a portion thereof, shall no longer be part of the Gate Rates.

ARTICLE 8.TRANSPORTATION SERVICES

8.1 Transportation of Waste.

A. General Obligation.

Contractor shall, in accordance with the terms of this Agreement, receive, accept and safely and lawfully transport all Waste delivered to the Transfer Stations to the Central Transfer Station/Materials Recovery Facility or the Landfill, as determined by Contractor in its discretion. Contractor shall assign sufficient transfer vehicles and equipment to haul Waste from all of the County Facilities.

A detailed scope of services required of Contractor in the performance of its Transfer Station operations and obligations (including transportation services and vehicle standards), under this Agreement is provided in Exhibit I herein.

Contractor shall be responsible and liable for any work associated with any Environmental Conditions arising as result of Contractor's transportation of Waste.

B. Litter Control.

Contractor shall enclose, cover and/or seal all vehicles used to deliver and transport Waste to contain all Waste and prevent spilling or scattering of Waste during transportation thereof. If any material is spilled from Contractor's or Prime Subcontractor's vehicles, whether on private or public property, Contractor shall promptly remove such Waste from the area no later than twenty-four (24) hours after the earlier of receipt of notice from County or Contractor's first having actual knowledge of the spill.

ARTICLE 9.WASTE DIVERSION

9.1 Educational Programs.

Contractor will assist the Waste Management Agency, in coordinating educational programs and materials desired by the Waste Management Agency. Contractor will coordinate with Waste Management Agency staff to ensure that consistent and accurate messages are sent to the community without duplication and at appropriate intervals.

9.2 Intent of Diversion Performance Standard.

The County, the City County Solid Waste Advisory Group (SWAG) and many of the communities within the region, have established as a goal the diversion from landfilling of eighty percent (80%) of all Waste generated in Sonoma County, including Source Separated Recyclable Materials and Organic Materials. In order to assist the County, the SWAG and the community in meeting their diversion goals, Contractor has identified that approximately 67,000 tons per year can be diverted from Disposal based on the material volumes and composition currently being delivered to the County Facilities for Disposal.

Therefore, Contractor's tonnage diversion goal for the Committed Waste Period, which is conditioned on the performance by the County and Committed Cities of their Waste delivery commitments to Contractor and the County Facilities, shall be 67,000 tons per year in accordance with this Article 9. Contractor's achievement of its annual diversion goal shall be excused to the extent that its achievement of that goal is prevented or materially hindered by reason of a Change in Law or Force Majeure Event, including, without limiting the generality of the foregoing, any Change in Law that no longer allows Contractor or the County to treat as diversion from Disposal the beneficial reuse at the Landfill or other facilities of Beneficial Reuse Materials, including Alternative Daily Cover materials, which are currently treated as diversion by Cal Recycle.

Contractor's diversion obligations in this Article 9 will not be in force or effect for any period following the expiration of the Committed Waste Period.

9.3 Waste Stream Subject to Contractor's Diversion Performance Standards.

The Contractor's tonnage diversion goal will be based on and limited to Contractor's diversion of materials from Disposal, measured as the total annual tonnage diverted from Disposal from the following combined waste streams received at the County Facilities:

- Committed County Waste;
- Committed City Waste;
- Self Haul Waste delivered to any of the County Facilities;
- Construction and Demolition Debris delivered to any of the County Facilities;

- Beneficial Reuse Materials generated in Sonoma County that are delivered to or generated at any of the County Facilities; and

- Diversion achieved by any recycling firms which are under Contractor's control, located at the County Facilities and Landfill Land.

9.4 Phase- In Period for and Duration of Contractor's Diversion Performance Standards.

Because of the need for Contractor to complete the design, permitting, construction and initial operation of the Materials Recovery Facility, Contractor's obligation to meet its tonnage diversion goal will not commence until following the first full year of operations of the MRF and shall continue in effect for each year thereafter during the Committed Waste Period.

9.5 Contractor's Inability To Meet Diversion Goals.

Should Contractor not achieve the tonnage diversion goal for any applicable one-year period during which Contractor's diversion goal is in effect, Contractor and County shall promptly meet and confer as to the reasons for Contractor's inability to achieve the diversion goal. Contractor may present evidence to the County that circumstances beyond the Contractor's reasonable control have interfered with or prevented Contractor from attaining the diversion goal. The County shall excuse Contractor from having to pay liquidated damages if Contractor can establish to the County's satisfaction, exercised in its sole discretion, that: (a) other Entities have taken, acquired or purchased Recyclables Materials that have been diverted from Disposal and that otherwise would have been diverted by Contractor; or (b) the composition or volume of the waste stream being delivered to Contractor has so materially changed that Contractor can no longer reasonably achieve the diversion goals.

As part of the parties obligation to meet and confer, Contractor shall prepare a Diversion Action Plan that details the steps Contractor will take to achieve the tonnage diversion goal. Contractor shall implement the Diversion Action Plan and shall have a twelve-month period to increase its diversion performance pursuant to this plan. If Contractor's annual diversion for the twelve-month period covered by the Diversion Action Plan achieves the diversion tonnage for that period, Contractor shall continue to implement the provisions of the Diversion Action Plan.

If Contractor fails to achieve its tonnage diversion goal for any year following the second year of MRF operations, and if the County does not in its discretion excuse Contractor's achievement of the tonnage diversion goal for that year or Contractor's achievement of the diversion goal is not excused by reason of a Change in Law or Force Majeure Event, then upon written demand from County, Contractor shall pay County liquidated damages based on the formula set forth in Section 9.6 below. Contractor shall pay County such liquidated damages within 60 days. County shall make its demand for the payment of liquidated damages from Contractor within 60 days from County's receipt of Contractor's diversion report for the year in question, otherwise Contractor shall have no further obligation to pay the County liquidated damages for that year.

9.6 Liquidated Damages for Failure To Meet Tonnage Diversion Goal.

A. Basis for Liquidated Damages.

The parties acknowledge that the diversion goals set forth in this Agreement is of utmost importance to County and that County has considered and relied on Contractor's representations as to its ability to achieve the minimum diversion goals. The parties further recognize that if Contractor fails to achieve the diversion performance standards, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages that County will suffer. Therefore, the parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Agreement, including the relationship of the sum to the range of harm to County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or inconvenient. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Company Initial here: MC

County Initial here:

B. Conditions for Assessment of Liquidated Damages.

Accordingly, Contractor shall be subject to liquidated damages for its failure to meet the tonnage diversion goal over any applicable one year period, if all of the following conditions are met:

(i) Contractor has diverted as an annual average less tonnage per year than required by the diversion goal set forth above; and

(ii) No Force Majeure Event or Change in Law has occurred that would excuse Contractor's inability to meet the tonnage diversion goal; and

(iii) County has not excused Contractor's inability to meet the diversion goal, after meeting and conferring with Contractor regarding the reasons for such inability.

C. Per Ton Liquidated Damages.

Should the foregoing conditions in Section 9.6 B be met, Contractor shall pay to the County as and for liquidated damages and not as a penalty, the sum of Fifty Dollars ($50.00) per ton for every ton by which Contractor has failed to meet the tonnage diversion goal for the prior year in question. These liquidated damages shall be the County's sole and exclusive remedy for Contractor's inability to meet its tonnage diversion goal. The amount of the liquidated damages shall be adjusted annually by the change in CPI.

D. Payment of Liquidated Damages.

Contractor shall pay any liquidated damages assessed by County within sixty (60) days after they are assessed. If they are not paid within the sixty (60) day period, County may proceed against the Security required by the Agreement.

9.7 Commercial Food Waste Program.

Unless and until the Future Compost Facility is developed and accepting Commercial Food Waste, Contractor agrees to process Commercial Food Waste at the following facility: West County Resource and Recovery Facility Food Waste and Green Waste composting facility, located in Richmond, California. Commercial Food Waste routes shall be implemented throughout Sonoma County by Contractor by July 1, 2014, and shall be continuously operated throughout the Committed Waste Period.

All Commercial Food Waste loads directed to this facility shall first be weighed at the scales at the Central Transfer Station and be charged the Gate Fees (including Concession Payments and Waste Management Agency Fees), so that the parties can track the tonnage of Commercial Food Waste sent to each such facility.

If the Future Compost Facility is designed, permitted, developed and constructed by the Waste Management Agency and such facility is able to accept and process Commercial Food Waste, Contractor agrees to deliver Commercial Food Waste to the Future Compost Facility without any adjustment to rates. If the per ton charge for the receipt and processing of such Commercial Food Waste at the Future Compost Facility is in excess of $36.20 per ton (for the outer Transfer Stations) or $34.10 per ton (for the Central Transfer Station), the County will pay the Contractor each month the difference between these threshold amounts and the per ton charge at the Future Compost Facility. Contractor shall have no obligation to design, permit, develop or construct the Future Compost Facility.

9.8 New Programs and Technology.

During the Committed Waste Period and the County Facilities Operations Period, the County, the Waste Management Agency, or any Committed City may consider the implementation of new or additional diversion programs, such as conversion technology or renewable energy, at the Facilities or at another facility located in the County of Sonoma that is owned or operated by Contractor or its Affiliate. Any party that desires to implement such a program may deliver written notice to the other parties generally describing the diversion concept and goal. Within a reasonable period of time after delivery of such notice, Contractor shall meet and confer with the County or such Committed City and discuss the feasibility, operational impacts and costs of such potential new or additional diversion programs. As a condition to Contractor implementing any new diversion program, the parties shall mutually determine the feasibility of implementation of the additional diversion programs.

Upon determining that a new diversion program is feasible, Contractor shall identify any additional equipment, resources, personnel or operational changes or practices required to implement the program and the parties will negotiate an appropriate adjustment to Contractor's compensation hereunder following the procedures in Sections 11.4.

ARTICLE 10.COUNTY CONCESSION PAYMENTS

10.1 County Concession Payment.

As consideration for County granting Contractor an exclusive right and concession to operate the County Facilities for the Committed Waste Period and any County Facilities Operations Period of this Agreement, Contractor has agreed to pay County a County Concession Payment to be assessed on Waste deliveries from and after the Effective Date, in the amount set forth in Exhibit R. The parties have negotiated the amount of the Concession Payment and County has agreed to structure the Concession Payment as a per ton charge on all Waste that is received after the Effective Date for the first time at any of the County Facilities (except for Beneficial Reuse Material, Special Waste and any residuals or Waste delivered to the County Facilities from any other processing or transfer facility in Sonoma County) and any Committed County Waste or Committed City Waste that is delivered to or enters into any other facility under control by Contractor through the County Waste Commitment and the Waste Delivery Agreements. As part of the agreed upon structure, the County has authorized Contractor to include the County Concession Payment as part of the Gate Rates established pursuant to this Agreement. The County Concession Payment shall be increased annually by the amount of the CPI percentage increase in the Contractor Service Fee.

In the event there is a lawsuit that invalidates the Concession Payment, such event shall be considered a Change in Law and the Concession Payment shall be restructured so it is no longer included as a component of the Gate Fees. In such event, the parties shall negotiate a structured payment that is designed to produce the expected amount of County Concession Payment revenues, in a manner that is revenue and cost neutral to the Contractor. If the parties are unable to agree to the restructured payment amount, either party may invoke the arbitration procedures set forth in Article 18.

10.2 Payment of Concession Payments.

Contractor shall pay the Concession Payment quarterly in arrears to the County on or before the 10th day of each quarter for the immediately preceding (most recently completed) quarter.

In addition to the County's other rights and remedies in the event of a failure of Contractor to make the Concession Payments, outstanding amounts of Concession Payments not paid when due shall bear interest at 7%, which interest shall accrue on the outstanding balance of the Concession Payments on a monthly basis.

10.3 Intent.

Contractor acknowledges that it is the intent of the parties that the County Concession Payments as set forth in this Section are a material and fundamental component of this transaction and the consideration provided hereunder to the County. Contractor shall not undertake, cause or take any action that seeks to bypass the use of the County Facilities or any other facility located within the County of Sonoma in order to avoid the payment or application of the County Concession Payment. The County Concession Payment is payment by the

Contractor to the County in consideration of the valuable exclusive concession being granted by the County to Contractor and is not any part of the Government Fee Component.

ARTICLE 11.CONTRACTOR'S COMPENSATION INVOICING REPORTING AND AUDITS

11.1 General.

The payments and other consideration in this Agreement to be received by Contractor (including payment of Contractor Service Fees, Gate Rates (to the extent retained by Contractor), Landfill Gas sales revenues and revenues from the sale of Recyclable Materials) are the full, entire and complete compensation due to Contractor for furnishing all labor, equipment, materials and supplies and all other things necessary to perform all of the services required by this Agreement in the manner and at the time prescribed, and for fulfilling all of its obligations under this Agreement, including its Assumed Liabilities, indemnity obligations and compliance with all Applicable Law. Unless otherwise provided specifically to the contrary elsewhere in this Agreement, such revenues shall include all costs for the items mentioned above and also for all agreed upon taxes, insurance, bonds, letters of credit, overhead, profit and all other costs necessary or appropriate for Contractor to perform its required services in accordance with this Agreement, as well as adequate compensation for all risks that are being taken by Contractor by reason of its execution and delivery of this Agreement.

In addition to the Contractor Service Fees, Contractor shall be entitled to receive and retain as additional compensation for Contractor's performance of this Agreement: (a) all revenues, tax credits and royalties arising from the Recycling, sale or re-use of Waste (including Recyclable Materials) received at any of the County Facilities during the Committed Waste Period and any County Facilities Operations Period; (b) all revenues, tax credits, royalties and other things of value arising from the sale, conversion into energy or re-use of Landfill Gas and Waste produced during the Term; and (c) all revenues, tax credits, royalties and other things of value arising from the sale or re-use of energy produced from Landfill Gas during the Term.

Except for Sections 11.1, 11.5, 11.8, 11.9 and 11.10, Contractor's, County's and the Committed Cities' rights and obligations in this Article 11 will no longer be in force or effect after (1) expiration of the Committed Waste Period and (2) when Contractor is no longer receiving waste commitment renewals from at least 60% of the then current Sonoma County waste stream, as provided in Sections 2.2, 2.3 and 12.5.

11.2 Gate Rates.

Contractor shall charge all Entities that deliver Waste to any of the County Facilities a Gate Rate determined pursuant to this Agreement; provided, however, that Waste received at one County Facility and transported to another (including Residuals from the Materials Recovery Facility) shall not be charged a second Gate Rate. The Gate Rate shall consist of three components:

- The Contractor Service Fee, which shall be the portion of the Gate Rate retained by Contractor as consideration for its performance under this Agreement; and

- The Government Fee Component; provided, however, that the Government Fee Component shall not apply to the Waste and materials as set forth in Section 11.6; and

- The County Concession Payment.

11.3 Contractor Service Fees.

Contractor shall be paid the Contractor Service Fees described in this Section. The Contractor Service Fees for Committed County Waste and Committed City Waste shall be charged to the Franchised Haulers for all Committed County Waste and Committed City Waste, but excluding Construction and Demolition Waste that would otherwise be County Committed Waste or City Committed Waste. Should the County or a City elect during the Committed Waste Period to have its Waste delivered to the County Facilities using City forces, the County or City as the case may be shall be treated as the "Franchised Hauler" for that jurisdiction for purposes of this Article.

Subject to Section 11.5, the Contractor Service Fees established for Self Haul Waste and Construction and Demolition Waste shall be determined in the sole discretion of the Contractor and shall be paid for such Self-Haul Waste and Construction and Demolition Waste by the Entity that delivers the Self-Haul Waste and Construction and Demolition Waste to any of the County Facilities.

Commencing on the Effective Date, Contractor is authorized to charge all incoming Committed County Waste and Committed City Waste (but excluding Construction and Demolition Waste) a Contractor Service Fee in the amount set forth in Exhibit S, subject to adjustment as provided herein.

11.4 Adjustments to Contractor Service Fees.

A. Inflation Indices.

The Contractor Service Fees for Committed County Waste and City Committed Waste shall be increased annually on each Adjustment Date, by ninety percent (90%) of the twelve month average increase, if any, in the CPI, provided, however that, such adjustment shall not exceed three and one-half percent (3.5%) in any one year ("Maximum CPI Adjustment"). In the event, there is a decrease in the CPI, the Contractor Service Fees shall not be reduced from their then current amounts, however, such decrease shall be credited at the next Adjustment Date where there is an increase in CPI. Likewise, if CPI exceeds three and one-half percent (3.5%) in any one year period, the disallowed excess shall be carried over to the next Adjustment Date or Dates where the CPI adjustment is less than 3.5% up to a Maximum CPI Adjustment. The first Adjustment Date shall be the one year anniversary of the Effective Date, and each subsequent anniversary thereof shall be an Adjustment Date.

The CPI adjustment factor for the first Adjustment Date shall be determined by using the percentage increase in the CPI for the most recent twelve month period for which data is available but which data is also available no later than 60 days before the Adjustment Date. For subsequent Adjustment Dates, the CPI data for the subsequent twelve month period shall be used

if the data for such period is available no later than 60 days before the before the Adjustment Date; if not, data for the most recent twelve month period shall be used.

Contractor's Service Fees as of the Effective Date for Committed County Waste and City Committed Waste shall therefore be adjusted effective as of the Adjustment Date by the percentage which is equal to ninety percent (90%) of the increase in the CPI.

Contractor shall provide County and Committed Cities with 30 days' advance written notice of its intent to adjust the Contractor Service Fees for Committed County Waste and Committed City Waste for this purpose.

If the indices used to compute the annual inflationary adjustment are discontinued or revised by the United States Department of Labor during the Committed Waste Period, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the indices had not been discontinued or revised. The County shall approve any replacement indices in its reasonable discretion.

B. Changes in Law and/or Force Majeure.

The Contractor Service Fees for Committed County Waste and Committed City Waste in Exhibit S already include all costs associated with complying with all existing Applicable Law (including, but not limited to, Environmental Laws) applicable to the County Facilities as of the Execution Date. The purpose of this Subsection B is to: (a) define those Applicable Laws for which the cost of compliance has already been included, (b) define those Applicable Law which may be enacted in the future, or changes in the interpretation of current laws and regulations, the costs of which may be the basis for an increase in the Contractor Service Fees for Committed County Waste and Committed City Waste; (c) identify costs that might otherwise be regarded as resulting from a Change in Law but which, due to the reasons they were incurred by Contractor, shall not result in an increase in the Contractor Service Fees for Committed County Waste and Committed City Waste; and (d) provide for rate adjustments based on Force Majeure Events.

The costs to comply with all Applicable Law in existence as of the Execution Date are already included in the Contractor Service Fees for Committed County Waste and Committed City Waste, which fees are set forth in Exhibit S.

Contractor shall be entitled to an adjustment as provided herein for any Change in Law or Force Majeure Event that occurs during the Committed Waste Period. Furthermore, and without limiting the generality of the foregoing sentence, the Contractor Service Fees for Committed County Waste and Committed City Waste will be increased as a result of any Change in Law or Force Majeure Event that directly adopts, promulgates or increases any federal, state or local fee, tax or surcharge applied to Contractor's property rights or operations at any of the County Facilities, but such increase shall only be in an amount that reimburses Contractor for the actual bona fide out-of-pocket incremental increase in costs to Contractor (without profit, overhead or mark-up). Contractor shall allocate increased per ton operating costs equally across all tons of Waste, excluding Green Waste, then being delivered to the County Facilities by any Entity. Contractor shall allocate capital costs (i.e., costs for cell construction and other permanent

improvements to any of the County Facilities that would normally be treated as capital costs under Generally Accepted Accounting Principles) over the remaining: (a) capacity of the Landfill to the extent the Change in Law or Force Majeure Event causes an increase in capital costs of operating, closing or maintaining the Landfill; or (b) Committed Waste Period or the estimated County Facilities Operations Period, whichever is longer, to the extent the Change in Law or Force Majeure Event causes an increase to the cost of operating the Transfer Stations or Materials Recovery Facility. Notwithstanding the generality of the foregoing, should a possessory interest tax or similar tax be imposed on Contractor's property rights, licenses or operations under this Agreement, this tax shall be treated as a Change in Law and Contractor shall be entitled to a rate adjustment in accordance with this paragraph to compensate Contractor for the additional costs arising out of such tax.

The following categories of costs are not considered to arise from a Change in Law or Force Majeure Event and are hereby excluded from eligibility for an adjustment in the Contractor Service Fees due to a Change in Law or Force Majeure Event:

1. any costs which result from, arise out of or are caused by (A) any unexcused failure to perform or a breach of this Agreement by Contractor or any member of the Contractor Parties, (B) any unexcused violation of or non-compliance with Applicable Law by Contractor or any member of the Contractor Parties, or (C) any negligence, recklessness, willful misconduct, fault, culpable act or culpable omission by Contractor or any member of the Contractor Parties; and

2. any cost resulting from a Change in Law or Force Majeure Event that has a cost impact of less than $50,000 per year (as such amount is adjusted annually by 3% per year during the Committed Waste Period or the County Facilities Operations Period) (provided that Contractor shall be entitled to compensation through a rate adjustment for all costs, starting with the first dollar, associated with a Change in Law having a cost impact of $50,000 or more per year); and

3. any change in a Permit solely initiated by Contractor, except to the extent such Permit change is required to comply with Applicable Law; and

4. any fines or penalties imposed on Contractor or any member of the Contractor Parties.

C. Process for Requesting an Increase in Gate Rates Resulting from Change in Law or Force Majeure Event.

If Contractor believes that complying with a Change in Law or responding to a Force Majeure Event will increase the costs of operating any of the County Facilities by more than $50,000 per year (as such amount is adjusted annually by the change in CPI), or of performing Closure or Post-Closure of the Landfill, or otherwise performing under this Agreement, then Contractor must follow the procedures in this subsection before the Contractor Service Fee for Committed County Waste and Committed City Waste will be adjusted.

1. Following the occurrence of a Change in Law or Force Majeure Event, and before being entitled to any adjustment in Contractor Service Fees, Contractor shall give the

County and the Committed Cities written notice specifically describing the Change in Law or Force Majeure Event, describing the Contractor's efforts to mitigate the Force Majeure Event, identifying any resulting changes required in Contractor's performance under this Agreement, stating when compliance is required, and explaining whether the Contractor is eligible for and has applied for and pursued any exemptions or variances. Contractor shall also provide evidence documenting that the Change in Law or Force Majeure Event meets the definition of a Change in Law or Force Majeure Event. Contractor shall be required to apply for and pursue any available exemptions or variances before seeking any adjustment in Contractor Service Fees.

2. Contractor shall submit to the County its proposed method for complying with or addressing the Change in Law or Force Majeure Event, the estimated net actual out-of-pocket cost of compliance or response, and the associated adjustment necessary in the Contractor Service Fees. Contractor shall provide County with access to its operations and Transactions Records in order to evaluate the proposed method of compliance. County may comment on this proposal and Contractor shall consider such comments before submitting any compliance proposal to any Governmental Authority. Contractor shall have a duty to mitigate the cost of compliance with the Change in Law or addressing the Force Majeure Event and shall use reasonable efforts to determine, propose and implement the least costly response.

3. Contractor shall submit the proposed method of compliance or response, if required or applicable, to the appropriate Governmental Authority. If the appropriate Governmental Authority approves that method or response without conditions, the cost necessary to implement that method of compliance or response shall be allocated proportionately across the tonnage of Waste generated within the County and delivered to the County Facilities, and net of any offsetting cost reductions as determined in accordance with this Section. The amount by which the Contractor Service Fees may be adjusted shall be subject to County review and written approval, which shall not be unreasonably withheld.

4. If Contractor's proposed method or response (if any is required) is not approved by the appropriate Governmental Authority, Contractor will implement the least costly method of compliance or response which is approved by the Governmental Authority. The costs necessary to implement that method of compliance or response will be used to calculate the amount allocated proportionately across the tonnage of Waste generated within Sonoma County and delivered to the Landfill, Transfer Stations and/or Materials Recovery Facility and net of any offsetting cost reductions, as determined in accordance with this Section. The amount by which the Contractor Service Fees may be adjusted shall be subject to County review and written approval, which shall not be unreasonably withheld.

5. If the parties fail to reach agreement on the appropriate adjustment to Contractor's Service Fees or any related issue described in this Subsection, either party may submit the matter to Dispute Resolution.

D. <u>Most Favored Customer Clause.</u>

Unless the County agrees in writing, Contractor shall not charge a Contractor Service Fee to any public agency within Sonoma County for the delivery of Waste to any of the County Facilities or any facility owned or operated by Contractor within Sonoma County that is lower

than the Contractor Service Fee applicable to such type of Waste that is delivered to the County Facilities under this Agreement by the County or any of the Committed Cities. This provision shall not apply to Beneficial Reuse Material or Special Waste. It shall also not apply to Self Haul Waste that is not generated by a public agency.

11.5 Contractor Service Fees For All Self-Haul Waste.

Contractor shall at its sole discretion set the Contractor Service Fees for all Self-Haul Waste delivered to the County Facilities; provided, however, that: (a) Contractor's Service Fees for a given category of Self-Haul Waste shall not be more than five percent (5%) higher than the Contractor Service Fees to the County and Committed Cities for that category of Waste; and (b) Contractor Service Fees for Self-Haul Waste disposed of in the Landfill shall include a charge for cell development and for Closure and Post-Closure that is no less in dollar amount than the charge for these components in the Contractor Service Fees to the County and Committed Cities, but this proviso (b) does not apply to Beneficial Reuse Materials.

The intent of this provision is that Self-Haul Waste that is received at the County Facilities shall pay its fair share for cell development and Closure and Post-Closure costs. The Gate Rate for all Self-Haul Waste delivered to any of the County Facilities shall consist of the Contractor Service Fees for Self-Haul Waste plus the Government Fee Component and the County Concession Payment.

If not all Committed Cities elect to extend their Waste Delivery Agreements with Contractor (i.e., where jurisdictions elect to extend their Waste Delivery Agreements that represent 60% or more but less than 100% of the previously Committed Waste), then Contractor shall accept such Waste to the extent there is remaining capacity at the Landfill to enable Contractor to fulfill its obligations to the jurisdictions that have then currently committed their Waste to the County Facilities and Landfill, and shall charge a per ton Contractor Service Fee for non-Committed Waste delivered to the County Facilities from these jurisdictions (that do not extend their Waste Delivery Agreements) that is no lower than the Contractor Services Fees charged to any jurisdiction that has at that time committed its Waste to Contractor and the County Facilities.

11.6 Governmental Fee Component.

The initial Government Fee Component of the Gate Rate which shall be applicable to Committed County Waste and Committed City Waste and Self Haul Waste Disposed of in the Landfill shall be $7.50 per ton. Except as provided in Section 11.8 with respect to Waste Management Agency Fees, the initial Government Fee Component for tonnage Disposed of in the Landfill consists of the following state and local fees, taxes and surcharges applied to operations at the County Facilities:

- State of California AB1220 Fee
- Waste Management Agency Fee (as set forth in Section 11.8)
- Local Enforcement Agency Fee

For Beneficial Reuse Materials, the Government Fee Component shall be zero.

For Special Waste and any residuals or Waste delivered to the County Facilities from any Third Party processing or transfer facility in Sonoma County that are Disposed of in the Landfill, such materials shall be charged only the State of California AB 1220 Fee and the Local Enforcement Agency Fee.

For Green Waste delivered to any County Facility for composting, the Government Fee Component shall be only the Waste Management Agency Fee on Green Waste delivered for composting. Contractor shall only be responsible for remitting Gate Fees paid by entities delivering Green Waste to any County Facility to the County or the Waste Management Agency.

No new, additional or increased fees, taxes or surcharges shall be imposed by County on any of Contractor's activities, operations or performance under this Agreement, or otherwise imposed on Contractor by County, except as mutually agreed by County and Contractor. Should County breach this covenant, County shall promptly reimburse Contractor for all such new, additional or increased fees, taxes or surcharges. Any new, additional or increased mutually agreed fees, taxes or surcharges shall be added to the Governmental Fee Component and will thereby reflected in an increased Gate Rate at the County Facilities to be collected by Contractor on incoming Waste at the scalehouses.

Any new, additional or increased fees, taxes or surcharges imposed on Contractor's activities or operations under this Agreement by any Governmental Authority other than the County shall be treated as a Change in Law.

11.7 Invoicing.

Contractor is responsible for submitting monthly invoices to the County or a City's Franchised Hauler, requesting payment for all County and/or City Disposal Tonnage delivered by each Franchised Hauler to any County Facility during the prior month. On or before the fifteenth (15^{th}) day of each month, and beginning with the month immediately following the month in which work commences under this Agreement, Contractor shall invoice the Franchised Hauler in a format and level of detail reasonably required by the Franchised Hauler and consistent with this Agreement. County or City Franchised Hauler, as applicable, shall pay Contractor within thirty (30) days of receipt of an invoice. Contractor agrees that payment by County or City Franchised Hauler to Contractor shall not constitute nor be deemed a release of the responsibility or liability of Contractor, its employees, subcontractors, agents and consultants for the services performed hereunder nor shall such payment be deemed to be an assumption of responsibility or liability by County for any defect or error in such services.

The County or City Franchised Hauler may request clarification and/or additional information about an invoice. Such a request shall be in writing and shall describe the information requested with reasonable specificity. Contractor shall furnish the clarification and/or additional information requested promptly and in any event within thirty (30) days from the date of the request.

If the County or City Franchised Hauler disputes a portion of an invoice, it shall pay the undisputed portion within thirty (30) days and notify Contractor, in writing and in reasonable

detail, of the reason(s) for nonpayment of the disputed amount. The parties shall promptly meet and confer regarding any disputed portion of an invoice. If the parties fail to reach agreement within 14 days of the Contractor receiving notice of the Franchised Hauler's dispute, either party may submit the matter to Dispute Resolution.

The provisions in this Article shall apply with equal force to the County or a Committed City if the County or a Committed City performs its own Waste collection.

11.8 Waste Management Agency Fee.

For the life of the Waste Management Agency, Contractor shall charge a Waste Management Agency Fee, in the amount set forth in Exhibit T, as part of the Government Fee Component on all Waste that is received for the first time at any of the County Facilities (except for Beneficial Reuse Material, Special Waste and any residuals or Waste delivered to the County Facilities from any other processing or transfer facility in Sonoma County) and any Committed County Waste or Committed City Waste that is delivered to or enters into any facility that is owned or operated by Contractor or any Affiliate. The Waste Management Agency Fee on collected Gate Rate revenues shall be provided to County monthly for the County to deposit with the Waste Management Agency. Should the Waste Management Agency Fee increase or decrease, Contractor shall adjust Gate Rates to pass through such increase or decrease; provided, however, that the Waste Management Agency Fee shall at no time be greater than $5.95 per ton for Self Haul Waste.

11.9 Scales; Reporting and Audit Rights; Reconciliation.

A. Operation of Scales.

Contractor shall maintain, in accordance with Applicable Law, at least one State certified motor vehicle scale at each of the County Facilities. Contractor shall operate such scales during each County Facility's receiving hours, provided that Contractor shall provide County with access to weighing information during such operating hours and shall provide copies of weigh records on the next business day after a request for such records. To the extent that the scale is inoperable, being tested or otherwise unavailable for a period of 7 consecutive days, Contractor shall substitute portable scales until the permanent scale is replaced or repaired. During such 7 day period, Contractor shall reasonably estimate the weight of the incoming Waste and convert the weight to tonnage, in each case, using Prudent Solid Waste Practices. Contractor shall arrange for any inoperable scale to be repaired as soon as possible. Contractor shall test and calibrate all scales in accordance with Applicable Law, but at least every 12 months. Contractor shall provide County with copies of test results. Contractor shall further test and calibrate any or all scales upon written request by County, within 5 business days of such request, if the County reasonably believes that the scales are not calibrated in accordance with Applicable Law. If such test results indicate that the scale or scales did not comply with Applicable Law, Contractor shall, at its own cost, adjust and correct, consistent with the results of such test, all weight measurements recorded and tip fees, County Concession Payment and Waste Management Agency Fees calculated, charged and paid, as the case may be, from the date of such written request to test.

B. Recordkeeping.

Contractor shall keep accurate and detailed books of account and records in accordance with generally acceptable accounting principles consistently applied regarding any and all transactions conducted involving Transaction Records. The Transaction Records shall include all records, receipts, journals, ledgers and documents reasonably necessary to enable the County or its auditors or accountants to perform a complete and accurate audit of County Concession Payment and the Waste Management Agency Fees in accordance with generally accepted accounting principles. Contractor shall retain the Transaction Records for a period of not less than 5 years after the end of the calendar year covering such Transaction Records. Copies of all Transaction Records shall be kept at a location selected by Contractor that is not more than 100 miles from the County's administrative offices at 2300 County Center Drive or such other location as is approved by the County in its reasonable discretion. The County shall be entitled at all times during regular business hours to access, review and copy the Transaction Records, including without limitation, reviewing the daily transaction receipts for all Waste delivered to the County Facilities.

C. Quarterly Reports.

Concurrently with the quarterly payment of the County Concession Payment and the Waste Management Agency Fees as provided herein, Contractor shall deliver to the County a report setting forth:

1. The County Concession Payment and Contractor's calculation thereof, including tons of Waste upon which the County Concession Payments has been applied;

2. The Waste Management Agency Fee and Contractor's calculation thereof, including tons of Waste upon which the Waste Management Agency Fee has been applied;

3. Tons of Waste delivered to the Landfill for disposal during the preceding (most recently completed) calendar quarter, which must be accompanied by the weight records and disposal tickets for such quarter as well as any voided disposal tickets during such quarter;

4. Tons of Waste delivered to each of the Transfer Stations during the preceding (most recently completed) calendar quarter, the customer, the ton of Waste delivered by such customer, and the rates paid by such customer on a per ton basis for delivering such Waste;

5. The amounts of regulatory fees, on a per ton and aggregate basis, incurred and paid during the preceding (most recently completed) calendar quarter as a result of the Waste Disposed of in, on or at the Landfill, such information and calculations to be separately set forth by regulatory agency and applicable charge;

6. Tons of Waste from any source within the County of Sonoma that are delivered by any member of the Contractor Parties to any facility other than the County Facilities during the preceding (most recently completed) calendar quarter, whether such facility is located within or outside of the County of Sonoma, such information to be accompanied by weight records and disposal tickets on a per vehicle basis;

7. The Gate Rates applied to Waste collected or generated within Sonoma County (a) from any City that is not a Committed City and (b) from any public agency in the County of Sonoma (other than the County and the Committed Cities) that is delivered to the Landfill, or the Materials Recovery Facility, any of the Transfer Stations or any other facility owned or operated by Contractor, Prime Subcontractor or any Affiliate, which facility is located within the County of Sonoma or used by Contractor for disposal of Waste from the County of Sonoma, including any discounts, rebates, free disposal and similar concessions provided to such City or other public agency;

8. Tons of Waste during the preceding (most recently completed) calendar quarter that are considered Committed County Waste, allocated by Transfer Station or other County facility to which such Waste has been delivered;

9. For each Committed City, tons of Waste during the preceding (most recently completed) calendar quarter that are considered Committed City Waste, allocated by Transfer Station or other facility to which such Waste has been delivered;

10. For each City other than a Committed City, tons of Waste collected or generated within Sonoma County during the preceding (most recently completed) calendar quarter that have been delivered to the County Facilities (on a Transfer Station by Transfer Station basis);

11. Tons of Waste collected or generated within Sonoma County during the preceding (most recently completed) calendar quarter that are considered Self-Haul Waste (other than that which is reported under clause (10) above) and which have been delivered to the County Facilities (on a Transfer Station by Transfer Station basis; and

12. Tons of Waste diverted from Disposal during the preceding (most recently completed) calendar quarter.

D. Annual Reports.

Concurrently with the delivery of the final County Concession Payments and Waste Management Agency Fee payment made in any calendar year (due and payable on or before each January 10th after the Effective Date), Contractor shall provide the County with an annual report, summarizing and aggregating each of the items specified in Section 11.9 C, in addition to the following:

1. an analysis of the changes to the airspace of the Landfill since the previous report, if any;

2. an analysis of the remaining capacity of the Landfill;

3. a projection of the remaining life of the Landfill;

4. any and all filings made with any Governmental Authority regarding the Facilities and any and all notices of violation from any Governmental Authority relating to the Facilities; and

5. any and all reports required by the Waste Management Agency to comply with solid waste diversion reporting requirements

6. an analysis of the total diversion achieved under this Agreement including appropriate documentation establishing Contractor's compliance with meeting the diversion requirements of Section 9.2, in a format acceptable to County.

E. Annual Presentation to County and Waste Management Agency.

During the Committed Waste Period, Contractor shall present a report annually to the Board and the Waste Management Agency on the progress made toward achieving the goals established in the Agreement (e.g., diversion goals, greenhouse gas reductions, Commercial Food Waste program, any new activities and programs, etc.).

F. Disposal Reports to Governmental Authorities.

Within 10 days after Contractor submits the quarterly and annual disposal reporting system reports to the Governmental Authorities, Contractor shall send a full copy thereof to the County.

G. Auditing.

The County, upon not less than 5 business days' prior notice to Contractor, may cause an audit to be made of the County Concession Payments, the Waste Management Agency Fees, the diversion tonnage requirements and all of the Transaction Records necessary (in the County's reasonable judgment) to audit such fees and obligations hereunder. Contractor will make all such books and records available to the County and its consultants for such audit at the office located at the Landfill. Contractor shall cooperate with the County in connection with such audit and shall make available to the County and its consultants performing the audit personnel who are knowledgeable about the operations at the Facilities and the Transaction Records. Audits under this Section may be conducted once each calendar year, in the sole discretion of the County, or at such other time as the County, acting reasonably, believes that there has been an underpayment of County Concession Payments or Waste Management Agency Fees.

If the audit discloses an underpayment of the County Concession Payments or Waste Management Agency Fees, Contractor shall immediately pay to the County the amount of the underpayment, with interest at a rate equal to 7% per year from the date such underpayment was originally due until such amount, including accrued interest, is fully paid, which interest shall accrue and compound on the outstanding balance of the County Concession Payments and Waste Management Agency Fees, as applicable, on a monthly basis. If the audit discloses an underreporting of County Concession Payments or Waste Management Agency Fees in excess of 2% over the time period covering such audit, then Contractor shall also immediately pay to the County all actual internal and external costs and expenses associated with the audit and with collecting the underpayment. If the audit discloses an overpayment of County Concession Payments or Waste Management Agency Fees, Contractor shall be entitled to a credit against the next payment of County Concession Payments or Waste Management Agency Fees due the County, with interest at a rate equal to the current rate of return on County investments from the

date such overpayment was originally made until such amount, including accrued interest, is fully repaid through the use of such credits.

Notwithstanding the foregoing, either party may request Dispute Resolution before any payment or credit is due to the other party, and such payment or credit will be deferred until the conclusion of Dispute Resolution. The amount determined to be owed by one party to the other as a result of such Dispute Resolution shall then be paid or refunded within 30 days of the final decision of the arbitrator, plus interest as provided above.

11.10 Miscellaneous.

The making of any payment to Contractor does not imply acceptance of work, nor lessen Contractor's responsibility to correct unsatisfactory work whether or not the unsatisfactory character of such work was apparent or detected at the time such payment was made.

ARTICLE 12.WASTE FLOW COMMITMENTS AND CONDITIONS TO EFFECTIVENESS OF AGREEMENT

12.1 County Commitment.

A. Waste Commitment.

At all times during the Committed Waste Period, the County shall deliver and/or shall cause its Franchised Hauler(s) to deliver all Committed County Waste to the Contractor and the County Facilities.

B. Commitment Term.

The term of the County's Waste delivery commitment to Contractor shall be 20 years commencing on the Effective Date of this Agreement, which may be extended by a mutual written agreement signed by both of the parties or as provided in this Article.

12.2 Exclusions from County Commitment.

A. As used in this Agreement, "Committed County Waste" excludes:

(i) Construction and Demolition Wastes, except to the extent the County has exercised Flow Control over such Waste or the County's Franchised Hauler has agreed to deliver such Waste to the County Facilities;

(ii) Source Separated Recyclable Materials (but Committed County Waste includes the residuals requiring Disposal resulting from the processing of Source Separated Recyclable Materials and Waste delivered to any of Prime Subcontractor's recycling and materials recovery facilities in Sonoma County);

(iii) Self-Haul Waste; and

(iv) Committed City Waste.

B. Whenever a Franchised Hauler's contract, authorization, permit, license or franchise agreement is issued, granted, renewed (excluding a renewal on the basis of a unilateral option of the Franchised Hauler), extended or materially modified after the Execution Date, the County shall incorporate language in such contract, authorization, permit, license or franchise agreement, requiring the Franchise Hauler to deliver all Committed County Waste to the County Facilities.

12.3 Conditions to Effectiveness of Agreement.

12.3.1 Conditions for Benefit of Contractor.

This Agreement shall not become effective, and the parties shall have no obligations to each other by reason of this Agreement, until the following conditions precedent have been met

to the sole satisfaction of Contractor. These conditions are solely for the benefit of Contractor and Contractor in its sole discretion may unilaterally waive all or any part of these conditions.

A. Waste Flow Commitments.

All of the Cities listed below shall have entered into Waste Delivery Agreements with Contractor in the form set forth in Exhibit J or such other form as is satisfactory to Contractor, whereby each City has agreed to deliver and/or shall cause all of their Franchised Haulers to deliver all Committed City Waste to the Contractor and County Facilities for a minimum period of twenty years, commencing on the Effective Date. The Cities that must enter into such Waste Delivery Agreement to satisfy this condition are: Cloverdale, Cotati, Healdsburg, Rohnert Park, Santa Rosa, Sebastopol, Sonoma and the Town of Windsor.

B. Water Treatment Plant Discharge Agreement and Permits.

Contractor has received as the operator of the Landfill a valid permit for Leachate Disposal with the Water Treatment Plant and the City of Rohnert Park for use of their trunk and sewer line, in a form satisfactory to Contractor in its sole discretion, allowing acceptance of Leachate generated from the Landfill at the rate of $0.00524 per gallon.

C. Landfill and Landfill Expansion Permits.

Contractor has received as the operator or discharger of the Landfill a Solid Waste Facilities Permit, Waste Discharge Requirements, NSPS permit and all other Permits required for the operation of the Landfill and the construction and operation of an additional minimum 7.8 million cubic yards of new Disposal capacity adjacent to the existing Landfill and on the Landfill Land, which Permits shall be in a form satisfactory to Contractor in its sole discretion

D. Validity of Board of Supervisors Approval of this Agreement.

The Board of Supervisors shall have duly authorized the County's signing and performance of this Agreement, and of all of the County's obligations in this Agreement shall be legally enforceable and binding obligations of the County.

E. Accuracy of County Representations.

The County's representations in Section 17.2 and throughout this Agreement shall be true and correct and not contain a material omission as of the Execution Date and as of the Effective Date.

F. Leachate Pipeline Litigation.

The dismissal with prejudice of the County in the construction litigation concerning the Leachate Pipeline [Case No. SVC-249432 (Lead Case) Consolidated with SCV-238809].

12.3.2 Conditions for Benefit of County.

The obligation of the County to permit this Agreement to become effective and to perform its undertakings provided for in this Agreement is subject to the satisfaction of each and all of the conditions set forth below, each of which may be waived in whole or in part by the County.

A. Waste Flow Commitments.

All of the Cities listed below shall have entered into Waste Delivery Agreements with Contractor whereby each City has agreed to deliver and/or shall cause all of their Franchised Haulers to deliver all Committed City Waste to the Contractor and County Facilities for a minimum period of twenty years, commencing on the Effective Date. The Cities that must enter into such Waste Delivery Agreement to satisfy this condition are: Cloverdale, Cotati, Healdsburg, Rohnert Park, Santa Rosa, Sebastopol, Sonoma and the Town of Windsor. In addition, at County's prompt request, any material covenant or condition agreed to between Contractor and a Committed City in a Waste Delivery Agreement that is materially more favorable than the comparable term or condition in this Agreement, shall be incorporated into this Agreement for the benefit of County by way of acknowledgment by both parties.

B. Landfill and Landfill Expansion Permits.

Contractor has received as the operator or discharger of the Landfill a Solid Waste Facilities Permit, Waste Discharge Requirements, NSPS permit, Leachate Disposal Permit from the Water Treatment Plant and all other Permits required for the operation of the Landfill and the construction and operation of an additional 7.8 million cubic yards of new Disposal capacity adjacent to the existing Landfill and on the Landfill Land.

C. Settlement Agreements With Cities.

The County and the Committed Cities shall each have entered into written Settlement Agreements pertaining to the Committed Cities' alleged liabilities arising out of or relating to the County Facilities.

D. Delivery of Contractor's Financial Security Instruments to County.

The Contractor shall have delivered to County the Contractor's Proof of Insurance, Letter of Credit and signed and duly authorized parent company Corporate Guaranty as described in Article 14.

E. Delivery of Signed Operations Agreement between Contractor and Prime Subcontractor

The Contractor shall have delivered to County a signed copy of the Operations Agreement between Contractor and the Ratto Group of Companies, Inc. Furthermore, Prime Subcontractor or its Affiliate, acting in its capacity as the County's franchised hauler, shall execute a rider to this Agreement whereby it shall agree to provide the new collection programs

described in this Agreement for no additional charge to its customers other than as reflected in the Contractor's Service Fee.

F. Accuracy of Contractor's Representations.

The Contractor's representations in Section 17.1 and throughout this Agreement shall be true and correct and not contain any material omission as of the Execution Date and as of the Effective Date.

G. Legal Opinion

A legal opinion, in the form of Exhibit U, from California and such other applicable outside counsel to Contractor and Guarantor with respect to (i) the formation, existence and standing of Contractor and Guarantor; (ii) the valid authorization, execution and delivery by Contractor of this Agreement, and the enforceability thereof; and (iii) the valid authorization, execution and delivery by Guarantor of the Guaranty and the enforceability thereof.

H. Termination of Sunrise Garbage Lease.

County and Prime Subcontractor shall enter into a termination agreement whereby that certain Sunrise Garbage Lease shall be deemed to be terminated upon the Effective Date of this Agreement.

12.3.3 Obligations of the Parties Between the Execution Date and the Effective Date.

A. Contractor Obligations.

1. **Interviewing/Hiring of Impacted County Employees.** Within 45 days of the Execution Date, Contractor shall have completed interviews of Impacted County Employees pursuant to Section 4.12 of this Agreement. Within 75 days of the Execution Date, Contractor shall make tentative offers of employment to the selected employees.

2. **Permit Applications.** Within 30 days of the Execution Date, Contractor shall apply for necessary permits, including the Water Treatment Plant permit.

3. **Notice of Transition.** Contractor shall provide County with 30 days prior notice (the "Transition Notice") of when Contractor shall be ready to transition the operations.

B. County Obligations.

1. **Transition of Utilities.** Within 10 days of the Transition Notice, County shall commence the separate metering of the utilities and complete the separation prior to the Effective Date.

2. **Employee Transition.** Within 10 days of the Execution Date, County shall provide notices to Impacted County Employees in order to provide the Impacted County Employees with a minimum of 90 days' notice prior to any layoffs.

3. **Assignment of Contracts.** County shall take appropriate steps to assign the Assigned Contracts, including providing notice to the vendors of the assignment and seeking consents to assignment for those contracts that County and Contractor desire to assign to Contractor but are subject to the consent of the vendor.

12.4 Commitment of Waste Limitations.

A. The commitment of Waste by the County or a Committed City is not a guaranty of any amount of Waste flow, nor does it represent a "put or pay" relationship. Contractor acknowledges that the actual Waste flow may be higher or lower than its projections, proposal assumptions or historical averages.

B. Notwithstanding the commitment of Waste by the County and any Committed City as described herein, such commitment is not a guaranty of payment. Contractor shall be solely responsible for invoicing the Franchised Haulers and other Entities delivering Waste and shall be solely responsible for obtaining such payments from such Franchised Hauler or other Entity. Neither the County nor such Committed Cities shall have any responsibility or liability for unpaid amounts unless the County or the Committed Cities, as applicable, are directly hauling the Waste to the County Facilities; provided, however, the County agrees that:

1. Contractor shall not be obligated to accept Waste deliveries from any Franchised Hauler or other Entity delivering Waste to any of the County Facilities if said Franchised Hauler or other Entity is delinquent more than 45 days in paying any invoices from Contractor for the Gate Rates applicable to the prior deliveries of Waste by said Franchise Hauler or other Entity;

2. Contractor at its sole discretion may place any Franchised Hauler or other Entity on a COD (Cash on Delivery) payment basis if the Franchised Hauler or other Entity is delinquent more than 45 days in paying any invoices from Contractor for the Gate Rates applicable to the prior deliveries of Waste by said Franchise Hauler or other Entity, or may refuse all deliveries from such Franchised Hauler or other Entity until the delinquent account is brought current;

3. Each County and Committed City committing to deliver its Waste to Contractor and the County Facilities shall take prompt enforcement action against its Franchised Hauler if said hauler does not timely pay Contractor's invoices to the Franchised Hauler for the delivery of Waste from the local agency's jurisdiction to Contractor. Without limiting the generality of the foregoing, if a Franchised Hauler is more than sixty (60) days delinquent in paying any of Contractor's invoices, then upon Contractor's request the local agency shall immediately deliver a written notice to its Franchised Hauler, notifying the Franchised Hauler that the local agency will take prompt enforcement action against the Franchised Hauler's if the Contractor's invoices are not immediately paid, and that such enforcement action may include measures up to and including termination of the Franchise Hauler's rights to collect Waste in the local agency's jurisdiction. Furthermore, if thirty (30) days after delivery of such notice the Franchised Hauler has still not paid in full all such of the delinquent invoices, the local agency shall promptly notice a hearing before its council or board to take all reasonable enforcement measures necessary (including up to termination of the Franchise Hauler's right to collect Waste

in the local agency's jurisdiction) to compel the Franchise Hauler to pay Contractor's invoices in full, and shall take all such enforcement actions as necessary.

C. A breach or default by a Committed City as to its commitment of Committed City Waste under this Section shall not be considered a breach or default by the County or any other Committed City. A breach or default by the County as to its commitment of Committed County Waste under this Section shall not be considered a breach or default by any Committed City. In no event shall the County have any obligation for any Committed City or any Committed City have any obligation for the County or any other Committed City and no joint or several liability shall apply under any circumstance.

12.5 Option to Extend County Facilities Operations Period and Waste Commitments.

In addition to the Contractor's option to extend the County Facilities Operations Period set forth in Section 2.1, and the provisions of Section 2.2, the County and the Committed Cities shall also each independently have 6 successive options to extend the County Facilities Operations Period if they also elect to continue to commit their respective Waste flow to Contractor for 5 additional years per option. Each option must be exercised in writing by the County or a Committed City no later than 12 months prior to the expiration of the then prior period during which Waste has been committed (e.g., the initial option must be exercised by the 19 year anniversary of the Effective Date). The exercise of the options shall be within the sole respective discretion of the County and each of the Committed Cities and the exercise of one option does not guaranty or mean that the succeeding option or options will be exercised; provided, however, that the successive options may not be exercised unless the immediately preceding option has been exercised. The options of the County and each Committed City are wholly independent of each other and one or more may exercise their respective option(s) notwithstanding any election by the others to not exercise their option(s). The Contractor Service Fees payable in connection with such option period shall be the same Contractor Service Fees as are effect at the time of the exercise of the option; except that the Contractor Service Fees shall remain subject to adjustment during any option period in accordance with the annual and other adjustment provisions in Article 11 of this Agreement.

Notwithstanding the foregoing, the election by the County and/or Committed Cities to extend the County Facilities Operations Period shall not be effective, and the Contractor shall not be obligated to operate the County Facilities during any requested extension of the County Facilities Operations Period at any point in time unless the following conditions are all met or waived by Contractor at its sole discretion:

(a) The Landfill shall have sufficient Permitted Disposal Capacity to Dispose of all Waste to be delivered by the County and Committed Cities extending their Waste delivery commitments to Contractor for the extension period: and

(b) A sufficient amount of tonnage satisfactory to Contractor in its sole discretion has been committed under such extensions by the County and/or Committed Cities electing to extend their Waste flow commitments to Contractor to make the continued operation of the County Facilities economically feasible. If Contractor decides that there are not sufficient Waste flow commitments, and does not elect to waive this condition, Contractor shall commence

Closure upon the expiration of the then current term and in accordance with Applicable Law and shall deliver the County Facilities back to the County in accordance with Section 2.1 above. Notwithstanding the foregoing, Contractor shall accept such Waste flow extensions (up to the remaining Permitted Disposal Capacity) if a combination of County and/or Cities representing a minimum of 60% of the then current committed Waste flow, exercise their respective options to extend the commitments.

(c) Contractor shall notify the County and Committed Cities electing to extend their Waste flow commitments to Contractor in writing of Contractor's decision whether to accept and to be bound to operate the County Facilities in response to such extensions within 120 days after receiving all extension elections from the County and Committed Cities, including any conditions Contractor may place on its extended obligation to accept Waste deliveries due to any limitation on the Permitted Disposal Capacity at the Landfill; and

(d) Once the County and/or some or all of the Committed Cities have elected to extend the County Facilities Operations Period and continue to commit their respective Waste flow to Contractor for 10 additional years, the County and Contractor shall each sign an amendment to this Agreement confirming the extension of the County Facilities Operations Period.

ARTICLE 13.CLOSURE AND POST-CLOSURE; REMEDIATION

13.1 Contractor's Obligations.

After the Effective Date, Contractor shall be responsible for and have all Liabilities for any and all Remediation and Closure and Post Closure Obligations. Contractor shall, at all times, fully and promptly undertake, implement and discharge the Remediation and Closure and Post-Closure Obligations in accordance with Applicable Law and Prudent Solid Waste Management Practices.

Contractor expressly acknowledges and agrees that Contractor's Liabilities for Closure and Post-Closure Obligations and Remediation relate to, arise out of, and/or result from events, incidents, operations and items that occurred, in whole or in part, prior to and after the Execution Date.

13.2 Submission of Plans.

Contractor shall submit to County all proposed and all approved preliminary and final closure plans and post-closure plans, and any changes proposed by Contractor to any of those plans, at least 45 days prior to the time Contractor plans on submitting those plans or any proposed changes thereto to any applicable regulatory agency. Contractor shall reasonably consider any comments or suggestions made by County.

13.3 Closure.

After the exhaustion of all Permitted Disposal Capacity, Contractor shall cease receiving all Waste and materials at the Landfill except for appropriate cover materials, and shall implement Closure.

Notwithstanding the foregoing, Contractor accepts full responsibility and all Liabilities for the risk that a Government Authority could require Closure of the Landfill prior to exhausting the Permitted Disposal Capacity, and such event shall not be deemed a Force Majeure Event or trigger a Contractor Service Fee Adjustment. If the Landfill is required to cease accepting Waste before the expiration of the County Facilities Operations Period, Contractor shall provide for the Disposal of Waste from the County and Committed Cities at an alternative landfill, in accordance with Section 4.14.

Contractor shall complete Closure in accordance with the approved closure plans and Applicable Law and shall obtain written certification of the completion of Closure by all applicable Governmental Authorities.

13.4 Post-Closure.

Upon completion of Closure, Contractor shall implement Post-Closure maintenance and monitoring and all other required Post-Closure activities in accordance with the approved Post-Closure plan and Applicable Law. Contractor shall continue to implement all Post-Closure maintenance and monitoring and all other required Post-Closure activities in accordance with the approved Post-Closure plan and Applicable Law until the Post-Closure Date.

13.5 Financial Assurances.

Contractor shall be responsible at all times for obtaining and providing adequate Financial Assurances as required by Applicable Law. Contractor shall post Financial Assurances for Corrective Action, Closure and Post-Closure, and Operating Liability naming Cal Recycle and the RWQCB as beneficiaries, using a Letter of Credit or Performance/Surety Bond, at Contractor's option, in substantially the same form and content as Exhibit D attached hereto. The County shall be named as a third-party beneficiary on the Letter of Credit or Performance/Surety Bond, to the extent this is permissible under Applicable Law. Until the Post-Closure Date, Contractor shall maintain Financial Assurances with CalRecycle in a total amount that is no less than fifteen times the annual Post-Closure maintenance estimate then approved by Cal Recycle.

13.6 County's Covenant Regarding Closure and Post-Closure Land Uses.

A. Upon the Closure Commencement Date, the County shall not: (a) allow additional Waste to be Disposed of on the Landfill without first releasing Contractor from its Closure and Post-Closure Obligations for the Landfill; or (b) conduct any activities on or under the Landfill or in any way disturb the surface or subsurface of the Landfill, including its cap. Without limiting the generality of the foregoing, the County covenants at all times after the Closure of the Landfill to maintain the Landfill footprint as non-irrigated open space, and not to (a) create or place or allow the creation or placement of any structures, roads, water or utility lines on the Landfill, or (b) conduct any earth movement or grading on the Landfill unless required to do so for Closure, Post-Closure or Remediation by a Governmental Authority or (c) in any way damage, disturb, alter or affect the Landfill cover system and other environmental control features used in or for the Closure or Post-Closure maintenance of the Landfill unless required to do so for Closure, Post-Closure or Remediation by a Governmental Authority or as a result of a Third Party Environmental Claim.

B. The County's covenants in this Agreement shall bind the County's successors and assigns, any subsequent owners of any interest in all or any portion of the Landfill, and shall run with the Landfill. These covenants by County shall survive termination of this Agreement, and shall be enforceable by Contractor by means of injunctive relief and/or specific performance. County agrees not to convey any interest in the Landfill Land without notifying the subsequent owner of such interest of the County's covenants in this Section. Within twenty (20) days of Contractor's request, which Contractor may make at any time, County shall promptly execute and record with Sonoma County Recorder a Restrictive Covenant in the form of Exhibit V hereto to provide subsequent owners of any interest in the Landfill footprint portion of the Landfill Land of the County's covenant in this Section.

C. The County's obligations in this Section are a material inducement for the Contractor's Indemnities, Release, Covenant Not to Sue and other obligations in Article 15 of this Agreement.

D. County may allow additional Waste to be Disposed of at the Landfill, but only by fully and permanently releasing Contractor from its Closure and Post-Closure Obligations, and any and all Remediation and Financial Assurances obligations in a writing duly executed by the

County. Before allowing additional Waste to be Disposed of on the Landfill Land, the County shall obtain the full release by Cal Recycle and any other applicable Governmental Authority of any remaining Financial Assurances posted by Contractor for the Closure and/or Post-Closure and Corrective Action. Should County allow additional Waste to be Disposed of on the Landfill Land in violation of this Section 13.6, Contractor shall be released from its Closure and Post-Closure Obligations and any and all Remediation and Financial Assurances obligations.

13.7 County Use of Landfill Land During Closure and Post-Closure.

Subject to Section 13.6A above, during Closure and Post-Closure County shall be able to use all portions of the Landfill Land for whatever purposes the County elects provided such purpose does not adversely impact Contractor's Closure and Post-Closure Obligations.

ARTICLE 14.RISK ALLOCATION

14.1 Security.

At all times during the Committed Waste Period, the County Facilities Operations Period and through the first 15 years of Post-Closure, Contractor shall keep and maintain a Security Letter of Credit naming County as beneficiary in the initial amount of $3,000,000 and in the form set forth in Exhibit W. The amount of the Security Letter of Credit shall be increased by the same percentage increase in the annual estimates for Financial Assurances. The County may draw upon the Security Letter of Credit in the event Contractor defaults in its performance of its obligations under this Agreement, and fails to cure such default within the time period provided for in this Agreement, and then only to the extent of the County's provable, actual damages proximately caused by Contractor's default. The County's draw on the Security Letter of Credit shall be subject to the Dispute Resolution Provisions of this Agreement.

14.2 Insurance.

Contractor, at Contractor's sole cost and expense, shall procure from an insurance company or companies admitted to do business in the State of California and subject to the regulation of the California Insurance Commissioner and shall maintain in force at all times during the Term the types and amounts of insurance against Losses which may arise from or in connection with the performance of the work hereunder by Contractor or any member of the Contractor Parties set forth in Exhibit X. The maintenance of claims made against any insurance required of Contractor shall not be considered a waiver by County of any claim, rights or remedies the County may have against Contractor.

Contractor shall promptly notify the County of any Claims or Losses covered or potentially covered by any of the following policies. This report shall include the name and address of all claimants, the nature of the Loss, the date the Loss arose, the amount of the Loss (if known), and the identity of the insurance carriers that Contractor has notified of the claim.

14.3 Corporate Guaranty.

As a condition precedent to the effectiveness of this Agreement, Contractor's parent company, Republic Services, Inc., shall duly authorize, execute and deliver to the County the Corporate Guaranty attached hereto as Exhibit C.

14.4 Assignment of Claims.

As of the Effective Date, and continuing throughout the Term, County shall and hereby does assign to Contractor, without any condition or limitation, the Assigned Environmental Claims; provided, however that County shall be entitled to: (a) receive from Contractor the first $240,000 in recovery, net of legal fees and other costs and expert fees reasonably incurred in pursuing such Claims, received by Contractor as a result of pursuing or settling any such Assigned Environmental Claims; and (b) provide such further conditions for the initiation and settlement of such litigation as may be agreed to by the parties through their counsel in a separate written agreement..

14.5 Assumed Liabilities.

Subject to the terms and conditions set forth herein, upon the Effective Date of this Agreement, Contractor shall assume and retain, without additional cost or expense to the County, all Liabilities and Losses of any kind or nature whatsoever related to, arising from or associated with any of the following items set forth in this Section (collectively, "Assumed Liabilities") and are assumed and retained by Contractor irrespective of the cause thereof or any fault by the County, a Committed City, a Third Party or any other Entity related thereto; provided, however, that the Assumed Liabilities shall not include any of the Excluded Liabilities described below and the Assumed Liabilities shall not apply to any Losses, Liabilities or Claims, including Third Party Environmental Claims, associated with the Household Hazardous Waste Facility or the Compost Facility, Future Compost Facility or any other composting operation on the Landfill Land, unless and until the Contractor assumes operation of the Household Hazardous Waste Facility and/or the Compost Facility or Future Compost Facility consistent with the terms of this Agreement. The Assumed Liabilities are as follows:

(i) Indemnification Obligations. Payment and performance of all of Contractor's obligations under Article 15.

(ii) Landfill Liabilities:

(a) Landfill Liabilities other than Environmental Conditions, Remediation and Closure and Post-Closure Obligations. Contractor shall assume all Liabilities and Losses related to the ownership, possession, use or operation of the Landfill arising on or after the Effective Date, including those arising out of any: (i) work determined necessary or desirable by Contractor; (ii) the ownership, operation, use or possession of any equipment, structures, fixtures, surface impoundments or any other facility used for operation of the Landfill, including the treatment, storage, handling or Disposal of Hazardous Substances, Leachate and/or Landfill Gas; (iii) all operations conducted at or associated with the Landfill or the business conducted on the Landfill; (iv) compliance with the Permits and Applicable Law including Financial Assurance; and (v) taxes (including property, business and income taxes).

(b) Landfill Liabilities for Environmental Conditions, Remediation and Closure and Post-Closure Obligations. Contractor shall assume all Liabilities and Losses related to Environmental Conditions, Remediation, or Closure and Post-Closure Obligations arising before, during or after the Effective Date. Notwithstanding the foregoing, Contractor shall not assume Liabilities or Losses related to the County's past costs or expenses for Environmental Conditions, Remediation or Closure and Post-Closure Obligations.

(iii) Contributor and Arranger Liability of County and Committed Cities. Any and all Claims, Liabilities and Losses of the County and the Committed Cities arising out of any past, current or future contribution of Waste to the Landfill, including any alleged "arranger" liability under CERCLA, and including the defense and indemnity of the County and Committed Cities against any claims filed by Third Parties or filed against Committed Cities as a result of any litigation instituted by Contractor which seeks recovery for any of the indemnified claims set forth in Section 15.1.

(iv) Transfer Station and Materials Recovery Facility Liabilities. Although County will be retaining ownership of the Transfer Stations and Materials Recovery Facility, Contractor shall assume all Liabilities and Losses related to ownership, possession, use and operation of the Transfer Stations and Materials Recovery Facility during the Committed Waste Period and any County Facilities Operations Period including for any (i) Environmental Conditions; (ii) transportation of Waste and other materials as provided for in this Agreement; (iii) work (including work to address Environmental Conditions) determined necessary or desirable by Contractor or as the result of a Third Party Environmental Claim; (iv) the ownership, operation, use or possession of any equipment, structures, fixtures, surface impoundments or any other facility used for operation of the Transfer Facilities or Materials Recovery Facility, including the treatment, storage, handling or Disposal of Hazardous Substances, leachate and/or landfill gas; (v) all operations conducted at or associated with the Transfer Facilities or Materials Recovery Facility or the business conducted at the Transfer Facilities or Materials Recovery Facility; and (vi) compliance with the Permits and Applicable Law. Notwithstanding the foregoing, Assumed Liabilities shall not include (1) Liabilities under this Subsection to the extent arising out of or caused by any Closed County Landfill, including any leachate, landfill gas or Hazardous Substances at or released or migrating from any Closed County Landfill, or (2), unless otherwise agreed in a writing subsequently signed by both parties hereto, Liabilities relating to the Compost Facility, Future Compost Facility, any other composting operation on the Landfill Land or the Household Hazardous Waste Facility.

(v) Compliance Liabilities. Any and all Liabilities arising out of or related to compliance with Applicable Law relating to Contractor's performance of this Agreement, including Financial Assurances. Notwithstanding the foregoing, Assumed Liabilities shall not include Losses or Liabilities to the extent arising out of or caused by (1) any Closed County Landfill, including any leachate, landfill gas or Hazardous Substances at or released or migrating from any Closed County Landfill or (2), unless otherwise agreed in a writing subsequently signed by both parties hereto, Losses or Liabilities relating to the Compost Facility, Future Compost Facility, any other composting operation on the Landfill Land or Household Hazardous Waste Facility.

(vi) Permits. Except as provided otherwise in this Agreement for Waste Discharge Requirements for the Landfill, from and after the Effective Date, the obligations to process, obtain approval of and satisfy any applicable conditions relating to any existing Permit, pending Permit applications, new Permits or any amendments, modifications, extensions or renewals of any existing Permits, in each case relating to the Land. Notwithstanding the foregoing, Assumed Liabilities shall not include Liabilities under this Subsection to the extent arising out of or caused by (1) any Closed County Landfill, including any leachate, landfill gas or Hazardous Substances at or released or migrating from any Closed County Landfill or (2), unless otherwise agreed in a writing subsequently signed by both parties hereto, Liabilities relating to the Compost Facility, Future Compost Facility, any other composting operation on the Landfill Land or Household Hazardous Waste Facility.

(vii) Contractual Liabilities. Liabilities of Contractor under the Waste Delivery Agreements and the Assigned Contracts described in Exhibit A arising or accruing from and after the Effective Date. Notwithstanding the foregoing, Assumed Liabilities shall not include liabilities under this Subsection to the extent arising out of or caused by any Closed County

Landfill, including any leachate, landfill gas or Hazardous Substances at or released or migrating from any Closed County Landfill.

(viii) Changes in Assumed Liabilities. Any modification, increase, alteration or change in the Assumed Liabilities after the Effective Date for any reason, including modifications, increases, alterations or changes arising out of, related to or caused by any Change in Law, a Force Majeure Event or a change in Permit requirements or obligations; provided, however, that the foregoing shall not diminish any rights that Contractor has under this Agreement in the event of a Change in Law or a Force Majeure Event.

(ix) Third Party Environmental Claims.

(1) All Liabilities and Losses for Third Party Environmental Claims with respect to the Landfill arising out of or relating to the Landfill regardless of whether such Environmental Claims are based on facts, occurrences or conditions that took place or existed prior to, upon or after the Effective Date; provided, however, that in this context "Third Party Environmental Claims" shall not include Claims by Governmental Authorities seeking fines or civil penalties for facts or events occurring prior to the Effective Date.

(2) All Liabilities and Losses for Third Party Environmental Claims with respect to the Transfer Stations and/or Materials Recovery Facility arising out of or relating to the Transfer Stations and/or the Materials Recovery Facility, but only with respect to such Claims that are based on facts, occurrences or conditions that took place after the Effective Date and during the Committed Waste Period and the County Facilities Operations Period. Notwithstanding the foregoing, Contractor will accept all Liabilities and Losses for Claims related to storm water permits or practices with respect to the Transfer Stations and/or Materials Recovery Facility filed on or after the Effective Date and during the Committed Waste Period or County Facilities Operations Period even though the claims may relate to activities prior to the Effective Date, but excluding those operations by other operators which are listed in Section 4.2(B) of the Agreement.

(x) Third Party Claims. All Liabilities and Losses for Third Party Claims arising from Contractor's operations of the County Facilities under this Agreement except as expressly excluded under Excluded Liabilities.

(xi) Other Specified Liabilities. All other Liabilities and Losses expressly allocated to Contractor in this Agreement.

14.6 Excluded Liabilities.

Except as explicitly and expressly set forth in this Agreement, Contractor shall not, by the execution and performance of this Agreement or otherwise (including under theories of successor liability), assume, become responsible for or incur any Liabilities, Losses or Claims of any nature or be responsible for any claims whatsoever arising, or relating to events occurring, on or prior to the Effective Date, whether legal or equitable or matured or contingent including but not limited to: (i) any obligation to reimburse the County for expenditures made by the

County or other Entity or expenditures which accrued and were payable under contract (or would have been payable if billed) but were unpaid prior to the Effective Date on account of any of the Assumed Liabilities; and (ii) any Excluded Liabilities as set forth in this Section and in Section 15.5. "Excluded Liabilities" means:

(i) any Liabilities or Losses under (A) any employment, severance, retention or termination agreement with any employee of County, or (B) any collective bargaining agreement covering any employee of County, or (C) under any employee benefit plans maintained by, or contributed to, by County, or (D) relating to payroll, vacation, sick leave, workers' compensation, unemployment benefits, pension benefits, retirement benefits, health care plans or benefits or any other employee plans, programs or benefits of any kind for employees or former employees of County;

(ii) any Liabilities or Losses arising out of or relating to any employee grievance, whether or not the affected employees are hired by Contractor, relating to events occurring on or prior to the Effective Date;

(iii) any Liabilities or Losses resulting from County's failure to comply with any Applicable Laws relating to the layoff or termination by County of County employees;

(iv) any Liabilities or Losses for contract damages (including quantum meruit), indemnity or equitable relief based on the breach or default by the County prior to the Effective Date under a contract (including an Assigned Contract) related to the Land or the County Facilities;

(v) any Third Party Claim for tort damages, personal injury and/or property damage which is caused by the County and/or directly arising out of the Land or the County Facilities prior to the Effective Date;

(vi) any amounts owing to Third Parties under contract with the County that have accrued as of the Effective Date;

(vii) any Liabilities or Losses arising out of disposal by the County or Third Parties of the County's Waste, Hazardous Substances, Household Hazardous Waste and Unpermitted Material prior to the Effective Date to facilities other than the Landfill, Vasco Road Landfill, or Keller Landfill (including the transportation and conveyance to such other facilities);

(viii) any Liabilities or Losses relating to the nonpayment by the County of permit fees to the Board of Equalization, LEA, RWQCB and applicable Air Quality Management District relating to the County Facilities for the period prior to Effective Date;

(ix) in the event the County does not exercise its option in Article 7 to have Contractor control the Compost Facility or Future Compost Facility and/or any composting operations on the Landfill Land and/or the Household Hazardous Facility on the Landfill Land, and Contractor does not agree in writing to assume responsibility for such operations, then Excluded Liabilities shall include any Liabilities, Losses or Claims arising from or relating to: (a) the presence or operation of the Compost Facility, Future Compost Facility and any other composting operation on the Landfill Land and the Household Hazardous Waste Facility, and (b)

any agreements between the County, the Waste Management Agency and/or the operators of the Compost Facility, relating to any composting operation on the Landfill Land, and/or the Household Hazardous Waste Facility;

(x) in the event the County does not exercise its option in Article 7 to have Contractor control the Compost Facility or Future Compost Facility and/or any composting operations on the Landfill Land and/or the Household Hazardous Facility on the Landfill Land, and Contractor does not agree in writing to assume responsibility for such operations, then Excluded Liabilities shall also include any Liabilities, Losses or Claims arising from or relating to: the Compost Facility, Future Compost Facility, any composting operations on the Landfill Land, and/or the Household Hazardous Waste Facility, and including without limiting the generality of the foregoing, any groundwater contamination, surface water contamination, subsurface migration, odors, disease vectors, nuisance vectors, trespass and/or nuisance claims, notice of permit violation, notice to comply, or violations of Applicable Law relating to any of the foregoing facilities or operations;

(xi) any Liabilities or Losses arising after the termination of Contractor's operation of the Transfer Stations and Materials Recovery Facility in accordance with the terms of this Agreement and relating to the presence of these Facilities or the operation of these Facilities by a Third Party, but excluding any work required to address Environmental Conditions arising from Contractor's operations;

(xii) any Liabilities or Losses arising from, relating to or connected with any of the Closed County Landfills or any Hazardous Substances, landfill gas or leachate in or from such Closed County Landfills;

(xiii) any Liabilities or Losses arising from, relating to or connected with the matters described in the Notice of Violations And Intent to File Suit under the Federal Water Pollution Control Act from the law firm of Lozeau Drury LLP to the County dated November 9, 2012, and any litigation arising therefrom, except to the extent specifically agreed to by Contractor in writing prior to the Effective Date;

(xiv) any Liabilities or Losses arising from, relating to or connected with any abandoned, removed or leaking underground fuel storage tanks at the Guerneville, Annapolis, Healdsburg and Sonoma Transfer Stations;

(xv) any Liabilities or Losses arising from, relating to or connected with the operations by the County or by Third Parties of the Guerneville Maintenance Site and the Reuse and Recycling Operations at Sonoma Transfer Station; and

(xvi) All other Liabilities or Losses expressly allocated to County and/or the Committed Cities in this Agreement.

ARTICLE 15.INDEMNIFICATION AND RELEASE

15.1 Indemnification by Contractor.

Contractor shall indemnify, defend and hold the County and the Committed Cities, and each of them, harmless from and against all Liabilities and Losses that arise out of, result from or relate to any of the following ("Indemnified Claims"):

(a) Any material breach or material default under this Agreement by Contractor;

(b) Any material breach of any of the representations or warranties made by Contractor in this Agreement;

(c) Any and all Assumed Liabilities (but excluding Excluded Liabilities), including the failure of Contractor to pay, perform, satisfy or otherwise discharge in full when due the Assumed Liabilities;

(d) The use, exploration, production, recovery, sale, transfer and/or distribution of Landfill Gas (and any byproducts or end products thereof, including electricity) from and after the Effective Date and during the Term;

(e) Any Claim, arising therefrom, by a partner, officer, shareholder, director or other Entity deriving its rights by or through the Contractor or any member of the Contractor Parties and challenging this Agreement;

(f) The past, present and future acceptance, disposal, treatment, processing or sorting by Contractor of any Waste and other materials at or in any facility other than the County Facilities;

(g) The screening by Contractor of any Waste and other materials at or in any facility other than the County Facilities (including facilities located outside of the County) during the Term;

(h) Any Claim (a) asserted by a Third Party arising out of, related to or resulting from the Land or the County Facilities (other than Excluded Liabilities and those Claims expressly covered by the County's indemnities), and (b) where such Third Party Claim is a result of, related to or arises from Contractor's actions to pursue an Entity for: (i) any Indemnified Claim; or (ii) any Assigned Environmental Claim; and

(i) Any Claim seeking to set aside the County's approval of this Agreement.

Notwithstanding the foregoing or any other provision of this Agreement, Contractor is hereby assigned and shall retain and have the right and ability (but not the obligation) to pursue any or all Third Parties for any Indemnified Claims. Furthermore, nothing in this Section or this Agreement shall be construed to impose any defense or indemnity obligation or any other form of liability on Contractor, its subcontractors or any member of the Contractor Parties or their

successors and assigns in any way whatsoever relating to, arising from or connected with the Closed County Landfills.

Nothing in this indemnity shall be construed to create any duty or include any obligation of Contractor to defend, hold harmless or indemnify the County, any Committed City or any other Entity from any Liabilities, Losses or Claims arising from or relating to: the Compost Facility, Future Compost Facility, any composting operations on Landfill Land, and/or the Household Hazardous Waste Facility, and including without limiting the generality of the foregoing, any groundwater contamination, surface water contamination, subsurface migration, odors, disease vectors, nuisance vectors, trespass and/or nuisance claims, notice of permit violation, notice to comply, or violations of Applicable Law relating to any of these facilities or operations.

15.2 Contractor's Release Of County Group And Committed Cities.

CONTRACTOR, FOR ITSELF AND ON BEHALF OF EACH OF ITS CONTRACTOR PARTIES, MEMBERS, SHAREHOLDERS, SUBSIDIARIES, AFFILIATES, AND EACH OF THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, DOES HEREBY RELEASE, HOLD HARMLESS AND FOREVER DISCHARGE THE COUNTY, EACH MEMBER OF THE COUNTY GROUP AND THE COMMITTED CITIES FROM ANY AND ALL LOSSES AND LIABILITIES, IN EACH CASE, OF ANY KIND OR CHARACTER, WHETHER KNOWN OR UNKNOWN, HIDDEN OR CONCEALED, TO THE PERSON OR PROPERTY OF CONTRACTOR, ITS CONTRACTOR PARTIES, SUCCESSORS AND ASSIGNS, RESULTING FROM OR ARISING OUT OF (1) ANY LOSSES COVERED BY CONTRACTOR'S INDEMNITIES SET FORTH IN THE CONTRACT DOCUMENTS, INCLUDING THE INDEMNITY SET FORTH IN SECTION 15.1; (2) THE PAST, PRESENT, CONTINUED AND FUTURE SCREENING, ACCEPTANCE, DISPOSAL, TREATMENT, SORTING, HANDLING AND PROCESSING BY THE CONTRACTOR GROUP OF WASTE OR OTHER MATERIAL (INCLUDING COMMITTED COUNTY WASTE, COMMITTED CITY WASTE AND SELF-HAUL WASTE) AT OR IN THE LANDFILL, EXCEPT FOR SCREENING, TREATMENT OR PROCESSING THAT OCCURRED AT RECYCLETOWN ON THE LANDFILL PRIOR TO THE EFFECTIVE DATE; (3) THE SCREENING, ACCEPTANCE, DISPOSAL, TREATMENT, SORTING, HANDLING AND PROCESSING OF WASTE OR OTHER MATERIAL (INCLUDING COMMITTED COUNTY WASTE, COMMITTED CITY WASTE AND SELF-HAUL WASTE) AT THE TRANSFER STATIONS OCCURRING DURING THE COMMITTED WASTE PERIOD AND ANY COUNTY FACILITIES OPERATING PERIOD; (4) THE DISPOSAL OF WASTE BY CONTRACTOR AFTER THE EFFECTIVE DATE COMING FROM THE COUNTY AT FACILITIES OTHER THAN THE COUNTY FACILITIES (INCLUDING FACILITIES LOCATED OUTSIDE OF THE COUNTY BUT EXCLUDING FACILITIES NOT OWNED OR OPERATED BY CONTRACTOR OR ITS PRIME SUBCONTRACTOR); (5) ANY REMEDIATION, CLOSURE AND POST-CLOSURE OBLIGATIONS OF CONTRACTOR SET FORTH IN THIS AGREEMENT; (6) ANY MATTER OR ITEM INCLUDED WITHIN THE ASSUMED LIABILITIES (BUT EXCLUDING ANY EXCLUDED LIABILITIES); (7) ANY ENVIRONMENTAL CONDITION AT THE TRANSFER STATIONS OCCURRING DURING THE COMMITTED WASTE PERIOD OR COUNTY FACILITIES OPERATIONS PERIOD; AND (8) ANY ENVIRONMENTAL CONDITION AT THE MATERIALS RECOVERY

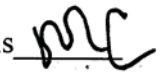
FACILITY OCCURRING DURING THE COMMITTED WASTE PERIOD OR THE COUNTY FACILITIES OPERATING PERIOD.

CONTRACTOR HEREBY WAIVES ANY AND ALL RIGHTS AND BENEFITS THAT IT NOW HAS, OR IN THE FUTURE MAY HAVE CONFERRED UPON IT BY VIRTUE OF THE PROVISIONS OF SECTION 1542 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA (OR ANY OTHER STATUTE OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT), WHICH PROVIDES AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

IN THIS CONNECTION, CONTRACTOR HEREBY AGREES, REPRESENTS, AND WARRANTS THAT IT REALIZES AND ACKNOWLEDGES THAT FACTUAL MATTERS NOW UNKNOWN TO IT MAY HAVE GIVEN OR MAY HEREAFTER GIVE RISE TO CLAIMS THAT ARE PRESENTLY UNKNOWN, UNANTICIPATED AND UNSUSPECTED, AND IT FURTHER AGREES, REPRESENTS, AND WARRANTS THAT THIS RELEASE HAS BEEN NEGOTIATED AND AGREED UPON IN LIGHT OF THAT REALIZATION AND IT NEVERTHELESS HEREBY INTENDS TO RELEASE THE COUNTY, THE OTHER MEMBERS OF THE COUNTY GROUP AND THE COMMITTED CITIES FROM THE LOSSES AND MATTERS DESCRIBED IN THIS SECTION 15.2.

NOTWITHSTANDING THE PROVISIONS OF THIS SECTION 15.2, THIS RELEASE SHALL NOT RELEASE THE COUNTY OR ANY MEMBER OF THE COUNTY GROUP FROM ANY OBLIGATIONS IT MAY HAVE UNDER THIS AGREEMENT, INCLUDING THE COUNTY'S INDEMNITY OBLIGATIONS.

Contractor's Initials 

Notwithstanding the foregoing, the release set forth herein shall not preclude Contractor from, and Contractor hereby expressly reserves its right to, pursue all Third Parties for any matter covered by the release set forth in this Section 15.2, subject to its obligations to indemnify the County and Committed Cities from any Claim, Liabilities or Losses arising therefrom as described in Section 15.1 (h).

15.3 Covenant Not to Sue.

(a) It is expressly intended that neither Contractor, nor any Entity claiming through Contractor or any of the Contractor Parties, shall have any rights or Claims against the County, any other member of the County Group and/or any of the Committed Cities for any matter with respect to which Contractor has Assumed Liabilities (but excluding Any Excluded Liabilities) under this Agreement, provided indemnification under this Agreement, including Section 15.1, or a release under this Agreement, including Section 15.2. Notwithstanding the foregoing, Contractor is not assuming any Liabilities or obligations for any matter covered by the County's indemnities.

(b) Contractor, for itself and on behalf of each of the other Contractor Parties, does hereby covenant forever and unconditionally not to make any Claim or take any Action against the County, any other member of the County Group and/or any of the Committed Cities for any Loss arising out of or relating to (i) any Assumed Liabilities (but excluding Any Excluded Liabilities); (ii) any other matter with respect to which Contractor has provided indemnification under this Agreement, including Section 15.1, or a release under this Agreement, including Section 15.2; and (iii) facilities other than the County Facilities at which Contractor disposes of Waste from the County, but excluding the Compost Facility, the Future Compost Facility, any other composting operation on the Land and the Household Hazardous Waste Facility.

The foregoing covenant not to sue shall not apply to any matter covered by the County's indemnities.

15.4 Cities Covered Under Indemnity and Release.

The Committed Cities shall be forever included and covered by the provisions of Section 15.1, Section 15.2 and Section 15.3 in the same manner as is the County and as if specifically listed therein. The Committed Cities shall be express third party beneficiaries under Article 15 and shall be entitled to enforce the obligations of, and its rights and remedies against, Contractor.

15.5 Exceptions to Scope of Contractor's Indemnity, Release and Covenant Not To Sue.

A. Compost Facility and Composting Operations at Landfill Land.

Unless Contractor agrees to assume operation of the Compost Facility or Future Compost Facility as provided in Article 7 of this Agreement, Contractor shall have no obligation to defend, hold harmless or indemnity the County Group or the Committed Cities for any Liabilities, Losses, Claims or Environmental Conditions that Contractor proves by a preponderance of evidence were or are caused by the presence or operation of any Compost Facility, the Future Compost Facility, or other composting operation on the Landfill Land that may occur from and after the Effective Date, and Contractor's release and covenant not to sue shall not apply to any such Claims or Environmental Conditions. Without limiting the foregoing and by way of example only, such post-Effective Date Environmental Conditions may include vehicle fuel or lubricant spills, contamination of or failure to control surface water run-off from composting operations, air emissions from composting operations, composting odors, nuisance claims, and aspergillum or other biological contamination of water or air caused by the composting of Organics and/or Food Waste, permit violations, notices to comply, or violations of Applicable law; provided, however, that under all circumstances Contractor's indemnity, release and covenant not to sue shall apply to any Leachate or Landfill Gas generated by the Landfill or Landfill operations.

B. Household Hazardous Waste Facility at Landfill Land.

Unless Contractor assumes operation of the Household Hazardous Waste Facility as provided in Article 7 of this Agreement Contractor shall have no obligation to defend, hold harmless or indemnity the County Group or the Committed Cities for any Liabilities, Losses, Claims or Environmental Conditions that Contractor proves by a preponderance of evidence were or are caused by the presence or operation of the Household Hazardous Waste Facility at

the Landfill Land, and Contractor's release and covenant not to sue shall not apply to any such Claims or Environmental Conditions.

C. Central Transfer Station and MRF Operations.

Notwithstanding any other provision in this Agreement, Contractor shall have no obligation to defend, hold harmless or indemnify the County Group or the Committed Cities for any Claims or Environmental Conditions that Contractor proves by a preponderance of evidence were caused by the presence or operation of the Central Transfer Station and Materials Recovery Facility at the Landfill Land by any other Entity from and after the termination of Contractor's operation of these facilities, and Contractor's release and covenant not to sue shall not apply to any such Claims or Environmental Conditions.

15.6 County Indemnity.

A. To the extent arising out of, resulting from or relating to the Closed County Landfills, the County shall indemnify, defend and hold the Contractor, its subcontractors and the Contractor Parties harmless from and against all Claims, Losses or Liabilities which arise out of, result from or relate to: (i) remediation arising out of the presence or existence of Hazardous Substances, pollutants, contamination, leachate and/or landfill gas introduced into, on, over, about or from the Closed County Landfills or the soil, surface water, water runoff, stormwater runoff and/or groundwater at or adjacent to the Closed County Landfills, including any migration thereof through soil, surface water, water runoff, stormwater runoff and/or groundwater; and (ii) remediation, clean-up, closure and post-closure obligations for the Closed County Landfills, including the funding and amounts related thereto. This Section 15.6A shall not apply to any Losses or Liabilities to the extent arising out of or relating to any negligence, recklessness, willful misconduct, fault, breach of contract, breach of the requirements of this Agreement, violation of Applicable Law or non-compliance with any Permit by Contractor or any other member of the Contractor Parties that is applicable to Contractor's performance of this Agreement.

B. County agrees that it will indemnify, defend (as to Third Party Claims and Third Party Environmental Claims), protect and hold harmless Contractor, its Affiliates and their respective partners, officers, directors, managers, members, divisions, subdivisions, agents, employees, successors and assigns at all times from and after the Effective Date from and against all Losses that arise as a result of or incident to: (a) any breach or material misrepresentation in the representations and warranties by the County set forth in this Agreement or in any other document delivered pursuant to this Agreement; (b) nonfulfillment or nonperformance of any agreement, covenant or condition on the part of the County made in this Agreement or in any other document delivered pursuant to this Agreement; and (c) any Excluded Liabilities.

C. In addition, in the event the County and Contractor do not reach agreement as described in Article 7 to have Contractor control composting operations and/or the Household Hazardous Facility operations on the Landfill Land, then County shall indemnify, defend and hold the Contractor, its subcontractors and the Contractor Parties harmless from and against all Liabilities, Losses and Claims which arise out of, result from or relate to the Compost Facility, Future Compost Facility, and any other composting operation at the Landfill Land, and/or the Household Hazardous Waste Facility except where these facilities are operated by Contractor

pursuant to a written agreement between County and Contractor; provided, however, that the County's defense and indemnity obligation shall not extend to Environmental Conditions or any other Claims, Liabilities or Loss arising from the Landfill.

15.7 Payments.

All amounts which Contractor is required to pay to the County or the Committed Cities described in this Article 15 on account of any Indemnified Claim shall be remitted to the County or such Committed Cities, as applicable, within 30 days after Contractor's receipt of reasonable documentation of the incurrence by the County or such Cities, as applicable, of such Losses. All amounts which the County is required to pay to Contractor under Section 15.5 on account of any Losses described therein shall be remitted to Contractor within 30 days after the County's receipt of reasonable documentation of the incurrence by Contractor of such Losses. In the case of all payments described in this Section, such amount shall bear interest at 7% interest per year until paid from the date due until fully paid.

15.8 County Notice of Claim.

Subject to the terms of this Agreement and upon obtaining actual knowledge of a Claim for which it is entitled to indemnity under this Article 15, the County (for Indemnified Claims affecting the County) and the applicable Committed Cities (for Indemnified Claims affecting such Committed Cities) shall promptly notify Contractor in writing of any Indemnified Claim which the County or the Committed Cities, as applicable, have determined has given or could give rise to a claim under Section 15.1 (the written notice is referred to as a "Notice of Claim"). A Notice of Claim shall specify, in reasonable detail, the facts known to the County or such Committed Cities, as applicable, regarding the Indemnified Claim. Notwithstanding the foregoing, the failure to provide (or timely provide) a Notice of Claim shall not affect the rights to indemnification of the County or such Committed Cities. Further, Contractor shall begin defending the County and the Committed Cities immediately upon receipt of the relevant Notice of Claim, at Contractor's cost and expense and with counsel reasonably acceptable to the County.

15.9 Contractor Notice of Claim.

Subject to the terms of this Agreement and upon obtaining actual knowledge of a claim for which it is or could be entitled to indemnity under this Article 15, Contractor shall provide written notice to the County of such claim in a manner (and with such accompanying materials) (the written notice under this Section is referred to as a "Contractor Notice of Claim"). A Contractor Notice of Claim shall specify, in reasonable detail, the facts known to Contractor regarding the indemnified claim. Notwithstanding the foregoing, the failure to provide (or timely provide) a Contractor Notice of Claim shall not affect the rights to indemnification of Contractor. Further, the County shall begin defending Contractor immediately upon receipt of the relevant Contractor Notice of Claim, at the County's sole cost and expense and with counsel reasonably acceptable to Contractor.

15.10 County's Reserved Rights.

Nothing contained in this Article 15 or elsewhere in this Agreement shall limit, modify, diminish or reduce the rights, Claims, Actions and remedies that the County has or may have against any City in connection with the County Facilities, any Closed Landfill or otherwise, all of which rights, Claims, Actions and remedies are hereby expressly reserved, except to the extent the County has expressly assigned such claims to Contractor pursuant to this Agreement.

15.11 Survival.

This Article 15 shall survive the termination or expiration of: (a) this Agreement; and (b) the County's commitment of Committed County Waste under Article 10.

15.12 Intent.

The foregoing indemnities are intended to operate as an agreement pursuant to Section 107(e) of CERCLA, 42 U.S.C. Section 9607(e), the California Health and Safety Code Section 25364, and any other Environmental Laws, to defend, insure, protect, hold harmless and indemnify the County and Committed Cities from liability and Loss.

ARTICLE 16.BREACH, DEFAULT AND REMEDIES

16.1 Events Of Breach.

The happening of any one of the following events shall constitute a Contractor Default:

A. Bankruptcy, Insolvency, Liquidation.

1. Contractor, or Guarantor, shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy (court) or a petition or answer seeking an arrangement for its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any other law or statute of the United States or any state thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

2. By order of decree of a Court, Contractor, or Guarantor, shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of the stockholders of the Contractor, seeking its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any law or statute of the United States or of any state thereof, provided that if any such judgment or order is stayed or vacated within sixty (60) calendar days after the entry thereof, any notice of default shall be and become null, void and of no effect, unless such stayed judgment or order is reinstated in which case, said default shall be deemed immediate; or

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

B. Cessation of Services.

Contractor ceases to provide the services and obligations as required under this Agreement, except for Financial Assurances for a period of four (4) consecutive weekdays, excluding Holidays, or more, for any reason within its control, but excluding a Force Majeure Event.

C. Other Defaults.

Contractor has defaulted, by failing or refusing to perform or observe any other terms, conditions or covenants in this Agreement which is not specifically identified above and said default is not cured within thirty (30) days of notice from the County, provided that if the nature of the breach is such that it can be cured but will reasonably require more than thirty (30) days to cure, Contractor shall not be in default so long as Contractor promptly commences to cure such breach and diligently proceeds to complete same.

D. Repeated Breaches and Cures.

Notwithstanding the foregoing and as supplemental and additional means of termination of this Agreement under this Article, in the event that Contractor's record of performance shows that Contractor has frequently, regularly or repetitively defaulted in the performance of any of the covenants and conditions required herein to be kept and performed by Contractor regardless of whether Contractor has corrected each individual condition of default, the County in its sole discretion determines that Contractor shall be deemed a "habitual violator", in which case Contractor shall be deemed to have waived the right to any further notice of grace period to correct, and all of said default shall be considered cumulative and collectively shall constitute an irredeemable default. The County shall thereupon issue Contractor a final warning citing the circumstances therefore, and any single default by Contractor of whatever nature, subsequent to the occurrence of the last of said cumulative defaults, shall be grounds for immediate termination of this Agreement or other County remedies as provided in Section 16.2. In the event of any such subsequent default, the County may terminate this Agreement upon giving of final written notice to Contractor. Immediately upon the specified date in such final notice Contractor shall proceed to cease any further performance under this Agreement.

16.2 County Remedies.

A. Remedies Cumulative; Equitable Remedies.

In addition to the monetary damages specified in this Section 16.2, Contractor acknowledges that County's remedy of damages for a breach hereof by Contractor may be inadequate for reasons including: the urgency of timely, continuous and high quality waste management service hereunder, including operations of the County Facilities and disposal of Waste that constitute a threat to public health; and County's reliance on Contractor's technical waste management expertise. Consequently, County shall also be entitled to all available equitable remedies, including specific performance and injunctive relief.

B. Additional Remedies.

In addition to equitable remedies, in the event of an uncured Contractor default County may terminate this Agreement and pursue all monetary damages suffered by County arising from Contractor's breach of this Agreement, to be proven by County and determined in accordance with Applicable Law, as follows:

1. **Compensatory Damages**.

Upon a Contractor Default, and subject to Contractor's rights to cure certain defaults as provided herein, the County shall have the right to recover any monetary damages to County, as determined in accordance with Applicable Law and subject to the County's obligation to mitigate its damages, including but not limited to the following:

(a) Incremental Operations Costs:

The incrementally greater direct costs for operations of the County Facilities.

(b) Incremental Disposal Costs:

The incrementally greater direct and indirect costs for transport and disposal of Waste at an alternative disposal facility, as compared to the then-current compensation payable to Contractor for disposal at the Landfill, plus the costs of transportation to such other facility(ies).

(c) Consequential Fines:

Any consequential fines and penalties assessed on County, including by CalRecycle, directly resulting from the failure of Contractor to meet a material obligation hereunder.

(d) Other Damages:

Any other damages incurred by County, including without limitation, loss of future County Concession Payments, and unfunded Closure and Post-Closure Costs, all as determined in accordance with Applicable Law.

2. **Liquidated Damages.**

County finds, and Contractor agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by County and the Committed Cities as a result of breach by Contractor of its obligations hereunder. The factors relating to the impracticality of ascertaining damages include, but are not limited to, the fact that: (1) substantial damage results to members of the public who are denied services or denied quality or reliable service; (2) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity that are incapable of measurement in precise monetary terms; (3) that services might be available at substantially lower costs than alternative services and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (4) the termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches. Liquidated damages assessed by County pursuant to the following provisions of the Agreement shall be the County's sole and exclusive remedy for Contractor's breach of its obligations hereunder.

Service Performance Standards; Liquidated Damages for Failure to Meet Standards. The parties acknowledge that consistent service is of utmost importance to County and that County has considered and relied on Contractor's representations as to its quality of service commitment in awarding Contractor exclusive rights to operate the County Facilities. The parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The parties further recognize that if Contractor fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages that County will suffer. Therefore, the parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Agreement, including the relationship of the sum to the range of harm to

County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or inconvenient. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Company
Initial here: MC

County
Initial here:

Should the County seek to assess liquidated damages against Contractor pursuant to this provision, the County shall first give Contractor written notice of the County's belief that the Contractor has breached an obligation under this Agreement for which liquidated damages may be assessed by County as specified in Exhibit Y, along with a minimum ten (10) day notice to cure said breach, unless additional time is reasonably required to remedy said breach, in which case liquidated damages may not be assessed against Contractor so long as Contractor commences the cure of said breach within the ten (10) day period and diligently prosecutes the cure to completion. Liquidated damages shall not be assessed against Contractor if Contractor cures the subject breach within the foregoing time periods.

Accordingly, County may, in its discretion, but only after complying with the notice procedures set forth above, assess liquidated damages for the specific items identified in Exhibit Y attached hereto. County may determine the occurrence of events giving rise to liquidated damages through the observance of its own employees or representatives, or through investigation of complaints by Third Parties.

Prior to assessing liquidated damages, County shall give Contractor notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. Contractor may review (and make copies at its own expense) all information in the possession of County relating to incident(s)/nonperformance. Contractor may, within ten (10) days after receiving the notice, request a meeting with County. If a meeting is requested, it shall be held by the County Representative or his/her designee. Contractor may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. The County Representative or designee will provide Contractor with a written explanation of his or her determination assessing liquidated damages.

Contractor shall pay any liquidated damages assessed by County within thirty (30) days after they are assessed. If they are not paid within the thirty (30) day period, County may proceed against the Security required by the Agreement.

3. **Termination.**

Upon a Contractor Default, and subject to Contractor's rights to cure certain defaults as provided herein, then County shall have the right to terminate this Agreement upon Contractor's failure to cure the default as provide for herein, upon written notice to Contractor and require Contractor to immediately commence the Closure and Post Closure Obligations for the Landfill.

4. **Draw Upon Security Letter of Credit or Performance/Surety Bond.**

County shall have the right to draw upon the Security Letter of Credit or Performance/Surety Bond in accordance with Section 14.1, but only to the extent of the County's provable actual damages as described herein.

5. **Right to Cure.**

If County exercises any rights available under law to perform or cause to be performed all acts necessary to remedy the Event of Default by Contractor, Contractor, as applicable, shall be liable to County for an amount equal to the sum of the following: (i) any amounts reasonably expended by County to so cure the Event of Default; (ii) consultants' and attorneys' fees and costs; (iii) such other amounts as may be due and payable under this Agreement; and (iv) interest on the aggregate of the amounts listed as clauses (i)-(iii), inclusive, above at the rate of 7% per annum, compounded monthly, but in no event greater than the maximum rate allowed by law from the date each such cost was incurred by any such party until paid in full (the foregoing are collectively referred to herein as the "Indebtedness"). Contractor shall pay the Indebtedness to County within 30 days after delivery of a written demand from County setting forth the amount of the Indebtedness, which demand shall include a breakdown of amounts constituting the Indebtedness.

16.3 County Waiver.

County reserves the right to waive any and all breaches or defaults of this Agreement, and any such waiver shall not be deemed a waiver of all previous or subsequent breaches or defaults. In the event County chooses to waive a particular breach or default of this Agreement, it may condition same on payment by Contractor of actual damages occasioned by such breach or default of Agreement and shall make every effort to resolve the same quickly and amicably.

Notwithstanding the foregoing, the waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach of violation of the same or any other provision. The subsequent acceptance by either party of any monies that become due hereunder shall not be deemed to be a waiver of any preexisting or concurrent breach or violation by the other party of any provision of this Agreement.

16.4 County Default.

A. Default for Nonpayment.

The failure of the County to comply with the provisions of Section 12.4B of this Agreement shall constitute an event of default by the County under this Agreement; provided, however, that Contractor shall provide written notice of such default to County, and County shall have thirty (30) days to cure said default, provided that if the nature of the breach is such that it can be cured but will reasonably require more than thirty (30) days to cure, County shall not be in default so long as County promptly commences to cure such breach and diligently proceeds to complete same.

B. Other Defaults.

County has defaulted, by failing or refusing to perform or observe any other terms, conditions or covenants in this Agreement which is not specifically identified above and said default is not cured within thirty (30) days of notice from the Contractor, provided that if the nature of the breach is such that it can be cured but will reasonably require more than thirty (30) days to cure, County shall not be in default so long as County promptly commences to cure such breach and diligently proceeds to complete same.

C. Remedies Upon County Default.

Should County default hereunder and not timely cure said default, Contractor shall have the right to notify County that it will no longer accept County Franchised Waste at the Facilities until such time as County cures the default. In addition, in the event of an uncured Material County Default, Contractor may terminate this Agreement and pursue all monetary damages suffered by Contractor arising from County's breach of this Agreement, and subject to the Contractor's obligation to mitigate its damages, to be proven by Contractor and determined in accordance with Applicable Law.

16.5 Limitation on Damages.

Notwithstanding any other provision of this Agreement, neither party shall be liable to the other for any lost profits, or for any consequential, special or punitive damages arising out of or relating to the breach of this Agreement by such party.

16.6 Termination of Prime Subcontractor Subject to County Consent.

Contractor shall not terminate Prime Subcontractor's services provided to Contractor for Contractor's performance under this Agreement without the prior written consent of the County Board of Supervisors**.**

16.7 Force Majeure.

Except for a party's obligations to make monetary payments hereunder, either party's obligations under this Agreement may be suspended at the request and upon written notice of such party by reason of the occurrence of a Force Majeure Event described in subparts (a) through (e) and (i) of the definition of Force Majeure Event, but only for so long and to the extent that the party's performance is make impossible or unreasonably difficult due to such event. Notwithstanding the foregoing, in the event there is a more specific provision in this Agreement concerning the parties' obligations with respect to a Force Majeure Event, the more specific provision shall control.

ARTICLE 17. REPRESENTATIONS AND WARRANTIES

17.1 Representations and Warranties of Contractor.

Contractor, by acceptance of this Agreement, hereby makes the following representations and warranties for the benefit of the County as of the Execution Date, each of which shall be deemed remade as of the Effective Date, unless Contractor specifies in writing otherwise.

A. Corporate Status.

Contractor is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Contractor is qualified to transact businesses in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

B. Corporate Authorization and Binding Obligation.

Contractor has the authority to enter into and perform its obligations under this Agreement. The officers of Contractor have taken all actions required by law, its articles of incorporation, bylaws, or otherwise, to authorize the execution of this Agreement. The person signing this Agreement on behalf of Contractor has the authority to do so. This Agreement constitutes the legal, valid and binding obligation of Contractor to comply with each of the provisions of this Agreement, except as such enforceability may be limited by Applicable Laws of general application affecting the rights of contracting parties, bankruptcy, insolvency or other similar Applicable Laws of general application relating to or affecting the enforcement of creditors' rights and by general equitable principles.

C. Agreement Will Not Cause Breach.

Neither the execution and delivery by Contractor of this Agreement, nor the performance of Contractor of its obligations hereunder:

1. Conflicts with, violates or will result in a violation of any existing applicable law; or

2. Conflicts with, violates or will result in a breach or default under any term or condition of any existing judgment, order or decree of any court, administrative agency or other governmental authority, or of any existing contract or instrument to which Contractor is a party, or by which Contractor or any of Contractor's properties or assets is bound; or

3. Will result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever upon any of the properties or assets of Contractor which will interfere materially with Contractor's performance hereunder.

D. No Litigation.

To the best of Contractor's knowledge, after reasonable investigation, there is no Action, suit, proceeding or investigation, at law or in equity, before or by any court or Governmental

Authority, commission, board, agency or instrumentality decided, pending or threatened against Contractor wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by Contractor of its obligations hereunder or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of Contractor or any surety guaranteeing Contractor's performance under this Agreement, which has not been waived by County in writing.

E. No Adverse Judicial Decisions.

To the best of Contractor's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement or subjects this Agreement to legal challenge.

F. Ability to Perform.

Contractor possesses the business, professional, and technical capabilities to operate the Landfill, accept and dispose of Waste at the Landfill and operate the Transfer Stations and Material Recovery Facility; Contractor possesses or knows of no impediment to its obtaining the Permits to perform this Agreement; and Contractor possesses the equipment, facility, and employee resources required to perform this Agreement.

G. Contractor's Investigation.

Contractor has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder and has taken these matters into consideration in its agreement to provide these services in exchange for the compensation provided for under the terms of this Agreement.

H. Conflict of Interest.

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

I. Representatives of the Parties.

Contractor has designated and submitted to the County, in writing, the name, title and contact information of a responsible officer who shall serve as the representative of Contractor and who shall have authority in all daily operational matters related to the Agreement. The County may rely upon action taken by such designated representative as action of Contractor unless for actions not taken within the scope of the Agreement. Unless otherwise specified in

this Agreement, any action authorized or required to be taken by the County may be taken by the Board or by an official or agent designated by the Board.

J. Financial Ability, Disclosures, No Material Changes.

Contractor has sufficient financial resources to perform all aspects of its obligations hereunder. Contractor has provided the County with audited financial statements which present fairly, in accordance with generally accepted accounting principles, the financial resources of Contractor. There has been no material adverse change in Contractor's or Contractor's parent company's financial circumstances since the date of the most recent financial statements.

K. Contractor's Statements.

Contractor's proposal and any other supplementary information submitted to the County that the County has relied on in negotiations and entering into this Agreement, do not: (i) contain any untrue statement of a material fact, or (ii) omit to state a material fact that is necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.

17.2 County Representations and Warranties.

County, by acceptance of this Agreement, hereby makes the following representations and warranties for the benefit of the Contractor as of the Execution Date, each of which shall be deemed remade as of the Effective Date, unless County specifies in writing otherwise:

A. Organization and Existence.

County is a political subdivision of the State.

B. Execution, Delivery and Enforceability.

County has full power to enter into, and to carry out its obligations under, this Agreement. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by all necessary action required on the part of County. This Agreement constitutes the valid and legally binding obligations of County, enforceable against County in accordance with its and their terms, except as such enforceability may be limited by Applicable Laws of general application affecting the rights of contracting parties (including those applying to enforcement against public entities), bankruptcy, insolvency or other similar Applicable Laws of general application relating to or affecting the enforcement of creditors' rights and by general equitable principles.

C. No Violation.

Neither the execution and delivery of this Agreement, nor the compliance by County with any provision hereof, nor the consummation of the transactions contemplated hereby by County shall: (i) violate or conflict with, or result in a breach of, any Applicable Law applicable to County, including the California Environmental Quality Act (CEQA); or (ii) conflicts with, violates or results in a breach of any term or condition of any judgment, order or decree of any

court, administrative agency or other Governmental Authority, or any agreement or instrument to which County is a party or by which County or any of its properties or assets are bound, or constitutes a default thereunder. County agrees that in connection with the approval of this Agreement by the County's Board of Supervisors, County will undertake and complete the CEQA analysis pertaining to the approval of this Agreement and shall certify and, as required, publish and make notifications regarding the same.

D. No Litigation.

To the best of County's knowledge, after reasonable investigation, there is no Claim, at law or in equity, before or by any court or Governmental Authority, Third Party, commission, board, agency or instrumentality decided, pending or threatened against County wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by County of its obligations hereunder or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of County.

E. No Adverse Judicial Decisions.

To the best of County's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement or subject this Agreement to legal challenge.

F. No Consents.

No consent or approval of, filing with or notice to any Entity is required to be obtained or made by County in connection with County's execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, which, if not obtained or made, would prevent County from performing its obligations hereunder or thereunder.

ARTICLE 18.DISPUTE RESOLUTION

18.1 Dispute Resolution Procedures.

A. General.

This Section is referred to herein as the "Dispute Resolution Provision." This Dispute Resolution Provision is a material inducement for the parties entering into this Agreement and requires mediation followed by binding arbitration of any and all disputes, controversies or claims between the parties arising under or relating to the interpretation or enforcement of this Agreement (a "Dispute Claim"). Notwithstanding the foregoing, if the Dispute Claim involves allegations arising out of, directly or indirectly, Closure and Post Closure Obligations, Remediation, the Environmental Conditions of the County Facilities, or the Contractor's right to terminate this Agreement, and such dispute exceeds $500,000 in value, then following mediation as provided herein, either party may unilaterally elect to opt out of binding arbitration and bring a legal action against the other party. A party's election to opt out of binding arbitration must be in writing and served on the other party as provided herein for notices within ten (10) days following the other party's service of a written election to proceed to arbitration on a Dispute Claim. Except as set forth below, this Dispute Resolution Provision concerns the resolution of all Dispute Claims.

B. Initiation of Dispute Resolution.

Any party may initiate Dispute Resolution by serving on the other party a Dispute Claim. A Dispute Claim must be in writing, identify all Sections of the Agreement that are at issue in the Dispute, and must contain a plain and concise statement of all issues that the party wishes to submit to Dispute Resolution along with a specific request for all relief being sought, including the total amount and a calculation of any claim for monetary relief or damages. Attached to the Dispute Claim shall be copies of any correspondence between the parties relating to the subject matter of the Dispute Claim. At the request of any party, following mediation as described below, any Dispute Claim shall be resolved by binding arbitration in accordance with California Code of Civil Procedure Section 1280 et. seq. (the **"**Act**"**). A party's request shall be pursuant to written notice.

C. Mediation.

The parties shall mediate any Dispute Claim in good faith before a neutral mediator prior to either party submitting a Dispute Claim to arbitration. Either party may submit a Dispute Claim to mediation at any time following service of a Dispute Claim. The mediation shall be conducted by the Judicial Mediation and Arbitration Service (JAMS) or such other service the parties agree on. The neutral shall be selected by the parties, but if they are unable to agree on a mediator, JAMS or the substitute service shall select the mediator in accordance with its rules. The parties shall cooperate in promptly scheduling the mediation. Following at least one full day of mediation, or sixty (60) days after service of the Dispute Claim if no mediation has been held, either party may then serve on the other party notice of election to proceed to arbitration. The failure of either party to cooperate in good faith in scheduling or attending the mediation shall be grounds for the arbitrator to stay the arbitration until such mediation has been held.

D. Arbitration Proceedings.

Arbitration proceedings will be determined in accordance with the then-current JAMS Streamlined Arbitration Rules, and the terms of this Dispute Resolution Provision. In the event of any inconsistency, the terms of this Dispute Resolution Provision shall control. If JAMS is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, the parties may mutually designate another arbitration organization with similar procedures to serve as the provider of arbitration. If the parties cannot agree on the arbitration organization, the Presiding Judge of the Sonoma County Superior Court shall designate such an organization upon the petition of either party.

E. Arbitrators.

Except as noted in Section 18.1(A), the arbitration shall be administered by a neutral arbitrator mutually agreed on by the Parties. If the parties are unable to agree on a neutral arbitrator within twenty (20) days of the initial demand for arbitration, either party may contact JAMS for a panel of arbitrators and the parties shall then follow the procedures then in effect used by JAMS for the selection of a neutral arbitrator. If JAMS is not in existence, the parties may agree on another arbitration association for selection of an arbitrator or, failing that, either party may petition the presiding judge of the Sonoma County Superior Court for appointment of a neutral arbitrator. Unless the parties agree otherwise, the arbitration shall be conducted in Sonoma County, California. All Dispute Claims shall be determined by one arbitrator. The arbitrator shall be independent of, and unaffiliated with, each party (and shall not ever have been an employee of either party, under contract with either party in the past 5 years or acted as an arbitrator for such party within the past 5 years).

F. Timing of Proceedings; Tolling

The arbitration hearings shall commence within 60 days of the demand for arbitration and close within 45 days of commencement and the decision of the arbitrator(s) shall be issued within 45 days of the close of the hearing. The parties shall have the right to such discovery as permitted by Cal. Code of Civil Procedure §1283.05. The arbitrator(s) shall provide a concise written statement of reasons for the decision. The arbitration decision may be submitted to any court having jurisdiction to be confirmed and have judgment entered and enforced. During the pendency of any Dispute Claim under this Article 18, all applicable time periods directly related to the Dispute Claims shall be tolled until resolution of the Dispute Claim hereunder; provided, however, that no tolling shall apply to any matters other than those directly related to the Dispute Claim and such tolling shall not entitle a party to breach, default or fail to perform its obligations under this Agreement.

G. Valuation Disputes.

With respect to Dispute Claims relating to valuation items under this Agreement, within 20 days after initiation of the arbitration, if not previously done so under the terms of this Agreement, the County and Contractor shall each submit to each other and the arbitrator their respective relevant value for the item subject to the Disputed Claim, with such supporting information as is reasonably necessary to support such suggested value. If the two valuations so

submitted differ by less than or equal to five percent (5%) of the higher of the two, the average of the two shall become the agreed upon amount for purposes of this Agreement and the arbitration shall not be continued. If the two valuations differ by more than five percent (5%) of the higher of the two, then the arbitrator shall make a determination of the relevant value and submit such determination to both the County and Contractor. This third valuation will then be averaged with the closer of the two previous valuations and the result shall be the relevant value. In no event shall the resolution of a Dispute Claim result in a valuation higher than that which was set forth by Contractor (e.g., a impact of a "material" disclosure or a higher tip fee adjustment).

H. Binding Arbitration.

By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury as permitted by Law in respect of any Dispute Claim. **WHETHER OR NOT THE CLAIM IS DECIDED BY ARBITRATION, THE PARTIES AGREE AND UNDERSTAND THAT THE EFFECT OF THIS AGREEMENT IS THAT THEY ARE GIVING UP THE RIGHT TO TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW.**

I. Costs.

The arbitrator or Court shall have the authority and power to award costs, including attorneys' fees, expert witness fees and costs to the prevailing party. Unless otherwise awarded by the arbitrator, the parties shall evenly split the cost of any arbitration under this Article 18.

18.2 Continue Performance.

Except for a Contractor Default, in the event of any dispute arising under this Agreement, County and Contractor shall continue performance of their respective obligations under this Agreement and shall attempt to resolve such dispute in a cooperative manner, including but not limited to negotiating in good faith.

ARTICLE 19.GENERAL PROVISIONS

19.1 Compliance with Applicable Law.

In providing the services required under this Agreement, Contractor shall at all times, at its sole cost, comply with all Applicable Laws. In particular, Contractor's operations at the Landfill, the Materials Recovery Facility and the Transfer Stations shall comply with all Applicable Laws, as now existing or as they may be later adopted, modified or amended, and shall further comply with the Permits and all approved closure and post-closure plans regarding the Landfill.

19.2 Assignment.

A. Assignment by Contractor.

Contractor may assign this Agreement to an Entity provided that (i) County has approved such assignment, in its reasonable discretion, based upon the financial capability and operational, maintenance, environmental and permitting experience, history and capability of the Entity; provided, however, that if the assignee is a wholly-owned subsidiary of the guarantor, the financial capability component of this clause (i) shall be satisfied if such assignee has the financial ability to perform the obligations under this Agreement and has a net worth at least equal to that of Contractor; (ii) any such assignment shall in no way limit, relieve or release Contractor from the liabilities and obligations under this Agreement; (iii) the Entity shall expressly assume in writing the obligations of Contractor hereunder pursuant to a form of assumption agreement acceptable to the County, in its reasonable discretion; (iv) Contractor shall deliver an original of the fully executed assignment agreement and the assumption agreement within 3 days after the execution thereof; (v) the guarantor(s) under the Guarantee or any other guarantee in favor of the County delivers to the County, in form and substance satisfactory to the County in its reasonable discretion, the guarantor's written consent to such assignment and such guarantor(s) agrees to be bound to the terms of its guaranty, affirmatively states that the terms of such guaranty remain in full force and effect notwithstanding such assignment and affirmatively states that such guaranty shall remain in full force and effect notwithstanding any future actions or omissions by the Entity (or any future transferee or assignee); (vi) in the reasonable discretion of the County, the Entity shall provide to the County an additional guarantor acceptable to the County, in its reasonable discretion, which additional guarantor shall execute and deliver to the County a form of guaranty in favor of the County and in form and substance the same as the Guaranty; Contractor shall be free to enter into operations, vendor, design, construction and other agreements under which Contractor contracts for the performance of some or all of its obligations under this Agreement and such agreements shall not be considered a sale, conveyance, transfer or assignment hereunder (it being further acknowledged that, in such instances, Contractor shall remain directly liable to the County for the performance of all obligations under this Agreement).

Any assignment of this Agreement made by Contractor without the express written consent of County shall be null and void and shall be grounds for County to declare a default of this Agreement and immediately exercise all rights and remedies hereunder. The use of a subcontractor to perform services under this Agreement shall not constitute delegation of

Contractor's duties. Contractor shall be responsible for directing the work of Contractor's approved subcontractors and any compensation due or payable to Contractor's subcontractor shall be the sole responsibility of Contractor. For purposes of this Agreement, an assignment shall include: (i) the sale or other transfer of more than an aggregate of forty percent (40%) of the voting share of Contractor; or (ii) the sale, mortgage, hypothecation, or pledge of more than an aggregate of forty percent (40%) of the value of the unencumbered assets of Contractor; (iii) the dissolution, merger, consolidation, or other reorganization Contractor; or (iv) a change in "control" (as such term is defined as part of the definition of "Affiliate"). The transfer or assignment of this Agreement, along with the assets of Contractor, to another wholly owned subsidiary of Republic Services, Inc. or its successor shall not be deemed an assignment.

B. Assignment by Prime Subcontractor.

No assignment or delegation of Prime Subcontractor's (The Ratto Group's) rights or duties that are described in this Agreement shall be made in whole or in part by the Prime Subcontractor without the express written consent of County, which the County shall withhold only in its reasonable discretion. Any such assignment or delegation without the express written consent of County shall be null and void. Prime Subcontractor shall acknowledge its agreement to be bound by this subsection 18.2 B by execution of a separate written agreement delivered by Prime Subcontractor to County. The delivery of this separate written agreement by Prime Subcontractor to County is a condition precedent to the effectiveness of this Agreement. For purposes of this Agreement, an assignment shall include: (i) the sale or other transfer of more than an aggregate of forty percent (40%) of the voting share of Contractor; or (ii) the sale, mortgage, hypothecation, or pledge of more than an aggregate of forty percent (40%) of the value of the unencumbered assets of Contractor; (iii) the dissolution, merger, consolidation, or other reorganization Contractor; or (iv) a change in "control" (as such term is defined as part of the definition of "Affiliate"). The transfer or assignment of this Agreement, along with the assets of Prime Subcontractor, to another wholly owned subsidiary of Prime Subcontractor or its successor shall not be deemed an assignment.

C. Assignment by County.

County may assign its rights and responsibilities under this Agreement to any other entity as long as any such proposed assignee under this Section shall: (a) have the legal authority and financial capacity sufficient to assume and perform all of County's obligations hereunder; and (b) shall agree in writing to do so.

19.3 Notices; Party Representatives.

A. Notices.

Any communication, notice or demand of any kind whatsoever which either party may be required or may desire to give to or serve upon the other shall be in writing and delivered by personal service (including express or courier service), by electronic communication, whether by telex, telegram or telecopying (if confirmed in writing sent by registered or certified mail, postage prepaid, return receipt requested), or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to the County: County of Sonoma
2300 County Center Drive, Suite B-100
Santa Rosa, CA 95403
Attention: Ms. Susan Klassen, Deputy Public Works Director
Phone: (707) 565-2231
Fax: (707) 565-2620

If to the Contractor: Operations Manager
Republic Services of Sonoma County
500 Meacham Road
Petaluma, California 94952
Phone: (510) 453-8501
Fax: (707) 795-4635

and to:

Area President
Republic Services
3260 Blume Dr., Suite 200
Richmond, CA 94806
Phone: (510) 262-7566
Fax: (510) 262-7565

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

B. Party Representatives.

(i) **County Representative.**

Authority to act on behalf of the County is hereby delegated to the Director of Transportation and Public Works. Except as expressly indicated to the contrary, all references to approval rights or approvals by the County in this Agreement shall require that the County provide written approval of such item by the Director of Transportation and Public Works.

(ii) **Contractor Representative.**

Authority to act on behalf of Contractor is hereby delegated to: Mike Caprio. Such person's statements, representations, actions and commitments shall fully bind Contractor. All oral directions or instructions and notices given by County to such named representative shall bind Contractor as if delivered to Contractor personally.

19.4 Inspection By The County.

The County shall have the right to observe and review Contractor's operations and equipment, and to enter Contractor's premises for the purposes of such observations and review at any time with 24 hours notification.

19.5 Relationship of the Parties.

The parties intend that Contractor shall perform the services required by this Agreement as an independent contractor engaged by the County and not as an officer or employee of the County nor as a partner of or joint venture with the County. No employee or agent of Contractor shall be or shall be deemed to be an employee or agent of the County. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of conducting the services performed under this Agreement, and all persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, subcontractors and agents. Neither Contractor nor its officers, employees, subcontractors and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to the County employees by virtue of their employment with the County.

19.6 Governing Law.

The validity, interpretation and effect of this Agreement are governed by and shall be construed in accordance with the Laws of the State of California applicable to contracts made and performed in such State and without regard to conflicts of Law doctrines except to the extent that certain matters are preempted by federal Law or are governed by the Law of the jurisdiction of organization of the respective parties.

19.7 Jurisdiction.

Any lawsuits between the parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits.

19.8 Venue.

COUNTY AND CONTRACTOR AGREE THAT ANY ACTION OR PROCEEDING TO RESOLVE A DISPUTE BETWEEN COUNTY AND CONTRACTOR CONCERNING THE INTERPRETATION, APPLICATION OR ENFORCEMENT OF THE TERMS OF THIS AGREEMENT MAY ONLY BE BROUGHT IN SUPERIOR COURT FOR THE COUNTY OF SONOMA OR U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA. EACH OF COUNTY AND CONTRACTOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. IF NOT A RESIDENT OF THE STATE, CONTRACTOR MUST APPOINT AND MAINTAIN AN AGENT FOR SERVICE OF PROCESS IN THE STATE.

19.9 Binding on Successors.

The provisions of this Agreement shall inure to the benefit to and be binding on the successors and permitted assigns of the parties.

19.10 Parties in Interest.

Nothing in this Agreement, whether express or implied, is intended to confer any rights on any persons other than the parties to it and their representatives, successors and permitted assigns.

19.11 Duty of Contractor Not to Discriminate.

Contractor shall not discriminate in the employment of persons engaged in the performance of this Agreement on account of race, color, national origin, ancestry, religion, sex, physical handicap, or medical condition, in violation of any applicable federal or state law.

19.12 Acknowledgement.

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

19.13 Exhibits.

Each of the Exhibits, identified in this Agreement, is attached hereto and incorporated herein and made a part hereof by this reference.

19.14 Entire Agreement.

This Agreement, including the Exhibits, represents the full and entire Agreement between the parties with respect to the matters covered herein. This Agreement supersedes any and all prior promises, representations, negotiations, agreements and understandings, all of which shall be of no force or effect except as provided herein.

19.15 Article and Section Headings.

The article headings and sections headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement not to alter or affect any of its provisions.

19.16 Reference to Days.

All references to days herein are to calendar days, including Saturdays, Sundays and Holidays, except as otherwise specifically provided.

19.17 Interpretation.

This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

19.18 Amendment.

This Agreement may not be modified or altered except by amendment in writing signed by both parties.

19.19 Severability.

If any non-material provision of this Agreement is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

19.20 Counterparts.

This Agreement may be executed in counterparts each of which shall be considered an original.

19.21 Attorneys' Fees.

The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement shall be awarded its reasonable costs and attorneys' fees expended in connection with such an action from the other party.

19.22 References to Laws.

All references in this Agreement to laws and regulations shall be understood to include such laws and regulations as they may be subsequently amended or recodified, unless otherwise specifically provided. In addition, references to specific governmental agencies shall be understood to include agencies which succeed to or assume the functions they are currently performing.

19.23 Actions of County in its Governmental Capacity.

Contractor understands and acknowledges that the Local Enforcement Agency for Sonoma County ("LEA") and certain of the other Governmental Authorities involved with issuing Permits and/or permitting or regulating the Landfill, Materials Recovery Facility and the Transfer Stations are departments or divisions within the County of Sonoma. Notwithstanding anything to the contrary contained in this Agreement, Contractor acknowledges and agrees that nothing in this Agreement mandates or requires the LEA or such other Governmental Authorities within the County of Sonoma to issue any Permit or future Permit or to undertake any action that would waive or limit such entities' present or future regulatory or permitting powers or authority and that, except as explicitly indicated, for all purposes under this Agreement, Contractor acknowledges and agrees that the Landfill, Materials Recovery Facility and the Transfer Stations shall remain subject to the periodic or annual review, as applicable, of the LEA and such other Governmental Authorities.

19.24 Personal Liability.

This Agreement is not intended to create or result in any personal liability for any County public official, employee or agent, nor shall the Agreement be construed to create that liability.

19.25 Subcontractors.

Contractor shall not engage any subcontractors for services provided under this Agreement without the prior written consent of the County.

19.26 Time of the Essence.

Time is of the essence of each term of this Agreement. Without limiting the generality of the foregoing, all times provided for in this Agreement for the performance of any act shall be strictly construed.

19.27 Advice.

Each of the parties has received the advice of legal counsel prior to signing this Agreement. Each party acknowledges no other party or agent or attorney has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter herein to induce the other party to execute this Agreement. The parties agree no provision may be subject to any rules of construction based upon either party being considered the party "drafting" this Agreement.

IN WITNESS WHEREOF, the County and Contractor have executed this Agreement as of the day and year first above written.

COUNTY: THE COUNTY OF SONOMA,
a political subdivision of the State of California

By: _____
Name: David Rabbitt
Title: Chair, Board of Supervisors

ATTEST:
By: _____
Name: Veronica Ferguson
Title: Clerk, Board of Supervisors

APPROVED AS TO FORM:

By: _____
Assistant County Counsel

CONTRACTOR: REPUBLIC SERVICES OF SONOMA COUNTY, INC.,
a Delaware corporation

By: _____
Name: Michael Caprio
Title: Area President

By: _____
Name: _____
Title: _____

EXHIBITS

Exhibit	Document Title
Ex. A	Assigned Contracts
Ex. B	Compost License Agreement
Ex. C	Form of Corporate Guaranty
Ex. D	Form of Financial Assurances
Ex. E	Future Compost Facility Map
Ex. F	HHW Facility License Agreement
Ex. G (G-1, G-2, G-3, G-4, G-5)	Legal Descriptions of Property
Ex. H	Permits
Ex. I	Prime Subcontractor Agreement
Ex. J	Waste Delivery Agreement
Ex. K	Mutually Expected Major Capital Replacements
Ex. L	Reserved Operations
Ex. M	Current Days of Operation
Ex. N	Offsite Litter Control on Public Roads Map
Ex. O	Bill of Sale and List of Personal Property to Be Transferred
Ex. P	List of Employment Openings
Ex. Q	Materials Recovery Facility Equipment Description
Ex. R	Concession Payment Schedule
Ex. S	Initial Contractor Service Fee Schedule for Committed County Waste and Committed City Waste
Ex. T	Waste Management Agency Fee Schedule
Ex. U	Legal Opinion
Ex. V	Memorandum of Agreement Regarding Restrictive Covenants

Ex. W	Letter of Credit
Ex. X	Insurance Requirements
Ex. Y	Summary of Liquidated Damages

EXHIBIT A

EXHIBIT A

CONTRACTS TO BE ASSIGNED

1. **Renewable Energy Purchase Agreement**, effective as of November 8, 2005, by and between Sonoma County ("County") and the Power and Water Resources Pooling Authority, setting forth the terms and conditions for the sale and documentation of Capacity, Energy, Environmental Attributes, and Resource Adequacy Benefits, as defined in that agreement, associated with the Landfill Gas to Energy Facility.

2. **Revocable License Agreement**, dated as of March 21, 2006, by and between the County and the County of Mendocino, for limited disposal of solid waste at the Annapolis Transfer Station.

3. **Preventative Maintenance Agreement**, dated as of March 5, 1992, by and between the County and Michigan Cogenerations Systems, Inc., as amended by that certain First Amendment dated as of September 19, 1995; that certain Second Amendment dated as of July 10, 2001; that certain Third Amendment dated as of May 18, 2008; that certain Fourth Agreement dated as of June 1, 2010. Pursuant to the Third Amendment, Michigan Cogeneration Systems, Inc., assigned its interest in the agreement to LES Project Holdings, LLC.

4. **Agreement for Landfill Leachate and Gray Water User Charges**, dated as of August 8, 2006, by and between the County and the City of Santa Rosa, establishing rates by which County agrees to pay for Leachate and gray water treatment and disposal, delivered to the Water Treatment Plant, by Leachate Pipeline or by truck.

5. **Agreement for Sewer Connection and Demand Fee**, dated as of June 22, 2004, by and between the County and the City of Santa Rosa.

6. **Agreement for Sewer Transmission Services**, dated as of August 28, 2001, by and between the County and the City of Rohnert Park, for sewer line connection and rights to excess capacity for the transfer of Leachate to the Water Treatment Plant.

CONTRACTS TO BE ASSIGNED SUBJECT TO CONSENT OF VENDOR

7. **Agreement for Professional Services**, dated as of October 1, 2011, and as amended by that certain First Amendment, dated as of February 1, 2012, by and between the County and Airstrike Bird Control, LLC, for vector control services at the County's Central Landfill.

8. **Services Agreement for the Reuse and Recycling Operations at the Central Disposal Site and the Healdsburg Transfer Station**, dated as of March 14, 2006, and that certain First Amendment dated as of December 14, 2010, by and between the County, West Coast Metals and Garbage Reincarnation, Inc., for the operation of the Central Disposal Site and Healdsburg Transfer Station reuse and recycling centers and the Central Disposal Site Transfer/Processing Building.

EXHIBIT B

EXHIBIT B

LICENSE AGREEMENT

FOR USE OF COUNTY FACILITIES

BETWEEN

COUNTY OF SONOMA

AND

SONOMA COUNTY WASTE MANAGEMENT AGENCY

FOR

COMPOST PREMISES

LOCATED AT

SONOMA COUNTY CENTRAL LANDFILL

PETALUMA, CALIFORNIA

DATED: _____, 20_____

EXHIBIT B

LICENSE AGREEMENT FOR USE OF COUNTY FACILITIES

This Agreement ("Agreement"), made and entered into on February ___, 2013 ("Effective Date"), by and between the COUNTY OF SONOMA, a political subdivision of the State of California (hereinafter called the "County"), and the Sonoma County Waste Management Agency, a Joint Powers Agency (hereinafter called the "Licensee"). County and Licensee are sometimes collectively referred to herein as the "parties" and singularly, as "party."

R E C I T A L S

WHEREAS, County is the owner of certain real property located at 500 Meecham Road, Petaluma, California ("Landfill Property"); and

WHEREAS, the County and the cities entered into that certain Agreement between the Cities of Sonoma County and Sonoma County for a Joint Powers Agency to Deal with Waste Management Issues (Wood Waste, Yard Waste, Household Hazardous Waste, and Public Education) dated as of February 2, 1992 ("JPA Agreement"); and

WHEREAS, Section 5 of the JPA Agreement states in part: "Provided that all regulatory requirements of Federal and State agencies are first met, the County agrees to provide, free of charge as a subsidy, sites at its Central Landfill Site for the purpose of household hazardous waste collection and storage and for a wood and yard waste Treatment System…."; and

WHEREAS, pursuant to the JPA Agreement, Licensee currently uses 27 acres of the Landfill Property to conduct Composting Operations (as defined in Section 6.1 below) as more particularly depicted on Exhibit A to this Agreement ("Premises"); and

WHEREAS, County and Licensee wish to enter into an agreement in order to set forth the terms and conditions for Licensee's use of the Premises.

NOW THEREFORE, in consideration of the promises and covenants set forth below, the parties agree as follows:

A G R E E M E N T

1. License. County hereby grants Licensee a license, subject to all the terms and conditions of this Agreement, to use the Premises.

2. Premises. By this Agreement, County does hereby license to Licensee, and Licensee does hereby take and hire from County:

(a) that certain real property consisting of 27 acres on the Landfill Property and commonly known as the composting operations, said real property being depicted on Exhibit A ("the Premises"); and

(b) a non-exclusive right to use the access road to the Premises; and

(c) all improvements and fixtures located on the Premises which are owned by County, including, without limitation, all buildings and structures presently located on the Premises, including the cement treated base, all apparatus, equipment and appliances used in connection with the operation or occupancy of the Premises, such as facilities used to provide any utility services, or other services on the Premises, (all of which are collectively referred to as the "Improvements").

3. Non-Exclusive License. The license herein granted is non-exclusive. County continues to maintain and control the Premises including, without limitation, leasing, sub-leasing and granting of additional licenses, provided, however, that any such leasing, subleasing or licensing shall not interfere with Licensee's operation and maintenance of the Premises.

4. Term/Termination

4.1 Commencement of Term. The term of this Agreement shall commence on the "Effective Date", and shall terminate on February 11, 2017 ("Expiration Date"), unless sooner terminated as provided for in this Agreement.

4.2 Licensee's Duty to Surrender. At the expiration or earlier termination of the term, Licensee shall surrender to County, in good condition and repair and consistent with Licensee's obligations under the JPA Agreement, the possession of the Premises. Notwithstanding the foregoing, no termination of this Agreement shall release Licensee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination, or date of surrender if it be later. In addition, the parties acknowledge that the County shall have the right under Section 5 of the JPA Agreement to require Licensee to perform monitoring tests to examine the condition of the Premises to ensure the site is left in a completely clean condition.

4.3 Termination for Convenience. Licensee may terminate this Agreement upon 30 days prior written notice to County.

5. Consideration**.** Pursuant to the JPA Agreement, County is providing the use of the Premises at no cost to Licensee.

6. Uses, Purposes

6.1 Permitted Uses. Licensee shall use and permit the use of the Premises for the purpose of operating the Treatment System (as defined in the JPA Agreement). Such use shall include the right to: (i) maintain administrative offices for the Treatment System operator through the use of portable trailers or other temporary structures; and (ii) conduct retail sales of Products (as defined in the JPA Agreement).

6.2 Operational Requirements of Licensee. Licensee agrees throughout the term to abide by the following conditions and requirements:

6.2.1 Hazardous Materials.

(a) Licensee shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept or used in or about the Premises by Licensee, its agents, employees, contractors or invitees, without the prior written consent of County, which County shall not unreasonably withhold as long as Licensee demonstrates to County s satisfaction that such Hazardous Materials: (i) are necessary or useful to Licensee s business and will be used, kept and stored in a manner that complies with all laws, statutes, ordinances, rules, regulations, orders, requirements, and policies of any and all governmental agencies and authorities and any fire insurance underwriters applicable to any such Hazardous Materials ("Hazardous Materials Laws") and (ii) do not otherwise, due to the quantity, nature or use of such Hazardous Materials, substantially increase the risk of fire or other casualty to the Premises.

(b) To the extent any Hazardous Materials are used, kept, or are present in or on the Premises after the Effective Date, Licensee shall ensure that all such Hazardous Materials, and all uses thereof, are in full compliance with all Hazardous Materials Laws.

(c) If Licensee breaches the obligations stated in subparagraphs (a) or (b) of this Section 6.2.1 or if the presence of Hazardous Materials on the Premises after the Effective Date results in contamination of the Premises, or if Hazardous Materials are otherwise discharged or released from the Premises after the Effective Date, then Licensee shall indemnify, defend (with counsel approved by County) and hold County harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, sums paid in settlement of claims, attorneys fees, consultant fees and expert fees) which arise during or after the term of this Agreement as a result of such breach, contamination, discharge, or release. This indemnification of County by Licensee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision, except County, because of Hazardous Materials present in, on or under the Premises. Upon the termination of this Agreement, Licensee shall surrender the Premises to County free of any and all Hazardous Materials brought upon, kept or used in or about the Premises by Licensee or any subcontractor of Licensee. This indemnification shall survive the termination or expiration of this Agreement.

(d) For the purpose of this Section 6.2.1, the term "Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §6901 et seq.), Section 25117 of the California Health Safety Code, Section 25316 of the California Health & Safety Code, and in the regulations adopted and publications promulgated pursuant to them, or any other federal, state, or local environmental laws, ordinances, rules, or regulations concerning the environment, industrial hygiene or public health or safety now in effect or enacted after this date.

(e) Notwithstanding anything stated to the contrary herein, Licensee shall not be responsible for any existing or pre-existing Hazardous Materials located in the landfill underneath the Premises or any Hazardous Materials brought upon the Premises by anyone other than Licensee or Licensee's contractor or agents.

6.2.2 Compliance with Laws. Licensee shall comply with all Laws and Orders concerning the Premises or Licensee's use of the Premises. For purposes of this Agreement, the term "Laws and Orders" includes all federal, state, or California State agency laws, statutes, ordinances, permits, standards, rules, regulations, requirements, or orders now in force or hereafter enacted, promulgated, or issued. The term also includes government measures regulating or enforcing public access, occupational health, or safety standards for employers, employees, landlords or Licensees but does not include County adopted laws, statutes, ordinances, permits, standards, rules, regulations, requirements or orders unless included in this Agreement or currently existing and applicable to Licensee. Licensee shall not allow the Premises to be used for any improper, unlawful or objectionable purpose.

6.3 Reservations to County.

6.3.1 Easements, Rights-of-Way and Permits. County shall have the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections; water, oil and gas pipelines; and telephone and telegraph power lines and such other appliances and appurtenances necessary or convenient to use in connection therewith, over in, upon, through, across and along the Premises or any part, thereof, as will not interfere with Licensee's operations hereunder and to enter thereupon for any and all such purposes, County also reserves the right to grant easements, rights-of-way and permits in, over, and upon, along or across any and all portions of said Premises as County may elect. County will cause the surface of the Premises to be restored to its original condition upon the completion of any construction done pursuant to this Section. County agrees that any right set forth in this Section 6.3.1 shall not be exercised unless a prior written notice of ten (10) days is given to Licensee. However, if such right must be exercised by reason of

emergency, County will give such notice in writing as soon as is possible under the existing circumstances.

6.3.2 Gate Fees. As of the Effective Date, the current processing fees for wood waste and yard debris are set forth in Exhibit B. Licensee shall provide County with 60 days advance written notice of its intention to change the processing fees for either wood waste or yard debris. County reserves the right to pass through additional costs and fees on all materials delivered to the County landfill and transfer stations, including without limitation, a County concession payment on all wood waste and yard debris. County shall provide Licensee with 60 days advance written notice of any such charges or fees. County agrees to collect all processing fees for the Treatment System and provide them to Licensee on a monthly basis.

7. Licensee's Program Obligations. County and Licensee will enter into negotiations regarding shared use of the existing leachate pipeline for disposal of surface water.

8. Records and Audits; Inspections of Premises.

8.1 Maintenance of Records. Licensee shall keep and maintain full and complete documentation and accounting records concerning this License. Licensee shall maintain the accounting records in conformity with generally accepted accounting principles.

8.2 Examination of Records. County shall have the right, at County's sole cost and expense, at any reasonable time and from time to time after giving 15 days prior written notice to Licensee, to do or cause to be done any or all of the following: to audit the records; to make abstracts from the records; and to make copies of any or all records. Licensee shall make all records specified in the notice available at the time specified in the notice, if reasonable, and at the place where the records are to be kept.

8.3 County's Right to Inspections. County shall have the right to enter upon the Premises at any and all times throughout the term of this License for the purpose of inspecting the same and posting any notices required or permitted under law.

9. Condition, Maintenance, Utilities, Repairs

9.1 As-Is Condition. Licensee hereby acknowledges that neither the County nor anyone acting for or on behalf of the County, has made any representation, warranty or promise to Licensee concerning the physical aspects or condition of any portion or part of the Premises or improvements, the feasibility, desirability or convertibility of the Premises into any particular use, the zoning, building or land use restrictions applicable to the Premises, projected income or expenses for any of the Premises, the conditions of the soil, subsoils, ground water, or surface waters or the presence or absence of any toxic waste or hazardous substances or material, and that by entering into this License has not relied on any representation, statement or warranty of

the County, or anyone acting for or on behalf of the County, and that all matters concerning the Premises shall be independently verified by Licensee, and that Licensee shall use and occupy the Premises on Licensee's own examination thereof, AND THAT LICENSEE IS LICENSING THE PREMISES IN "AS-IS" PHYSICAL CONDITION AND "AS-IS" STATE OF REPAIR. Licensee does hereby waive and the County does hereby disclaim all warranties of any type or kind of description but not limitation, those of fitness for particular purpose, tenantability, habitability and use. Licensee hereby expressly waives any and all claims for damages or for rescission or cancellation of this License because of any representations made by the County or by any agent of the County. Licensee acknowledges that it has had sufficient time to conduct all inspections, reviews and studies of the Premises that Licensee may deem necessary. Licensee hereby expressly assumes the risk that adverse physical conditions and the full extent thereof, may not be revealed by Licensee's inspections, reviews and studies of the Premises. It is an expressly bargained-for agreement herein that Licensee shall be responsible, at Licensee's sole cost and expense, for maintaining the Premises in a manner that complies in all respects with all Laws and Orders.

9.2 Licensee's Duty to Maintain Premises. Throughout the term, Licensee shall, at Licensee s sole cost and expense, maintain the Premises, including the cement treated base and all utilities, in good condition and repair and in accordance with all Laws and Orders. It is the specific, bargained-for intent of the parties that Licensee's maintenance and repair obligations shall be absolute and total, that County shall have no obligation or responsibility for such work, and that this provision has been specifically negotiated by the parties and the consideration for this License reflects this negotiation. With the exception of the access road, County shall not have any responsibility whatsoever to maintain the Premises

9.3 Utilities. Licensee shall bear the costs for all utilities furnished to the Premises at the rates of _____per hour for electricity, _____ per (hour?) for water, and disposal of garbage at current rates, as revised from time to time. County will install meters for all utilities upon 24 hours notice to Licensee. Licensee will reimburse County for the costs of the meters.

9.4 Damage and Destruction. It is the intent of the parties that Licensee shall be responsible for the repair and restoration of the Premises, and any part thereof, in the event of any casualty, injury, damage, or destruction to the Premises or any part thereof, regardless of when it occurs during the term. No damages, compensation or claim shall be payable by County for any inconvenience, any interruption or cessation of Licensee's business, or any annoyance, arising from any damage to or any destruction of all or any portion of the Premises.

9.5 Equipment Installation and Operation. Licensee or Licensee's contractor shall install any equipment, at its sole cost and expense. Licensee's equipment shall be installed, operated and maintained in accordance with the highest standards now or hereafter generally employed for similar equipment. In the event the installation, operation or maintenance of said equipment causes any direct or indirect interference

with the operation of County's facilities, equipment or the equipment of County's agents, tenants, or other governmental agencies, Licensee shall correct said interference, at its sole cost and expense, to the reasonable satisfaction of County. In the event said interference cannot be corrected, Licensee shall promptly remove said equipment.

10. Waste. Licensee shall not commit, suffer, or permit the commission by others of: (i) any waste on the Premises; (ii) any action or use of the Premises which interferes or conflicts with the use of the Premises by County or any authorized person unless expressly permitted; or (iii) any action on the Premises in violation of any Laws or Orders.

11. Financing. Licensee shall not encumber any interest Licensee may have in the Premises.

12. Extent of Grant of License. This License herein granted is valid only to the extent of County s jurisdiction as a land owner or tenant of the Premises. Acquisition of any other necessary permits or entitlements for use is the responsibility of Licensee. NOTHING CONTAINED IN THIS AGREEMENT SHALL BE CONSTRUED AS A RELINQUISHMENT OF ANY RIGHTS NOW HELD BY COUNTY.

13. Insurance; Indemnification

13.1 Duty to Maintain Insurance. Licensee shall meet all insurance requirements set forth in Exhibit C.

13.2 Indemnity by Licensee. Licensee will indemnify, hold harmless and defend County, its agents and employees, from and against any and all actions, claims, damages, disabilities or expenses including, without limitation, attorneys fees, witness costs and court costs that may be asserted by any person or entity, including Licensee, arising out of or in connection with any of the following circumstances:

13.2.1 Use of Premises. Use of the Premises in any manner by Licensee, its agents, employees, invitees, sublicensees and contractors, and the agents, employees, patrons, contractors and invitees of Licensee's contractor, including any use of the Premises not allowed under this Agreement.

13.2.2 Breach by Licensee. Any breach by Licensee of the terms, covenants or conditions herein contained.

13.2.3 Approval of License. The approval of this License by County.

13.2.4 Other Activities. Any other activities of Licensee, its agents, employees and contractors whether or not there is concurrent negligence on the part of the County, but excluding liability due to the sole active negligence or sole willful misconduct of County. This indemnification obligation is not limited in any way by any

limitation on the amount or type of damages or compensation payable by or for Licensee or its agents under workers' compensation acts, disability benefit acts or other employee benefit acts.

13.3 Indemnity by County. County will indemnify, hold harmless and defend Licensee, its agents and employees, from and against any and all actions, claims, damages, disabilities or expenses including, without limitation, attorneys' fees, witness costs and court costs that may be asserted by any person or entity, including Licensee, arising out of County's operations on the remaining portions of the rest of the Landfill Property.

13.4 Liability for Loss or Damage to County Property. Licensee shall be liable to County for any loss or damage to the Premises arising from or in connection with Licensee s performance hereunder or any of Licensee's officers, agents, employees or contractors.

14. Nondiscrimination. In the performance of this License, Licensee shall comply with all applicable federal, state and local laws, rules and regulations regarding nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition, pregnancy, disability, or AIDs or HIV status, including without limitation, the County's Non-Discrimination Policy.

15. Provisions are Conditions of Use/Occupancy. Each provision of this License shall be deemed a condition of the right of Licensee to use or continue to occupy the Premises. If Licensee fails to comply with any Laws and Orders related to the Premises and Licensee's operations thereon, and does not correct such failure within 90 days of written notice from County, County may at its option terminate this License by written notice to Licensee; this right to terminate shall be cumulative to any other legal right or remedy available to County.

16. Licensee to Act in Independent Capacity. Licensee, its officers, agents, and employees shall act in an independent capacity and shall not represent themselves to be or be construed to be officers, agents, or employees of County.

17. License Not a Lease. This License does not constitute a lease, but constitutes a mere revocable license and Licensee is limited to the use of the Premises expressly and specifically described above. Excepting the access road to the Premises and except as otherwise allowed under the JPA Agreement, Licensee shall have no right or privilege in any respect whatsoever to use any other part of the Landfill Property of County for any purpose whatsoever. Licensee disclaims any interest that when coupled with the License herein granted would render it irrevocable.

18. Notices. All notices (including requests, demands, approvals, or other communications) under this License shall be in writing.

EXHIBIT B

18.1 Method of Delivery. Notice shall be sufficiently given for all purposes as follows:

(a) When personally delivered to the recipient, notice is effective on delivery.

(b) When mailed first class to the last address of the recipient known to the party giving notice, notice is effective on delivery.

(c) When mailed by certified mail with return receipt requested, notice is effective on receipt if delivery is confirmed by a return receipt.

(d) When delivered by overnight delivery with charges prepaid or charged to the sender's account, notice is effective on delivery if delivery is confirmed by the delivery service.

(e) When sent by fax to the last fax number of the recipient known to the party giving notice, notice is effective on receipt evidenced by fax confirmation as long as (1) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery or (2) the receiving party delivers a written confirmation of receipt. Subject to the foregoing requirements, any notice given by fax shall be considered to have been received on the next business day if it is received after 5 p.m. (recipient's time) or on a non-business day.

18.2 Refused, Unclaimed, or Undeliverable Notices. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused, unclaimed, or considered undeliverable by the postal authorities, messenger, or overnight delivery service.

18.3 Addresses. Addresses for purposes of giving notice are set forth below:

COUNTY: County of Sonoma
Department of Transportation and Public Works
2300 County Center Drive, Suite ____
Santa Rosa, CA 95403
Attn: _____

LICENSEE: Sonoma County Waste Management Agency
2300 County Center Drive, Suite B-100
Santa Rosa, CA 95403
Attn: Henry Mikus, Executive Director

Any party may at any time change its address for notices by giving written notice of such change to the other party in the manner provided in this paragraph.

19. No Continuing Waiver. The waiver by County of any breach of any of the provisions of this License shall not constitute a continuing waiver of any subsequent breach of the same, or of any other provision of this License.

20. General Provisions. Licensee shall not either voluntarily or by operation of law assign, sublet, hypothecate or otherwise transfer Licensee's interest in this License without the prior written consent of County in each instance. A consent by County to one assignment, sublease, hypothecation or transfer shall not be construed as a consent to any subsequent assignment, sublease, hypothecation or transfer, or as releasing Licensee from any liability or obligation hereunder whether or not then accrued. Any assignment, sublease, hypothecation or transfer which is not in compliance with this section shall be void and shall, at the option of County, terminate this License.

21. Improvements.

21.1 Ownership of Improvements During Term. County owns the existing cement treated base on the Premises. Licensee or Licensee's contractor shall own all fixtures and improvements it places or constructs on the Premises until the expiration or termination of this License Agreement.

21.2 Licensee's Duty to Remove. At the expiration or sooner termination of this License, Licensee shall remove from the Premises all of its personal property. If it fails to do so, County may retain ownership of such personal property or dispose of it as County sees fit. Notwithstanding anything stated to the contrary in this License, County shall have the right to require Licensee to remove all such fixtures and improvements and return the Premises to the County in a completely clean condition as required under Section 5 of the JPA Agreement, with the exception of the removal of the cement treated base.

22. Miscellaneous Provisions

22.1 Time of Essence. Time is and shall be of the essence of this License and of each and every provision contained in this License.

22.2 Amendments. This License may be modified in writing only, signed by the parties in interest at the time of the modification, and this sentence may not be modified or waived by any oral agreement, whether executed or unexecuted.

22.3 Binding Effect; Choice of Law. This License shall be binding upon and inure to the benefit of the parties, their personal representatives, successors, and assigns. This License shall be governed by the laws of the State of California and any

action to enforce the terms of this License or for the breach thereof shall be brought and tried in the County of Sonoma.

22.4 No Third Party Beneficiaries. Nothing contained in this License shall be construed to create and the parties do not intend to create any rights in third parties.

22.5 Construction of License; Severability; Venue. To the extent allowed by law, the provisions in this License shall be construed and given effect in a manner that avoids any violation of statute, regulation, or law. County and Licensee agree that in the event any provision in this License is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such provision shall in no way affect any other provision in this License. Licensee and County acknowledge that they have each contributed to the making of this License and that, in the event of a dispute over the interpretation of this License, the language of the License will not be construed against one party in favor of the other. Licensee and County further acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this License.

22.6 Relationship. The parties intend by this License to establish the relationship of Licensor and Licensee only, and do not intend to create a partnership, joint venture, joint enterprise, or any business relationship other than that of Licensor and Licensee.

22.7 Captions. The captions in this License are for convenience only and are not a part of this License. The captions do not in any way limit or amplify the provisions hereof, and shall have no effect upon the construction or interpretation of any part hereof.

EXHIBIT B

IN WITNESS WHEREOF, the parties hereto have executed this License as of the Effective Date.

AGENCY/LICENSEE: _____

_____

By: _____

Print Name: _____

Title: _____

APPROVED AS TO FORM
FOR AGENCY:

_____
Janet E. Coleson
Agency Counsel

APPROVED AS TO SUBSTANCE
FOR AGENCY:

_____
Henry J. Mikus
Executive Director

County/Licensor: COUNTY OF SONOMA, a political subdivision of the State of California

By: _____

APPROVED AS TO FORM
FOR COUNTY:

_____
Sheryl L. Bratton
Assistant County Counsel

APPROVED AS TO SUBSTANCE
FOR COUNTY:

EXHIBIT B

EXHIBIT B

Exhibit A

Depiction of 27 Acre Compost Parcel “Premises”
[ATTACH MAP]

EXHIBIT C

EXHIBIT C

FORM OF GUARANTY

THIS GUARANTY, INDEMNIFICATION AND RELEASE AGREEMENT (this "**Guaranty**") is made as of _____, 2013, by **REPUBLIC SERVICES, INC.**, a Delaware corporation (**"Guarantor"**), in favor of **THE COUNTY OF SONOMA**, a political subdivision of the State of California (**"County"**).

R E C I T A L S

A. Republic Services of Sonoma County, Inc. a Delaware corporation, as contractor (**"Contractor"**), and County are parties to that certain Master Operations Agreement dated as of _____, 2013 (the **"Agreement"**) pursuant to which Contractor has agreed to operate the Facilities. Initially capitalized terms used herein without definition will have the meaning given such term in the Agreement and the rules of interpretation set forth in Section 1.1 of the Agreement are hereby incorporated herein.

B. To induce County to enter into the Agreement and consummate the transactions contemplated thereby, Guarantor has agreed to enter into this Guaranty.

C. Guarantor is the ultimate parent of Contractor.

D. Without this Guaranty, County would not have entered into the Agreement. Therefore, in consideration of County's execution of the Agreement, Guarantor has agreed to execute this Guaranty.

NOW, THEREFORE, in consideration of the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

1. **Guaranty.** Guarantor guarantees to County and its successors and assigns, the full and prompt payment and performance when due of all of the obligations of Contractor arising out of, in connection with, under or related to the Master Operations Agreement, as such term is defined in the Agreement and each and every other document and agreement executed by Contractor in connection with the consummation of the transactions contemplated by the Agreement, including all City Waste Delivery Agreements (which shall collectively be referred to herein as the **"Project Documents"**). The obligations guaranteed pursuant to this Guaranty are collectively referred to herein as the **"Guaranteed Obligations."**

2. **Unconditional Obligations.** This Guaranty is a guaranty of payment and performance and not of collection and is an absolute, unconditional and irrevocable guarantee of the full and prompt payment and performance when due of all of the Guaranteed Obligations, whether or not from time to time reduced or extinguished or hereafter increased or incurred; whether or not recovery may be, or hereafter may become, barred by any statute of limitations or otherwise; provided, however, that this Guaranty shall not be enforceable against Guarantor to the extent (and only to the extent) it is determined or has been determined not to be enforceable either by an arbitrator pursuant to the Dispute Resolution Provision in the Agreement (the "Dispute Resolution Provision") or by a court of competent jurisdiction that the Guaranteed Obligations are not enforceable against Contractor. If any payment made by Contractor or any

other Person and applied to the Guaranteed Obligations is at any time annulled, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be repaid or refunded, then, to the extent of such payment or repayment, the liability of Guarantor will be and remain in full force and effect as fully as if such payment had never been made. Guarantor covenants that this Guaranty will not be fulfilled or discharged, except by the complete payment and performance of the Guaranteed Obligations, whether by the primary obligor or Guarantor under this Guaranty. Without limiting the generality of the foregoing, Guarantor's obligations hereunder will not be released, discharged or otherwise affected by **(a)** any change in the Project Documents or the obligations thereunder, or any insolvency, bankruptcy or similar proceeding affecting Contractor, Guarantor or their respective assets; and **(b)** the existence of any claim or set-off which Contractor has or Guarantor may have against County, whether in connection with this Guaranty or any unrelated transaction, except and only to the extent any claim or set-off is actually allowed either by an arbitrator pursuant to the Dispute Resolution Provision or by a court of competent jurisdiction, provided that nothing in this Guaranty will be deemed a waiver by Guarantor of any claim or prevent the assertion of any claim by separate suit. This Guaranty will in all respects be a continuing, absolute, and unconditional guaranty irrespective of the genuineness, validity, regularity or enforceability of the Guaranteed Obligations or any part thereof or any instrument or agreement evidencing any of the Guaranteed Obligations or relating thereto, or the existence, validity, enforceability, perfection, or extent of any collateral therefor or any other circumstances relating to the Guaranteed Obligations which might otherwise constitute a defense to the Guaranteed Obligations or this Guaranty, except and only to the extent such defenses are adjudicated or have been adjudicated either by an arbitrator pursuant to the Dispute Resolution Provision or by a court of competent jurisdiction.

3. **Independent Obligations.** Guarantor agrees that the Guaranteed Obligations are independent of the obligations of Contractor and if any default occurs hereunder, a separate action or actions may be brought and prosecuted against Guarantor whether or not Contractor is joined therein. County may maintain successive actions for other defaults of Guarantor. County's rights hereunder will not be exhausted by the exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless all Guaranteed Obligations have been paid and fully performed.

a. Guarantor agrees that County may enforce this Guaranty, at any time and from time to time, without the necessity of resorting to or exhausting any security or collateral and without the necessity of proceeding against Contractor. Guarantor hereby waives the right to require County to proceed against Contractor, to exercise any right or remedy under any of the Project Documents or to pursue any other remedy or to enforce any other right.

b. Guarantor will continue to be subject to this Guaranty notwithstanding: (i) any modification, agreement or stipulation between or among Contractor or County or their respective successors and assigns, with respect to any of the Project Documents or the Guaranteed Obligations; (ii) any waiver of or failure to enforce any of the terms, covenants or conditions contained in any of the Project Documents or any modification thereof; (iii) any release of Contractor from any liability with respect to any of the Project Documents; or (iv) any release or subordination of any collateral then held by County as security for the performance by Contractor of the Guaranteed Obligations.

c. The Guaranteed Obligations are not conditional or contingent upon the pursuit by County of any remedies which County either now has or may hereafter have with respect thereto under any of the Project Documents.

4. **Liability of Guarantor.**

a. County may enforce this Guaranty upon the occurrence of a breach by Contractor of any of the Guaranteed Obligations (following the expiration of any notice and cure period set forth in the applicable Contract Document and applicable to such breach), notwithstanding the existence of any dispute between or among County, Contractor with respect to the existence of such a breach.

b. Guarantor's performance of some, but not all, of the Guaranteed Obligations will in no way limit, affect, modify or abridge Guarantor's liability for those Guaranteed Obligations that have not been performed.

c. County, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability of this Guaranty or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may (i) with respect to the financial obligations of Contractor, renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of financial obligations that are Guaranteed Obligations, and/or subordinate the payment of the same to the payment of any other obligations, (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto, (iii) request and accept other guarantees of the Guaranteed Obligations and take and hold security for the payment of this Guaranty or the Guaranteed Obligations, (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for performance of the Guaranteed Obligations, any other guarantees of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations, (v) enforce and apply any security hereafter held by or for the benefit of County in respect of this Guaranty or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that County may have against any such security, as County in its discretion may determine, and (vi) exercise any other rights available to it under the Project Documents.

d. This Guaranty and the obligations of Guarantor hereunder will be valid and enforceable and will not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than indefeasible performance in full of the Guaranteed Obligations), including without limitation the occurrence of any of the following, whether or not Guarantor will have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Project Documents, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement or instrument relating thereto; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including without limitation provisions relating to events of

default) of the Project Documents or any agreement or instrument executed pursuant thereto; (iii) County's consent to the change, reorganization or termination of the corporate structure or existence of Contractor; (iv) any defenses, set-offs or counterclaims Contractor may allege or assert against County in respect of the Guaranteed Obligations, including but not limited to failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, except and only to the extent any defenses, set-offs, or counterclaims are actually allowed either by the arbitrator pursuant to the Dispute Resolution Provision or by a court of competent jurisdiction; and (v) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

e. The parties hereto specifically agree that, in addition to any and all remedies at law available to the County, the County shall be entitled to the remedy of specific performance of any and all Guaranteed Obligations, and Guarantor specifically agrees that the County shall be entitled to any other remedies incidental to enforcing such specific performance, including, without limitation, the granting of appropriate injunctive relief.

f. It is the intent of the parties that the Guarantor's liability for the Guaranteed Obligations shall be limited to that of Contractor, and that this instrument shall not impose greater obligations upon the Guarantor than would be owed to the County by Contractor. Any final determination either by an arbitrator pursuant to the Dispute Resolution Provision or by a court of competent jurisdiction with respect to any of the Guaranteed Obligations shall establish the limits of this Guaranty with respect thereto. Nothing in this Section shall affect the enforceability of the Guarantor's waiver of defenses, subrogation rights, and reimbursement rights set forth in Sections 5 and 6.

5. **Waivers.** To the fullest extent permitted by law, Guarantor hereby waives and agrees not to assert or take advantage of: **(a)** any right to require County to proceed against Contractor or any other Person or to proceed against or exhaust any security held by County at any time or to pursue any right or remedy under any of the Project Documents or any other remedy in County's power before proceeding against Guarantor; **(b)** any defense that may arise by reason of the incapacity, lack of authority, death or disability of, or revocation hereby by Guarantor, Contractor or any other Person or the failure of County to file or enforce a claim against the estate (either in administration, bankruptcy or any other proceeding) of any such Person; **(c)** any defense that may arise by reason of any presentment, demand for payment or performance or otherwise, protest or notice of any other kind or lack thereof; **(d)** any right or defense arising out of an election of remedies by County even though the election of remedies, such as nonjudicial foreclosure with respect to any security for the Guaranteed Obligations, has destroyed the Guarantor's rights of subrogation and reimbursement against Contractor by the operation of Section 580d of the Code of Civil Procedure or otherwise; **(e)** all notices to Guarantor, to Contractor or to any other Person, including, but not limited to, notices of the acceptance of this Guaranty or the creation, renewal, extension, modification, accrual of any of the obligations of Contractor under any of the Project Documents, or of default in the payment or performance of any such obligations, enforcement of any right or remedy with respect thereto or notice of any other matters relating thereto; **(f)** any requirements of diligence or promptness on the part of County; **(g)** except as specifically provided elsewhere in this Guaranty, any defense

arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Contractor or any other Person from any cause other than indefeasible performance in full of the Guaranteed Obligations; **(h)** any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation, including, without limitation, all rights and benefits under Section 2809 of the California Civil Code purporting to reduce a guarantor's obligation in proportion to the obligation of the principal; **(i)** any defense based upon any act or omission of County which directly or indirectly results in or aids the discharge or release of Contractor, Guarantor or any security given or held by County in connection with the Guaranteed Obligations; **(j)** any and all suretyship defenses under applicable law including, but not limited to, any defense under Sections 2787 through 2855, inclusive, of the California Civil Code; and **(k)** any statute of limitations affecting Guarantor's liability hereunder or the enforcement thereof.

6. **Waiver of Subrogation and Rights of Reimbursement.** Until the Guaranteed Obligations have been indefeasibly paid in full, Guarantor waives any claim, right or remedy which it may now have or may hereafter acquire against Contractor that arises from the performance of Guarantor hereunder, including, without limitation, any claim, right or remedy of subrogation, reimbursement, exoneration, contribution, or indemnification, or participation in any claim, right or remedy of County against Contractor, or any other security or collateral that County now has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise.

7. **Waivers by Guarantor if Real Property Security.** If the Guaranteed Obligations are or become secured by real property or an estate for years, Guarantor waives all rights and defenses that Guarantor may have because the Guaranteed Obligations are secured by real property. This means, among other things:

a. County may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Contractor.

b. If County forecloses on any real property collateral pledged by Contractor:

(1) The amount of the Guaranteed Obligation may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price.

(2) County may collect from Guarantor even if County, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Contractor.

This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because the Guaranteed Obligations secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

8. **Default; Cumulative Rights.** The County may declare Guarantor in default under this Guaranty for any failure to fully perform and discharge its obligations and liabilities under this Guaranty. Guarantor and the County specifically agree that, in addition to any and all remedies at law or in equity that the County may have, the County shall be entitled to the remedy of specific performance of any of the provisions and obligations to be performed by Guarantor under this Guaranty and that the County shall be entitled to any other provisional remedies incidental to enforcing such specific performance, including, without limitation, the granting of appropriate injunctive relief. All rights, powers and remedies of County hereunder will be in addition to and not in lieu of all other rights, powers and remedies given to County, whether at law, in equity or otherwise.

9. **GUARANTOR'S RELEASE OF THE COUNTY AND COMMITTED CITIES. GUARANTOR, FOR ITSELF AND ON BEHALF OF EACH OF ITS SHAREHOLDERS, SUBSIDIARIES, AFFILIATES, AND EACH OF THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, DOES HEREBY RELEASE, HOLD HARMLESS AND FOREVER DISCHARGE THE COUNTY, EACH MEMBER OF THE COUNTY GROUP, AND THE COMMITTED CITIES FROM ANY AND ALL LOSSES AND LIABILITIES, IN EACH CASE, OF ANY KIND OR CHARACTER, WHETHER KNOWN OR UNKNOWN, HIDDEN OR CONCEALED, TO THE PERSON OR PROPERTY OF GUARANTOR, ITS SUCCESSORS AND ASSIGNS, RESULTING FROM OR ARISING OUT OF (1) ANY LOSSES TO GUARANTOR ARISING OUT OF THIS GUARANTY; (2) THE PAST, PRESENT, CONTINUED AND FUTURE SCREENING, ACCEPTANCE, DISPOSAL, TREATMENT, SORTING, HANDLING AND PROCESSING BY THE CONTRACTOR GROUP OF WASTE OR OTHER MATERIAL (INCLUDING COMMITTED COUNTY WASTE, COMMITTED CITY WASTE AND SELF-HAUL WASTE) AT OR IN THE LANDFILL OR ANY OTHER OF THE FACILITIES, EXCEPT FOR SCREENING, TREATMENT, OR PROCESSING THAT OCCURRED AT RECYCLETOWN ON THE LANDFILL PRIOR TO THE EFFECTIVE DATE; (3) THE SCREENING, ACCEPTANCE, DISPOSAL, TREATMENT, SORTING, HANDLING AND PROCESSING OF WASTE OR OTHER MATERIAL (INCLUDING COMMITTED COUNTY WASTE, COMMITTED CITY WASTE AND SELF-HAUL WASTE) AT THE TRANSFER STATIONS OCCURRING DURING THE COMMITTED WASTE PERIOD AND ANY COUNTY FACILITIES OPERATING PERIOD; (4) THE DISPOSAL OF WASTE BY CONTRACTOR COMING FROM THE COUNTY OF SONOMA AT FACILITIES OTHER THAN THE COUNTY FACILITIES (INCLUDING FACILITIES LOCATED OUTSIDE OF THE COUNTY OF SONOMA BUT EXCLUDING FACILITIES NOT OWNED OR OPERATED BY CONTRACTOR OR ITS PRIME SUBCONTRACTOR); (5) ANY REMEDIATION, CLOSURE AND POST-CLOSURE OBLIGATIONS SET FORTH IN THE AGREEMENT; (6) ANY MATTER OR ITEM INCLUDED WITHIN THE ASSUMED LIABILITIES (BUT EXCLUDING ANY EXCLUDED LIABILITIES); (7) ANY ENVIRONMENTAL CONDITION OR REMEDIATION AT THE TRANSFER STATIONS OCCURRING DURING THE COMMITTED WASTE PERIOD OR COUNTY FACILITIES OPERATIONS PERIOD; (8) ANY ENVIRONMENTAL CONDITION AT THE MATERIALS RECOVERY FACILITY OCCURRING DURING**

THE COMMITTED WASTE PERIOD OR THE COUNTY FACILITIES OPERATING PERIOD; OR (9) CONTRACTOR'S INDEMNITIES SET FORTH IN THE MASTER OPERATIONS AGREEMENT.

GUARANTOR HEREBY WAIVES ANY AND ALL RIGHTS AND BENEFITS THAT IT NOW HAS, OR IN THE FUTURE MAY HAVE CONFERRED UPON IT BY VIRTUE OF THE PROVISIONS OF SECTION 1542 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA (OR ANY OTHER STATUTE OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT), WHICH PROVIDES AS FOLLOWS:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.**

IN THIS CONNECTION, GUARANTOR HEREBY AGREES, REPRESENTS, AND WARRANTS THAT IT REALIZES AND ACKNOWLEDGES THAT FACTUAL MATTERS NOW UNKNOWN TO IT MAY HAVE GIVEN OR MAY HEREAFTER GIVE RISE TO CLAIMS THAT ARE PRESENTLY UNKNOWN, UNANTICIPATED AND UNSUSPECTED, AND IT FURTHER AGREES, REPRESENTS, AND WARRANTS THAT THIS RELEASE HAS BEEN NEGOTIATED AND AGREED UPON IN LIGHT OF THAT REALIZATION AND IT NEVERTHELESS HEREBY INTENDS TO RELEASE THE COUNTY AND THE COMMITTED CITIES FROM THE LOSSES DESCRIBED IN THIS SECTION 9. THIS RELEASE OF THE COUNTY AND THE COMMITTED CITIES BY GUARANTOR WILL BE DEEMED TO BE REMADE BY GUARANTOR AS OF THE CLOSING AND SHALL SURVIVE THE CLOSING.

Guarantor's Initials_____

Notwithstanding the foregoing, the release set forth herein shall not preclude Guarantor from, and Guarantor hereby expressly reserves its right to, pursue all third parties (which expressly exclude any Entity released hereby) for any matter covered by the release set forth in this Section 9.

10. Covenant Not to Sue

(a) It is expressly intended that neither Guarantor, nor any Entity claiming through Contractor, shall have any rights, claims, remedies or actions against the County and/or the Committed Cities for any matter with respect to which Contractor has provided indemnification under the Agreement, including Section 15.1 thereof, or Contractor or Guarantor has provided a release under the Agreement, including Section 9 of this Guaranty. Notwithstanding the foregoing, Contractor is not assuming any Excluded Liabilities or any liabilities or obligations for any matter covered by the County's indemnities under Article 15 of the Agreement.

(b) Guarantor, for itself and on behalf of each of its members, shareholders, subsidiaries, affiliates, and each of their respective successors and assigns, does hereby covenant forever and unconditionally not to sue, make any claim or take any action against the County and any of the Committed Cities for any Loss arising out of, relating to (i) any Assumed Liabilities; (ii) any matter with respect to which Contractor has provided indemnification under the Agreement, including Article 15 thereof, or Contractor or Guarantor has provided a release under the Agreement, including Section 9 of this Guaranty; and (iii) facilities other than the Facilities at which Contractor disposes of Waste from the County of Sonoma.

11. **Representations and Warranties.** Guarantor represents and warrants that:

a. it is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and qualified to do business and is in good standing under the laws of the State of California;

b. it has all requisite corporate power and authority to execute, deliver and perform this Guaranty;

c. the execution, delivery, and performance by Guarantor of this Guaranty have been duly authorized by all necessary corporate action on the part of Guarantor;

d. this Guaranty has been duly executed and delivered and constitutes the legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms;

e. neither the execution nor delivery of this Guaranty nor compliance with or fulfillment of the terms, conditions, and provisions hereof, will conflict with, result in a material breach or violation of the terms, conditions, or provisions of, or constitute a material default, an event of default, or an event creating rights of acceleration, termination, or cancellation, or a loss of rights under (1) the certificate of incorporation or by-laws of Guarantor, (2) any judgment, decree, order, contract, agreement, indenture, instrument, note, mortgage, lease, governmental permit, or other authorization, right restriction, or obligation to which Guarantor is a party or any of its property is subject or by which Guarantor is bound, or (3) any federal, state, or local law, statute, ordinance, rule or regulation applicable to Guarantor;

f. it now has and will continue to have full and complete access to any and all information concerning the transactions contemplated by the Project Documents or referred to therein, and the financial status of Contractor and its ability to perform the Guaranteed Obligations;

g. it has reviewed and approved copies of the Project Documents and is fully informed of the remedies County may pursue, with or without notice to Contractor or any other Person, in the event of default of any of the Guaranteed Obligations;

h. it has made and so long as the Guaranteed Obligations (or any portion thereof) remain unsatisfied, it will make its own credit analysis of Contractor and will keep itself fully informed as to all aspects of the financial condition of Contractor, the performance of the Guaranteed Obligations of all circumstances bearing upon the risk of nonpayment or nonperformance of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any

duty on the part of County to disclose any matter, fact or thing relating to the business, operations or conditions of Contractor now known or hereafter known by County;

i. no consent, authorization, approval, order, license, certificate, or permit or act of or from, or declaration or filing with, any governmental authority or any party to any contract, agreement, instrument, lease, or license to which Guarantor is a party or by which Guarantor is bound, is required for the execution, delivery, or compliance with the terms hereof by Guarantor, except as have been obtained prior to the date hereof; and

j. there is no pending or, to the best of its knowledge, threatened action, suit, proceeding, arbitration, litigation, or investigation of or before any Governmental Authority which challenges the validity or enforceability of this Guaranty.

12. **Governing Law.** The validity, interpretation and effect of this Guaranty are governed by and will be construed in accordance with the laws of the State of California applicable to contracts made and performed in such State and without regard to conflicts of law doctrines.

13. **Entire Document.** This Guaranty contains the entire agreement of Guarantor with respect to the transactions contemplated hereby, and supersede all negotiations, representations, warranties, commitments, offers, contracts and writings prior to the date hereof, written or oral, with respect to the subject matter hereof. No waiver, modification or amendment of any provision of this Guaranty is effective unless made in writing and duly signed by County referring specifically to this Guaranty, and then only to the specific purpose, extent and interest so provided.

14. **Severability.** If any provision of this Guaranty is determined to be unenforceable for any reason by a court of competent jurisdiction, it will be adjusted rather than voided, to achieve the intent of the parties and all of the provisions not deemed unenforceable will be deemed valid and enforceable to the greatest extent possible.

15. **Notices.** Any communication, notice or demand of any kind whatsoever under this Guaranty shall be in writing and delivered by personal service (including express or courier service), by electronic communication, whether by telex, telegram or telecopying (if confirmed in writing sent by registered or certified mail, postage prepaid, return receipt requested), or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

County of Sonoma
Department of Transportation and Public Works
2300 County Center Drive, Suite B100
Santa Rosa, California 95403
Attn: Director
Phone: (707) 565-2231
Fax: (707) 565-2620

With copies to: County of Sonoma
Office of the County Counsel
575 Administration Drive, Room 105A
Santa Rosa, California 95403
Attn: County Counsel
Phone: (707) 565-2421
Fax: (707) 565-2624

If to Guarantor:

Republic Services, Inc.
18500 North Allied Way
Phoenix, Arizona 85054
Attn: Mr. Tim Benter, Vice President and Deputy General Counsel
Phone: 480-627-7153
Fax: 480-718-4274

Either Guarantor or County may from time to time change its address for the purpose of notices by a similar notice specifying a new address, but no such change is effective until it is actually received by the party sought to be charged with its contents.

All notices and other communications required or permitted under this Guaranty which are addressed as provided in this Section 15 are effective upon delivery, if delivered personally or by overnight mail, and, are effective five (5) days following deposit in the United States mail, postage prepaid if delivered by mail.

16. **Captions.** The captions of the various Sections of this Guaranty have been inserted only for convenience of reference and do not modify, explain, enlarge or restrict any of the provisions of this Guaranty.

17. **Assignability.** This Guaranty is binding upon and inures to the benefit of the successors and assigns of Guarantor and County, but is not assignable by Guarantor without the prior written consent of County, which consent may be granted or withheld in County's sole discretion. County has the right to assign this Guaranty to an Affiliate of County without obtaining any further consent from Guarantor. Any assignment by Guarantor effected in accordance with this Section 17 will not relieve Guarantor of its obligations and liabilities under this Guaranty. The sale or other disposition of a majority in interest of the shares of Guarantor or

the sale, transfer, or disposition (including by merger) of substantially all of the assets of Guarantor shall be deemed an assignment of this Guaranty subject to consent as required herein.

18. **Construction of Agreement.** Ambiguities or uncertainties in the wording of this Guaranty will not be construed for or against any party, but will be construed in the manner that most accurately reflects the parties' intent as of the date hereof.

19. **No Waiver.** Any forbearance or failure to exercise, and any delay by County in exercising, any right, power or remedy hereunder will not impair any such right, power or remedy or be construed to be a waiver thereof, nor will it preclude the further exercise of any such right, power or remedy.

20. **Bankruptcy; Post-Petition Interest; Reinstatement of Guaranty**.

(a) The obligations of Guarantor under this Guaranty will not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Contractor or by any defense which Contractor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding. County is not obligated to file any claim relating to the Guaranteed Obligations if Contractor becomes subject to a bankruptcy, reorganization, or similar proceeding, and the failure of County so to file will not affect Guarantor's obligations under this Guaranty.

(b) Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if said proceedings had not been commenced) will be included in the Guaranteed Obligations because it is the intention of Guarantor and County that the Guaranteed Obligations should be determined without regard to any rule of law or order which may relieve Contractor of any portion of such Guaranteed Obligations. Guarantor will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or any similar person to pay County, or allow the claim of County in respect of, any such interest accruing after the date on which such proceeding is commenced.

21. **Attorneys' Fees**. Should any litigation be commenced under this Guaranty, the successful party in such litigation shall be entitled to recover, in addition to such other relief as the court may award, its reasonable attorneys' fees, expert witness fees, litigation related expenses, and court or other costs incurred in such litigation. For purposes of this clause, the term "successful party" means the net winner of the dispute, taking into account the claims pursued, the claims on which the pursuing party was successful, the amount of money sought, the amount of money awarded, and offsets or counterclaims pursued (successfully or unsuccessfully) by the other party. If a written settlement offer is rejected and the judgment or award finally obtained is equal to or more favorable to the offeror than an offer made in writing to settle, the offeror is deemed to be the successful party from the date of the offer forward.

22. **CONSENT TO JURISDICTION.** GUARANTOR AND THE COUNTY AGREE THAT ANY ACTION OR PROCEEDING TO RESOLVE A DISPUTE BETWEEN GUARANTOR AND COUNTY CONCERNING THE INTERPRETATION, APPLICATION OR ENFORCEMENT OF THE TERMS OF THIS GUARANTY MAY ONLY BE BROUGHT IN SUPERIOR COURT FOR THE COUNTY OF SONOMA OR U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA. EACH OF GUARANTOR AND COUNTY ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. IF NOT A RESIDENT OF THE STATE OF CALIFORNIA, GUARANTOR MUST APPOINT AND MAINTAIN AN AGENT FOR SERVICE OF PROCESS IN THE STATE OF CALIFORNIA.

23. **Committed Cities**. Each Committed City shall be an express third party beneficiary under this Guaranty as to the Guaranteed Obligations relating to their respective City Disposal Agreements and shall be individually entitled to enforce the terms hereof against Guarantor.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first written above.

GUARANTOR: **REPUBLIC SERVICES, INC.**
a Delaware corporation

By:_____
Name:_____
Title:_____

EXHIBIT D

PERFORMANCE BOND FOR CLOSURE

Principal Name:			
Address:			
Type of Organization: ☐ Joint Venture ☐ Individual ☐ Partnership ☐ Corporation			State of Incorporation:
Bond Number:	Date Executed:	Effective Date:	Total Penal Sum:
Surety Name:			
Surety Business Address:			

SOLID WASTE Facility(ies) COVERED

(All amounts must total penal amounts.)

If additional space needed, add attachment.

Name of Facility(ies)	Address	Solid Waste Information System Number	Closure Amount
			Total

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto are firmly bound to the California Integrated Waste Management Board (hereinafter called CIWMB), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under state regulations, to have a permit in order to operate each solid waste facility(ies) identified above, and

WHEREAS, said Principal is required to provide financial assurance for closure, as a condition of the permit, and

WHEREAS said Principal shall establish a depository trust fund as may be required under Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 when a surety bond is used to provide such financial assurance;

NOW THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully perform closure, whenever required to do so, of each facility for which this bond guarantees closure. In accordance with the closure plan and other requirements of the permit as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

OR, if the Principal shall provide alternate financial assurance as applicable, within 60 days after the date notice of cancellation is received by the Principal, and CIWMB from the Surety(ies), then this obligation shall be null and void otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above.

Upon notification by CIWMB that the Principal has been found in violation of applicable closure requirements for a facility for which this bond guarantees performances of closure, the Surety(ies) shall either perform closure in accordance with the closure plan and other permit requirements; or place the closure amount guaranteed for the facility(ies) into the depository trust fund established by the Principal or, if the Principal fails to establish a depository trust fund, established by the Surety(ies), as directed by CIWMB.

Upon notification by CIWMB that the Principal has failed to provide alternate financial assurance as required, during the 60 days following receipt by the Principal, and CIWMB of a notice of cancellation of the bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the depository trust fund as directed by CIWMB.

PROVIDED, however the obligation of the surety shall be only for the closure cost estimate certified by a registered civil engineer, according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 and identified as the total penal sum on the face of this bond.

The obligation of the Surety(ies) shall not include costs for operating liability as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 or costs for corrective action as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, Article 4.

The Surety(ies) hereby waive(s) notification of amendments to closure plans, permits, applicable laws, statutes, rules, and regulations and agrees that no such amendment shall in any way alleviate its (their) obligation on this bond.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by either registered or certified mail to the Principal, and CIWMB, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal and CIWMB, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization from CIWMB for termination of the bond.

The following paragraph is an optional rider that may be included, but is not required.

Principal and Surety(ies) hereby AGREE ☐ DO NOT AGREE ☐ to adjust the penal sum of the bond yearly so that it guarantees a new closure amount, provided the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without written permission from the CIWMB.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Performance Bond and have affixed their seals on the date set forth above.

The parties below certify that this document conforms with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

<table>
<tr><td>Principal Signature:
➢</td><td colspan="3">Corporate Surety(ies) Name:</td></tr>
<tr><td>Typed or Printed Name of Person Signing:</td><td colspan="2">Address:</td><td>Phone Number:</td></tr>
<tr><td>Title:</td><td colspan="3">Signature(s):</td></tr>
<tr><td rowspan="5">Corporate Seal:</td><td colspan="3">Typed or Printed Name of Person Signing:</td></tr>
<tr><td colspan="3">Title:</td></tr>
<tr><td>State of Incorporation:</td><td>Liability Limit:</td><td>Bond Premium:</td></tr>
<tr><td colspan="3">Corporate Seal:</td></tr>
<tr><td colspan="3"></td></tr>
</table>

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated Waste Management Board.

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025. Contact the Manager, Financial Assurances Section, at (916) 341-6000.

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.
REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025, (916) 341-6000.

PERFORMANCE BOND FOR POSTCLOSURE

Principal Name:			
Address:			
Type of Organization: ☐ Joint Venture ☐ Individual ☐ Partnership ☐ Corporation			State of Incorporation:
Bond Number:	Date Executed:	Effective Date:	Total Penal Sum:
Surety Name:			
Surety Business Address:			

SOLID WASTE Facility(ies) COVERED

(All amounts must total penal amounts.)

If additional space needed, add attachment.

Name of Facility(ies)	Address	Solid Waste Information System Number	Postclosure Amount
			Total

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto are firmly bound to the California Integrated Waste Management Board (hereinafter called CIWMB), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under state regulations, to have a permit in order to operate each solid waste facility(ies) identified above, and

WHEREAS, said Principal is required to provide financial assurance for postclosure maintenance, as a condition of the permit, and

WHEREAS said Principal shall establish a depository trust fund as may be required under Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 when a surety bond is used to provide such financial assurance;

NOW THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully perform postclosure maintenance of each facility for which this bond guarantees postclosure maintenance, in accordance with the postclosure plan and other requirements of the permit, as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

OR, if the Principal shall provide alternate financial assurance as applicable, within 60 days after the date notice of cancellation is received by the Principal and CIWMB from the Surety(ies), then this obligation shall be null and void otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above.

Upon notification by CIWMB that the Principal has been found in violation of postclosure maintenance requirements for a facility for which this bond guarantees performance of postclosure maintenance, the Surety(ies) shall either perform postclosure maintenance in accordance with the postclosure plan and other permit requirements; or place the postclosure amount guaranteed for the facility into the depository trust fund established by the Principal or, if the Principal fails to establish a depository trust fund, established by the Surety(ies), as directed by CIWMB.

Upon notification by CIWMB that the Principal has failed to provide alternate financial assurance as required, during the 60 days following receipt by the Principal and CIWMB of a notice of cancellation of the bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the depository trust fund as directed by CIWMB.

PROVIDED, however the obligation of the surety shall be only for the postclosure cost estimate certified by a registered civil engineer, according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 and identified as the total penal sum on the face of this bond.

The obligation of the Surety(ies) shall not include costs for operating liability as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 or costs for corrective action as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, Article 4.

The Surety(ies) hereby waive(s) notification of amendments to postclosure plans, permits, applicable laws, statutes, rules, and regulations and agrees that no such amendment shall in any way alleviate its (their) obligation on this bond.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by either registered or certified mail to the Principal and CIWMB, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal and CIWMB, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization from CIWMB for termination of the bond.

The following paragraph is an optional rider that may be included, but is not required.

Principal and Surety(ies) hereby AGREE ☐ DO NOT AGREE ☐ to adjust the penal sum of the bond yearly so that it guarantees a new postclosure amount, provided the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without written permission from the CIWMB.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Performance Bond and have affixed their seals on the date set forth above.

The parties below certify that this document conforms with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

<table>
<tr><td>Principal Signature:
➢</td><td colspan="3">Corporate Surety(ies) Name:</td></tr>
<tr><td>Typed or Printed Name of Person Signing:</td><td colspan="2">Address:</td><td>Phone Number:</td></tr>
<tr><td>Title:</td><td colspan="3">Signature(s):</td></tr>
<tr><td rowspan="4">Corporate Seal:</td><td colspan="3">Typed or Printed Name of Person Signing:</td></tr>
<tr><td colspan="3">Title:</td></tr>
<tr><td>State of Incorporation:</td><td>Liability Limit:</td><td>Bond Premium:</td></tr>
<tr><td colspan="3">Corporate Seal:</td></tr>
</table>

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated Waste Management Board.

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025. Contact the Manager, Financial Assurances Section, at (916) 341-6000.

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025, (916) 341-6000.

PERFORMANCE BOND FOR CORRECTIVE ACTION

Principal Name:

Address:

Type of Organization: ☐0 Joint Venture ☐0 Individual ☐0 Partnership ☐0 Corporation	State of Incorporation:

Bond Number:	Date Executed:	Effective Date:	Total Penal Sum:

Surety Name:

Surety Business Address:

SOLID WASTE Facility(ies) COVERED

(All amounts must total penal amounts.)

If additional space needed, add attachment.

Name of Facility(ies)	Address	Solid Waste Information System Number	Corrective Action Amount
			Total

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto are firmly bound to the California Integrated Waste Management Board (hereinafter called CIWMB), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under state regulations, to have a permit in order to operate each solid waste facility(ies) identified above, and

WHEREAS, said Principal is required to provide financial assurance for corrective action, as a condition of the permit, and

WHEREAS said Principal shall establish a depository trust fund as may be required under Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 when a surety bond is used to provide such financial assurance;

NOW THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully perform corrective action at each facility for which this bond guarantees corrective action, in accordance with the corrective action plan and other requirements of the permit, as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

OR, if the Principal shall provide alternate financial assurance as applicable, within 60 days after the date notice of cancellation is received by the Principal and CIWMB from the Surety(ies), then this obligation shall be null and void otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above.

Upon notification by CIWMB that the Principal has been found in violation of corrective action requirements for a facility for which this bond guarantees performance of corrective action, the Surety(ies) shall either perform corrective action in accordance with the corrective action plan and other permit requirements; or place the corrective action amount guaranteed for the facility into the depository trust fund established by the Principal or, if the Principal fails to establish a depository trust fund, established by the Surety(ies), as directed by CIWMB.

Upon notification by CIWMB that the Principal has failed to provide alternate financial assurance as required, during the 60 days following receipt by the Principal and CIWMB of a notice of cancellation of the bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the depository trust fund as directed by CIWMB.

PROVIDED, however the obligation of the surety shall be only for the corrective action cost estimate certified by a registered civil engineer, according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 and identified as the total penal sum on the face of this bond.

The obligation of the Surety(ies) shall not include costs for operating liability as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

The Surety(ies) hereby waive(s) notification of amendments to corrective action plans, permits, applicable laws, statutes, rules, and regulations and agrees that no such amendment shall in any way alleviate its (their) obligation on this bond.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by either registered or certified mail to the Principal and CIWMB, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal and CIWMB, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization from CIWMB for termination of the bond.

The following paragraph is an optional rider that may be included, but is not required.

Principal and Surety(ies) hereby AGREE ☐0 DO NOT AGREE ☐0 to adjust the penal sum of the bond yearly so that it guarantees a new corrective action amount, provided the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without written permission from the CIWMB.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Performance Bond and have affixed their seals on the date set forth above.

The parties below certify that this document conforms with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

Principal Signature: ➢	Corporate Surety(ies) Name:
Typed or Printed Name of Person Signing:	Address:
Title:	Signature(s):
Corporate Seal:	Typed or Printed Name of Person Signing:
	Title:
	State of Incorporation: / Liability Limit: / Bond Premium:
	Corporate Seal:

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated *Waste Management Board.*

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated *Waste Management Board, 8800 Cal Center Drive, Sacramento, CA 95826. Contact the Manager, Financial Assurances Section, at (916) 255-2200.*

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated *Waste Management Board, 8800 Cal Center Drive, Sacramento, CA 95826, (916) 255-2200.*

FINANCIAL GUARANTEE BOND FOR CLOSURE COSTS

Principal Name:			
Address:			
Type of Organization: ☐ Joint Venture ☐ Individual ☐ Partnership ☐ Corporation			State of Incorporation:
Bond Number:	Date Executed:	Effective Date:	Total Penal Sum:
Surety Name:			
Surety Business Address:			

SOLID WASTE Facility(ies) COVERED

(All amounts must total penal amounts.)

If additional space needed, add attachment.

Name of Facility(ies)	Address	Solid Waste Information System Number	Closure Amount
			Total

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto are firmly bound to the California Integrated Waste Management Board (hereinafter called CIWMB), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under state regulations, to have a permit in order to operate each solid waste facility identified above, and

WHEREAS, said Principal is required to provide financial assurance for closure, as a condition of the permit, and

WHEREAS said Principal shall establish a depository trust fund as may be required under Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 when a surety bond is used to provide such financial assurance:

NOW THEREFORE, the conditions of this obligation are such that if the Principal shall faithfully perform closure, whenever required to do so, of each facility for which this bond guarantees payment for closure, in accordance with the closure plan and other requirements of the permit as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

OR, if the Principal shall provide alternate financial assurance, as applicable, within 60 days after the date notice of cancellation is received by the Principal and CIWMB from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by CIWMB that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the depository trust fund established by the Principal or, if the Principal fails to establish a depository trust fund, one established by the Surety(ies), as directed by CIWMB.

PROVIDED, however the obligation of the surety shall be only for the closure cost estimate certified by a registered civil engineer, according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 and identified as the total penal sum on the face of this bond.

The obligation of the Surety(ies) shall not include costs for operating liability as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, or costs for corrective action as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, Article 4.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount to the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by either registered or certified mail to the Principal and CIWMB, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal, and CIWMB as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization from CIWMB for termination of the bond.

The following paragraph is an optional rider that may be included, but is not required.

Principal and Surety(ies) hereby AGREE ☐ DO NOT AGREE ☐ to adjust the penal sum of the bond yearly so that it guarantees a new closure amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without written permission from CIWMB.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The parties below certify that this document conforms with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

Principal Signature: ➢	Typed or Printed Name of Person Signing:	Title:
Corporate Seal:		

Corporate Surety(ies) Name:	Address:	Phone Number:
State of Incorporation:	Liability Limit:	
Signature(s): ➢	Typed or Printed Name of Person Signing:	Title(s):
Corporate Seal:		

Bond Premium:

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated Waste Management Board.

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025. Contact the Manager, Financial Assurances Section, at (916) 341-6000.

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025, (916) 341-6000.

FINANCIAL GUARANTEE BOND FOR POSTCLOSURE COSTS

Principal Name:			
Address:			
Type of Organization: ☐ Joint Venture ☐ Individual ☐ Partnership ☐ Corporation			State of Incorporation:
Bond Number:	Date Executed:	Effective Date:	Total Penal Sum:
Surety Name:			
Surety Business Address:			

SOLID WASTE Facility(ies) COVERED

(All amounts must total penal amounts.)

If additional space needed, add attachment.

Name of Facility(ies)	Address	Solid Waste Information System Number	Postclosure Amount
			Total

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto are firmly bound to the California Integrated Waste Management Board (hereinafter called CIWMB), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under state regulations, to have a permit in order to operate each solid waste facility identified above, and

WHEREAS, said Principal is required to provide financial assurance for postclosure maintenance, as a condition of the permit, and

WHEREAS said Principal shall establish a depository trust fund as may be required under Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 when a surety bond is used to provide such financial assurance:

NOW THEREFORE, the conditions of this obligation are such that if the Principal shall faithfully perform postclosure maintenance of each facility for which this bond guarantees payment for postclosure maintenance, in accordance with the postclosure maintenance plan and other requirements of the permit, as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

OR, if the Principal shall provide alternate financial assurance, as applicable, within 60 days after the date notice of cancellation is received by the Principal and CIWMB from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by CIWMB that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the depository trust fund established by the Principal or, if the Principal fails to establish a depository trust fund, one established by the Surety(ies), as directed by CIWMB.

PROVIDED, however the obligation of the surety shall be only for the postclosure maintenance cost estimate certified by a registered civil engineer, according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 and identified as the total penal sum on the face of this bond.

The obligation of the Surety(ies) shall not include costs for operating liability as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, or costs for corrective action as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, Article 4.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount to the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by either registered or certified mail to the Principal and CIWMB, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal and CIWMB as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization from CIWMB for termination of the bond.

The following paragraph is an optional rider that may be included, but is not required.

Principal and Surety(ies) hereby AGREE ☐ DO NOT AGREE ☐ to adjust the penal sum of the bond yearly so that it guarantees a new postclosure amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without written permission from CIWMB.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The parties below certify that this document conforms with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

Principal Signature: ➢	Typed or Printed Name of Person Signing:	Title:

Corporate Seal:

Corporate Surety(ies) Name:	Address:	Phone Number:
State of Incorporation:	Liability Limit:	
Signature(s): ➢	Typed or Printed Name of Person Signing:	Title(s):

Corporate Seal:

Bond Premium:

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated Waste Management Board.

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025. Contact the Manager, Financial Assurances Section, at (916) 341-6000.

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025, (916) 341-6000.

FINANCIAL GUARANTEE BOND FOR CORRECTIVE ACTION COSTS

Principal Name:			
Address:			
Type of Organization: ☐ Joint Venture ☐ Individual ☐ Partnership ☐ Corporation			State of Incorporation:
Bond Number:	Date Executed:	Effective Date:	Total Penal Sum:
Surety Name:			
Surety Business Address:			

SOLID WASTE Facility(ies) COVERED

(All amounts must total penal amounts.)

If additional space needed, add attachment.

Name of Facility(ies)	Address	Solid Waste Information System Number	Corrective Action Amount
			Total

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto are firmly bound to the California Integrated Waste Management Board (hereinafter called CIWMB), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under state regulations, to have a permit in order to operate each solid waste facility identified above, and

WHEREAS, said Principal is required to provide financial assurance for corrective action, as a condition of the permit, and

WHEREAS said Principal shall establish a depository trust fund as may be required under Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 when a surety bond is used to provide such financial assurance:

NOW THEREFORE, the conditions of this obligation are such that if the Principal shall faithfully perform corrective action of each facility for which this bond guarantees payment for corrective action, in accordance with the corrective action plan and other requirements of the permit, as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

OR, if the Principal shall provide alternate financial assurance, as applicable, within 60 days after the date notice of cancellation is received by the Principal and CIWMB from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by CIWMB that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the depository trust fund established by the Principal or, if the Principal fails to establish a depository trust fund, one established by the Surety(ies), as directed by CIWMB.

PROVIDED, however the obligation of the surety shall be only for the corrective action cost estimate certified by a registered civil engineer, according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 and identified as the total penal sum on the face of this bond.

The obligation of the Surety(ies) shall not include costs for operating liability as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount to the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by either registered or certified mail to the Principal and CIWMB, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal and CIWMB as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization from CIWMB for termination of the bond.

The following paragraph is an optional rider that may be included, but is not required.

Principal and Surety(ies) hereby AGREE ☐ DO NOT AGREE ☐ to adjust the penal sum of the bond yearly so that it guarantees a new corrective action amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without written permission from CIWMB.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The parties below certify that this document conforms with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

Principal Signature: ➢	Typed or Printed Name of Person Signing:	Title:

Corporate Seal:

Corporate Surety(ies) Name:	Address:	Phone Number:
State of Incorporation:	Liability Limit:	
Signature(s): ➢	Typed or Printed Name of Person Signing:	Title(s):

Corporate Seal:

Bond Premium:

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated *Waste Management Board.*

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025. Contact the Manager, Financial Assurances Section, at (916) 341-6000.

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025, (916) 341-6000.

FINANCIAL GUARANTEE BOND FOR CLOSURE COSTS

Principal Name:			
Address:			
Type of Organization: ☐ Joint Venture ☐ Individual ☐ Partnership ☐ Corporation			State of Incorporation:
Bond Number:	Date Executed:	Effective Date:	Total Penal Sum:
Surety Name:			
Surety Business Address:			

SOLID WASTE Facility(ies) COVERED

(All amounts must total penal amounts.)

If additional space needed, add attachment.

Name of Facility(ies)	Address	Solid Waste Information System Number	Closure Amount
			Total

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto are firmly bound to the California Integrated Waste Management Board (hereinafter called CIWMB), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under state regulations, to have a permit in order to operate each solid waste facility identified above, and

WHEREAS, said Principal is required to provide financial assurance for closure, as a condition of the permit, and

WHEREAS said Principal shall establish a depository trust fund as may be required under Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 when a surety bond is used to provide such financial assurance:

NOW THEREFORE, the conditions of this obligation are such that if the Principal shall faithfully perform closure, whenever required to do so, of each facility for which this bond guarantees payment for closure, in accordance with the closure plan and other requirements of the permit as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

OR, if the Principal shall provide alternate financial assurance, as applicable, within 60 days after the date notice of cancellation is received by the Principal and CIWMB from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by CIWMB that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the depository trust fund established by the Principal or, if the Principal fails to establish a depository trust fund, one established by the Surety(ies), as directed by CIWMB.

PROVIDED, however the obligation of the surety shall be only for the closure cost estimate certified by a registered civil engineer, according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 and identified as the total penal sum on the face of this bond.

The obligation of the Surety(ies) shall not include costs for operating liability as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, or costs for corrective action as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, Article 4.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount to the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by either registered or certified mail to the Principal and CIWMB, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal, and CIWMB as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization from CIWMB for termination of the bond.

The following paragraph is an optional rider that may be included, but is not required.

Principal and Surety(ies) hereby AGREE ☐ DO NOT AGREE ☐ to adjust the penal sum of the bond yearly so that it guarantees a new closure amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without written permission from CIWMB.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The parties below certify that this document conforms with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

Principal Signature: ➢	Typed or Printed Name of Person Signing:	Title:
Corporate Seal:		

Corporate Surety(ies) Name:	Address:	Phone Number:
State of Incorporation:	Liability Limit:	
Signature(s): ➢	Typed or Printed Name of Person Signing:	Title(s):
Corporate Seal:		

Bond Premium:

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated Waste Management Board.

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025. Contact the Manager, Financial Assurances Section, at (916) 341-6000.

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025, (916) 341-6000.

FINANCIAL GUARANTEE BOND FOR POSTCLOSURE COSTS

Principal Name:			
Address:			
Type of Organization: ☐ Joint Venture ☐ Individual ☐ Partnership ☐ Corporation			State of Incorporation:
Bond Number:	Date Executed:	Effective Date:	Total Penal Sum:
Surety Name:			
Surety Business Address:			

SOLID WASTE Facility(ies) COVERED

(All amounts must total penal amounts.)

If additional space needed, add attachment.

Name of Facility(ies)	Address	Solid Waste Information System Number	Postclosure Amount
			Total

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto are firmly bound to the California Integrated Waste Management Board (hereinafter called CIWMB), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under state regulations, to have a permit in order to operate each solid waste facility identified above, and

WHEREAS, said Principal is required to provide financial assurance for postclosure maintenance, as a condition of the permit, and

WHEREAS said Principal shall establish a depository trust fund as may be required under Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 when a surety bond is used to provide such financial assurance:

NOW THEREFORE, the conditions of this obligation are such that if the Principal shall faithfully perform postclosure maintenance of each facility for which this bond guarantees payment for postclosure maintenance, in accordance with the postclosure maintenance plan and other requirements of the permit, as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

OR, if the Principal shall provide alternate financial assurance, as applicable, within 60 days after the date notice of cancellation is received by the Principal and CIWMB from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by CIWMB that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the depository trust fund established by the Principal or, if the Principal fails to establish a depository trust fund, one established by the Surety(ies), as directed by CIWMB.

PROVIDED, however the obligation of the surety shall be only for the postclosure maintenance cost estimate certified by a registered civil engineer, according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 and identified as the total penal sum on the face of this bond.

The obligation of the Surety(ies) shall not include costs for operating liability as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, or costs for corrective action as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, Article 4.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount to the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by either registered or certified mail to the Principal and CIWMB, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal and CIWMB as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization from CIWMB for termination of the bond.

The following paragraph is an optional rider that may be included, but is not required.

Principal and Surety(ies) hereby AGREE ☐ DO NOT AGREE ☐ to adjust the penal sum of the bond yearly so that it guarantees a new postclosure amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without written permission from CIWMB.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The parties below certify that this document conforms with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

Principal Signature: ➢	Typed or Printed Name of Person Signing:	Title:

Corporate Seal:

Corporate Surety(ies) Name:	Address:	Phone Number:
State of Incorporation:	Liability Limit:	
Signature(s): ➢	Typed or Printed Name of Person Signing:	Title(s):

Corporate Seal:

Bond Premium:

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated Waste Management Board.

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025. Contact the Manager, Financial Assurances Section, at (916) 341-6000.

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025, (916) 341-6000.

FINANCIAL GUARANTEE BOND FOR CORRECTIVE ACTION COSTS

Principal Name:			
Address:			
Type of Organization: ☐ Joint Venture ☐ Individual ☐ Partnership ☐ Corporation			State of Incorporation:
Bond Number:	Date Executed:	Effective Date:	Total Penal Sum:
Surety Name:			
Surety Business Address:			

SOLID WASTE Facility(ies) COVERED

(All amounts must total penal amounts.)

If additional space needed, add attachment.

Name of Facility(ies)	Address	Solid Waste Information System Number	Corrective Action Amount
			Total

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto are firmly bound to the California Integrated Waste Management Board (hereinafter called CIWMB), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under state regulations, to have a permit in order to operate each solid waste facility identified above, and

WHEREAS, said Principal is required to provide financial assurance for corrective action, as a condition of the permit, and

WHEREAS said Principal shall establish a depository trust fund as may be required under Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 when a surety bond is used to provide such financial assurance:

NOW THEREFORE, the conditions of this obligation are such that if the Principal shall faithfully perform corrective action of each facility for which this bond guarantees payment for corrective action, in accordance with the corrective action plan and other requirements of the permit, as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

OR, if the Principal shall provide alternate financial assurance, as applicable, within 60 days after the date notice of cancellation is received by the Principal and CIWMB from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by CIWMB that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the depository trust fund established by the Principal or, if the Principal fails to establish a depository trust fund, one established by the Surety(ies), as directed by CIWMB.

PROVIDED, however the obligation of the surety shall be only for the corrective action cost estimate certified by a registered civil engineer, according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 and identified as the total penal sum on the face of this bond.

The obligation of the Surety(ies) shall not include costs for operating liability as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount to the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by either registered or certified mail to the Principal and CIWMB, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal and CIWMB as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization from CIWMB for termination of the bond.

The following paragraph is an optional rider that may be included, but is not required.

Principal and Surety(ies) hereby AGREE ☐ DO NOT AGREE ☐ to adjust the penal sum of the bond yearly so that it guarantees a new corrective action amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without written permission from CIWMB.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The parties below certify that this document conforms with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

Principal Signature: ➢	Typed or Printed Name of Person Signing:	Title:

Corporate Seal:

Corporate Surety(ies) Name:	Address:	Phone Number:
State of Incorporation:	Liability Limit:	
Signature(s): ➢	Typed or Printed Name of Person Signing:	Title(s):

Corporate Seal:

Bond Premium:

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated *Waste Management Board.*

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025. Contact the Manager, Financial Assurances Section, at (916) 341-6000.

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025, (916) 341-6000.

FINANCIAL GUARANTEE BOND FOR CLOSURE COSTS

Principal Name:			
Address:			
Type of Organization: ☐ Joint Venture ☐ Individual ☐ Partnership ☐ Corporation			State of Incorporation:
Bond Number:	Date Executed:	Effective Date:	Total Penal Sum:
Surety Name:			
Surety Business Address:			

SOLID WASTE Facility(ies) COVERED

(All amounts must total penal amounts.)

If additional space needed, add attachment.

Name of Facility(ies)	Address	Solid Waste Information System Number	Closure Amount
			Total

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto are firmly bound to the California Integrated Waste Management Board (hereinafter called CIWMB), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under state regulations, to have a permit in order to operate each solid waste facility identified above, and

WHEREAS, said Principal is required to provide financial assurance for closure, as a condition of the permit, and

WHEREAS said Principal shall establish a depository trust fund as may be required under Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 when a surety bond is used to provide such financial assurance:

NOW THEREFORE, the conditions of this obligation are such that if the Principal shall faithfully perform closure, whenever required to do so, of each facility for which this bond guarantees payment for closure, in accordance with the closure plan and other requirements of the permit as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

OR, if the Principal shall provide alternate financial assurance, as applicable, within 60 days after the date notice of cancellation is received by the Principal and CIWMB from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by CIWMB that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the depository trust fund established by the Principal or, if the Principal fails to establish a depository trust fund, one established by the Surety(ies), as directed by CIWMB.

PROVIDED, however the obligation of the surety shall be only for the closure cost estimate certified by a registered civil engineer, according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 and identified as the total penal sum on the face of this bond.

The obligation of the Surety(ies) shall not include costs for operating liability as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, or costs for corrective action as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, Article 4.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount to the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by either registered or certified mail to the Principal and CIWMB, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal, and CIWMB as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization from CIWMB for termination of the bond.

The following paragraph is an optional rider that may be included, but is not required.

Principal and Surety(ies) hereby AGREE ☐0 DO NOT AGREE ☐0 to adjust the penal sum of the bond yearly so that it guarantees a new closure amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without written permission from CIWMB.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The parties below certify that this document conforms with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

Principal Signature: ➢	Typed or Printed Name of Person Signing:	Title:
Corporate Seal:		

Corporate Surety(ies) Name:	Address:	Phone Number:
State of Incorporation:	Liability Limit:	
Signature(s): ➢	Typed or Printed Name of Person Signing:	Title(s):
Corporate Seal:		

Bond Premium:

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated Waste Management Board.

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025. Contact the Manager, Financial Assurances Section, at (916) 341-6000.

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025, (916) 341-6000.

FINANCIAL GUARANTEE BOND FOR POSTCLOSURE COSTS

Principal Name:			
Address:			
Type of Organization: ☐ Joint Venture ☐ Individual ☐ Partnership ☐ Corporation			State of Incorporation:
Bond Number:	Date Executed:	Effective Date:	Total Penal Sum:
Surety Name:			
Surety Business Address:			

SOLID WASTE Facility(ies) COVERED

(All amounts must total penal amounts.)

If additional space needed, add attachment.

Name of Facility(ies)	Address	Solid Waste Information System Number	Postclosure Amount
			Total

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto are firmly bound to the California Integrated Waste Management Board (hereinafter called CIWMB), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under state regulations, to have a permit in order to operate each solid waste facility identified above, and

WHEREAS, said Principal is required to provide financial assurance for postclosure maintenance, as a condition of the permit, and

WHEREAS said Principal shall establish a depository trust fund as may be required under Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 when a surety bond is used to provide such financial assurance:

NOW THEREFORE, the conditions of this obligation are such that if the Principal shall faithfully perform postclosure maintenance of each facility for which this bond guarantees payment for postclosure maintenance, in accordance with the postclosure maintenance plan and other requirements of the permit, as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

OR, if the Principal shall provide alternate financial assurance, as applicable, within 60 days after the date notice of cancellation is received by the Principal and CIWMB from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by CIWMB that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the depository trust fund established by the Principal or, if the Principal fails to establish a depository trust fund, one established by the Surety(ies), as directed by CIWMB.

PROVIDED, however the obligation of the surety shall be only for the postclosure maintenance cost estimate certified by a registered civil engineer, according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 and identified as the total penal sum on the face of this bond.

The obligation of the Surety(ies) shall not include costs for operating liability as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, or costs for corrective action as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, Article 4.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount to the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by either registered or certified mail to the Principal and CIWMB, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal and CIWMB as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization from CIWMB for termination of the bond.

The following paragraph is an optional rider that may be included, but is not required.

Principal and Surety(ies) hereby AGREE ☐ DO NOT AGREE ☐ to adjust the penal sum of the bond yearly so that it guarantees a new postclosure amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without written permission from CIWMB.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The parties below certify that this document conforms with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

Principal Signature: ➢	Typed or Printed Name of Person Signing:	Title:

Corporate Seal:

Corporate Surety(ies) Name:	Address:	Phone Number:
State of Incorporation:	Liability Limit:	
Signature(s): ➢	Typed or Printed Name of Person Signing:	Title(s):

Corporate Seal:

Bond Premium:

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated Waste Management Board.

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025. Contact the Manager, Financial Assurances Section, at (916) 341-6000.

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025, (916) 341-6000.

FINANCIAL GUARANTEE BOND FOR CORRECTIVE ACTION COSTS

Principal Name:			
Address:			
Type of Organization: ☐ Joint Venture ☐ Individual ☐ Partnership ☐ Corporation			State of Incorporation:
Bond Number:	Date Executed:	Effective Date:	Total Penal Sum:
Surety Name:			
Surety Business Address:			

SOLID WASTE Facility(ies) COVERED

(All amounts must total penal amounts.)

If additional space needed, add attachment.

Name of Facility(ies)	Address	Solid Waste Information System Number	Corrective Action Amount
			Total

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto are firmly bound to the California Integrated Waste Management Board (hereinafter called CIWMB), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under state regulations, to have a permit in order to operate each solid waste facility identified above, and

WHEREAS, said Principal is required to provide financial assurance for corrective action, as a condition of the permit, and

WHEREAS said Principal shall establish a depository trust fund as may be required under Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 when a surety bond is used to provide such financial assurance:

NOW THEREFORE, the conditions of this obligation are such that if the Principal shall faithfully perform corrective action of each facility for which this bond guarantees payment for corrective action, in accordance with the corrective action plan and other requirements of the permit, as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

OR, if the Principal shall provide alternate financial assurance, as applicable, within 60 days after the date notice of cancellation is received by the Principal and CIWMB from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by CIWMB that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the depository trust fund established by the Principal or, if the Principal fails to establish a depository trust fund, one established by the Surety(ies), as directed by CIWMB.

PROVIDED, however the obligation of the surety shall be only for the corrective action cost estimate certified by a registered civil engineer, according to Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 and identified as the total penal sum on the face of this bond.

The obligation of the Surety(ies) shall not include costs for operating liability as defined in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount to the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by either registered or certified mail to the Principal and CIWMB, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal and CIWMB as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization from CIWMB for termination of the bond.

The following paragraph is an optional rider that may be included, but is not required.

Principal and Surety(ies) hereby AGREE ☐ DO NOT AGREE ☐ to adjust the penal sum of the bond yearly so that it guarantees a new corrective action amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without written permission from CIWMB.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The parties below certify that this document conforms with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6.

Principal Signature: ➢	Typed or Printed Name of Person Signing:	Title:

Corporate Seal:

Corporate Surety(ies) Name:	Address:	Phone Number:
State of Incorporation:	Liability Limit:	
Signature(s): ➢	Typed or Printed Name of Person Signing:	Title(s):

Corporate Seal:

Bond Premium:

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated *Waste Management Board.*

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025. Contact the Manager, Financial Assurances Section, at (916) 341-6000.

AUTHORITY: Public Resources Code section 43600 et seq.

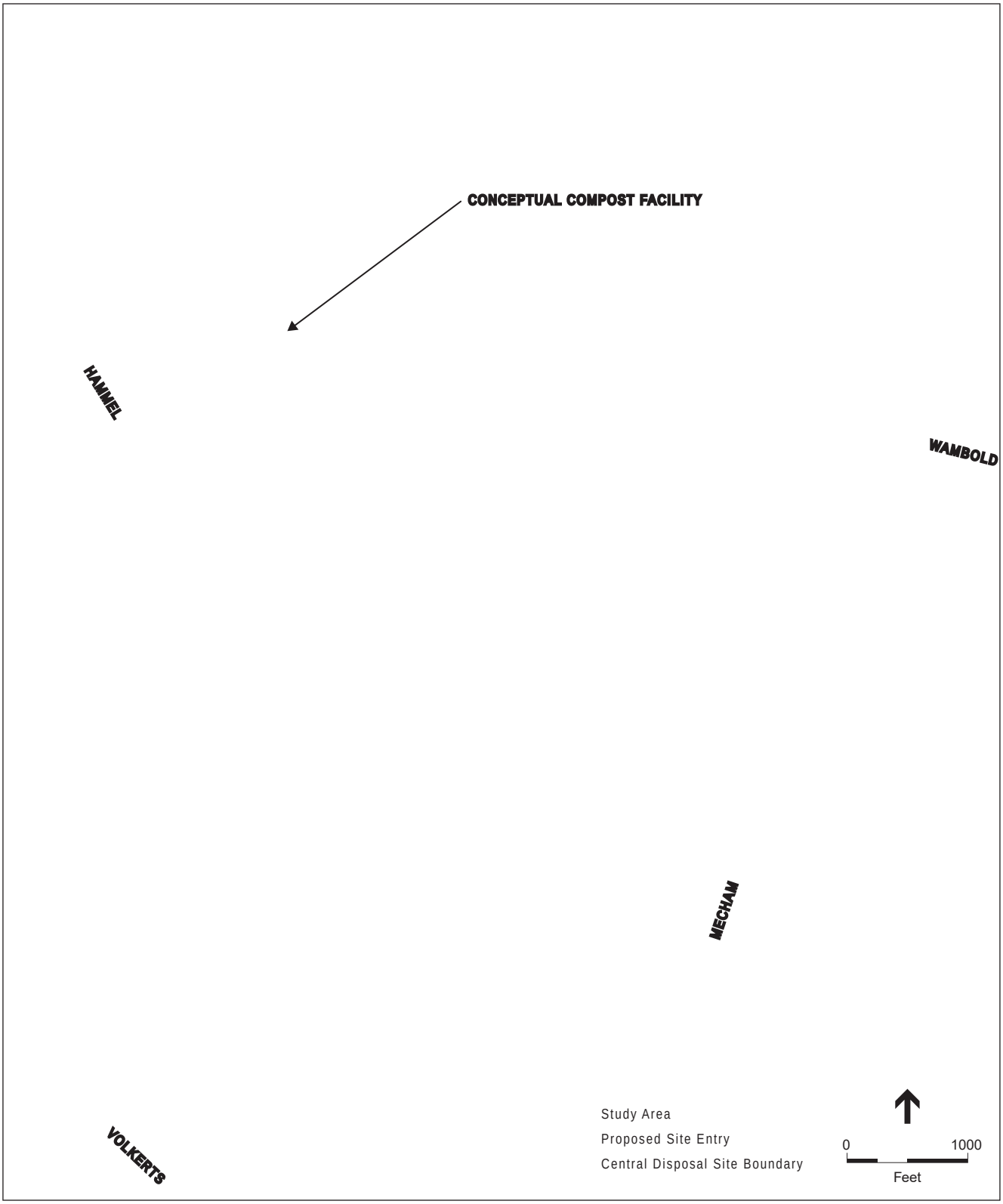
PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 1001 I Street, P.O. Box 4025, Sacramento, California 95812-4025, (916) 341-6000.

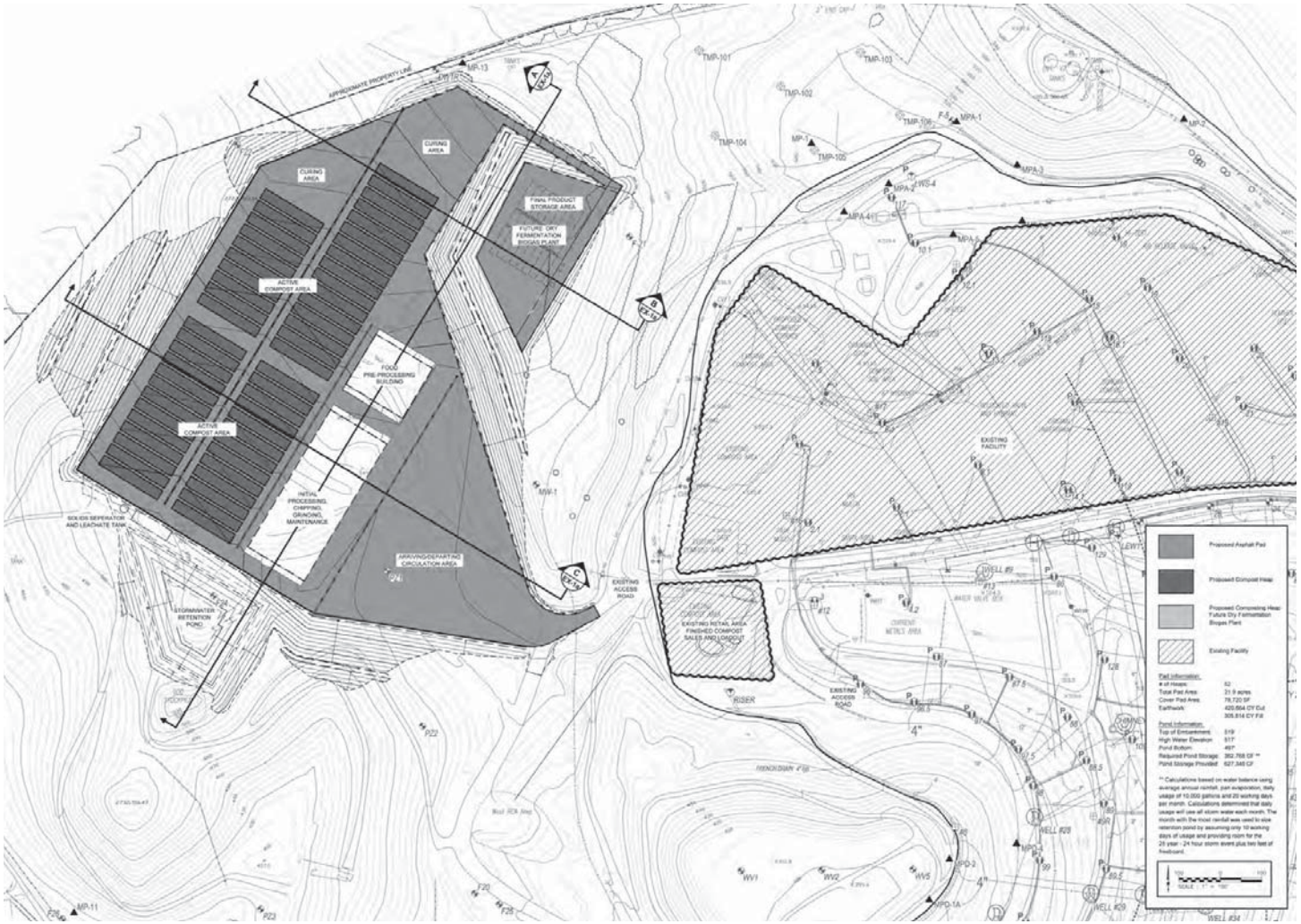
EXHIBIT E



SCWMA Compost Facility Recirculated Draft EIR . 207312

SOURCE: Bing Maps, 2009; and ESA, 2012

Figure 4-9 Revised
Central Site Alternative Vicinity



SOURCE: EBA Engineering, 2012; and ESA, 2012

Figure 4-10 Revised
Central Site Design

EXHIBIT F

EXHIBIT F

LICENSE AGREEMENT

FOR USE OF COUNTY FACILITIES

BETWEEN

COUNTY OF SONOMA

AND

SONOMA COUNTY WASTE MANAGEMENT AGENCY

FOR

HOUSEHOLD HAZARDOUS WASTE FACILITY PREMISES

LOCATED AT

SONOMA COUNTY CENTRAL LANDFILL

PETALUMA, CALIFORNIA

DATED: _____, 20_____

EXHIBIT F

LICENSE AGREEMENT FOR USE OF COUNTY FACILITIES

This Agreement ("Agreement"), made and entered into on March ___, 2013 ("Effective Date"), by and between the COUNTY OF SONOMA, a political subdivision of the State of California (hereinafter called the "County"), and the Sonoma County Waste Management Agency, a Joint Powers Agency (hereinafter called the "Licensee"). County and Licensee are sometimes collectively referred to herein as the "parties" and singularly, as "party."

R E C I T A L S

WHEREAS, County is the owner of certain real property located at 500 Mecham Road, Petaluma, California ("Landfill Property"); and

WHEREAS, the County and the cities entered into that certain Agreement between the Cities of Sonoma County and Sonoma County for a Joint Powers Agency to Deal with Waste Management Issues (Wood Waste, Yard Waste, Household Hazardous Waste, and Public Education) dated as of February 2, 1992 ("JPA Agreement"); and

WHEREAS, Section 5 of the JPA Agreement states in part: "Provided that all regulatory requirements of Federal and State agencies are first met, the County agrees to provide, free of charge as a subsidy, sites at its Central Landfill Site for the purpose of household hazardous waste collection and storage and for a wood and yard waste Treatment System…."; and

WHEREAS, pursuant to the JPA Agreement, Licensee currently uses approximately 40,000 square feet of the Landfill Property to conduct Household Hazardous Waste Facility (as defined in Section 6.1 below) as more particularly depicted on Exhibit A to this Operations Agreement ("Premises"); and

WHEREAS, County and Licensee wish to enter into an agreement in order to set forth the terms and conditions for Licensee's use of the Premises.

NOW THEREFORE, in consideration of the promises and covenants set forth below, the parties agree as follows:

A G R E E M E N T

1. License. County hereby grants Licensee a license, subject to all the terms and conditions of this Agreement, to use the Premises.

2. Premises. By this Agreement, County does hereby license to Licensee, and Licensee does hereby take and hire from County:

(a) that certain real property consisting of 40,000 square feet on the Landfill Property and commonly known as the HHW Facility, said real property being depicted on Exhibit A ("the Premises"); and

(b) a non-exclusive right to use the access road to the Premises; and

(c) all improvements and fixtures located on the Premises which are owned by County, including, without limitation, all buildings and structures presently located on the Premises, including all apparatus, equipment and appliances used in connection with the operation or occupancy of the Premises, such as facilities used to provide any utility services, or other services on the Premises, (all of which are collectively referred to as the "Improvements").

3. Non-Exclusive License. The license herein granted is non-exclusive. County continues to maintain and control the Premises including, without limitation, leasing, sub-leasing and granting of additional licenses, provided, however, that any such leasing, subleasing or licensing shall not interfere with Licensee's operation and maintenance of the Premises.

4. Term/Termination

4.1 Commencement of Term. The term of this Agreement shall commence on the "Effective Date", and shall terminate on _____ ("Expiration Date"), unless sooner terminated as provided for in this Agreement.

4.2 Licensee's Duty to Surrender. At the expiration or earlier termination of the term, Licensee shall surrender to County, in good condition and repair and consistent with Licensee's obligations under the JPA Agreement, the possession of the Premises. Notwithstanding the foregoing, no termination of this Agreement shall release Licensee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination, or date of surrender if it be later. In addition, the parties acknowledge that the County shall have the right under Section 5 of the JPA Agreement to require Licensee to perform monitoring tests to examine the condition of the Premises to ensure the site is left in a completely clean condition.

4.3 Termination for Convenience. Licensee may terminate this Agreement upon 30 days prior written notice to County.

5. Consideration**.** Pursuant to the JPA Agreement, County is providing the use of the Premises at no cost to Licensee.

6. Uses, Purposes

EXHIBIT F

6.1 Permitted Uses. Licensee shall use and permit the use of the Premises for the purpose of HHW collection and storage.

6.2 Operational Requirements of Licensee. Licensee agrees throughout the term to abide by the following conditions and requirements:

6.2.1 Hazardous Materials.

(a) Licensee shall ensure that any Hazardous Materials are used, kept, or are present in or on the Premises, after and all uses thereof, are in full compliance with all Hazardous Materials Laws.

(b) If Licensee breaches the obligations stated in subparagraph (a) or of this Section 6.2.1 or if the presence of Hazardous Materials on the Premises after the Effective Date results in contamination of the Premises, or if Hazardous Materials are otherwise discharged or released from the Premises, then Licensee shall indemnify, defend (with counsel approved by County) and hold County harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, sums paid in settlement of claims, attorneys fees, consultant fees and expert fees) which arise during or after the term of this Agreement as a result of such breach, contamination, discharge, or release. This indemnification of County by Licensee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision, except County, because of Hazardous Materials present in, on or under the Premises. Upon the termination of this Agreement, Licensee shall surrender the Premises to County free of any and all Hazardous Materials brought upon, kept or used in or about the Premises by Licensee or any subcontractor of Licensee. This indemnification shall survive the termination or expiration of this Agreement.

(c) For the purpose of this Section 6.2.1, the term "Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §6901 et seq.), Section 25117 of the California Health & Safety Code, Section 25316 of the California Health & Safety Code, and in the regulations adopted and publications promulgated pursuant to them, or any other federal, state, or local environmental laws, ordinances, rules, or regulations concerning the environment, industrial hygiene or public health or safety now in effect or enacted after this date.

6.2.2 Compliance with Laws. Licensee shall comply with all Laws and Orders concerning the Premises or Licensee's use of the Premises. For purposes of this Agreement, the term "Laws and Orders" includes all federal, state, or California State agency laws, statutes, ordinances, permits, standards, rules, regulations, requirements, or orders now in force or hereafter enacted, promulgated, or issued. The term also includes government measures regulating or enforcing public access, occupational health, or safety standards for employers, employees, landlords or Licensees but does not include County adopted laws, statutes, ordinances, permits, standards, rules, regulations, requirements or orders unless included in this Agreement or currently existing and applicable to Licensee. Licensee shall not allow the Premises to be used for any improper, unlawful or objectionable purpose.

6.3 Reservations to County.

6.3.1 Easements, Rights-of-Way and Permits. County shall have the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections; water, oil and gas pipelines; and telephone and telegraph power lines and such other appliances and appurtenances necessary or convenient to use in connection therewith, over in, upon, through, across and along the Premises or any part, thereof, as will not interfere with Licensee's operations hereunder and to enter thereupon for any and all such purposes, County also reserves the right to grant easements, rights-of-way and permits in, over, and upon, along or across any and all portions of said Premises as County may elect. County will cause the surface of the Premises to be restored to its original condition upon the completion of any construction done pursuant to this Section. County agrees that any right set forth in this Section 6.3.1 shall not be exercised unless a prior written notice of ten (10) days is given to Licensee. However, if such right must be exercised by reason of emergency, County will give such notice in writing as soon as is possible under the existing circumstances.

6.3.2 Gate Fees. As of the Effective Date, there are no processing fees for HHW. Licensee shall provide County with 60 days advance written notice of its intention to charge any processing fees for HHW. County reserves the right to pass through additional costs and fees on all materials delivered to the County landfill and transfer stations, including without limitation, a County concession payment on HHW should Licensee establish processing fees for HHW.

7. Records and Audits; Inspections of Premises.

7.1 Maintenance of Records. Licensee shall keep and maintain full and complete documentation and accounting records concerning this License. Licensee shall maintain the accounting records in conformity with generally accepted accounting principles.

7.2 Examination of Records. County shall have the right, at County's sole cost and expense, at any reasonable time and from time to time after giving 15 days prior written notice to Licensee, to do or cause to be done any or all of the following: to audit the records; to make abstracts from the records; and to make copies of any or all records. Licensee shall make all records specified in the notice available at the time specified in the notice, if reasonable, and at the place where the records are to be kept.

7.3 County's Right to Inspections. County shall have the right to enter upon the Premises at any and all times throughout the term of this License for the purpose of inspecting the same and posting any notices required or permitted under law.

8. Condition, Maintenance, Utilities, Repairs

8.1 As-Is Condition. Licensee hereby acknowledges that neither the County nor anyone acting for or on behalf of the County, has made any representation, warranty or promise to Licensee concerning the physical aspects or condition of any portion or part of the Premises or improvements, the feasibility, desirability or convertibility of the Premises into any particular use, the zoning, building or land use restrictions applicable to the Premises, projected income or expenses for any of the Premises, the conditions of the soil, subsoils, ground water, or surface waters or the presence or absence of any toxic waste or hazardous substances or material, and that by entering into this License has not relied on any representation, statement or warranty of the County, or anyone acting for or on behalf of the County, and that all matters concerning the Premises shall be independently verified by Licensee, and that Licensee shall use and occupy the Premises on Licensee's own examination thereof, AND THAT LICENSEE IS LICENSING THE PREMISES IN "AS-IS" PHYSICAL CONDITION AND "AS-IS" STATE OF REPAIR. Licensee does hereby waive and the County does hereby disclaim all warranties of any type or kind of description but not limitation, those of fitness for particular purpose, tenantability, habitability and use. Licensee hereby expressly waives any and all claims for damages or for rescission or cancellation of this License because of any representations made by the County or by any agent of the County. Licensee acknowledges that it has had sufficient time to conduct all inspections, reviews and studies of the Premises that Licensee may deem necessary. Licensee hereby expressly assumes the risk that adverse physical conditions and the full extent thereof, may not be revealed by Licensee's inspections, reviews and studies of the Premises. It is an expressly bargained-for agreement herein that Licensee shall be responsible, at Licensee's sole cost and expense, for maintaining the Premises in a manner that complies in all respects with all Laws and Orders.

8.2 Licensee's Duty to Maintain Premises. Throughout the term, Licensee shall, at Licensee s sole cost and expense, maintain the Premises, including all improvements and utilities, in good condition and repair and in accordance with all Laws and Orders. It is the specific, bargained-for intent of the parties that Licensee's maintenance and repair obligations shall be absolute and total, that County shall have no obligation or responsibility for such work, and that this provision has been specifically negotiated by the parties and the consideration for this License reflects this negotiation.

With the exception of the access road, County shall not have any responsibility whatsoever to maintain the Premises

8.3 Utilities. Licensee shall bear the costs for all utilities furnished to the Premises at the rates of _____per hour for electricity, _____ per (hour?) for water, and disposal of garbage at current rates, as revised from time to time. County will install meters for all utilities upon 24 hours notice to Licensee. Licensee will reimburse County for the costs of the meters.

8.4 Damage and Destruction. It is the intent of the parties that Licensee shall be responsible for the repair and restoration of the Premises, and any part thereof, in the event of any casualty, injury, damage, or destruction to the Premises or any part thereof, regardless of when it occurs during the term. No damages, compensation or claim shall be payable by County for any inconvenience, any interruption or cessation of Licensee's business, or any annoyance, arising from any damage to or any destruction of all or any portion of the Premises.

8.5 Equipment Installation and Operation. Licensee or Licensee's contractor shall install any equipment, at its sole cost and expense. Licensee's equipment shall be installed, operated and maintained in accordance with the highest standards now or hereafter generally employed for similar equipment. In the event the installation, operation or maintenance of said equipment causes any direct or indirect interference with the operation of County's facilities, equipment or the equipment of County's agents, tenants, or other governmental agencies, Licensee shall correct said interference, at its sole cost and expense, to the reasonable satisfaction of County. In the event said interference cannot be corrected, Licensee shall promptly remove said equipment.

9. Waste. Licensee shall not commit, suffer, or permit the commission by others of: (i) any waste on the Premises; (ii) any action or use of the Premises which interferes or conflicts with the use of the Premises by County or any authorized person unless expressly permitted; or (iii) any action on the Premises in violation of any Laws or Orders.

10. Financing. Licensee shall not encumber any interest Licensee may have in the Premises.

11. Extent of Grant of License. This License herein granted is valid only to the extent of County s jurisdiction as a land owner or tenant of the Premises. Acquisition of any other necessary permits or entitlements for use is the responsibility of Licensee. NOTHING CONTAINED IN THIS AGREEMENT SHALL BE CONSTRUED AS A RELINQUISHMENT OF ANY RIGHTS NOW HELD BY COUNTY.

12. Insurance; Indemnification

12.1 Duty to Maintain Insurance. Licensee shall meet all insurance requirements set forth in Exhibit B.

12.2 Indemnity by Licensee. Licensee will indemnify, hold harmless and defend County, its agents and employees, from and against any and all actions, claims, damages, disabilities or expenses including, without limitation, attorneys fees, witness costs and court costs that may be asserted by any person or entity, including Licensee, arising out of or in connection with any of the following circumstances:

12.2.1 Use of Premises. Use of the Premises in any manner by Licensee, its agents, employees, invitees, sublicensees and contractors, and the agents, employees, patrons, contractors and invitees of Licensee's contractor, including any use of the Premises not allowed under this Agreement.

12.2.2 Breach by Licensee. Any breach by Licensee of the terms, covenants or conditions herein contained.

12.2.3 Approval of License. The approval of this License by County.

12.2.4 Other Activities. Any other activities of Licensee, its agents, employees and contractors whether or not there is concurrent negligence on the part of the County, but excluding liability due to the sole active negligence or sole willful misconduct of County. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for Licensee or its agents under workers' compensation acts, disability benefit acts or other employee benefit acts.

12.3 Indemnity by County. County will indemnify, hold harmless and defend Licensee, its agents and employees, from and against any and all actions, claims, damages, disabilities or expenses including, without limitation, attorneys' fees, witness costs and court costs that may be asserted by any person or entity, including Licensee, arising out of County's operations on the remaining portions of the rest of the Landfill Property.

12.4 Liability for Loss or Damage to County Property. Licensee shall be liable to County for any loss or damage to the Premises arising from or in connection with Licensee s performance hereunder or any of Licensee's officers, agents, employees or contractors.

13. Nondiscrimination. In the performance of this License, Licensee shall comply with all applicable federal, state and local laws, rules and regulations regarding nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition, pregnancy, disability, or AIDs or HIV status, including without limitation, the County's Non-Discrimination Policy.

14. Provisions are Conditions of Use/Occupancy. Each provision of this License shall be deemed a condition of the right of Licensee to use or continue to occupy the Premises. If Licensee fails to comply with any Laws and Orders related to the Premises and Licensee's operations thereon, and does not correct such failure within 90 days of written notice from County, County may at its option terminate this License by written notice to Licensee; this right to terminate shall be cumulative to any other legal right or remedy available to County.

15. Licensee to Act in Independent Capacity. Licensee, its officers, agents, and employees shall act in an independent capacity and shall not represent themselves to be or be construed to be officers, agents, or employees of County.

16. License Not a Lease. This License does not constitute a lease, but constitutes a mere revocable license and Licensee is limited to the use of the Premises expressly and specifically described above. Excepting the access road to the Premises and except as otherwise allowed under the JPA Agreement other or licenses between County and Licensee, Licensee shall have no right or privilege in any respect whatsoever to use any other part of the Landfill Property of County for any purpose whatsoever. Licensee disclaims any interest that when coupled with the License herein granted would render it irrevocable.

17. Notices. All notices (including requests, demands, approvals, or other communications) under this License shall be in writing.

17.1 Method of Delivery. Notice shall be sufficiently given for all purposes as follows:

(a) When personally delivered to the recipient, notice is effective on delivery.

(b) When mailed first class to the last address of the recipient known to the party giving notice, notice is effective on delivery.

(c) When mailed by certified mail with return receipt requested, notice is effective on receipt if delivery is confirmed by a return receipt.

(d) When delivered by overnight delivery with charges prepaid or charged to the sender's account, notice is effective on delivery if delivery is confirmed by the delivery service.

(e) When sent by fax to the last fax number of the recipient known to the party giving notice, notice is effective on receipt evidenced by fax confirmation as long as (1) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery or (2) the receiving party delivers a written confirmation of receipt. Subject to the foregoing requirements, any notice given by fax

shall be considered to have been received on the next business day if it is received after 5 p.m. (recipient's time) or on a non-business day.

17.2 Refused, Unclaimed, or Undeliverable Notices. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused, unclaimed, or considered undeliverable by the postal authorities, messenger, or overnight delivery service.

17.3 Addresses. Addresses for purposes of giving notice are set forth below:

COUNTY: County of Sonoma
Department of Transportation and Public Works
2300 County Center Drive, Suite ____
Santa Rosa, CA 95403
Attn: _____

LICENSEE: Sonoma County Waste Management Agency
2300 County Center Drive, Suite B-100
Santa Rosa, CA 95403
Attn: Henry Mikus, Executive Director

Any party may at any time change its address for notices by giving written notice of such change to the other party in the manner provided in this paragraph.

18. No Continuing Waiver. The waiver by County of any breach of any of the provisions of this License shall not constitute a continuing waiver of any subsequent breach of the same, or of any other provision of this License.

19. General Provisions. Licensee shall not either voluntarily or by operation of law assign, sublet, hypothecate or otherwise transfer Licensee's interest in this License without the prior written consent of County in each instance. A consent by County to one assignment, sublease, hypothecation or transfer shall not be construed as a consent to any subsequent assignment, sublease, hypothecation or transfer, or as releasing Licensee from any liability or obligation hereunder whether or not then accrued. Any assignment, sublease, hypothecation or transfer which is not in compliance with this section shall be void and shall, at the option of County, terminate this License.

20. Licensee's Duty to Remove Improvements.

At the expiration or sooner termination of this License, Licensee shall remove from the Premises all of its personal property. If it fails to do so, County may retain ownership of such personal property or dispose of it as County sees fit. Notwithstanding anything stated to the contrary in this License, County shall have the right to require Licensee to remove all such fixtures and improvements and return the Premises to the County in a completely clean condition as required under Section 5 of the JPA Agreement.

21. Miscellaneous Provisions

21.1 Time of Essence. Time is and shall be of the essence of this License and of each and every provision contained in this License.

21.2 Amendments. This License may be modified in writing only, signed by the parties in interest at the time of the modification, and this sentence may not be modified or waived by any oral agreement, whether executed or unexecuted.

21.3 Binding Effect; Choice of Law. This License shall be binding upon and inure to the benefit of the parties, their personal representatives, successors, and assigns. This License shall be governed by the laws of the State of California and any action to enforce the terms of this License or for the breach thereof shall be brought and tried in the County of Sonoma.

21.4 No Third Party Beneficiaries. Nothing contained in this License shall be construed to create and the parties do not intend to create any rights in third parties.

21.5 Construction of License; Severability; Venue. To the extent allowed by law, the provisions in this License shall be construed and given effect in a manner that avoids any violation of statute, regulation, or law. County and Licensee agree that in the event any provision in this License is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such provision shall in no way affect any other provision in this License. Licensee and County acknowledge that they have each contributed to the making of this License and that, in the event of a dispute over the interpretation of this License, the language of the License will not be construed against one party in favor of the other. Licensee and County further acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this License.

21.6 Relationship. The parties intend by this License to establish the relationship of Licensor and Licensee only, and do not intend to create a partnership, joint

venture, joint enterprise, or any business relationship other than that of Licensor and Licensee.

21.7 Captions. The captions in this License are for convenience only and are not a part of this License. The captions do not in any way limit or amplify the provisions hereof, and shall have no effect upon the construction or interpretation of any part hereof.

EXHIBIT F

IN WITNESS WHEREOF, the parties hereto have executed this License as of the Effective Date.

AGENCY/LICENSEE: _____

_____

By: _____

Print Name: _____

Title: _____

APPROVED AS TO FORM
FOR AGENCY:

_____
Janet E. Coleson
Agency Counsel

APPROVED AS TO SUBSTANCE
FOR AGENCY:

_____
Henry J. Mikus
Executive Director

County/Licensor: COUNTY OF SONOMA, a political subdivision of the State of California

By: _____

APPROVED AS TO FORM
FOR COUNTY:

_____
Sheryl L. Bratton
Assistant County Counsel

APPROVED AS TO SUBSTANCE
FOR COUNTY:

_____

EXHIBIT F

Exhibit A

Depiction of 40,000 square feet HHW Parcel "Premises"
[ATTACH MAP]

EXHIBIT F

EXHIBIT F

Exhibit B

Licensee shall maintain insurance as described below unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*.

1. **Workers Compensation and Employers Liability Insurance**
   - **a.** Required if Licensee has employees.
   - **b.** Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
   - **c.** Employers Liability with limits of $1,000,000 per Accident; $1,000,000 Disease per employee; $1,000,000 Disease per policy.
   - **d.** The policy shall be endorsed to include a written waiver of the insurer s right to subrogate against County.
   - **e.** *Required Evidence of Insurance*:
     - **i.** Subrogation waiver endorsement, and
     - **ii.** Certificate of Insurance

   If Licensee currently has no employees, Licensee agrees to obtain the above-specified Workers Compensation and Employers Liability insurance should any employees be engaged during the term of this Agreement or any extensions of the term.

2. **General Liability Insurance**
   - **a.** Commercial General Liability Insurance on a standard occurrence form, no less broad than ISO form CG 00 01.
   - **b.** Minimum Limits: $1,000,000 per Occurrence; $2,000,000 General Aggregate; the General Aggregate shall apply separately to each location.
   - **c.** Licensee shall disclose any deductible or self-insured retention in excess of $25,000 and such deductible or self-insured retention must be approved in advance by County. Licensee is responsible for any deductible or self-insured retention.
   - **d.** County of Sonoma shall be additional insureds for liability arising out the ownership, maintenance or use of that part of the premises licensed to Licensee (ISO endorsement CG 20 11 or equivalent).
   - **e.** The insurance provided to the additional insureds shall apply on a primary and non-contributory basis with respect to any insurance or self-insurance program maintained by them.
   - **f.** The policy shall be endorsed to include a written waiver of the insurer s right to subrogate against County.
   - **g.** The policy shall cover inter-insured suits between County and Licensee and include a “separation of insureds” or “severability” clause which treats each insured separately.
   - **h.** *Required Evidence of Insurance*:
     - **i.** Copy of the additional insured endorsement or policy language granting

additional insured status, and

ii. Certificate of Insurance.

3. **Property Insurance for Business Personal Property and Licensees' Improvements** *(Required only during the Post-Construction Period)*
   - **a.** Property insurance on a "special form" or "all risks" basis.
   - **b.** Minimum Limit: the full current combined replacement cost of Licensee's Business Personal Property and Licensee's improvements.
   - **c.** The insurance shall apply on a replacement cost basis, without deduction for depreciation.
   - **d.** Licensee shall disclose any deductible or self-insured retention in excess of $25,000 and such deductible or self-insured retention must be approved in advance by County. Licensee is responsible for any deductible or self-insured retention.
   - **e.** *Required Evidence of Insurance*:
     - **i.** Certificate of Property Insurance *or* Evidence of Commercial Property Insurance.

4. **Automobile Liability Insurance**
   - **a.** Minimum Limits: $1,000,000 combined single limit per accident.
   - **b.** Insurance shall apply to all owned autos. If Licensee currently owns no autos, Licensee agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions of the term.
   - **c.** Insurance shall apply to hired and non-owned autos.
   - **d.** *Required Evidence of Insurance*:
     - **i.** Certificate of Insurance

5. **Licensees Pollution Liability Insurance**
   - **a.** Minimum Limits: $1,000,000 per pollution Incident; $1,000,000 Aggregate;
   - **b.** Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds $25,000 it must be approved in advance by County. Licensee is responsible for any deductible or self-insured retention and shall fund it upon County's written request, regardless of whether Licensee has a claim against the insurance or is named as a party in any action involving the County.
   - **c.** If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of work.
   - **d.** Insurance shall be continued for one (1) year after completion of the Work. If the insurance is on a Claims-Made basis, the continuation coverage may be provided by: (a) renewal of the existing policy; (b) an extended reporting period endorsement; or (c) replacement insurance with a retroactive date no later than the commencement of the work.
   - **e.** County of Sonoma, shall be additional insureds for liability arising out of operations by or on behalf of the Licensee in the performance of this agreement. The foregoing shall continue to be additional insureds for (1) year after

completion of the Work.

6. Standards for Insurance Companies

a. Insurers shall have an A.M. Best s rating of at least A:VII.

7. Documentation

a. The Certificate of Insurance must include the following reference: Central Landfill Household Hazardous Waste License Agreement.

b. All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Licensee agrees to maintain current Evidence of Insurance on file with County for the required period of insurance.

c. The name and address for Additional Insured endorsements and Certificates of Insurance is:

County of Sonoma
Department of Transportation and Public Works
2300 County Center Drive, Suite ____
Santa Rosa, CA 95403
Attn: _____

d. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.

e. Licensee shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.

f. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.

8. Policy Obligations

Licensee's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

EXHIBIT G

EXHIBIT G

Exhibit G-1

LEGAL DESCRIPTION OF LAND: CENTRAL

The land referred to herein is situated in the State of California, County of Sonoma, Unincorporated Area, and is described as follows:

TRACT ONE:

PARCEL ONE:

BEING A PORTION OF THE-LANDS OF LUI STEFENONI, ET UX, AS RECORDED IN BOOK 570, OFFICIAL RECORDS, PAGE 28, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT CERTAIN PROPERTY SHOWN AS PARCEL 1 ON THE RECORD OF SURVEY OF THE LANDS OF LUI STEFENONI, ET UX, AS RECORDED IN BOOK 146, MAPS, PAGE 10.

EXCEPTING THEREFROM THAT PORTION LYING EASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PARCEL I AS SHOWN ON THE RECORD OF SURVEY OF THE LANDS OF LUI STEFENONI, ET. UX., AS RECORDED IN BOOK 146 OF MAPS, PAGE 10 FROM WHICH ENGINEER'S STATION 68+51.58 P.O.C. AS SHOWN ON A MAP ENTITLED "MECHAM ROAD" DATED JUNE 1971 AND ON A MAP ENTITLED :LANDS TO BE DEEDED TO L. AND E. STEFENONI AT CENTRAL AREA DISPOSAL SITE" DATED FEBRUARY 1972 ON FILE IN THE OFFICE OF THE SONOMA COUNTY DEPARTMENT OF PUBLIC WORKS BEARS SOUTH 82°26'42" EAST, 41.38 FEET, ALSO FROM SAID POINT OF BEGINNING A ½ INCH IRON PIPE MONUMENT FOUND AND TAGGED L.S. 2798 IN SAID NORTHERLY LINE BEARS SOUTH 82°26'42" EAST, 30.49 FEET, THENCE FROM SAID POINT OF BEGINNING AND ALONG THE EASTERLY LINE OF THE LANDS OF STEVEFNONI AS DESCRIBED IN AN ORDER CONFIRMING SALE AND EXCHANGE OF ESTATE REAL PROPERTY RECORDED IN BOOK 2617 OF OFFICIAL RECORDS AT PAGE 392, SONOMA COUNTY RECORDS, THENCE ALONG SAID EASTERLY LINE SOUTHERLY ALONG A CURVE TO THE RIGHT OF RADIUS 962.00 FEET, WHOSE TANGENT BEARS SOUTH 31° 21' 59" WEST, THROUGH A CENTRAL ANGLE OF 0° 34' 12", FOR A DISTANCE OF 9.57 FEET; THENCE ALONG THE SOUTHERLY LINE OF SAID ORDER SOUTH 83° 17' 53" WEST, 12.85 FEET, TO A POINT THAT BEARS 48 FEET LEFT OF ENGINEERS CENTERLINE STATION 68+16.50, AS SAID CENTERLINE SHOWS ON A MAP TITLED MECHAM ROAD, DATED JUNE 1971, ON FILE IN THE SONOMA COUNTY DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS AS MICROFILM #2649; THENCE SOUTHERLY ALONG A CURVE TO THE RIGHT OF RADIUS 952.00 FEET, WHOSE TANGENT BEARS SOUTH 32° 25' 09" WEST, THROUGH A CENTRAL ANGLE OF 4° 56' 09", FOR A DISTANCE OF 82.01 FEET TO A POINT THAT BEARS 48 FEET LEFT OF ENGINEERS CENTERLINE STATION 67+30.35; THENCE SOUTH 37° 21' 18" WEST, 492.36 FEET, TO A POINT THAT BEARS 48.00 FEET LEFT OF ENGINEERS CENTERLINE

STATION 62+00 AS SAID CENTERLINE SHOWS ON A MAP TITLED MECHAM ROAD, DATED SEPTEMBER 1976; THENCE SOUTH 36° 05' 36" WEST, 476.53 FEET TO A POINT WHICH BEARS 60 FEET LEFT OF ENGINEERS STATION 57+34.41; THENCE SOUTH 25° 31' 51" WEST, 116.03 FEET, TO A POINT THAT BEARS 60.00 FEET LEFT OF ENGINEERS STATION 56+18.38; THENCE SOUTH 31° 36' 56" WEST, 269.42 FEET TO A POINT THAT BEARS 50.00 FEET LEFT OF ENGINEERS CENTERLINE STATION 53+32.50; THENCE SOUTH 40° 49' 46" WEST, 529.85 FEET TO A POINT THAT BEARS 40.00 FEET LEFT OF ENGINEERS CENTERLINE STATION 48+02.74 AND THE BEGINNING OF A CURVE TO THE LEFT WITH A RADIUS OF 1040.00 FEET; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24° 17' 00", FOR A DISTANCE OF 150.00 FEET TO THE SOUTHERLY LINE OF SAID PARCEL I.

EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED BY THE COUNTY OF SONOMA, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, TO LOUIS STEFENONI, ET AL, BY DEED RECORDED MAY 8, 1972 IN BOOK 2625 OF OFFICIAL RECORDS, PAGE 674, UNDER RECORDER'S SERIAL NO. M 68961, SONOMA COUNTY RECORDS.

PARCEL TWO:

A STRIP OF LAND THIRTY-SIX (36) FEET IN WIDTH MEASURED AT RIGHT ANGLES, AND PARALLEL AND ADJACENT TO, THE EASTERLY LINE OF PARCEL 2 AS SHOWN ON THE RECORD OF SURVEY OF THE LANDS OF LUI STEFENONI, ET UX, AS RECORDED IN BOOK 146, MAPS, PAGE. 10, AND RUNNING FROM THE NORTHERLY BOUNDARY OF SAID PARCEL 2 TO THE SOUTHERLY BOUNDARY OF SAID PARCEL 2.

ACQUIRED FOR ROAD AND WATER-LINE PURPOSES

PARCEL THREE:

BEING A PORTION OF THE LANDS OF LUI STEFENONI, ET UX, AS DESCRIBED IN BOOK 592, OFFICIAL RECORDS, PAGE 394, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A STRIP OF LAND SIXTEEN (16) FEET IN WIDTH, MEASURED AT RIGHT ANGLES, AND PARALLEL AND ADJACENT TO THE MOST EASTERLY LINE OF THE SAID LANDS OF LUI STEFENONI, ET UX, SAID EASTERLY LINE ALSO BEING THE MOST WESTERLY LINE OF MEACHAM ROAD AS DESCRIBED IN BOOK 184, DEEDS, PAGE 33; AND RUNNING FROM THE NORTHERLY BOUNDARY OF THE LANDS OF STEFENONI, SAID BOUNDARY BEING THE SOUTHERLY BOUNDARY OF THE RIGHT OF WAY OF THE PETALUMA AND SANTA ROSA RAILROAD, TO THE SOUTHERLY BOUNDARY OF, STEFENONI, SAID BOUNDARY BEING THE NORTHEASTERLY BOUNDARY OF THE LANDS OF LUI STEFENONI, ET UX, AS DESCRIBED IN BOOK 570, OFFICIAL RECORDS, PAGE 28.

ACQUIRED FOR ROAD AND WATER LINE PURPOSES.

PARCEL FOUR:

COMMENCING AT A 3/4 INCH IRON. PIPE MARKING THE SOUTHEASTERLY CORNER OF THE LANDS OF LUI STEFENONI AS DESCRIBED IN BOOK 592, OFFICIAL RECORDS, PAGE 394; THENCE S. 74° 41' 35" E., 11.95 FEET; THENCE N. 12° 42' 35" E., 1386.71 FEET; THENCE N. 20° 48' 45" E., 1138.39 FEET; THENCE N. 21° 02' 55" E., 536.24 FEET; THENCE N. 56° 23' 05" W., 20.36 FEET TO A POINT ON THE EASTERLY LINE OF THE LANDS OF STEFENONI, SAID POINT BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE CONTINUING N. 56° 23 05" W. PARALLEL TO AND 15.00 FEET MEASURED AT RIGHT ANGLES FROM THE SOUTHWESTERLY-RIGHT-OF-WAY LINE OF THE PETALUMA AND SANTA ROSA RAILROAD, 168.76 FEET; THENCE N. 67°29 25" W. PARALLEL AND 15.00 FEET MEASURED AT RIGHT

ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID RAILROAD 147.23 FEET; THENCE S. 14° 56' 35" W., 35.00 FEET; THENCE N. 64° 08' 25" W., 50.00 FEET; THENCE N. 14° 56' 35" E., 50.00 FEET TO THE SOUTHWESTERLY LINE OF THE PETALUMA AND SANTA ROSA RAILROAD, THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE TO A POINT FROM WHICH THE POINT OF BEGINNING BEARS S. 21° 10' W., 15.47 FEET; THENCE S.21° 10' W., 15.47 FEET TO THE POINT OF BEGINNING

ACQUIRED FOR WELL SITE, ACCESS, AND UTILITY PURPOSES. BASIS OF BEARINGS: HAPPY ACRES RECORD OF SURVEY.

APN: 024-080-019

TRACT TWO:

COMMENCING AT THE MOST NORTHERLY POINT OF THE PROPERTY OF THE HENRY HAMMELL COMPANY, A CORPORATION, AT PETALUMA, SONOMA COUNTY, CALIFORNIA, SAID POINT BEING IN THE MIDDLE OF A ROAD LEADING EASTERLY TO THE STONY POINT-BLOOMFIELD COUNTY ROAD; THENCE FOLLOWING ALONG THE MIDDLE OF SAID ROAD AS FOLLOWS, TO WIT; SOUTH 37 DEGREES 30 MINUTES EAST, 475.2 FEET; SOUTH 55 DEGREES EAST, '66 FEET; SOUTH 65 DEGREES 15 MINUTES EAST, 66 FEET; SOUTH 79 DEGREES EAST, 66 FEET; SOUTH 85 DEGREES 15 MINUTES EAST, 66 FEET; NORTH 87 DEGREES 30 MINUTES EAST, 66 FEET; NORTH 84 DEGREES 45 MINUTES EAST, 66 FEET AND NORTH 80 DEGREES 30 MINUTES EAST, 258.2 FEET; THENCE LEAVING SAID ROAD SOUTH 7 DEGREES 45 MINUTES EAST, 933.3 FEET; THENCE NORTH 89 DEGREES 30 MINUTES WEST, 1467 FEET TO AN IRON PIPE; THENCE NORTH 9 DEGREES 30 MINUTES WEST 1062 FEET TO AN IRON PIPE; THENCE NORTH 67 DEGREES 15 MINUTES EAST, 660 FEET TO THE POINT OF COMMENCEMENT. BEARINGS TRUE.

BEING A PORTION OF THE "RANCHO ROBLAR DE LA MISERIA".

A.P. NO. 022-020-003

TRACT THREE:

EXHIBIT G

LYING WITHIN THE RANCHO ROBLAR DE LA MISERIA AND BEING A PORTION OF THE LANDS OF EUGENE CAMOZZI AND LYDIA CAMOZZI, HUSBAND AND WIFE AS COMMUNITY PROPERTY, AS TO AN UNDIVIDED 1 /2 INTEREST; AND ROBERT CAMOZZI AND GLORIA CAMOZZI, HUSBAND AND WIFE AS JOINT TENANTS, AS TO AN UNDIVIDED 1 /2 INTEREST AS DESCRIBED IN DEEDS RECORDED AS DOCUMENT NUMBER 1991 0038893 AND DOCUMENT NUMBER 1994 0102345 OF OFFICIAL RECORDS, SONOMA COUNTY RECORDS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS.

PARCEL A:

COMMENCING AT A POINT IN THE NORTHERLY LINE OF PARCEL 1 AS SHOWN ON THE RECORD OF SURVEY OF LANDS OF LUT STEFENONI, ET UX, AS RECORDED IN BOOK 146, OF MAPS, PAGE 10 FROM WHICH ENGINEER S STATION 68 + 51.58 P.O.C. AS SHOWN ON A MAP ENTITLED "MECHAM ROAD" DATED JUNE 1971 AND ON A MAP ENTITLED "LANDS TO BE DEEDED TO L. AND E. STEFENONI AT CENTRAL AREA DISPOSAL SITE DATED FEBRUARY 1972 OF FILE IN THE OFFICE OF THE SONOMA COUNTY DEPARTMENT OF PUBLIC WORKS BEARS 82° 26' 42" EAST, 41.38 FEET; ALSO FROM SAID POINT OF COMMENCEMENT AT A 1 /2 INCH IRON PIPE MONUMENT FOUND AND TAGGED L.S. 2798 IN SAID NORTHERLY LINE BEARS SOUTH 82° 26' 42" EAST, 30.49 FEET; THENCE FROM SAID POINT OF COMMENCEMENT AND ALONG SAID NORTHERLY LINE NORTH 82° 26' 42" WEST, 1056.75 FEET TO ANOTHER 1/2 INCH IRON PIPE MONUMENT FOUND AND TAGGED L.S. 2798 MARKING AN ANGLE POINT IN SAID NORTHERLY LINE; SAID 1/2 INCH IRON PIPE MONUMENT FOUND BEING DESIGNATED AS POINT "A"; THENCE NORTH 44° 47' 18" WEST, 15.21 FEET, TO A #5 REBAR MONUMENT WITH A 2 INCH CAP STAMPED SONOMA COUNTY DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS AND THE POINT OF BEGINNING; THENCE ¬NORTH 44° 47 18" WEST, 1107.23 FEET, TO A #5 REBAR MONUMENT WITH A 2 INCH CAO STAMPED SONOMA COUNTY DEPARTMENT OF TRANSPORTATION OF PUBLIC WORKS; THENCE NORTH 04° 52' 58" WEST 588.72 FEET TO THE POINT OF BEGINNING.

PARCEL B:

COMMENCING AT POINT "A" AS DESIGNATED IN PARCEL "A"; THENCE FROM SAID POINT OF COMMENCEMENT AND ALONG ABOVE SAID NORTHERLY LINE NORTH 44° 47' 18" WEST, 494.47 FEET TO A 3/4 INCH IRON PIPE MONUMENT SET AND MARKED "CSSC"; SAID 3/4 INCH IRON PIPE SET BEING THE TRUE POINT OF BEGINNING OF THE HEREINAFTER DESCRIBED PARCEL; THENCE FROM SAID POINT OF BEGINNING AND CONTINUING ALONG SAID NORTHERLY LINE NORTH 44° 47 18" WEST, 406.40 FEET TO ANOTHER 3/4 INCH IRON PIPE MONUMENT SET AND MARKED "CSSC"; THENCE LEAVING SAID NORTHERLY LINE SOUTH 7° 19' 55: WEST, 219.24 FEET TO ANOTHER 3/4 INCH IRON PIPE MONUMENT SET AND MARKED "CSSC"; THENCE SOUTH 77° 16' 24" EAST, 322.20 FEET TO THE POINT OF BEGINNING.

A.P. NO.: 024-080-030

EXHIBIT G

Exhibit G-2

LEGAL DESCRIPTION OF LAND: ANNAPOLIS

The land referred to herein is situated in the State of California, County of Sonoma, Unincorporated Area, and is described as follows:

Parcel 1

Being a portion of the lands of the County of Sonoma, as described in that deed recorded in Book 2452 of Official Records at Page 475, Sonoma County Records, and being further described as being a portion of the Southwest 1/4 of the Southwest 1/4 of Section 17 of Township 10 North Range 13 West, Mount Diablo Meridian. Said portion being more particularly described as follows:

Beginning at the Southeast corner of the Southwest 1/4 of the Southwest 1/4 of said Section 17, as said corner is shown on that Record of Survey, recorded in Book 137 of Maps at Page 31, Sonoma County Records; thence along the easterly line of said lands of the County of Sonoma North 00°30'30" East, 710.00 feet; thence leaving said easterly line North 89°29'30" West, 120.00 feet; thence South 00°30'30" West, 24.16 feet to a curve to the right having a radius of 200.00 feet; thence southerly and southwesterly along said curve through a central angle of 35°00 00" a distance of 122.17 feet; thence South 66°15 32" West, 192.57 feet; thence South 85°30'30" West, 75.00 feet to a curve to the left having a radius of 90.00 feet; thence westerly, southwesterly, southerly and southeasterly along said curve through a central angle of 135°00'00" a distance of 212.06 feet; thence South 49°29'30" East, 75.00 feet; thence North 89°03 30" East, 125.00 feet; thence South 64°05'28" East, 60.00 feet; thence South 00°30'30" West, 261.67 feet to the southerly line of said lands of the County of Sonoma; thence along said southerly line North 89°03'30" East, 219.93 feet to the Point of Beginning.

Containing 4.54 ACRES, more or less.

Reserving therefrom an easement for ingress and egress appurtenant to such parcel and in favor of the County of Sonoma.

Commencing at the Southeast corner of the Southwest 1/4 of the Southwest 1/4 of said Section 17, as said corner is shown on that Record of Survey, recorded in Book 137 of Maps at Page 31, Sonoma County Records; thence along the easterly line of said lands of the County of Sonoma North 00°30'30" East, 710.00 feet; thence leaving said easterly line North 89°29'30" West, 50.00 feet to the Point of Beginning; thence North 89°29 30" West, 70.00 feet; thence South 00°30'30" West, 24.16 feet to a curve to the right having a radius of 200.00 feet; thence southerly and southwesterly along said curve through a central angle of 35°00 00" a distance of 122.17 feet to a point of cusp; thence South 89°29'30" East, 106.17 feet; thence North 00°30 30" East, 138.88 feet to the Point of Beginning.

Containing 0.25 ACRES, more or less.

A.P.N. 123-030-004 PTN.

EXHIBIT G

Parcel 2

An easement to construct, operate and maintain utility lines, including water, sewer, electricity, telephone and natural gas, along with ingress and egress as may be necessary to access such utility lines, appurtenant to Parcel 1.

Being a portion of the lands of the County of Sonoma, as described in that deed recorded in Book 2452 of Official Records at Page 475, Sonoma County Records, and being further described as being a portion of the Southwest 1/4 of the Southwest 1/4 of Section 17 of Township 10 North Range 13 West, Mount Diablo Meridian. Said portion being more particularly described as follows:

Commencing at the Southeast corner of the Southwest 1/4 of the Southwest 1/4 of said Section 17, as said corner is shown on that Record of Survey, recorded in Book 137 of Maps at Page 31, Sonoma County Records; thence along the easterly line of said lands of the County of Sonoma North 00°30'30" East, 710.00 feet to the Point of Beginning; thence leaving said easterly line North 89°29'30" West, 96.53 feet; thence North 18°21 '40" East, 12.66 feet; thence North 18°38'33" East, 23.88 feet; thence North 07°44 50" East, 40.20 feet; thence North 07°41 '57" East, 24.45 feet; thence North 07°37'56" East, 28.59 feet; thence North 16°04'41" East, 14.77 feet; thence North 17°56'08" East, 12.06 feet; thence North 42°32 32" East, 34.04 feet; thence North 68°52'47" East, 14.17 feet; thence North 00°30'30" East, 37.69 feet; thence South 89°29'30" East, 30.00 feet to said easterly line; thence along said easterly line South 00°30'30" West, 221.19 feet to the Point of Beginning.

Containing 0.34 ACRES, more or less.

A.P.N. 123-030-004 PTN.

EXHIBIT G

Parcel 3

An easement to construct, operate and maintain a spring and utility lines, including water, sewer, electricity, telephone and natural gas, along with ingress and egress as may be necessary to access such spring and utility lines, appurtenant to Parcel 1.

Being a portion of the lands of the County of Sonoma, as described in that deed recorded in Book 2452 of Official Records at Page 475, Sonoma County Records, and being further described as being a portion of the Southwest 1/4 of the Southwest 1/4 of Section 17 of Township 10 North Range 13 West, Mount Diablo Meridian. Said portion being more particularly described as follows:

Being a strip of land 15 feet wide, 7.5 feet either side of the following described line.

Commencing at the Southeast corner of the Southwest 1/4 of the Southwest 1/4 of said Section 17, as said corner is shown on that Record of Survey, recorded in Book 137 of Maps at Page 31, Sonoma County Records; thence along the easterly line of said lands of the County of Sonoma North 00°30'30" East, 710.00 feet; thence North 89°29'30" West, 120.00 feet; thence South 00°30'30" West, 24.16 feet to a curve to the right having a radius of 200.00 feet; thence southerly and southwesterly along said curve through a central angle of 35°00 00" a distance of 122.17 feet; thence South 66°15'32" West, 151.91 feet to the true Point of Beginning of the line; thence North 02°20'01" West, 40.12 feet; thence North 79°13 55" West, 122.67 feet to a curve to the left having a radius of 110.00 feet; thence westerly, southwesterly and southerly along said curve through a central angle of 89°33'27" a distance of 171.94 feet; thence South 11°12'38" West, 89.41 feet to the end of the line. The sidelines of the strip shall extend or contract to meet the boundary of the above described Parcel 1.

Containing 6358 SQ FT, more or less.

A.P.N. 123-030-004 PTN.

EXHIBIT G

Parcel 4

An easement to construct, operate and maintain an electrical utility line, along with ingress and egress as may be necessary to access such electrical utility line, appurtenant to Parcel 1.

Being a portion of the lands of the County of Sonoma, as described in that deed recorded in Book 2452 of Official Records at Page 475, Sonoma County Records, and being further described as being a portion of the Southwest 1/4 of the Southwest 1/4 of Section 17 of Township 10 North Range 13 West, Mount Diablo Meridian. Said portion being more particularly described as follows:

Being a strip of land 15 feet wide, 7.5 feet either side of the following described line.

Commencing at the Southeast corner of the Southwest 1/4 of the Southwest 1/4 of said Section 17, as said corner is shown on that Record of Survey, recorded in Book 137 of Maps at Page 31, Sonoma County Records; thence along the easterly line of said lands of the County of Sonoma North 00°30'30" East, 710.00 feet; thence North 89°29 30" West, 120.00 feet; thence South 00°30'30" West, 24.16 feet to a curve to the right having a radius of 200.00 feet; thence southerly and southwesterly along said curve through a central angle of 35°00 00" a distance of 122.17 feet; thence South 66°15'32" West, 106.56 feet to the true Point of Beginning of the line; thence North 63°09'43" West, 48.35 feet to the end of the line. The sidelines of the strip shall extend or contract to meet the boundary of the above described Parcels 1 and 3.

Containing 596 SQ FT, more or less.

A.P.N. 123-030-004 PTN.

EXHIBIT G

Parcel 5

Reserving from the above described Parcel 1.

An easement to construct, operate and maintain a monitoring well, along with ingress and egress across Parcel 1 as may be necessary to access such monitoring well, appurtenant to the lands of the County of Sonoma remaining after conveyance of Parcel 1.

Being a portion of the lands of the County of Sonoma, as described in that deed recorded in Book 2452 of Official Records at Page 475, Sonoma County Records, and being further described as being a portion of the Southwest 1/4 of the Southwest 1/4 of Section 17 of Township 10 North Range 13 West, Mount Diablo Meridian. Said portion being more particularly described as follows:

Commencing at the Southeast corner of the Southwest 1/4 of the Southwest 1/4 of said Section 17, as said corner is shown on that Record of Survey, recorded in Book 137 of Maps at Page 31, Sonoma County Records; thence along the easterly line of said lands of the County of Sonoma North 00°30'30" East, 462.27 feet; thence leaving said easterly line North 89°29'30" West, 7.42 feet to the Point of Beginning; thence South 00°30'30" West, 10.00 feet; thence North 89°29 30" West, 10.00 feet; thence North 00°30'30" East, 10.00 feet; thence South 89°29'30" East, 10.00 feet to the Point of Beginning,

Containing 100.00 SQ FT, more or less.

A.P.N. 123-030-004 PTN.

EXHIBIT G

Parcel 6

An easement for public road and public utility purposes, appurtenant to Parcel 1, fifty (50) feet in width, twenty-five (25) feet measured at right angles, on each side of the following described center line:

Beginning at a point from which the Northeast corner of the Southwest Quarter of the Southwest Quarter of Section 17, T. 10 N., R. 13 W., M.D.B. and M. bears N. 0°18'10" W., 430.05 feet; thence S. 88°01'40" E" 195.60 feet; thence N. 83"37 20" E., 133.62 feet; thence curving to the right on a radius of 200 feet through a central angle of 29°29'10" for a distance of 102.93 feet; thence S. 66°53'30" E., 111.13 feet to a ½ inch iron pipe set in the centerline of the existing Annapolis Road, all as shown on the Record of Survey recorded in Book 137, Maps, Page 31.

EXHIBIT G

Exhibit G-3

LEGAL DESCRIPTION OF LAND: GUERNEVILLE

The land referred to herein is situated in the State of California, County of Sonoma, Unincorporated Area, and is described as follows:

Parcel 1

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 1278 of Official Records, Page 544, Sonoma County Records. Being further described as follows:

Being a parcel of land in the south ½ of Section 34, Township 8 North, Range 10 West, MDB&M, being more particularly described as follows:

Beginning at the southeast corner of Lot 72A of Subdivision No. 1 of Noel Heights as recorded in Book 48 of Maps, Page 22 and 23, Sonoma County Records; thence along the boundary of said subdivision the following courses and distances, North 26° 18 38" West, 322.07 feet; thence North 60°06'38" West, 54.25 feet; thence North 83°51'38" West, 294.07 feet; thence South 11°46'33" East, 32.87 feet; thence South 78°46'55" West, 20.04 feet to the beginning of a curve whose radius point bears South 79°00'43" West, 15.00 feet; thence along said curve through a central angle of 100°45'50" a distance of 26.38 feet; thence South 89°39'06" West, 93.62 feet; thence North 51 °26 15" East, 18.82 feet to a curve to the left having a radius of 27.57 feet; thence along said curve through a central angle of 151 °18 39" a distance of 72.81 feet; thence leaving said subdivision boundary North 11 °28 30" East, along the westerly boundary of Eugene Dagnello as described in a deed recorded in Book 628 of Official Records, Page 263, Sonoma County Records, 455.32 feet to the northerly line of said lands of Eugene Dagnello; thence along the northerly line the following courses and distances North 72°13 07" East, 126.15 feet; thence North 84°45 23" East, 172.64 feet; thence North 45°22'24" East, 20.19 feet; thence North 88°50'31" East, 103.27 feet; thence North 81°20'20" East, 167.84 feet; thence North 73°10 08" East, 106.00 feet to a point on the west line of the Southeast 1/4 of Section 34, Township 8 North, Range 10 West, and the southeast corner of the lands of Tunstall as described in a deed recorded in Book 860 of Official Records, Page 328, Sonoma County Records, and from which a 3/4" iron pipe marking the accepted center of said Section 34, bears North 0°28 30" West, 274.22 feet; thence South 00°28'30" East, 3.70 feet to the southwest corner of the lands of Graham, Et. Al. as described in a deed recorded in Book 889 of Official Records, Page 462, Sonoma County Records; thence South 32°02'45" East, 309.29 feet; thence South 43°50'14" East, 100.00 feet; thence South 28°15'01" East, 52.73 feet; thence South 50°17'45" East, 117.28 feet; thence South 26°25'44" East, 44.79 feet; thence South 29°14'16" West, 13.71 feet; thence South 20°51'04" East, 86.05 feet; thence South 34°28'41" East, 40.54 feet to a curve to the left having a radius of 80.00 feet; thence along said curve through a central angle of 36°09 19" a distance of 50.48 feet to a reverse curve having a radius of 68.00 feet; thence along said curve through a central angle of 40˚00'00" a distance of 47.47 feet; thence South 59˚22'00" West radial to said curve, 8.00 feet to the beginning of a curve radial to said line, said curve having a radius of 60.00 feet and being concave to the west; thence along the curve through a central angle of 30°00'00" a distance of 31.42 feet; thence South 00°38'00" East, 68.68 feet; thence South 50°58'55" East, 150.49 feet; thence South 39°01'05" West, 115.89 feet; thence North 87˚20 13" West, 236.57 feet; thence South 02°39'47" West, 100.00 feet to the southerly line of said lands of

the County of Sonoma; thence along said southerly line North 87˚20 13" West, 270.00 feet; thence North 56°10 33" West, 220.70 feet to the Point of Beginning.

Containing 18.62 ACRES, more or less

A.P.N. 085-090-002 and 085-090-00 PTN.

EXHIBIT G

Parcel 2

Reserving from the above described Parcel 1.

An easement for ingress and egress through and within Parcel 1, including as necessary to access Parcels 3, 4, 5, 6 and 7, appurtenant to the lands of the County of Sonoma remaining after conveyance of Parcel 1.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 1278 of Official Records, Page 544, Sonoma County Records.

Being a parcel of land in the south 1/2 of Section 34, Township 8 North, Range 10 West, MDB&M, being more particularly described as follows:

Said portion is further described as being a strip of land of which the starting width is 40 feet, 20 feet either side, of the following described centerline:

Commencing at the southeast corner of Lot 72A, as said Lot is shown on Subdivision No. I of Noel Heights, said Subdivision being recorded in Book 48 of Maps, Page 22 and 23, Sonoma County Records; thence along the southwesterly line of said lands of the County of Sonoma, South 56°10'33" East, 77.14 feet to the Point of Beginning of the centerline; thence leaving said southwesterly line North 71°35'26" East, 46.14 feet to a curve to the left having a radius of 185.00 feet; thence along said curve through a central angle of 28°46 39" a distance of 92.92 feet; thence North 42°48 47" East, 76.97 feet to a curve to the left having a radius of 130.00 feet; thence along said curve through a central angle of 78°33'21" a distance of 178.24 feet to a reverse curve having a radius of 400.00 feet; thence along said curve through a central angle of 24°58 36" a distance of 174.37 feet to a reverse curve having a radius of 110.00 feet; thence along said curve through a central angle of 17°54 59" a distance of 34.40 feet; thence North 28°40'57" West, 77.88 feet to a curve to the right having a radius of 62.00 feet; thence along said curve through a central angle of 175° 15'04" a distance of 189.64 feet to a point where the width of the strip changes to 30 feet, 15 feet either side of this centerline; thence South 33°25'53" East, 117.53 feet; thence South 30°15'59" East, 122.53 feet to a curve to the left having a radius of 125.00 feet; thence along said curve through a central angle of 25°42'41" a distance of 56.09 feet to a reverse curve having a radius of 200.00 feet; thence along said curve through a central angle of 18°29 44" a distance of 64.56 feet to a reverse curve having a radius of 75.00 feet; thence along said curve through a central angle of 13°44'28" a distance of 17.99 feet; thence South 51 °13'24" East, 50.00 feet to a point where the width of the strip changes to 25 feet, 12.5 feet either side of this centerline; thence South 51°13'24" East, 90.00 feet to a point where the width of the strip changes to 30 feet, 15 feet either side of this centerline; thence South 51 °13'24" East, 90.94 feet to a curve to the left having a radius of 215.00 feet; thence along said curve through a central angle of 25°02'32" a distance of 93.97 feet to the easterly line of the above described Parcel 1.

The sidelines of this strip shall extend or contract to meet the boundaries of the above described Parcel 1.

A.P.N. 085-090-002 and 085-090-00 PTN.

EXHIBIT G

Parcel 3

Reserving from the above described Parcel 1.

An casement for ingress and egress through and within Parcel 1, including as necessary to access Parcels 3, 4, 5, 6 and 7, appurtenant to the lands of the County of Sonoma remaining after conveyance of Parcel 1.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 1278 of Official Records, Page 544, Sonoma County Records.

Being a parcel of land in the south 1/2 of Section 34, Township 8 North, Range 10 West, MDB&M, being more particularly described as follows:

Commencing at the southeast corner of Lot 72A, as said Lot is shown on Subdivision No. 1 of Noel Heights, said Subdivision being recorded in Book 48 of Maps, Page 22 and 23, Sonoma County Records; thence along the southwesterly line of said lands of the County of Sonoma, South 56°10'33" East, 77.14 feet; thence leaving said southwesterly line North 71°35'26" East, 46.14 feet to a curve to the left having a radius of 185.00 feet; thence along said curve through a central angle of 28°46 39" a distance of 92.92 feet; thence North 42°48 47" East, 76.97 feet to a curve to the left having a radius of 130.00 feet; thence along said curve through a central angle of 78°33'21" a distance of 178.24 feet to a reverse curve having a radius of 400.00 feet; thence along said curve through a central angle of 24°58'36" a distance of 174.37 feet to a reverse curve having a radius of 110.00 feet; thence along said curve through a central angle of 17°54 59" a distance of 34.40 feet; thence North 28°40 57" West, 77.88 feet to a curve to the right having a radius of 62.00 feet; thence along said curve through a central angle of 175°15'04" a distance of 189.64 feet; thence South 33°25'53" East, 117.53 feet; thence South 30°15 59" East, 122.53 feet to a curve to the left having a radius of 125.00 feet; thence along said curve through a central angle of 25°42 41" a distance of 56.09 feet to a reverse curve having a radius of 200.00 feet; thence along said curve through a central angle of 18°29'44" a distance of 64.56 feet to a reverse curve having a radius of 75.00 feet; thence along said curve through a central angle of 13°44 28" a distance of 17.99 feet; thence South 51°13 24" East, 230.94 feet; thence South 38°46'36" West, 15.00 feet to the Point of Beginning; said Point of Beginning being on a curve concave to the west, whose radius point bears South 38°46'36" West, 25.00 feet; thence southeasterly, southerly and southwesterly along said curve through a central angle of 90°04 31" a distance of 39.30 feet; thence South 38°51 '07" West, 11.66 feet to a curve to the left having a radius of 55.00 feet; thence along said curve through a central angle of 92°22' 17" a distance of 88.67 feet to a reverse curve having a radius of 25.00 feet; thence along said curve through a central angle of 74°47'13" a distance of 32.63 feet to a point of cusp on the southerly line of the above described Parcel 1; thence along said southerly line South 87°20'13" East, 30.73 feet to the beginning of a curve whose radius point bears North 78°59'56" West, 55.00 feet; thence northerly and northwesterly along said curve through a central angle of 64°31 15" a distance of 61.94 feet to a reverse curve having a radius of 25.00 feet; thence along said curve through a central angle of 92°22'17" a distance of 40.30 feet; thence North 38°51 '07" East, 24.65 feet to a curve to the right having a radius of 25.00 feet; thence along said curve through a central angle of 71°38 13" a distance of 31.26 feet to a point of cusp on a curve whose radius point bears North 20°29 20" East, 230.00 feet; thence westerly and northwesterly along said curve through a central angle of 18°17'16" a distance of 73.41 feet to the Point of Beginning.

EXHIBIT G

Containing 4775 SQ. FT., more or less.

A.PN. 085-090-002 and 085-090-00 PTN.

EXHIBIT G

Parcel 4

Reserving from the above described Parcel 1.

An easement to construct, operate and maintain a monitoring well, along with ingress and egress across Parcel 1 as may be necessary to access such monitoring well, appurtenant to the lands of the County of Sonoma remaining after conveyance of Parcel 1.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 1278 of Official Records, Page 544, Sonoma County Records.

Being a parcel of land in the south 1/2 of Section 34, Township 8 North, Range 10 West, MDB&M, being marc particularly described as follows:

Commencing at the southeast corner of Lot 72A, as said Lot is shown on Subdivision No. 1 of Noel Heights, said Subdivision being recorded in Book 48 of Maps, Page 22 and 23, Sonoma County Records; thence along the southwesterly line of said lands of the County of Sonoma, South 56°10'33" East, 77.14 feet; thence leaving said southwesterly line North 71 °35'26" East, 46.14 feet to a curve to the left having a radius of 185.00 feet; thence along said curve through a central angle of 28°46 39" a distance of 92.92 feet; thence North 42°48 47" East, 76.97 feet to a curve to the left having a radius of 130.00 feet; thence along said curve through a central angle of 78°33'21" a distance of 178.24 feet to a reverse curve having a radius of 400.00 feet; thence along said curve through a central angle of 24°58 36" a distance of 174.37 feet to a reverse curve having a radius of 110.00 feet; thence along said curve through a central angle of 17°54'59" a distance of 34.40 feet; thence North 28°40'57" West, 77.88 feet to a curve to the right having a radius of 62.00 feet; thence along said curve through a central angle of 175°15 04" a distance of 189.64 feet; thence South 33°25'53" East, 66.17 feet; thence North 56°34 07" East, 102.35 feet to the Point of Beginning; thence North 80°53 11" East, 10.00 feet; thence North 09°06'49" West, 10.00 feet; thence South 80°53' 11" West, 10.00 feet; thence South 09°06'49" East, 10.00 feet to the Point of Beginning.

Containing 100.00 SQ. FT., more or less.

A.P.N. 085-090-002 and 085-090-00 PTN.

EXHIBIT G

Parcel 5

Reserving from the above described Parcel 1.

An easement to construct, operate and maintain a monitoring well, along with ingress and egress across Parcel 1 as may be necessary to access such monitoring well, appurtenant to the lands of the County of Sonoma remaining after conveyance of Parcel 1.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 1278 of Official Records, Page 544, Sonoma County Records.

Being a parcel of land in the south ½ of Section 34, Township 8 North, Range 10 West, MDB&M, being more particularly described as follows:

Commencing at the southeast corner of lot 72A, as said Lot is shown on Subdivision No. 1 of Noel Heights, said Subdivision being recorded in Book 48 of Maps, Page 22 and 23, Sonoma County Records; thence along the southwesterly line of said lands of the County of Sonoma, South 56°10'33" East, 77.14 feet; thence leaving said southwesterly line North 71 °35'26" East, 46.14 feet to a curve to the left having a radius of 185.00 feet; thence along said curve through a central angle of 28°46 39" a distance of 92.92 feet; thence North 42°48 47" East, 76.97 feet to a curve to the left having a radius of 130.00 feet; thence along said curve through a central angle of 78°33'21" a distance of 178.24 feet to a reverse curve having a radius of 400.00 feet; thence along said curve through a central angle of 24°58 36" a distance of 174.37 feet to a reverse curve having a radius of 110.00 feet; thence along said curve through a central angle of 17°54'59" a distance of 34.40 feet; thence North 28°40'57" West, 77.88 feet to a curve to the right having a radius of 62.00 feet; thence along said curve through a central angle of 175°15 04" a distance of 189.64 feet; thence South 33°25'53" East, 92.27 feet; thence North 56°34 07" East, 106.53 feet to the Point of Beginning; thence North 61°38 34" East, 15.00 feet; thence North 28°21'26" West, 10.00 feet; thence South 61°38'34" West, 15.00 feet; thence South 28°21'26" East, 10.00 feet to the Point of beginning.

Containing 150.00 SQ FT, more or less.

A.P.N. 085-090-002 and 085-090-00 PTN.

EXHIBIT G

Parcel 6

Reserving from the above described Parcel 1.

An easement to construct, operate and maintain a monitoring well, along with ingress and egress across Parcel 1 as may be necessary to access such monitoring well, appurtenant to the lands of the County of Sonoma remaining after conveyance of Parcel 1.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 1278 of Official Records, Page 544, Sonoma County Records.

Being a parcel of land in the south ½ of Section 34, Township 8 North, Range 10 West, MDB M, being more particularly described as follows:

Commencing at the southeast corner of Lot 72A, as said Lot is shown on Subdivision No. 1 of Noel Heights, said Subdivision being recorded in Book 48 of Maps, Page 22 and 23, Sonoma County Records; thence along the southwesterly line of said lands of the County of Sonoma, South 56°10'33" East, 77.14 feet; thence leaving said southwesterly line North 71 °35'26" East, 46.14 feet to a curve to the left having a radius of 185.00 feet; thence along said curve through a central angle of 28°46 39" a distance of 92.92 feet; thence North *42°48'47"* East, 76.97 feet to a curve to the left having a radius of 130.00 feet; thence along said curve through a central angle of 78°33'21" a distance of 178.24 feet to a reverse curve having a radius of 400.00 feet; thence along said curve through a central angle of 24°58 36" a distance of 174.37 feet to a reverse curve having a radius of 110.00 feet; thence along said curve through a central angle of 17°54'59" a distance of 34.40 feet; thence North 28"40 57" West, 77.88 feet to a curve to the right having a radius of 62.00 feet; thence along said curve through a central angle of 175°15 04" a distance of 189.64 feet; thence South 33"25'53" East, 106.3 1 feet; thence North 56°34 07" East, 15.00 feet to the Point of Beginning; thence North 56°34 07" East, 10.00 feet; thence North 33°25'53" West, 10.00 feet; thence South 56°34'07" West, 10.00 feet; thence South 33°25'53" East, 10.00 feet to the Point of Beginning.

Containing 100.00 SQ. FT., more or less.

A.P.N. 085-090-002 and 085-090-00 PTN.

EXHIBIT G

Parcel 7

Reserving from the above described Parcel 1.

An easement to construct, operate and maintain utility lines, including water, sewer, electricity, telephone and natural gas, along with ingress and egress across Parcel 1 as may be necessary to access such utility lines, appurtenant to the lands of the County of Sonoma remaining after conveyance of Parcel 1.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 1278 of Official Records, Page 544, Sonoma County Records.

Being a parcel of land in the south ½ of Section 34, Township 8 North, Range 10 West, MDB&M, being more particularly described as follows:

Commencing at the southeast corner of Lot 72A, as said Lot is shown on Subdivision No. 1 of Noel Heights, said Subdivision being recorded in Book 48 of Maps, Page 22 and 23, Sonoma County Records; thence along the southwesterly line of said lands of the County of Sonoma, South 56°10'33" East, 77.14 feet; thence leaving said southwesterly line North 71°35'26" East, 46.14 feet to a curve to the left having a radius of 185.00 feet; thence along said curve through a central angle of 28°46 39" a distance of 92.92 feet; thence North 42°48 47" East, 76.97 feet to a curve to the left having a radius of 130.00 feet; thence along said curve through a central angle of 78°33'21" a distance of 178.24 feet to a reverse curve having a radius of 400.00 feet; thence along said curve through a central angle of 24°58 36" a distance of 174.37 feet to a reverse curve having a radius of 110.00 feet; thence along said curve through a central angle of 17°54'59" a distance of 34.40 feet; thence North 28°40'57" West, 77.88 feet to a curve to the right having a radius of 62.00 feet; thence along said curve through a central angle of 175°15 04" a distance of 189.64 feet; thence South 33°25'53" East, 117.53 feet; thence South 30°15'59" East, 122.53 feet to a curve to the left having a radius of 125.00 feet; thence along said curve through a central angle of 25°42'41" a distance of 56.09 feet to a reverse curve having a radius of 200.00 feet; thence along said curve through a central angle of 18°29 44" a distance of 64.56 feet to a reverse curve having a radius of 75.00 feet; thence along said curve through a central angle of 13°44'28" a distance of 17.99 feet; thence South 51°13'24" East, 125.46 feet; thence North 38°46 36" East, 13.37 feet to the Point of Beginning; thence North 42°12 42" East, 16.57 feet; thence North 47°47'18" West, 4.00 feet; thence North 42°12'42" East, 21.80 feet; thence South 54°00'00" East, 74.37 feet to the easterly line of the above described Parcel 1; thence along said easterly line South 00°38'00" East, 12.46 feet; thence leaving said easterly line North 54°00 00" West, 72.84 feet; thence South 42°12'42" West, 29.39 feet; thence North 47°47 18" West, 6.00 feet to the Point of Beginning.

Containing 1009 SQ. FT., more or less.

A.P.N. 085-090-002 and 085-090-00 PTN.

EXHIBIT G

Exhibit G-4

LEGAL DESCRIPTION OF LAND: HEALDSBURG

The land referred to herein is situated in the State of California, County of Sonoma, Unincorporated Area, and is described as follows:

Parcel 1

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Beginning at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 171.56 feet; thence North 88°30'13" West, 111.48 feet; thence North 74°04'54" West, 48.23 feet; thence South 16°46'44" West, 1.00 feet; thence North 73°13 16" West, 123.81 feet; thence North 52°23 29" West, 32.72 feet to a curve to the right having a radius of 28.50 feet; thence along said curve through a central angle of 36°47'19" a distance of 18.30 feet to a compound curve having a radius of 88.50 feet; thence along said curve through a central angle of 34°55'30" a distance of 53.95 feet; thence North 19°19'20" East, 126.18 feet to a curve to the left having a radius of 51.50 feet; thence along said curve through a central angle of 15°20 28" a distance of 13.79 feet; thence North 03°58 52" East, 61.78 feet to a curve to the right having a radius of 58.50 feet; thence along said curve through a central angle of 21°40'37" a distance of 22.13 feet; thence North 25°39'29" East, 43.01 feet; thence North 63°21 55" West, 21.90 feet; thence North 70°12 45" West, 431.45 feet to a ½ inch iron pipe, tagged PLS 4760, on the westerly line of the lands of the County of Sonoma; thence along said westerly line South 36°50'01" West, 392.19 feet to a 1 inch iron pipe and brass disk, stamped "Survey Monument CSSC;" thence North 58°54'16" West, 460.12 feet to a ½ inch iron pipe, tagged PLS 4760; thence South 23°50'20" West, 633.91 feet to the Point of Beginning.

Reserving unto the Grantor an easement for continued use of the existing traveled ways for access and egress.

Containing 16.32 ACRES, more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN. and 091-070-024 PTN.

EXHIBIT G

Parcel 2

Being a portion of Sotoyome Rancho, a portion of Section 4, T. 9 N., R. 9 W, M.D.B. and M. and a portion of the lands of Biajio Bertonino as recorded in Book 77, Official Records, Page 497 and being more particularly described as follows:

BEGINNING at a 1 inch iron pipe monument found in the southwesterly line of the above said lands of Bertonino, said iron pipe monument being referred to in the above said deed as being N. 67° 45' W. (3.97 chains) 262.02 feet from the most southerly corner of the said lands of Bertonino; thence from said point of beginning S. 67° 45' E. along the southwesterly line of the said lands of Bertonino 262.02 feet to the most southerly corner thereof; thence N. 20° 35' E. along the southeasterly line of the said lands of Bertonino 40.02 feet; thence N. 67° 45' W., 186.22 feet; thence curving to the left with a radius of 169.28 feet, through an angle of 30° 00' for a distance of 88.63; thence curving to the right with a radius of 129.28 feet from a tangent which bears S. 82° 15' W., through and angle of 30° 00' for a distance of 67.69 feet to a point in the southwesterly line of the said lands of Bertonino; thence S. 67° 45' E. along said southwesterly line 74.64 feet to the point of beginning.

Reserving unto the Grantor a nonexclusive easement over and under said parcel for access and utilities.

Containing 0.24 acres, more or less.

Basis of Bearings; Southwesterly line of the above said lands of Bertonino as recorded in Book 77, Official Records, Page 497.

EXHIBIT G

Parcel 3

Being a portion of Sotoyome Rancho, a portion of Section 4, T. 9 N., R. 9 W, M.D.B. and M. and a portion of the lands of Victor Maksente as recorded in Book 832, Official Records, Page 401 and Book 801, Official Records, Page 339, and being more particularly described as follows:

BEGINNING at a 1 inch iron pipe monument found marking the common northerly corners of Parcel I and Parcel II of the above said lands of Maksente as recorded in Book 832, Official Records, Page 401; thence from said point of beginning S. 67° 45' E., along the northeasterly line of the above said Parcel I, 74.64 feet; thence leaving said northeasterly line and curving to the left with a radius of 129.28 from a tangent which bears N. 67° 45' W., through an angle of 30° 00' for a distance of 67.69 feet; thence curving to the right with a radius of 169.28 feet from a tangent which bears S. 82° 15' W., though and angle of 30° 00' for a distance of 88.63 feet; thence N. 67° 45' W., 158.95 feet to a point in the northwesterly line of the above said Parcel II; thence N. 19° 15' E. along said northwesterly line 40.05 feet to the most northerly corner of said Parcel II; thence S. 67° 45' E. along the northeasterly line of said Parcel II, 161.06 feet to the point of beginning.

Reserving unto the Grantor a nonexclusive easement over and under said parcel for access and utilities.

Containing 0.22 acres, more or less.

EXHIBIT G

Parcel 4

Being a portion of Sotoyome Rancho, a portion of Section 4, T. 9 N., R. 9 W, M.D.B. and M. and a portion of the lands of Victor Maksente as recorded in Book 832, Official Records, Page 401 and Book 801, Official Records, Page 339, and being more particularly described as follows:

BEGINNING at the most westerly corner of the above said lands of Maksente as recorded in Book 801, Official Records, Page 339, Parcel II; thence form said point of beginning S. 67° 45' E. along the southwesterly line of said Parcel II 326.04 feet to the most southerly corner thereof; thence N. 22° 15' E. along the southeasterly line of said Parcel II, 40.00 feet; thence N. 67° 45' W., 327.20 feet to a point in the northwesterly line of said Parcel II; thence S. 20° 35' W. along said northwesterly line 40.02 feet to the point of beginning.

Containing 0.30 acres, more or less.

Basis of Bearings: Northeasterly line of the said lands of Maksente as recorded in Book 832, Official Records, Page 401.

EXHIBIT G

Parcel 5

An easement for the maintenance of the building.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 74.29 feet to the Point of Beginning; thence North 00°29 00" East, 97.27 feet; thence North 88°30'13" West, 111.48 feet; thence North 74°04'54" West, 48.23 feet; thence South 16°46'44" West, 1.00 feet; thence North 73°13 16" West, 42.47 feet; thence North 76°42 50" East, 31.48 feet; thence South 74°04'54" East, 61.33 feet; thence South 88°30'13" East, 124.32 feet; thence South 00°29'00" West, 112.00 feet; thence North 89°31 00" West, 15.00 feet to the Point of Beginning.

Containing 4532 SQ. FT., more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN.

EXHIBIT G

Parcel 6

Reserving from the above described Parcel 1.

An easement for storm drainage.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 158.58 feet to the Point of Beginning; thence North 00°29 00" East, 12.98 feet; thence North 88°30 13" West, 74.35 feet; thence South 79°27'02" East, 46.78 feet; thence South 77°18'44" East, 28.93 feet to the Point of Beginning.

Containing 457 SQ. FT., more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN.

EXHIBIT G

Parcel 7

Reserving from the above described Parcel 1.

An easement for storm drainage.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 171.56 feet; thence North 88°30'13" West, 111.48 feet; thence North 74°04'54" West, 48.23 feet; thence South 16°46'44" West, 1.00 foot; thence North 73°13 16" West, 23.15 feet to the Point of Beginning; thence South 55°51 30" West, 17.71 feet; thence North 74°41'56" West, 109.08 feet; thence North 23°39'53" West, 102.64 feet; thence North 00°51'38" West, 121.62 feet; thence North 18°49 02" East, 141.89 feet; thence North 26°43 58" East, 25.28 feet to the north line of said Parcel 1; thence along said north line South 70°12'45" East, 15.11 feet; thence leaving said north line South 26°43'58" West, 26.07 feet; thence South 18°49'02" West, 138.25 feet; thence South 00°51'38" East, 115.99 feet; thence South 23°39 53" East, 26.40 feet to easterly line of said Parcel 1 and the beginning of a curve whose radius point bears South 87°17'30" East, 88.50 feet; thence southerly along the lines of said Parcel 1 and said curve through a central angle of 18°18'40" a distance of 28.28 feet to a compound curve having a radius of 28.50 feet; thence along said curve through a central angle of 36°47'19" a distance of 18.30 feet; thence South 52°23'29" East, 32.72 feet; thence South 73°13'16" East, 100.66 feet to the Point of Beginning.

Containing 7162 SQ. FT., more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN.

EXHIBIT G

Parcel 8

Reserving from the above described Parcel 1.

An easement for monitoring wells.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 171.56 feet; thence North 88°30'13" West, 28.41 feet to the Point of Beginning; thence North 88°30'13" West, 20.00 feet; thence South 01°29'47" West, 10.00 feet; thence South 88°30'13" East, 20.00 feet; thence North 01°29 47" East, 10.00 feet to the Point of Beginning.

Together with the right to cross the lands of the Grantee to access said monitoring wells.

Containing 200.00 SQ FT, more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN.

EXHIBIT G

Parcel 9

Reserving from the above described Parcel 1.

An easement for a monitoring well.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 171.56 feet; thence North 88°30'13" West, 111.48 feet; thence North 74°04'54" West, 48.23 feet; thence South 16°46'44" West, 1.00 foot; thence North 73°13 16" West, 85.39 feet to the Point of Beginning; thence North 73°13 16" West, 10.00 feet; thence South 16°46'44" West, 10.00 feet; thence South 73°13'16" East, 10.00 feet; thence North 16°46 44" East, 10.00 feet to the Point of Beginning.

Together with the right to cross the lands of the Grantee to access said monitoring well.

Containing 100.00 SQ FT, more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN.

EXHIBIT G

Parcel 10

Reserving from the above described Parcel 1.

An easement for a monitoring well.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 171.56 feet; thence North 88°30'13" West, 111.48 feet; thence North 74°04'54" West, 48.23 feet; thence South 16°46'44" West, 1.00 foot; thence North 73°13 16" West, 123.81 feet; thence South 37°25'12" West, 20.65 feet to the Point of Beginning; thence North 73°13 16" West, 10.00 feet; thence South 16°46'44" West, 10.00 feet; thence South 73°13'16" East, 10.00 feet; thence North 16°46 44" East, 10.00 feet to the Point of Beginning.

Together with the right to cross the lands of the Grantee to access said monitoring well.

Containing 100.00 SQ. FT., more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN.

EXHIBIT G

Parcel 11

Reserving from the above described Parcel 1.

An easement for a monitoring well.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 171.56 feet; thence North 88°30'13" West, 111.48 feet; thence North 74°04'54" West, 48.23 feet; thence South 16°46'44" West, 1.00 foot; thence North 73°13 16" West, 123.81 feet; thence North 52°23 29" West, 32.72 feet to a curve to the right having a radius of 28.50 feet; thence along said curve through a central angle of 36°47'19" a distance of 18.30 feet to a compound curve having a radius of 88.50 feet; thence along said curve through a central angle of 10°19'08" a distance of 15.94 feet to the Point of Beginning; thence continuing along said curve through a central angle of 6°29'12" a distance of 10.02 feet to a point of cusp; thence North 88°59'51" West, 8.43 feet; thence South 01°00'09" West, 10.00 feet; thence South 88°59'51" East, 8.96 feet to the Point of Beginning.

Together with the right to cross the lands of the Grantee to access said monitoring well.

Containing 86 SQ. FT., more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN.

EXHIBIT G

Parcel 12

Reserving from the above described Parcel 1.

An easement for a monitoring well.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 171.56 feet; thence North 88°30'13" West, 111.48 feet; thence North 74°04'54" West, 48.23 feet; thence South 16°46'44" West, 1.00 foot; thence North 73°13 16" West, 123.81 feet; thence North 52°23 29" West, 32.72 feet to a curve to the right having a radius of 28.50 feet; thence along said curve through a central angle of 36°47'19" a distance of 18.30 feet to a compound curve having a radius of 88.50 feet; thence along said curve through a central angle of 23°50'10" a distance of 36.82 feet to the Point of Beginning; thence North 88°59'51" West, 10.00 feet; thence North 01°00'09" East, 10.00 feet; thence South 88°59'51" East, 10.00 feet; thence South 01°00'09" West, 10.00 feet to the Point of Beginning.

Together with the right to cross the lands of the Grantee to access said monitoring well.

Containing 100.00 SQ FT, more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN.

EXHIBIT G

Parcel 13

Reserving from the above described Parcel 1.

An easement for a monitoring well.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 171.56 feet; thence North 88°30'13" West, 111.48 feet; thence North 74°04'54" West, 48.23 feet; thence South 16°46'44" West, 1.00 foot; thence North 73°13 16" West, 123.81 feet; thence North 52°23 29" West, 32.72 feet to a curve to the right having a radius of 28.50 feet; thence along said curve through a central angle of 36°47'19" a distance of 18.30 feet to a compound curve having a radius of 88.50 feet; thence along said curve through a central angle of 34°55'30" a distance of 53.95 feet; thence North 17°18'33" West, 58.10 feet to the Point of Beginning; thence North 88°59'51" West, 10.00 feet; thence North 01°00'09" East, 10.00 feet; thence South 88°59'51" East, 10.00 feet; thence South 01°00'09" West, 10.00 feet to the Point of Beginning.

Together with the right to cross the lands of the Grantee to access said monitoring well.

Containing 100 SQ. FT., more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-024 PTN.

EXHIBIT G

Parcel 14

Reserving from the above described Parcel 1.

An easement for a monitoring well.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 171.56 feet; thence North 88°30'13" West, 111.48 feet; thence North 74°04'54" West, 48.23 feet; thence South 16°46'44" West, 1.00 foot; thence North 73°13 16" West, 123.81 feet; thence North 52°23 29" West, 32.72 feet to a curve to the right having a radius of 28.50 feet; thence along said curve through a central angle of 36°47'19" a distance of 18.30 feet to a compound curve having a radius of 88.50 feet; thence along said curve through a central angle of 34°55'30" a distance of 53.95 feet; thence North 33°37'19" West, 109.21 feet to the Point of Beginning; thence North 88°59'51" West, 10.00 feet; thence North 01°00'09" East, 10.00 feet; thence South 88°59'51" East, 10.00 feet; thence South 01°00'09" West, 10.00 feet to the Point of Beginning.

Together with the right to cross the lands of the Grantee to access said monitoring well.

Containing 100 SQ. FT., more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-024 PTN.

EXHIBIT G

Parcel 15

Reserving from the above described Parcel 1.

An easement for overhead utilities.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 171.56 feet; thence North 88°30'13" West, 111.48 feet; thence North 74°04'54" West, 48.23 feet; thence South 16°46'44" West, 1.00 foot; thence North 73°13 16" West, 123.81 feet; thence North 52°23 29" West, 32.72 feet to a curve to the right having a radius of 28.50 feet; thence along said curve through a central angle of 36°47'19" a distance of 18.30 feet to a compound curve having a radius of 88.50 feet; thence along said curve through a central angle of 34°55'30" a distance of 53.95 feet; thence North 19°19'20" East, 126.18 feet to a curve to the left having a radius of 51.50 feet; thence along said curve through a central angle of 15°20 28" a distance of 13.79 feet; thence North 03°58 52" East, 61.78 feet to a curve to the right having a radius of 58.50 feet; thence along said curve through a central angle of 21°40'37" a distance of 22.13 feet; thence North 25°39'29" East, 43.01 feet; thence North 63°21 55" West, 21.90 feet; thence North 70°12 45" West, 43.85 feet to the Point of Beginning; thence South 34°12'45" West, 445.42 feet; thence North 89°25 46" West, 12.01 feet; thence North 34°12'45" East, 449.50 feet; thence South 70°12'45" East, 10.33 feet to the Point of Beginning.

Containing 4475 SQ. FT., more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN. and 091-070-024 PTN.

EXHIBIT G

Parcel 16

Reserving from the above described Parcel 1.

An easement for overhead utilities.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 171.56 feet; thence North 88°30'13" West, 111.48 feet; thence North 74°04'54" West, 48.23 feet; thence South 16°46'44" West, 1.00 foot; thence North 73°13 16" West, 123.81 feet; thence North 52°23 29" West, 32.72 feet to a curve to the right having a radius of 28.50 feet; thence along said curve through a central angle of 36°47'19" a distance of 18.30 feet to a compound curve having a radius of 88.50 feet; thence along said curve through a central angle of 34°55'30" a distance of 53.95 feet; thence North 19°19'20" East, 126.18 feet to a curve to the left having a radius of 51.50 feet; thence along said curve through a central angle of 15°20 28" a distance of 13.79 feet; thence North 03°58 52" East, 61.78 feet to a curve to the right having a radius of 58.50 feet; thence along said curve through a central angle of 21°40'37" a distance of 22.13 feet; thence North 25°39'29" East, 43.01 feet; thence North 63°21 55" West, 21.90 feet; thence North 70°12 45" West, 43.85 feet to the Point of Beginning; thence South 34°12'45" West, 114.50 feet; thence South 29°12'07" West, 61.87 feet; thence South 30°53'11" West, 160.21 feet; thence South 40°57'23" West, 108.82 feet; thence South 89°25'46" East, 13.13 feet; thence North 40°57 23" East, 101.20 feet; thence North 30°53'11" East, 161.24 feet; thence North 29°12'07" East, 176.08 feet to the Point of Beginning.

Containing 3847 SQ. FT., more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN. and 091-070-024 PTN.

EXHIBIT G

Parcel 17

Reserving from the above described Parcel 1.

An easement for overhead and underground utilities.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1514.83 feet; thence leaving said southerly line North 00°29 00" East, 171.56 feet; thence North 88°30'13" West, 111.48 feet; thence North 74°04'54" West, 48.23 feet; thence South 16°46'44" West, 1.00 foot; thence North 73°13 16" West, 123.81 feet; thence North 52°23 29" West, 32.72 feet to a curve to the right having a radius of 28.50 feet; thence along said curve through a central angle of 36°47'19" a distance of 18.30 feet to a compound curve having a radius of 88.50 feet; thence along said curve through a central angle of 34°55'30" a distance of 53.95 feet; thence North 19°19'20" East, 126.18 feet to a curve to the left having a radius of 51.50 feet; thence along said curve through a central angle of 15°20 28" a distance of 13.79 feet; thence North 03°58 52" East, 61.78 feet to a curve to the right having a radius of 58.50 feet; thence along said curve through a central angle of 21°40'37" a distance of 22.13 feet; thence North 25°39'29" East, 43.01 feet; thence North 63°21 55" West, 21.90 feet; thence North 70°12 45" West, 43.85 feet; thence South 34°12'45" West, 445.42 feet to the Point of Beginning; thence North 89°25'46" West, 23.39 feet; thence South 00°34'14" West, 10.00 feet; thence South 89°25'46" East, 61.87 feet; thence North 00°34 14" East, 10.00 feet; thence North 89°25'46" West, 38.47 feet to the Point of Beginning.

Containing 619 SQ. FT., more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN.

EXHIBIT G

Parcel 18

Reserving from the above described Parcel 1.

An easement for radio equipment.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 2369 of Official Records, Page 823, Sonoma County Records and a deed recorded in Book 2371 of Official Records, Page 665, Sonoma County Records. Being further described as follows:

Commencing at a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193," marking the most westerly corner of the above said lands of the County of Sonoma, and as shown on that Record of Survey, recorded in Book 123 of Maps, at Page 50, Sonoma County Records as being the most westerly corner of the lands of Passalacqua; thence along the southwesterly and southerly lines of said lands of the County of Sonoma, South 40°43'33" East, 50.06 feet to a 1 inch iron pipe and brass disk, stamped "Curtis LS 3216 and Stephan LS 3193,"; thence South 88°59'51" East, 1118.13 feet; thence leaving said southerly line North 01°00 09" East, 50.92 feet; thence North 01°00'09" East, 10.00 feet; thence North 88°59'51" West, 10.00 feet; thence South 01°00'09" West, 10.00 feet; thence South 88°59 51" East, 10.00 feet to the Point of Beginning.

Containing 100.00 SQ. FT., more or less.

Basis of bearings: A Record of Survey prepared by Carlenzoli Associates, dated June 2008.

A.P.N. 091-070-022 PTN.

EXHIBIT G

Exhibit G-5

LEGAL DESCRIPTION OF LAND: SONOMA

The land referred to herein is situated in the State of California, County of Sonoma, Unincorporated Area, and is described as follows:
Parcel 1

Lying within the Petaluma Rancho and being a portion of the lands of Rose P. Cabral as recorded in Book 2460, Official Records, Page 47, Sonoma County Records, being more particularly described as follows:

Commencing at a found 3/4" iron pipe marking the southwesterly corner of Parcel B as described in deed recorded in Book 3650, Official Records, Page 780, Sonoma County Records, and as delineated on the Record of Survey as recorded in Book 275, of Maps, Page 40, Sonoma County Records; thence along the westerly line of said Parcel B, N 48°41'54" W., 543.41 feet to the point of beginning of the hereinafter described parcel; thence continuing along said westerly line N 48°41'54" W., 312.66 feet to a found 1/2" iron pipe tagged L.S. 3227; thence N 64°19 59" W., 525.85 feet to a found 1/2" iron pipe tagged L.S. 3227; thence S 22°28'20" W., 270.34 feet; thence S 20°14'19" E., 286.00 feet; thence S 87°55'23" E., 144.85 feet; thence N 69°45'41" E., 309.87 feet; thence S 86°18 13" E., 278.32 feet to the point of beginning.

Containing 5.13 acres, more or less.

APN 142-051-020

EXHIBIT G

Parcel 2

An easement for ingress and egress, appurtenant to Parcel 1.

Lying within the Petaluma Rancho and being a portion of the lands of Rose P. Cabral as recorded in Book 2460, Official Records, Page 47, Sonoma County Records, and being Parcel A, as delineated on the Record of Survey as recorded in Book 275 of Maps, Page 40, Sonoma County Records, and being more particularly described as an easement for road utility and other general purposes over the following described parcel:

Commencing at a set 1" iron pipe tagged L.S. 3227 at an old fence corner as shown on above said Record of Survey; thence from said point of commencement N. 56°03'00" E., 1598.70 feet to the northeasterly corner of Parcel Two of the above said lands of Cabral, from which a set 1/2" iron pipe tagged L.S. 3227 bears S. 56°03'00" W, 9.00 feet; thence along the easterly line of the said lands of Cabral S. 23°38 03" E., 3009.02 feet to a 1/2" iron pipe set tagged L.S. 3227; thence leaving said easterly line S. 57°13'11" W., 29.56 feet to a found 1/2" iron pipe; thence continuing S. 57°13'11" W., 2.27 feet to a found 3/4" iron pipe tagged "CSSC"; thence continuing S. 57°13'11" W., 318.68 feet to a 3/4" iron pipe found tagged "CSSC"; said found pipe being the point of beginning of the hereinafter described parcel; thence from said point of beginning S. 12°24'29" E., 89.59 feet; thence S. 8°18 49" E., 189.88 feet; thence S. 1°58'49" E., 166.06 feet; thence curving to the left with a radius of 220.00 feet, through an angle of 56°00'00" for a distance of 215.02 feet; thence N. 57°58'49" W., 304.14 feet to a point on the northerly line of State Highway 116; thence curving to the right from a tangent which bears N. 24°32 28" E., with a radius of 540.00 feet, through an angle of 4°18'21" for a distance of 40.58 feet; thence leaving said northerly line N. 57°58'49" W., 297.36 feet; thence curving to the right with a radius of 180.00 feet, through an angle of 56°00 00" for a distance of 175.93 feet; thence N. 1°58 49" W., 168.28 feet; thence N. 8°18'49" W., 193.52 feet; thence N. 12°24 29" W., 105.87 feet; thence S. 57°13'11" W., 42.67 feet to the point of beginning.

Containing 0.87 acre, more or less.

A.P.N. 142-051-020 PTN.

EXHIBIT G

Parcel 3

Reserving from the above described Parcel 1.

An easement to construct, operate and maintain utility lines, including water, sewer, electricity, telephone and natural gas, along with ingress and egress across Parcel 1 as may be necessary to access such monitoring well, appurtenant to the lands of the County of Sonoma remaining after conveyance of Parcel 1.

Being a portion of the lands of the County of Sonoma as described in a deed recorded as Document Number 84-007017 of Official Records, Sonoma County Records. Being further described as follows;

Commencing at the most southerly corner of Parcel B, as said Parcel is shown on a Record of Survey, recorded in Book 275 of Maps, Page 40, Sonoma County Records; thence along the westerly line of said Parcel B and the westerly line of Parcel C of said Record of Survey, North 48°01'02" West, 856.09 feet; thence along the westerly line of said Parcel C and Parcel D of said Record of Survey, North 63°40'34" West, 211.71 feet to the Point of Beginning; thence North 63°40'34" West, 30.40 feet; thence leaving said westerly line South 34°06'52" East, 48.18 feet; thence North 55°53 08" East, 15.00 feet; thence North 34°06 52" West, 21.73 feet to the Point of Beginning.

Containing 524 SQ. FT., more or less.

A.P.N. 142-051-020 PTN.

EXHIBIT G

Parcel 4

Reserving from the above described Parcel 1.

An easement to construct, operate and maintain a monitoring well, along with ingress and egress across Parcel 1 as may be necessary to access such monitoring well, appurtenant to the lands of the County of Sonoma remaining after conveyance of Parcel 1.

Being a portion of the lands of the County of Sonoma as described in a deed recorded as Document Number 84-007017 of Official Records, Sonoma County Records. Being further described as follows:

Commencing at the most southerly corner of Parcel B, as said Parcel is shown on a Record of Survey, recorded in Book 275 of Maps, Page 40, Sonoma County Records; thence along the westerly line of said Parcel B and the westerly line of Parcel C of said Record of Survey, North 48°01'02" West, 856.09 feet; thence along the westerly line of said Parcel C, Parcel D and Parcel E of said Record of Survey, North 63°40'34" West, 525.89 feet; thence leaving said westerly line and along the northwesterly line of said lands of the County of Sonoma, South 23°07'59" West, 59.33 feet to Point of Beginning; thence South 23°07'59" West, 10.00 feet; thence leaving said northwesterly line South 66°52'01" East, 10.00 feet; thence North 23°07'59" East, 10.00 feet; thence North 66°52'01" West, 10.00 feet to the Point of Beginning.

Containing 100.00 SQ FT, more or less.

A.P.N. 142-051-020 PTN.

EXHIBIT G

Parcel 5

An easement to construct, operate and maintain utility lines, including water, sewer, electricity, telephone and natural gas, along with ingress and egress as may be necessary to access such utility lines, appurtenant to Parcel 1.

Being a portion of the lands of the County of Sonoma as described in a deed recorded in Book 3650 of Official Records, Page 780, Sonoma County Records and a deed recorded as Document Number 80-009440 of Official Records, Sonoma County Records. Being further described as follows:

Beginning at the most southerly corner of Parcel B, as said Parcel is shown on a Record of Survey, recorded in Book 275 of Maps, Page 40, Sonoma County Records; thence North 57°54'47" East along the southerly line of said Parcel B, 42.67 feet to the most northerly corner of Parcel A of said Record of Survey and the beginning of a curve whose radius point bears South 65° 12'23" West, 205.00 feet; thence leaving said southerly line, northwesterly along said curve through a central angle of 35°50 35" a distance of 128.24 feet to a reverse curve having a radius of 525.00 feet; thence northwesterly along said curve through a central angle of 12°37'10" a distance of 115.63 feet; thence North 48°01 02" West, 364.75 feet; thence North 65°22'56" West, 134.02 feet to the westerly line of Parcel C of said Record of Survey; thence along the westerly line of Parcel C and Parcel B, South 48°01'02" East, 721.28 feet to the Point of Beginning.

Containing 0.66 ACRES, more or less.

A.P.N. 142-051-013 PTN. and 142-051-028 PTN.

EXHIBIT G

Parcel 6

An easement to construct, operate and maintain utility lines, including water, sewer, electricity, telephone and natural gas, along with ingress and egress as may be necessary to access such utility lines, appurtenant to Parcel 1.

Being a portion of the lands of the County of Sonoma as described in a deed recorded as Document Number 80-009440 of Official Records, Sonoma County Records. Being further described as follows:

Commencing at the most southerly corner of Parcel B, as said Parcel is shown on a Record of Survey, recorded in Book 275 of Maps, Page 40, Sonoma County Records; thence along the westerly line of said Parcel B and the westerly line of Parcel C of said Record of Survey, North 48°01'02" West, 856.09 feet; thence along the westerly line of said Parcel C, North 63°40'34" West, 11.69 feet to the Point of Beginning; thence North 63°40'34" West, 13.02 feet; thence leaving said westerly line North 66°07'51" East, 12.87 feet; thence South 23°52'09" East, 10.00 feet; thence South 66°07'51" West, 4.54 feet to the Point of Beginning.

Containing 87 SQ. FT., more or less.

A.P.N. 142-051-013 PTN.

EXHIBIT H

EXHIBIT H

Central Landfill

1. CalRecycle Solid Waste Facilities Permit No. 49-AA-0001, issued January 20, 2012. Permit review date, January 20, 2017.
2. Regional Water Quality Control Board (RWQCB) Waste Discharge Requirements Order No. R1-2004-0040, issued July 22, 2004 (Draft WDRs Order No. R1-2013-00xx pending).
3. Notice of Intent to Comply with State Water Resources Control Board (SWRCB) General Permit to Discharge Storm Water Associated with Industrial Activities, WQ Order No. 97-03-DWQ, WDID 149I006101, submitted May 19, 1997.
4. City of Santa Rosa Non-Residential General Discharge Permit No. SR-IW5202, Effective Date: December 8, 2012; Expiration Date: December 7, 2017.
5. State Sewer Permit for Leachate Pipeline #WDID #1SS011652, Order No. 2006-0003-DWQ, Statewide General Waste Discharge Requirements for Sanitary Sewer System (amended by Order No. WQ 2008-0002-EXEC on 2-20-08).

Central Landfill Gas to Energy Plant

1. Bay Area Air Quality Management District (BAAQMD) Major Facility Review Title V Permit for Plant No. A2254, issued February 27, 2001, renewed April 23, 2007 (comments for the current proposed permit - second renewal – are due no later than February 22, 2013).
2. BAAQMD Permit to Operate Plant A2254, including sources S1, A-3, S4-S7 and S9-S15, issued annually.
3. BAAQMD Permit to Operate, Gasoline Dispensing Facility, G#10896, issued annually.

Central Transfer Station

1. CalRecycle Solid Waste Facilities Permit No. 49-AA-0404, issued January 20, 2012. Permit review date, January 20, 2017.

Annapolis Transfer Station

1. CIWMB Registration Permit No. 49-AA-0364, issued November 8, 2011.
2. Notice of Intent to Comply with State Water Resources Control Board (SWRCB) General Permit to Discharge Storm Water Associated with Industrial Activities, WQ Order No. 97-03-DWQ, WDID 149I006100, submitted May 19, 1997.
3. City of Santa Rosa Non-Residential General Discharge Permit No. SR-NR6284, issued September 14, 2007, expires September 13, 2013.

Guerneville Transfer Station

1. CalRecycle Solid Waste Facilities Permit No. 49-AA-0139, issued August 20, 2007, Reviewed July 23, 2012 with next review date July 23, 2017.
2. Notice of Intent to Comply with SWRCB General Permit to Discharge Storm Water Associated with Industrial Activities, WQ Order No. 97-03-DWQ, WDID 149I006102, submitted May 19, 1997.
3. City of Santa Rosa Non-Residential General Discharge Permit No. SR-NR6159, Effective Date: September 14, 2007; Expiration Date: September 13, 2013.

Healdsburg Transfer Station

1. CalRecycle Solid Waste Facilities Permit No. 49-AA-0245, issued October 18, 2011. Next review date, October 18, 2016.
2. Notice of Intent to Comply with SWRCB General Permit to Discharge Storm Water Associated with Industrial Activities, WQ Order No. 97-03-DWQ, WDID 149I006103, submitted May 1997.
3. City of Santa Rosa Non-Residential General Discharge Permit No. SR-NR6325, Effective Date: September 14, 2007; Expiration Date: September 13, 2013.
4. County of Sonoma Public Health Department Non-Community Water System Permit No. 1114-89, issued July 26, 1989.

Sonoma Transfer Station

1. CalRecycle Solid Waste Facilities Permit No. 49-AA-0144, issued February 23, 2007. Permit Review Date: January 30, 2012; Next Permit Review Date: January 30, 2017.
2. Notice of Intent to Comply with SWRCB General Permit to Discharge Storm Water Associated with Industrial Activities, WQ Order No. 97-03-DWQ, WDID 149I006105, submitted May 19, 1997.
3. City of Santa Rosa Non-Residential General Discharge Permit No. SR-NR6158, Effective Date: September 14, 2007; Expiration Date: September 13, 2013.
4. County of Sonoma Public Health Department Non-Community Water System Permit No. 1047, issued May 24, 1985.

EXHIBIT I

EXHIBIT I

AGREEMENT FOR OPERATION OF SONOMA COUNTY TRANSFER STATIONS AND MATERIALS RECOVERY FACILITY

BETWEEN

THE RATTO GROUP OF COMPANIES, INC.

and

REPUBLIC SERVICES OF SONOMA COUNTY, INC.

March 21, 2013

AGREEMENT FOR OPERATION OF SONOMA COUNTY TRANSFER STATIONS AND MATERIALS RECOVERY FACILITY

This Agreement for the operation of five Sonoma County Transfer Stations and a Material Recovery Facility to be constructed under the terms herein, which facility will be located at the Central Transfer Station in Petaluma, CA, is made and entered into between The Ratto Group of Companies, Inc., a Delaware corporation (hereinafter "TRG" or "Contractor") and Republic Services of Sonoma County, Inc., a Delaware corporation (hereinafter "Republic"), to be effective as of March 21, 2013 (the "Execution Date"), except as provided herein. TRG and Republic are each referred to as a "Party" and jointly referred to herein as the "Parties."

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the Act (as such term is defined herein), has declared that it is within the public interest to authorize and require local agencies to make adequate provisions for solid waste handling within their jurisdictions; and

WHEREAS, the County of Sonoma desires to design a Solid Waste Management System to maximize Diversion, extend the life of the Landfill and reduce greenhouse gas emissions for the benefit of communities within the County through utilization of the County's network of Transfer Stations and at the Landfill, and through the construction and operation of a Materials Recovery Facility; and

WHEREAS, Republic desires to enter into an Operations Agreement with the County of Sonoma for the long term management, operation, maintenance, development and capitalization of the Landfill, a Materials Recovery Facility adjacent to the Landfill at the MRF Site ("MRF"), and five Transfer Stations ("Transfer Stations"), all currently owned by the County (collectively, the "County Facilities"); and

WHEREAS, Republic and TRG desire that TRG enter into this Agreement with Republic for purpose of subcontracting the operations of the MRF and Transfer Stations to TRG, including the long term management, operation, and maintenance of the these facilities.

WHEREAS, Republic and TRG represent that they are qualified and willing to manage and operate the County Owned Facilities pursuant to this Agreement; and

WHEREAS, Republic and TRG recognize that, even after diversion of source separated recyclable materials from the waste stream in Sonoma County, a portion of the waste stream coming into the Landfill may be potentially divertible Recyclable Material. In order to recover and divert such Recyclable Materials, this Agreement provides a framework for implementing the requirements in the Operations Agreement for Recycling of material from waste streams that would otherwise be disposed of in the Landfill or the Alternative Landfill; and

WHEREAS, Republic and TRG are entering into this Agreement with the understanding that, as a condition precedent to this Agreement, certain cities and jurisdictions within the County of Sonoma, satisfactory to the County and Republic, will enter into separate flow commitment agreements with Republic for an initial term of twenty years commensurate with the "County Facilities Operations Period" as defined in the Operations Agreement, and the County and Republic will enter into an Operations Agreement as described below,

NOW, THEREFORE, intending to be legally bound, the Parties agree as follows:

ARTICLE 1. DEFINITIONS

For purposes of this Agreement, all capitalized terms and other words or phrases defined herein shall have the following meanings. Defined terms may also be used in the plural form. As used herein, "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term.

Act "Act" means the California Integrated Waste Management Act of 1989 (Public Resources Code section 49000 et seq.), as originally adopted and has it has been subsequently amended.

Affiliate. "Affiliate" means, as to TRG, the following entities (and, except as provided in this definition, no other entities, regardless of their ownership or relationship to TRG):

North Bay Corporation, a California corporation

Rohnert Park Disposal, Inc., a California corporation

Santa Rosa Recycling and Collection, Inc., a California corporation

Redwood Empire Disposal, Inc., a California corporation

Windsor Refuse & Recycling, Inc., a California corporation

Timber Cove Recycling, Inc., a California corporation

West Sonoma County Disposal, Inc., a California corporation

Redwood Empire Disposal Sonoma County, a California corporation.

In addition, "Affiliate" shall mean any successor or assign of any of the above-listed Affiliates or any other company under the control of, or common control with TRG, that collects Waste generated in Sonoma County.

Agreement. "Agreement" means this Agreement For Operation of the Material Recovery Facility and County Transfer Stations between Republic and TRG, including all exhibits and attachments and any future amendments hereto.

Alternative Daily Cover. "Alternative Daily Cover" means an alternative material, including alternative daily cover, tarps, or other suitable materials that are not entirely soil and that are authorized by Governmental Authorities to be used as daily or intermediate cover material to be placed over Waste Disposed of in the Landfill. Green Waste suitable for composting shall not be used for Alternative Daily Cover; provided, however, that Green Waste fines and contaminated Green Waste may be used for Alternative Daily Cover. None of the material delivered to the Transfer Stations or the Central Facilities by TRG or its Affiliates that is collected by TRG or its Affiliates under the terms of a Franchise Agreement with a Committed City or the County shall be deemed to be Alternative Daily Cover under Section 8.3, below.

Alternative Landfill. "Alternative Landfill" means a landfill other than the Landfill as outlined in the Operations Agreement.

Applicable Law. "Applicable Law" means (a) any statute, law, code, regulation, ordinance, rule or common law, including Environmental Laws, (b) any binding judgment, (c) any binding judicial or administrative order or decree, (d) any written directive, guideline, policy requirement or other governmental restriction, or (e) any similar form of decision of or determination by, or any written interpretation or administration of any of the foregoing by, any Governmental Authority, in each case, which is applicable to or has an impact on this Agreement, the County Facilities, the Land or any Party, whether taking effect before or after the Execution Date.

Beneficial Reuse Material. "Beneficial Reuse Material" is material that is lawfully used at the Landfill as or for Alternative Daily Cover, daily or intermediate soil cover, construction of drainage and erosion controls, retaining walls, French drains, sedimentation basins, roads, all weather surfaces, or other non-disposal, beneficial reuse at the Landfill property. None of the material delivered to the Transfer Stations or the Central Facilities by TRG or its Affiliates that is collected by TRG or its Affiliates under the terms of a Franchise Agreement with a Committed City or the County shall be deemed to be Beneficial Reuse Material under Section 8.3, below. "Beneficial Reuse" means the reuse of any material as described in this paragraph.

Board. "Board" means the Board of Supervisors for Sonoma County.

Central Facilities. "Central Facilities" shall mean the Landfill, the Central Transfer Station, and the Materials Recovery Facility.

CERCLA. "CERCLA" means the Comprehensive Environmental Responsibility Compensation and Liability Act, 42 U.S.C.A. §9601 et seq. (West 1983 & Supp. 1989), as amended, and similar State laws, as amended, and the regulations promulgated thereunder.

Change in Law. "Change in Law" means the adoption of any statute, law, ordinance, regulation or other government enforced rule or policy (collectively "Law") after the Execution Date, or any change in any Law or in the interpretation or application thereof by any Governmental Authority after the Execution Date, or any new or increased tax, fee or charge imposed by any Governmental Authority, which affects the cost of performance by either Party under this Agreement.

CL Approvals. "CL Approvals" means all federal, state, county and other governmental Permits and approvals necessary for the operation and expansion of the Landfill.

Closed County Landfills. "Closed County Landfills" means the former landfills located immediately adjacent to or under the Transfer Stations (other than the Central Transfer Station). The Landfill is not a "Closed Landfill" for purposes of this Agreement.

Committed City. "Committed City" means a city, town or district in Sonoma County that has entered into a Waste flow commitment agreement (i.e., a waste delivery agreement) with Republic as described in the Operations Agreement.

Committed City Waste. "Committed City Waste" means Waste generated within a city, town, or district within Sonoma County, which jurisdiction has entered into a Waste flow commitment agreement with Republic as described in the Operations Agreement.

Committed County Waste "Committed County Waste" means all Waste generated in any unincorporated area of the County and any Waste which by any lawful means the County has Flow Control over, which is collected or hauled by the County, or by any County Franchised Hauler or by any other Entity over which the County has Flow Control, but excluding the exclusions therefrom in Section 12.2_of the Operations Agreement.

Construction and Demolition Debris ("C&D"). "Construction and Demolition Debris" means Recyclable Materials and non-recyclable waste including but not limited to building materials, packaging and rubble resulting solely from construction, remodeling, clean-ups and demolition operations on pavements, houses, commercial and industrial buildings and other structures.

County. "County" means the County of Sonoma.

County Facilities. "County Facilities" means the Landfill, the Transfer Stations and, following its development, the Materials Recovery Facility.

Customer. "Customer" means any individual, commercial business, licensed or franchised waste hauler, or other Entity that pays a fee or is otherwise entitled to use the Landfill, the Materials Recovery Facility or the Transfer Stations.

Disposal. "Disposal," "Dispose" or "Disposed" means the final disposition by burial of Waste received at a landfill.

Diversion. "Diversion" means the Recycling or Beneficial Reuse of Waste so that it is diverted from Disposal in a landfill.

Entity. "Entity" means an individual, partnership, joint venture, corporation, limited liability company, trust, association, unincorporated organization or any Governmental Authority.

Environmental Conditions "Environmental Conditions" means the presence, release, threat of release or existence of Hazardous Substances, Leachate and/or Landfill Gas introduced into, on, over or about (i) the Land; (ii) the soil, surface impoundments, ditches, trenches, surface water, water runoff, stormwater runoff and/or groundwater at the Land; and (iii) any improvements, buildings, structures, fixtures, machinery or equipment at the Land, in all cases set forth in clauses (i)-(iii), existing as of the Effective Date or caused by or resulting from the presence of or operation of any of the County Facilities during the Term, including any migration or threat of migration of such Hazardous Substances, Leachate and/or Landfill Gas through soil, surface impoundments, ditches, trenches, surface water, water runoff, stormwater runoff, groundwater, improvements, buildings, structures, fixtures, machinery and/or equipment to or from the Land, but excluding any migration or contamination of Hazardous Substances, Leachate and/or Landfill Gas or other hazardous conditions caused by or associated with the Closed

County Landfills.

Environmental Laws. "Environmental Laws" means any applicable statutes, regulations, rules, guidance or ordinances, as in effect from time to time, relating to air emissions, hazardous or toxic substances, solid and/or hazardous wastes, hazardous materials, wastewater discharges and similar environmental matters, including the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Oil Pollution Act (33 U.S.C. § 2701 et seq.) and the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.), the Porter-Cologne Water Quality Control Act (Cal. Wat. Code § 13020, et seq.), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5, et seq.), the Hazardous Substance Account Act (Cal. Health & Safety Code § 25300, et seq.), California Integrated Waste Management Act of 1989 (Cal. Public Resources Code § 40000 et seq.), Cal. Health & Safety Code § 39000 et seq., 14 Cal. Code of Regulations § 18010 et seq., 23 Cal. Code of Regulations § 2510 et seq., 27 Cal. Code of Regulations § 20005 et. seq., and the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100, et seq.).

Exempt Waste. "Exempt Waste" means sludge, stable matter, used oil or used oil filters, automobiles, automobile parts except those which fall within the definition of Recyclable Material, boats, boat parts, boat trailers, internal combustion engines, waste under the control of the Nuclear Regulatory Commission, biohazardous or biomedical waste that may cause disease or reasonably be suspected of harboring pathogenic organisms including human and animal parts, contaminated bandages, pathological specimens, hypodermic needles, sharps, contaminated clothing and surgical gloves from the operation of medical clinics, hospitals, and other facilities that process this waste; Hazardous Substances; Hazardous Waste as identified in the California Health and Safety Code sections 25115 and 25117 and in California Code of Regulations, Title 22, Division 4.5, Chapter 23, as may be amended; and electronic waste (E-Waste) such as discarded electronics equipment containing cathode ray tubes (CRTs) computers monitors, televisions, stereo equipment, peripherals, and other electronic equipment, and other Waste that a County Facility is not allowed to receive pursuant to its permits and/or approvals.

Facility Operations Service Fee. "Facility Operations Service Fee" has the meaning set forth at Section 8.1 of this Agreement.

Fines. "Fines" are residuals from the Materials Recovery Facility that are suitable for use as Alternative Daily Cover or Beneficial Reuse Material at the Landfill.

Flow Control. "Flow Control" means the legal power of a local government agency, including the County and any city or district, whether by reason of its governmental powers, Franchise Agreement or other agreement or instrument, to cause or direct Waste including Recyclable Material to be delivered for transfer, Processing and/or Disposal to a particular solid waste landfill, transfer station, materials recovery facility or other facility.

Food Waste. "Food Waste" means material that will decompose or putrefy including pre and post consumer kitchen and table food scraps; animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; fruit waste; grain waste; dairy waste; meat and fish waste; paper or waxed cardboard contaminated with various Food Waste. This material can be generated at residential and commercial premises including restaurants, grocery stores and other food processing facilities.

Force Majeure. "Force Majeure" means the occurrence of any event that materially and adversely affects either Party's ability to perform obligations under this Agreement or either Party's costs in constructing or operating the County Facilities, provided that such event (or the effects of such event) was not caused by the misconduct or negligence of the Party seeking excuse from performance and such event could not have been avoided by the exercise of due diligence or reasonable efforts by the Party seeking relief from an obligation due to Force Majeure and subject to notice requirements and the duty to mitigate. Such events include but are not limited to, riots, civil disturbances, epidemic, war, terrorism, embargoes, severe weather, fire, earthquake, acts of God, and acts of a governmental agency including the denial or delay in obtaining a permit or approval which denial or delay is not the fault of the Party seeking excuse from performance.

In the event of any default, delay or failure to perform caused by a Force Majeure event, any dates or times by which the affected Party otherwise is scheduled to perform shall be extended for a period of time equal in duration to the additional time required because of the excused default, delay or failure to perform.

Franchise Agreements. "Franchise Agreements" means a franchise, contract, permit or other authorization by the County or a Committed City to collect, transfer, process and/or dispose of Waste generated in their respective jurisdictions.

Governmental Authority. "Governmental Authority" means any federal, state, local or other governmental, regulatory or administrative agency, governmental commission, department, board, subdivision, court, tribunal, or other governmental arbitrator, arbitral body or other authority.

Green Waste. "Green Waste" means any vegetative matter resulting from normal yard and landscaping maintenance at commercial and residential properties. Green Waste includes sod, plant debris such as palm, yucca and cactus, grass clippings, leaves, prunings, weeds, branches, brush, Christmas trees, and other forms of horticultural waste generated at the Residential or Commercial Premise from which the Green Waste is collected. Green Waste does not include items defined as Exempt Waste.

Hazardous Substances "Hazardous Substances" means any waste, chemical, material or substance that is listed or regulated, whether presently or in the future, under Environmental Laws as a "hazardous" or "toxic" substance, including "hazardous substances" as defined in 42 United States Code section 9601 (14) and "hazardous waste" as defined in California Health and

Safety Code sections 25117 and 25117.9.

Holiday. "Holiday" means a day which is one of the following legal holidays recognized for purposes of this Agreement: January 1, July 4, Thanksgiving and December 25. No other legal holidays are considered a "Holiday" for purposes of this Agreement.

Land. "Land" means that certain real property located in the County of Sonoma, State of California and more particularly described on Exhibits A-1, A-2, A-3, A-4 and A-5 to the Operations Agreement, together with all rights, privileges, easements and appurtenances thereto, including all rights-of-way and other appurtenances used in connection with the beneficial use or enjoyment of all such real property. As used herein, "Land" shall not include the Landfill and the Closed County Landfills, even if they are a part of the Land described in Exhibits A-1 through A-5.

Landfill "Landfill" means that certain landfill located on the portion of the Land described on Exhibit A-1 to the Operations Agreement and commonly known as the Landfill. To the extent that the landfill boundaries are altered over time, the landfill, as altered, shall be considered as part of the "Landfill".

Landfill Gas "Landfill Gas" means methane or other gas generated by the decomposition of, or a chemical activity occurring within, Waste deposited within the Landfill.

Leachate **"**Leachate" means liquid generated by Waste deposited within the Landfill, by the extended contact of water or other liquid with waste deposited within a landfill or by the flowing of water through landfill underdrains and similar equipment.

Materials Recovery Facility. "Materials Recovery Facility" means the equipment and infrastructure and structures designed and installed at the MRF Site, intended to process a quantity of commercial and industrial waste and divert Recyclable Material from the Landfill that is consistent with what is agreed to in the Operations Agreement, as more particularly described in Exhibit A hereto.

Materials Recovery Facility Capacity. "Materials Recovery Facility Capacity" means 30 Tons per operating hour or 300 Tons over a ten hour operating shift.

Mixed Waste. "Mixed Waste" means Recyclable Materials and non-Recyclable Materials placed in the same container for collection.

MRF Approvals. "MRF Approvals" shall have the meaning set forth in Section 5.2 of this Agreement.

MRF Site. "MRF Site" means a portion of the Central Transfer Station Land that is designated under the Operations Agreement for the purpose of constructing, developing and operating the Materials Recovery Facility.

Operations Agreement. "Operations Agreement" means an agreement between Republic and the County of Sonoma concerning the long term management, operation, and maintenance, development and capitalization of the Landfill, the County Transfer Stations and the Materials Recovery Facility to be developed at the MRF Site, to be signed by the County and Republic as a condition to this Agreement.

Operations Agreement Effective Date. "Operations Agreement Effective Date" means the Effective Date as specified in the Operations Agreement between the County and Republic.

Organic Material. "Organic Material" means Food Waste and Green Waste. Plastic products labeled as compostable or biodegradable shall not be considered Organic Material unless individually approved by the mutual agreement of Parties.

Parties. "Parties" means either or both of Republic and TRG and their respective successors and assigns.

Permits. "Permits" means land use entitlements, the Solid Waste Facilities Permits, Waste Discharge Requirements, and all other governmental permits, licenses, consents, certificates, authorizations, waivers, approvals and variances, including, in each case, all orders, mandates, requirements and directives of Governmental Authorities, necessary for the ownership, operation and management of a particular County Facility, and any renewal, modification or amendment thereto, in effect on or after the Execution Date.

Processing. "Process," "Processing" and "Processed" refers to the, transfer, separation, sorting, segregation, cleansing, treating, and reconstituting, baling, loading and/or other handling of Waste including Recyclable Materials for the purpose of recovering Recyclable Materials and separating Recyclable Materials from Waste that is Disposed in a landfill.

Recyclable Material. "Recyclable Material" means glass, fibrous material (including paper, cardboard, and newspaper), wood, concrete, plastic, used motor oil and filters, ferrous and non-ferrous metal, aluminum and any other materials that are Recycled.

Recyclable Rich Material. "Recyclable Rich Material" means Waste containing at least fifty percent Recyclable Material by weight or commercially reasonable volumes of Recyclable Material that can be economically extracted from the waste stream at the Materials Recovery Facility.

Recycle. "Recycle," "Recycling" and "Recycled" mean **t**he process of collecting, sorting, Processing, cleansing, treating, and reconstituting material that would otherwise be Disposed in a landfill and returning them in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace. Recycling shall also include any Processing, energy conversion, Beneficial Reuse, or other activity deemed to be Recycling under the statutes or regulations enforced by the Department of Resources Recycling and Recovery ("CalRecycle").

Residuals. "Residuals" means any material remaining after Processing that is not Recycled and is destined for Disposal at a permitted solid waste disposal or transfer facility. The only materials delivered by TRG to County Facilities hereunder that shall be deemed to be Residuals are Residuals from the Materials Recovery Facility, from any Source Separated Recyclable Materials processing facility owned and operated by TRG or one of its Affiliates within Sonoma County, and from TRG's or its Affiliates' processing of C&D within Sonoma County prior to the commencement of commercial operations at the Materials Recovery Facility.

Scale House Fees. "Scale House Fees" means the then current rates established for acceptance of Waste, including Recyclable Material and other Waste at the County Transfer Stations, the Materials Recovery Facility and Landfill.

Self Haul Waste. "Self Haul Waste" means: (a) in the case of Sonoma County residential premises, Waste that is generated at a residence and hauled by the resident to a Waste facility; and (b) in the case of commercial, industrial or other non-residential premises in Sonoma County, Waste that is transported by the generator, in a vehicle owned by the generator and operated by the generator or an employee or subcontractor of the generator. Waste that would otherwise be considered to be Self-Haul Waste that is not generated in Sonoma County shall be treated as Third Party Waste under this Agreement.

Service Fees. "Service Fees" means the Facility Operations Service Fee and the Transportation Fee, as these fees are described in Article 8.

Source Separated Recyclable Materials. "Source Separated Recyclable Material" means Recyclable Material that has been separated by the generator from Waste and includes *di minimus* amounts (i.e. no more than fifteen percent (15%) by weight or volume) of Waste and other material that is not Recycled. Source Separated Recyclable Material does not include Construction Demolition Debris or Mixed Waste.

Special Waste. "Special Waste" means any solid, liquid, semi-solid, gaseous material and associated containers which would not normally be disposed of by a municipal garbage removal and disposal system, which by way of example would include materials generated as a direct or indirect result of an industrial process or from the removal of contaminants(s) from the air, water or land. "Special Waste" would include any Waste from a non-residential source that includes, but is not limited to any of the following: industrial process waste, pollution control waste, incinerator residues, ash, spent catalyst, coke, sludges; tires, bottom settlements and water from storage tanks, oily silt, gasoline additive residues, tars, oils, grease, contaminated soil, contaminated wood, dead animals, residue, debris, articles from the cleanup of a spill or release of materials listed in this section, and regulated asbestos-containing material as defined in 40 CFR 61.141.

Third Party Waste. "Third Party Waste" means any Waste delivered to any of the County Facilities other than Committed County Waste, Committed City Waste, Self-Haul Waste and TRG Waste.

Term. "Term" shall mean the term of this Agreement as provided for in Section 2.1.

Ton. "Ton" means 2,000 pounds. As used in this Agreement, "Ton" also refers to any fraction of a Ton, as to which all per Ton charges and rates shall be apportioned to reflect such fractional amount.

Transfer Stations. "Transfer Stations" means those certain transfer stations owned by the County and commonly known as the County Transfer Stations and individually known as the Central Transfer Station, the Annapolis Transfer Station, the Guerneville Transfer Station, the Healdsburg Transfer Station and the Sonoma Transfer Station. The Transfer Stations expressly exclude the Closed County Landfills as that term is defined in the Operations Agreement between the County and Republic. Some of the Transfer Stations are located on Closed County Landfill sites. Nothing in this Agreement imposes any responsibility or obligation whatsoever on TRG or Republic with respect to such Closed County Landfills.

Transportation Service Fee. "Transportation Service Fee" has the meaning set forth at Section 8.4 of this Agreement.

TRG. "TRG" means The Ratto Group of Companies, Inc., a Delaware corporation. For the purposes of the commitment of Waste and other materials under the Operations Agreement and the payment by TRG to Republic of Scale House Fees for deliveries of Waste to any of the County Facilities as provided at Section 5.9 and Article 7 hereof, and for no other purposes, TRG includes its Affiliates.

TRG Facility. "TRG Facility" or "TRG Facilities" means any existing or future waste handling, transfer, Disposal, Recycling or materials recovery operation owned or operated by TRG or its Affiliates that is located in the County, other than a County Facility.

TRG Waste. "TRG Waste" means Waste collected in Sonoma County by TRG or any of its Affiliates that is committed to the County Facilities pursuant to section 5.9 of this Agreement.

Unpermitted Material. "Unpermitted Material" means the materials that the Landfill may not receive under its Permits, as expressly identified in a written notice provided by Republic to TRG.

Waste. "Waste" means all putrescible and non putrescible solid, semi-solid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, commercial and industrial wastes, Green Waste, any Organic Material, Food Waste, Construction and Demolition Debris, Beneficial Reuse Material, landscaper green waste, abandoned vehicles and parts thereof, discarded home and industrial appliances, vegetable or animal solid and semi-solid wastes, and other discarded solid and semi-solid wastes. Waste includes Recyclable Materials that are discarded by the generators of such materials, Mixed Waste and Construction and Demolition Debris. Waste does not include Exempt Waste.

ARTICLE 2. TERM OF AGREEMENT

2.1 Term.

This Agreement shall become effective upon execution by the Parties, but the obligations of the Parties, shall be subject to the conditions precedent that (a) the Operations Agreement be executed by the County and Republic and become effective, and the date on which the Operations Agreement becomes effective, if at all, is deemed the "Operations Agreement Effective Date;" and (b) a sufficient number of cities in Sonoma County, satisfactory to Republic as outlined in the Operations Agreement, have entered into separate Waste flow commitment agreements with the County of Sonoma and Republic for a term commensurate with the Operations Agreement.

The Term of this Agreement shall end as of 12:01 AM on the twentieth (20^{th}) anniversary of the Operations Agreement Effective Date; provided however, if the County Facilities Operations Period as defined in the Operations Agreement is in effect beyond the twentieth anniversary of the Operations Agreement Effective Date, due to the exercise of any extension option, or by mutual agreement or otherwise, then this Agreement shall be automatically extended, without any further action by the parties, to run concurrently with the County Facilities Operations Period as established in the Operations Agreement; provided, however, that if pursuant to the Operations Agreement and during the County Facilities Operations Period Republic will no longer retain the right to operate the Annapolis, Guerneville, Healdsburg and Sonoma Transfer Stations, then the parties shall agree on a new scope of services for TRG to continue operation of the Materials Recovery Facility and the Central Transfer Station and new Service Fee(s) for such new and continued scope of services at these Central Facilities. If the parties are unable to agree on a new scope of services or new Services Fees for the continued operation of the Materials Recovery Facility and the Central Transfer Station then, at the timely request of either party, the matter shall be submitted to non-binding mediation under the auspices of the Judicial Arbitrations and Mediation Service ("**JAMS**") or such other private mediation service as the parties may then agree. Thereafter, if the matter remains unresolved, either party may submit the matter to binding arbitration before a neutral arbitrator selected by the parties. If the parties are unable to agree on a neutral arbitrator, then the arbitrator shall be selected in accordance with the procedures of the Judicial Arbitrations and Mediation Service ("**JAMS**") or such other private arbitration service as the parties may then agree

ARTICLE 3. OPERATIONS AGREEMENT

3.1 Operations Agreement.

Republic has entered into negotiations with the County for an Operations Agreement with the County for the long-term management, operation, maintenance, development and capitalization of the Landfill, the Materials Recovery Facility adjacent to the Landfill at the MRF Site, and the five Transfer Stations currently owned by the County. TRG has been participating in these negotiations at the invitation of Republic when Republic deems they are pertinent to TRG's proposed operations.

Republic and TRG recognize that several provisions of the Operations Agreement may have a material effect upon the obligations of both Parties as it pertains to management of all of

the County Facilities. Specifically, it is anticipated the County will require Republic to adhere to strict management criteria as it may pertain to management, operation and long-term care of the Transfer Stations that as part of this Agreement will become the responsibility of TRG following the Operations Agreement Effective Date. Because these terms of the Operations Agreement will have a material effect on the obligations of TRG under the terms of this Agreement, Republic agrees to allow TRG to actively participate with Republic in the negotiations with and attend meetings with the County, pertaining to the long term management, operation, maintenance, development and capitalization of the Materials Recovery Facility adjacent to the Landfill at the MRF Site, and the five Transfer Stations currently owned by the County, so that TRG's interests will be effectively represented.

Notwithstanding any of the foregoing provisions in this Section 3.1, Republic shall be conclusively deemed to have fully satisfied all of its foregoing obligations to TRG if TRG executes this Agreement with Republic.

Any uncured default by Republic under the Operations Agreement shall constitute a default by Republic under this Agreement if the County terminates the Operations Agreement as a result of such default; provided, however, Republic shall not be deemed in default: (a) for so long as Republic is contesting the County's assertion that Republic has committed such default in a court of competent jurisdiction or arbitration or other legal proceeding; (b) if any such litigation or arbitration finally concludes with a finding that the Operations Agreement is not terminated; or (c) Republic and the County settle any dispute between them regarding such default whereby the County agrees to continue the Operations Agreement in effect; or (d) if such default is determined to be the result of any action or inaction by TRG under this Agreement.

ARTICLE 4. OBLIGATIONS OF REPUBLIC

4.1 General.

As part of the Operations Agreement covering the Landfill, it is anticipated Republic shall be required by the County to use reasonable commercial efforts to obtain all federal, state, county and other governmental permits and approvals necessary for the operation and expansion of the Landfill (the "CL Approvals") and maintain, operate and monitor the scale house operations at the Transfer Stations in accordance with the terms and conditions provided therein. Republic will accept TRG's Waste for disposal or beneficial reuse upon the Landfill Land subject to the permitted capacity of the Landfill and any other Permit limitations.

4.2 Facility Scale House Operations.

Republic shall operate the scale houses at the Transfer Stations and Landfill. Republic will maintain, repair, test, obtain periodic State certifications as required by Applicable Law, and replace as necessary the current scales. Republic shall provide all scale house computer systems, including data links to the scales, and shall utilize Republic's proprietary software for purpose of invoicing and recording and reporting the data generated by the scales and scale computer system.

4.3 Special Provision for Residential, Commercial and Industrial Collection Loads at the Central Facilities.

All residential, commercial and industrial Waste delivered to the Central Facilities by collection vehicles (as opposed to transfer vehicles) shall be delivered to the Central Transfer Station provided that, upon five days notice to TRG in writing, Republic may direct some or all of this material, excluding Recyclable Rich Material, directly to the Landfill or, having previously directed such Waste to the Landfill, to the Central Transfer Station.

ARTICLE 5. OBLIGATIONS OF TRG AND REPUBLIC

5.1 Transfer Station Operations.

TRG shall maintain, operate and monitor the Transfer Stations and MRF in accordance with Applicable Laws and Permits as well as the provisions of the Operations Agreement and at a minimum in accordance with the terms and conditions of Exhibit B attached hereto, which is incorporated herein by this reference.

For the Term of this Agreement, Republic hereby grants to TRG a non-exclusive, continuing and non-revocable sub-license and access to the Transfer Stations and Materials Recovery Facility for the sole purpose of performing TRG's obligations under this Agreement.

5.2 Permitting of Materials Recovery Facility.

Republic shall be the lead Party and shall pay all costs associated with obtaining all federal, state, county and other governmental permits and approvals necessary for the construction, development and operation of the Materials Recovery Facility (the "MRF Approvals"). Republic agrees to consult with TRG during the permitting process regarding any issues that may affect TRG's performance of its obligations under this Agreement. Subject to the reasonable approval of TRG, TRG shall execute documents deemed reasonably necessary by Republic, and which are required by any of the Entities processing the MRF Approvals due to TRG's involvement with the MRF under the terms of this Agreement, to allow Republic to pursue such entitlement applications for, and obtain, all MRF Approvals as may be reasonably required.

5.3 Materials Recovery Facility Operations and Diversion Guarantee.

Upon the full permitting and the completion of construction of the Materials Recovery Facility, TRG shall repair, maintain, operate and monitor the Materials Recovery Facility for the purposes of Recycling the following categories of materials: Construction and Demolition Debris, Recyclable Rich Materials (including dry commercial material), Mixed Waste and Self Haul Waste as required by the Operations Agreement. TRG shall repair, maintain, operate and monitor the Materials Recovery Facility and all associated building and equipment in accordance with the requirements of the Operations Agreement and any components thereof detailing operations and maintenance standards for the Materials Recovery Facility. Detailed operations repair and maintenance requirements to be followed by Contractor for the Materials Recovery Facility are included in the Operations Agreement and in Exhibit A attached hereto. Republic

shall construct at its sole cost and expense the Materials Recovery Facility in accordance with the terms and provisions of Article 6 of this Agreement.

Prior to the development of the Materials Recovery Facility, unsorted materials that include Recyclable Materials will be landfilled. Upon completion of the Materials Recovery Facility, Republic shall direct Recyclable Rich Materials coming into the Facilities to the Materials Recovery Facility, subject to the terms of this Agreement. The goal of the Parties is to maximize diversion of Recyclable Materials and minimize Disposal at the Landfill to the extent required under the Operations Agreement. TRG shall have full rights to the value of commodities derived from the operation of the Materials Recovery Facility. TRG agrees to meet the diversion requirements applicable to the operation of the Materials Recovery Facility outlined in the Operations Agreement commencing upon commercial operations of the Materials Recovery Facility.

5.4 TRG Diversion Goal.

Republic has agreed to assist the County and Committed Cities in achieving their collective Waste Recycling and diversion goals, and has committed in the Operations Agreement to divert from Disposal 67,000 Tons per year of Recyclable Material, starting with the third year of operations of the Materials Recovery Facility and continuing for the remainder of the Term. To enable Republic to attain this annual Tonnage diversion goal, TRG has identified that approximately 46,173 Tons per year can be diverted from Disposal by TRG at the Transfer Stations and the Materials Recovery Facility and through its commercial dry waste re-routing and commercial Food Waste collection program.

Therefore, TRG's Tonnage diversion goal for the Term of this Agreement, which is conditioned on the performance by the County and Committed Cities of their Waste delivery commitments to Republic and the County Facilities and construction of the Materials Recovery Facility by Republic, shall be 46,173 Tons per year, commencing effective as of the third year of operations of the Materials Recovery Facility.

5.5 Waste Stream Subject to Contractor's Diversion Performance Standards.

TRG's Tonnage diversion goal will be based on and limited to TRG's diversion of Waste from Disposal and will be measured annually as the total Tonnage diverted from Disposal from the following combined waste streams received at the Transfer Stations or the Materials Recovery Facility:

Recyclable Materials recovered from at the Materials Recovery Facility (that have not been recovered at the Transfer Stations);

Recyclable Materials recovered at the Transfer Stations;

One half of the Fines from the Materials Recovery Facility; and

Source Separated commercial Food Waste collected by TRG.

5.6 Phase- In Period for and Duration of Republic's Diversion Performance Standards.

Because of the need for Republic to complete the design, Permitting, and construction of the Materials Recovery Facility and TRG to complete the initial operation of the Materials Recovery Facility, TRG's obligation to meet its Tonnage diversion goal will not commence until the third year following the MRF commencing operations and shall continue in effect for each year thereafter during the Term of the County's and all of the Committed Cities' Waste delivery commitments to the Republic and the County Facilities.

5.7 Inability To Meet Diversion Goals.

Should TRG not achieve the Tonnage diversion goal for any applicable one year period during which TRG's Diversion goal is in effect, and should Republic not meet its Tonnage diversion goal to the County for that year, Republic, TRG and County shall promptly meet and confer as to the reasons for Republic's and TRG's inability to achieve Republic's diversion goal under the Operations Agreement. Republic and TRG may present evidence to the County that circumstances beyond Republic's or TRG's reasonable control have interfered with or prevented Republic and TRG from attaining the diversion goal. The Operations Agreement provides that County may excuse Republic from having to pay liquidated damages if Republic can establish to the County's satisfaction, exercised in its sole discretion, that: (a) other Entities have taken, acquired or purchased Recyclables Materials that have been diverted from Disposal and that otherwise would have been diverted by Republic; or (b) the composition or volume of the waste stream being delivered to Republic has so materially changed that Republic can no longer reasonably achieve the diversion goals.

As part of the Parties' obligation to meet and confer, TRG shall prepare a Diversion Action Plan that details the steps TRG will take to achieve TRG's Tonnage diversion goal. TRG shall implement the Diversion Action Plan and shall have a twelve-month period to increase its diversion performance pursuant to this plan. If TRG's annual diversion for the twelve-month period covered by the Diversion Action Plan achieves the diversion tonnage for that period, TRG shall continue to implement the provisions of the Diversion Action Plan.

If TRG fails to achieve its Tonnage diversion goal for any year following the second year of MRF operations, and if the County does not in its discretion excuse Republic's achievement of the Tonnage diversion goal for that year and imposes liquidated damages on Republic, then to the extent that such Liquidated Damages have arisen as a direct and proximate result of TRG's failure to meet the TRG Diversion Goal, TRG shall indemnify Republic against such Liquidated Damages and shall pay such Liquidated Damages as they become due to the County. The obligations of TRG with respect to Liquidated Damages are cumulative to and not in the place of the rights of Republic under Article 17, below.

5.8 Facility Development.

Notwithstanding anything to the contrary in this Agreement, the obligations of TRG to maintain the Materials Recovery Facility as set forth in this Article is subject to the condition precedent that the MRF Development is completed pursuant to the requirements of Article 6 below.

5.9 Waste Commitment.

Upon the Effective Date of the Operations Agreement, TRG and its Affiliates agree that TRG and its Affiliates will deliver all Waste, including non-franchised Green Waste, Food Waste, Construction and Demolition Debris and other Waste not classified as Source Separated Recyclables collected within Sonoma County to one of the County Facilities during the Term of this Agreement, and pay to Republic the then applicable Scale House Fee being charged at a given Transfer Station, the Materials Recovery Facility or at the Landfill. TRG warrants it has full legal authority to compel its Affiliates to deliver all Committed County Waste and Committed City Waste collected by its Affiliates to the County Facilities and that TRG's Affiliates collect all of the Waste collected by any affiliate of TRG within Sonoma County. TRG guarantees payment to Republic of the Scale House Fees described in Article 7 that are applicable to such Waste deliveries. In the event that TRG sells or transfers an Affiliate to a third party, then Republic shall relieve TRG of its guaranty of payment hereunder provided that the transferred Affiliate and its owner can provide a financial guaranty that is reasonably satisfactory to Republic.

The above covenant notwithstanding, the above shall not apply to, and TRG's and its Affiliates' delivery obligation shall expressly exclude, Waste collected by TRG and its Affiliates that is required to be delivered to another location under the terms of (i) any Flow Control requirement of, or agreement with any local government agency, city, special district or other governmental jurisdiction within Sonoma County ("Flow Control Jurisdictions") that is now in existence or becomes effective during the Term of this Agreement, or any extension of either, or (ii) any agreement (including option periods where the option is exercised by the third party) with other third parties who are not Flow Control Jurisdictions, but only in the case of such third party agreements entered into prior to the Execution Date and which are listed in Exhibit C ("Third-Party Disposal Agreements"). These exclusions, if applicable, are limited solely to the County and Committed Cities and those Third-Party Disposal Agreements listed on Exhibit C.

Commencing on the Effective Date, and until the date the Central Facilities are equipped to process commercial Source Separated Food Waste as determined by Republic, TRG shall deliver commercial Source Separated Food Waste collected by TRG and its Affiliates in the County to: (a) the Golden Bear Transfer Station in Contra Costa County; and/or (b) any other facility designed by Republic that has the capability to process and divert such Food Waste from Disposal. Republic shall determine the amount of commercial Source Separated Food Waste to be delivered to each such facility.

TRG must report the amount of such commercial Source Separated Food Waste Disposed or Processed at each facility designated by Republic. For each Ton of Food Waste delivered by

TRG to the Golden Bear Transfer Station or any other facility designed by Republic, TRG shall pay Republic the then current applicable Scale House Fee on a per Ton basis. For each Ton of commercial Source Separated Food Waste delivered by TRG to the Golden Bear Transfer Station, TRG shall receive the Facility Operations Fee and the Transportation Service Fee described in Section 8.5 for deliveries to the Golden Bear Transfer Station. For each Ton of commercial Source Separated Food Waste Disposed of or Processed elsewhere for which TRG pays Republic the Scale House Fee, Republic shall rebate to TRG on a per Ton basis the total of: (i) any Disposal or Processing charge paid by TRG at an alternative facility; (ii) an amount equal to the Facility Operations Service Fee that would have been applicable had the Food Waste been processed at an appropriate facility at the County Facilities; and (iii) a Transportation Service Fee, but only if the alternative facility is located outside of Sonoma County. Should the alternative facility for the disposal or processing of Food Waste be located outside of Sonoma County, the Parties will meet and confer on a reasonable transportation fee to be paid by Republic to TRG for transportation of Food Waste to the out-of-county facility. If the Parties are unable to agree on the out-of-county transportation fee, either Party may submit the matter to mediation and Dispute Resolution per Article 26. Notwithstanding the foregoing, TRG shall deliver Food Waste collected within the County to the Central Facilities when the Central Facilities are equipped to process source separated Food Waste.

Subject to the exclusions described above, TRG and its Affiliates shall also be obligated to deliver Residuals from any materials Processing or material generated from any other TRG Facility, including facilities operated by a TRG Affiliate, within Sonoma County at the rates specified herein or as directed by the Operations Agreement during the Term of this Agreement.

It is expressly noted that upon the expiration of the existing term of any Third-Party Disposal Agreements, TRG and its Affiliates shall commence delivery of Waste covered by such agreements to the Landfill or if directed by the County the Alternative Landfill. Republic shall be responsible for increased transportation costs associated with transfer of Waste to an Alternative Landfill where the transferred Waste is exempt from the Transportation Service Fees under Section 8.5, below. Where the transferred Waste is not exempt from the Transportation Service Fee hereunder, then the Transportation Service Fee shall be adjusted to account for any increase in the distance of TRG's haul to the Alternative Landfill.

Republic and TRG acknowledge and agree that neither party makes any promise, warranty or guaranty that any minimum or maximum amount of Waste or of Recyclable Materials will be generated or collected by the County, the Committed Cities, TRG or Self Haul customers of the County Facilities, or makes any promise, warranty or guaranty regarding the composition of the Waste stream, during the Term of this Agreement, as such volumes and types of Waste are beyond the control of the parties.

5.10 Transfer of Waste to Central Facilities and/or Alternate Disposal Facility.

Pursuant to the requirements of the Operations Agreement, TRG shall transfer in transfer vehicles, which meet the standards set forth in the Operations Agreement with the County, all Waste including but not limited to residential and commercial non-franchised Green Waste and other Organic Materials delivered to any of the Transfer Stations or the Materials Recovery Facility for Processing or to the Landfill for Disposal. TRG shall transfer all Residuals from the Processing of such Waste at the Transfer Stations and Materials Recovery Facility to the Landfill. TRG is also authorized to use the County Facilities for the transportation of franchised source separated Green Waste to fulfill its transfer and transportation obligations under TRG's separate agreements with the County and/or the Waste Management Agency. TRG shall keep all Green Waste received at any of the Transfer Stations separate from all other types of Waste to avoid contamination of the Green Waste. If TRG delivers a load of Green Waste to the Sonoma Compost Facility located at the Landfill Land that is rejected as contaminated before unloading, TRG shall deliver the load to the Central Landfill and dispose of it at no charge to TRG. TRG shall have no obligation under this Agreement to reload Green Waste after it is unloaded at the Sonoma Compost facility.

The Parties acknowledge that during the Term of this Agreement Republic may not have received all of the CL Approvals for expansion and operation of the Landfill that would allow the Landfill to accept any or all of the aforementioned Waste. Until the CL Approvals are received by Republic and the Landfill is opened by Republic for full operation and allowed to receive all of the Waste to be handled by TRG and its Affiliates under this Agreement or once the Operations Agreement is entered into and the County directs the material to an Alternative Landfill, TRG and its Affiliates shall deliver the Waste and Residuals from any TRG Facility to the facility designated under the terms of the Operations Agreement, subject to the terms of Section 5.9, above.

5.11 Hours of Operation.

TRG shall operate the Transfer Stations and Material Recovery Facility and provide the services as outlined in the Operations Agreement and in this Agreement on the days and hours specified below except for Holidays.

Annapolis Transfer Station……Wednesday-Saturday 7:00 am to 4:00 pm

Guerneville Transfer Station…..Monday & Tuesday 7:00 am to 4:00 pm Thursday-Saturday…7:00 am to 4:00 pm Sunday 9:00 am to 3:00 pm

Healdsburg Transfer Station…...Monday-Saturday 8:00 am to 4:00 pm Sunday 9:00 am to 3:00 pm

Sonoma Transfer Station…….Monday-Saturday 7:00 am to 4:00 pm Sunday 9:00am to 3:00 pm

Central Transfer Station……..Monday-Saturday 7:00 am to 4:00 pm Sunday 8:00 am to 3:00 pm

TRG will not be required to operate the Transfer Stations and Material Recovery Facility on Holidays but will be required to respond to any emergency occurrences and continue the monitoring and maintenance of the Transfer Stations per the requirements of the Operations Agreement.

TRG will cause the Transfer Stations to be open for business on Sundays except when any of Christmas Day, New Years Day, or Independence Day fall on a Sunday in which event TRG shall not be obligated to cause the Transfer Stations to be open for business.

5.12 Transfer Station Operations and Maintenance Criteria.

As noted in Section 3.1, the Operations Agreement will contain specific criteria, performance standards and operational guidelines for operations and maintenance of the Transfer Stations and Material Recovery Facility. Upon the Operations Agreement Effective Date, and subject to its rights outlined in Section 3.1, TRG agrees to comply with the agreed upon Operations and Management Protocol that is attached hereto as Exhibit A except to the extent these obligations are modified by the Operations Agreement, in which case the provisions of the Operations Agreement shall control.

5.13 Direction of Recyclable Materials.

Republic shall direct all loads that arrive at the Transfer Stations that contain Recyclable Rich Material to the Materials Recovery Facility provided that Republic shall not direct loads in excess of the Materials Recovery Facility Capacity to the Materials Recovery Facility. TRG may direct transfer vehicles containing Waste to the Landfill in its sole discretion.

5.14 Insufficient Capacity of Materials Recovery Facility.

In the event that the capacity of the Materials Recovery Facility is not sufficient to receive and process all of the Recyclable Rich Material received by Republic at the County Facilities, then the Parties shall agree upon and follow a protocol by which the Recyclable Rich Material with the lowest value shall be diverted to landfill until there is adequate capacity to process such lower value Recyclable Rich Material.

5.15 Direction of Recyclable Rich Materials.

TRG and Republic agree that, except for Recyclable Rich Material, Republic reserves the right to direct all or a portion of the route collection vehicles not containing Recyclable Rich Material utilizing the Central Transfer Station and Landfill directly to the Landfill without utilizing the Central Transfer Station. Upon receiving a request from Republic to direct such vehicles to the Landfill, TRG shall reroute such route collection vehicles directly to the Landfill. TRG acknowledges that it may not send route collection vehicles directly to the Landfill unless it receives express direction to do so from Republic.

In the event of a dispute between TRG and Republic over whether or not a collection vehicle from a particular route contains Recyclable Rich Material and should therefore not be directed to the Landfill, TRG will conduct a waste characterization of the material from the disputed route to be completed over a reasonable period of time and shall provide a written report determining whether or not the material from the route is Recyclable Rich Material. Pending completion of the waste characterization study, such waste shall be directed according to the reasonable discretion of Republic.

5.16 Other Obligations of TRG.

TRG shall perform and shall cause its Affiliates to perform the following obligations that are separate from the obligations of TRG and its Affiliates with respect to the operation of the County Facilities hereunder. Neither TRG nor any of its Affiliates will seek any rate increases from their Franchisors for providing the services set forth at sub-sections a through b, below. Neither TRG nor any of its Affiliates has any obligations hereunder with respect to its respective operations outside of operating County Facilities as provided herein and with the exception of TRG's and its Affiliates' commitment of waste streams as provided herein, except:

(a) TRG and its Affiliates shall adjust commercial collection routes in urban areas to increase the amount of dry Waste to be delivered to the Materials Recovery Facility. TRG and its Affiliates shall adjust routes in a commercially reasonable manner as reasonably necessary to meet the diversion goals of the Operations Agreement, subject to consideration of the cost of route adjustments against the increased revenue from Recyclables to be gained from increasing dry Waste loads.

(b) TRG and its Affiliates will develop and implement commercial Food Waste Collection in urban portions of the Committed Cities. TRG and its Affiliates shall collect commercial Food Waste in urban portions of Committed Cities in a commercially reasonable manner as reasonably necessary to meet the diversion goals of the Operations Agreement, subject to consideration of the cost of collection against increased diversion. The Facilities Operations Service Fee includes compensation to TRG for the development and implementation of a dry Waste and commercial Food Waste collection and Processing program. TRG and its Affiliates shall maintain their current Source Separated Recyclables Processing for Committed Cities for so long as such Committed Cities direct TRG and its Affiliates to do so and provide for such operations in the solid waste collection rates charged to TRG's collection customers. Notwithstanding the foregoing, TRG does not guarantee that its Source Separated Recycling operations will generate a particular diversion percentage.

5.17 Other Obligations of Republic.

Republic shall cooperate with TRG in directing loads of Recyclable Rich Materials to the Materials Recovery Facility so that TRG can process the Recyclable Rich Materials at the Materials Recovery Facility and achieve the TRG Diversion Goal.

5.18 Covenants Not To Compete.

In consideration for the sharing by TRG with Republic of confidential business information regarding TRG's and its Affiliates franchised collection operations in Sonoma County, receipt of which is hereby acknowledged by Republic, TRG's and its Affiliates commitment of Waste to Republic and the County Facilities, and TRG's other covenants in this Agreement, Republic agrees and covenants that, for the twenty year Waste Commitment Period described in the Operations Agreement, Republic and its affiliates will not directly or indirectly solicit, propose or bid on franchises, permits, or other agreements for the collection of Waste in Sonoma County that are currently held by TRG or its Affiliates, unless at the time of a future public agency procurement for such services the route collection franchise is not held by TRG or any of its Affiliates. The jurisdictions and agencies with whom TRG or its Affiliates currently hold permits or franchised route collection agreements are the County of Sonoma, the cities of Cloverdale, Cotati, Healdsburg, Petaluma (including both exclusive and non-exclusive franchises), Rohnert Park (including both exclusive and non-exclusive franchises), Santa Rosa (including both exclusive and non-exclusive franchises), Sebastopol the Town of Windsor, County of Sonoma Schools, Cotati-Rohnert Park Unified School District, Petaluma City School District, Petaluma Joint High School District, California State Parks (All parks located in Sonoma County), California State University – Sonoma, Santa Rosa Junior College, Santa Rosa School District, US Federal Parks located in Sonoma County, US Army Corp of Engineers – Lake Sonoma, Sonoma County Fair & Exposition, Sonoma-Marin Fair, State of California Sonoma Development Center, County of Sonoma Parks, SMART Train, and US Coast Guard – Petaluma.

In consideration for the sharing by Republic with TRG of confidential business information regarding Republic's business plans and operations in Sonoma County, Republic's investment in the County Facilities, and Republic's other covenants in this Agreement, receipt of which is hereby acknowledged by TRG, TRG and its Affiliates agree and covenant that, for the twenty year Waste Commitment Period described in the Operations Agreement, TRG and its Affiliates will not directly or indirectly operate any solid waste processing or transfer facilities in Sonoma County that compete with the County Facilities for the receipt of non-franchised or franchised Waste or Self Haul Waste generated in Sonoma County; provided, however, that TRG and its Affiliates may continue their current operations at Timber Cove Recycling, Inc. 3400 and 3417 Standish Ave., Santa Rosa, CA 95407 and at Novato Disposal Service, Inc. 2543 Petaluma Blvd South, Petaluma, CA 94952 (or such other locations as to which such operations may, from tome to time, be moved) to receive and process Source Separated Recyclable Materials collected by TRG from residential and commercial customers in its franchised jurisdictions and recyclables materials purchased from customers.

ARTICLE 6. MRF IMPROVEMENTS.

TRG and Republic shall cooperate in obtaining all permits and approvals for the Materials Recovery Facility which shall be designed and constructed in accordance with the schematic drawing of the equipment to be included in the Materials Recovery Facility and described in Exhibit A. Republic shall pay all costs for the development of the Material Recovery Facility, including the cost of constructing or improving the building, and the cost of all necessary equipment. The Materials Recovery Facility shall be designed and built by Republic at Republic's sole cost and expense. The Material Recovery Facility shall be designed and built by Republic in accordance with the specifications and requirements set forth in the Operations Agreement.

The construction of improvements for the MRF shall be commenced upon the full permitting of and approval for such improvements by the County and any other Governmental Authorities with jurisdiction over such improvements, and shall be diligently prosecuted by Republic until completed. The Operations Agreement covering these facilities shall contain a tentative schedule for the completion of such improvements, which schedule is conditioned on and subject to the full permitting and approval of such improvements by the County and all other applicable Governmental Authorities. Republic shall use commercially reasonable efforts to apply for and obtain all Permits necessary for the construction and operation of such improvements, and shall use commercially reasonable efforts in diligently seeking all such Permits.

During the term of the Operation Agreement with the County, Republic shall consult with TRG as to the scope, capabilities, design and capital requirements of the MRF development project.

ARTICLE 7. TRG PAYMENTS TO REPUBLIC FOR DELIVERY OF WASTE TO COUNTY FACILITIES

7.1 General.

TRG shall deliver Waste to the County Facilities from two sources: (a) all Committed County Waste and all Committed City Waste that TRG and its Affiliates collect under any Franchise Agreements with the County and Committed Cities; and (b) Waste generated and collected by TRG and its Affiliates in Sonoma County that is not collected or generated by TRG or its Affiliates pursuant to any Franchise Agreements. The Parties anticipate that the Operations Agreement will specify a formula and process to determine the specific amount of Scale House Fees for Committed County Waste and Committed City Waste delivered to the County Facilities.

Republic will charge TRG, its Affiliates and other haulers of Committed County Waste, Committed City Waste, Third Party Waste and Self Haul Waste Scale House Fees for each Ton or unit of Waste (i.e. including but not limited to Green Waste, Organic Materials, Construction and Demolition Debris, Food Waste, Special Waste and other Waste) delivered directly to the Landfill, the Material Recovery Facility and Transfer Stations. These tipping fees will be agreed upon by the County and Republic or independently established by Republic pursuant to the

Operations Agreement and represent the consideration to Republic for the obligations assumed by Republic as part of that Operations Agreement. Republic will not charge TRG for the Disposal of residual from TRG's C&D processing at County Facilities.

7.2 Payment of Scale House Fees.

Republic will charge TRG, and TRG will pay Republic, a Scale House Fee for each Ton of Waste delivered by TRG directly to the Landfill, the Material Recovery Facility or any Transfer Station. Waste delivered by TRG to one of the County Facilities and transferred by TRG to another County Facility shall not be charged a second Scale House Fee. The Scale House Fees will be established in accordance with the Operations Agreement and flow commitment agreements between the County, Cities and Republic. The Scale House Fees will contain a Service Fee Component that will be retained by Republic as consideration for its services under the Operations Agreement and a Government Fee Component and Concessions Fee Payment that will be collected by Republic as part of the Scale House Fees and remitted by Republic to the County or other Governmental Authority as provided in the Operations Agreement. The Scale House Fees will be adjusted from time to time in accordance with the Operations Agreement. To the extent that Republic's consent is required for an increase in any Governmental Fee or Concession Fee, Republic agrees that it will not consent to such increase without the written consent of TRG.

Unless otherwise required under the Operations Agreement, TRG will pay Republic all Scale House Fees applicable to Waste delivered by TRG to any County Facility during a calendar month within 30 days of the receipt of Republic's monthly invoice, which will be generated by Republic within five business days following the close of that month.

The payment by TRG of the Scale House Fee applicable to Waste delivered by TRG to any of the County Facilities is a condition precedent to Republic's obligation to pay TRG any Services Fees with respect to such Waste.

7.3 Establishment of Scale House Fees.

As of the Effective Date of this Agreement, Republic shall charge TRG, and TRG or its Affiliates shall pay Republic, the per Ton Scale House Fee set forth in Exhibit D for the delivery by TRG of Construction and Demolition Debris and for the delivery by TRG of Residuals from any non-County owned transfer stations and materials recovery facilities that are owned or operated by TRG in Sonoma County.

The Scale House Fees set forth in Exhibit D include fees imposed by Governmental Authorities as of the Effective Date and shall be adjusted to reflect changes in these fees from time to time thereafter in accordance with the Operations Agreement. The Scale House Fees shall be subject to the same annual escalators and adjustment factors as applied to the Scale House Fee for Waste under the Operations Agreement.

ARTICLE 8. REPUBLIC PAYMENTS AND OTHER CONSIDERATION TO TRG FOR OPERATION OF COUNTY TRANSFER STATIONS AND MATERIALS RECOVERY FACILITY AND WASTE TRANSPORTATION.

8.1 Payment of Facility Operations Service Fee.

(a) TRG will be paid by Republic a per-Ton Facility Operations Service Fee for TRG's operation of all County Transfer Stations and the Materials Recovery Facility. This Facility Operations Service Fee, together with the TRG Transportation Service Fees, as provided below, and all revenues from the sale of Recyclables and other Materials processed by TRG and its Affiliates through the County Facilities, will be the full, entire and complete compensation due to TRG for furnishing all services, labor, equipment, materials and supplies and to do all other things necessary to perform the services and functions required by TRG pursuant to this Agreement and the Operations Agreement, in the manner and at the time prescribed under these agreements.

(b) As of the Effective Date of this Agreement, and except as provided in Section 8.02, the Facility Operations Service Fee will be $18.55 per Ton for all Waste delivered directly (i.e., not transported from another County Facility) to the Landfill, or any Transfer Station or the Materials Recovery Facility. It is the Parties' intent that TRG shall receive a Facility Operations Service Fee for all Waste delivered directly to the Central Facilities and to the Transfer Stations except as specifically provided in this Article 8.

(c) TRG shall not receive a second Facility Operations Service Fee on Waste that is delivered to any one of the County Facilities that is transferred in whole or in part from any other County Facilities. For example, TRG shall receive a single Facility Operations Service Fee for Waste delivered to a Transfer Station which is then transferred to the Materials Recovery Facility or the Landfill, and where the Residuals from such Waste after Processing are delivered from the Materials Recovery Facility to the Landfill.

(d) TRG shall have the exclusive right to collect Green Waste that is part of Committed County Waste and Committed City Waste and to receive such Green Waste at the Transfer Stations and to transfer such Green Waste to a facility to be designated by the County. Republic may collect the Scale House Fee to be established by the County for Green Waste and pay such fee to the County. TRG shall be paid directly by the County or the Sonoma County Waste Management Authority, and not Republic, for the services TRG provides with respect to the receipt and transfer of such Green Waste from the Transfer Stations to the County's designated Green Waste processing facility.

8.2 Other Consideration. Republic shall accept for Disposal at the Landfill the Residual from the Materials Recovery Facility and from other processing of C&D Debris by TRG at the

Transfer Stations at no charge to TRG provided that TRG paid the applicable Scale House Fee upon the delivery of the Waste that was processed to create the Residual.

8.3 Waste Exempt From Payment of Facility Operations Service Fee.

Notwithstanding Section 8.1, TRG shall not receive a Facility Operations Service Fee for the following Waste delivered to the Transfer Stations, the Materials Recovery Facility or the Landfill:

a. Third Party Waste delivered directly to the Landfill which is not collected under a Franchise Agreement and which is delivered pursuant to a disposal agreement or other arrangement between Republic and such Third Party.

b. Special Waste or Beneficial Reuse Material including Alternative Daily Cover delivered directly to the Landfill.

c. Residuals resulting from TRG's Processing of Source Separated Recyclable Materials outside of any County Facilities, which are charged the Scale House Fee established in Section 7.3 (a) and Exhibit D.

d. Residuals resulting from TRG's Processing of Construction & Demolition Debris for which a Facility Operations Fee shall have previously been charged upon receipt of the unprocessed Construction and Demolition Debris at a County Facility.

e. Residuals resulting from the processing of Construction & Demolition Debris and other material recovery facility Processing Residuals delivered directly to the Landfill for Disposal by M&M and Industrial Carting, and their successors and assigns, and all similarly situated competitors with operations in Sonoma County.

f. Residential and commercial Source Separated Green Waste originating from Self Haul customers or collected pursuant to a Franchise Agreement that is delivered to a Transfer Station or to the Central Facilities by TRG, its Affiliates or any other Entity for Processing and/or composting.

g. TRG shall not receive a Facility Operations Service Fee for Waste and other materials that have originated outside of the County, the receipt of which has been approved by the County pursuant to the Operations Agreement at the Central Landfill.

8.4 Adjustment of Facility Operations Service Fee.

Commencing on the first anniversary of the Effective Date, and annually thereafter, the Facility Operations Service Fee shall be increased by the same percentage as the percentage increase allowed for Contractor Service Fees under the Operations Agreement and otherwise in

accordance with the provisions of Section 11.4 of the Operations Agreement. Under no circumstances shall the Facility Operations Service Fee be decreased if the percentage increase in the CPI is negative, rather in that case there shall be no CPI adjustment for the year in which the index did not increase.

8.5 TRG Transportation Service Fees.

In addition to the Facility Operations Service Fee described in Section 8.1, TRG will be paid by Republic a Transportation Service Fee for each Ton of Waste transported and delivered by TRG from a County Transfer Station to either (a) the Landfill / Central Transfer Station or Materials Recovery Facility or (b) any Alternative Landfill designated in accordance with the Operations Agreement). The intent of this fee is to provide compensation to TRG for its transportation services as distinct from its facility operations services.

If another facility other than the Keller Canyon Landfill is designated as an Alternative Landfill by the County under the Operations Agreement, the Transportation Service Fee will be as mutually agreed upon by the Parties or if Parties cannot reach an agreement, then the Dispute Resolution Procedure outlined in Article 25 shall be implemented.

The Transportation Service Fees vary depending on the facility from which and to which Waste is transported by TRG, and are as follows:

From Transfer Station/MRF	To Landfill/CTS/MRF	To Keller Canyon
Guerneville	$22.98 / Ton	$30.36 / Ton
Sonoma	$17.15 / Ton	$22.15 / Ton
Healdsburg	$20.58 / Ton	$28.56 / Ton
Annapolis	$51.45 / Ton	$56.21 / Ton
Central	$8.00 / Ton*	$22.48 / Ton
Materials Recovery Facility	None due	$22.80 / Ton

*For transportation from the Central Transfer Station to Landfill only.

Should Republic request that TRG transport Food Waste in transfer vans or collection vehicles, at the discretion of TRG, to the Golden Bear Transfer Station in Richmond, California, Republic shall pay TRG a Transportation Service Fee of $15.50 per Ton, subject to adjustment as provided herein.

8.6 Waste Exempt From Payment of Transportation Service Fee.

Notwithstanding Section 8.4, TRG shall not receive a Transportation Service Fee for the following transportation services:

a. TRG's transportation of Residuals resulting from the Processing of Waste from the Material Recovery Facility to the Landfill. The Parties shall agree on a reasonable

Transportation Service Fee in the event that TRG is obligated to transfer MRF Residuals to an Alternative Landfill or alternative disposal facility;

b. Source Separated residential and commercial Green Waste originating from Self Haul customers or collected pursuant to a Franchise Agreement delivered from any of the County Facilities to the Central Facilities or any future composting facilities by TRG, its Affiliates or any other Entity for Processing and/or composting;

c. Source Separated Food Waste will not be received at the Transfer Stations and no Transportation Service Fee shall be due for Source Separated Food Waste delivered to the Central Facility except that TRG shall receive a Transportation Service Fee as provided in Section 5.9, above, for TRG's delivery of commercial Source Separated Food Waste to the Golden Bear Transfer Station or any other out-of-County facility as designed by Republic; and

d. Residuals from TRG's processing of Source Separated Recyclable Materials outside of any County Facility that are delivered to the Central Facility.

8.7 Adjustment of Transportation Service Fee.

These Transportation Service Fees assume a $4.00 per gallon diesel fuel cost and shall be subject to a fuel adjustment (upward or downward) on a quarterly basis (starting with the end of the first full calendar quarter after the Effective Date) equivalent to 0.5% for every ten cent per gallon move (measured as a quarterly average compared to the average price per gallon for the preceding quarter) in the cost of fuel as determined through comparison to the "Retail On-Highway Diesel Price" for California published by the Energy Information Administration of the U.S. Department of Energy. These Transportation Service Fees also assume that material will be delivered in live floor trailers to both disposal facilities. TRG may also use "possum-belly" trailers and receive the same fee if there are facilities and equipment for acceptance of such "possum-belly" trailers at the disposal facilities and if sufficient capacity exists for use of these trailers in the sole discretion of Republic.

In addition to the foregoing quarterly fuel cost adjustment, commencing on the first anniversary of the Effective Date, and annually thereafter, the Transportation Service Fee shall be increased by the same CPI percentage as the increase allowed for Contractor Service Fees under the Operations Agreement and otherwise in accordance with the provisions of Section 11.4 of the Operations Agreement. Under no circumstances shall the Transportation Service Fee (as adjusted under the preceding paragraph) be decreased if the percentage increase in the CPI is negative, rather in that case there shall be no CPI adjustment for the year in which the index did not increase.

8.8 Billing and Payment Procedure.

A. Summary Reports and Payment – Facilities Operations Service Fee. Within 5 business days following the completion of a given month, Republic shall submit

to TRG monthly summaries (the "Waste Summary Report") for applicable Waste, including Green Waste, Organic Materials and Construction and Demolition Debris, delivered by TRG and others to the Transfer Stations or Material Recovery Facility during the prior month for which TRG is entitled to receive a Facilities Operations Service Fee pursuant to this Agreement. Payment shall be made by Republic to TRG, based on the information in the applicable Waste Summary Report, on or before the thirtieth (30^{th}) day of the succeeding month. TRG shall be paid an amount equal to the per Ton Facility Operations Service Fees outlined in Section 8.3 multiplied by the applicable Tons of Waste and Source Separated Recyclables that have paid the then current Scale House Fees at respective Transfer Stations or Landfill scale house, as shown on the applicable Waste Summary Report.

B. Summary Reports and Payment – Transportation Service Fee. Within 5 business days following the completion of a given month, Republic shall submit to TRG monthly summaries (the "Transfer Summary Report") for Waste transported from the outlying County Transfer Stations (those other than the Central Transfer Station) to the Landfill or Central Transfer Station/Material Recovery Facility or, if applicable, an Alternate Landfill, for which TRG is entitled to receive a Transportation Service Fee pursuant to this Agreement. Payment of the Transportation Service Fee shall be made by Republic to TRG, based on the information in the applicable Transfer Summary Report, on or before the thirtieth (30^{th}) day of the succeeding month. TRG shall be paid and amount equal to the per Ton Transportation Service Fees outlined in Section 8.5 for the applicable County Transfer Station times the number of Tons of Waste and Source Separated Recyclables that have paid the then current Scale House Fees delivered to the Landfill, Alternative Landfill or Central Transfer Station/Material Recovery Facility for Processing, as shown on the applicable Transfer Summary Report.

C. Objections to Reports. TRG may object to any component of the Summary Report provided by Republic under Subsections A or B, above, if it does not agree with the information contained in the respective Summary Report. Any objection must be made, if at all, on or before thirty (30) days from the actual receipt by TRG of the respective Summary Report. Both Republic and TRG agree to confer in good faith to try and resolve any disputes over the information reported on the Summary Reports. If the parties cannot reach agreement and settle the dispute involving the respective Summary Report on or before sixty (60 days from the date of actual receipt of the respective Summary Report by TRG, then, at any time thereafter, either Party may exercise its rights under Article 26 Dispute Resolution, below.

D. Delinquency. TRG may deliver to Republic a notice of late payment at any time after the due date of a given monthly Summary Report, as specified in Subsections A or B, when the corresponding payment due, has not been received. Republic's payments shall be deemed delinquent if not paid on such due date.

Following delivery of notice of delinquent payment by TRG to Republic, delinquent sums owed to TRG shall bear interest on the unpaid balance at a rate not to exceed the lesser of one and one- half percent (1.5%) per month or the highest rate permitted under Applicable Law.

ARTICLE 9. INDEMNITY

9.1 TRG Indemnity.

TRG shall indemnify, defend and hold harmless Republic, its direct and indirect parent companies and subsidiaries, affiliates, stockholders, directors, officers, employees, agents and Parties, from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit, of any and every kind and description, whether judicial, quasi-judicial or administrative in nature including, but not limited to, injury to or death of any person and damage to property, costs (including without limit any and all reasonable response, remediation and removal costs), or for contribution or indemnity claimed by third parties (collectively, "Indemnified Claims"), arising out of TRG's or its Affiliates (a) negligent acts or omissions in performing under this Agreement, except to the extent that such Indemnified Claims are attributable the negligent act or omission or willful misconduct of Republic or any of its direct and indirect parent companies and subsidiaries, affiliates, stockholders, directors, officers, employees, agents or Parties; or (b) arising out of the delivery by TRG or its Affiliates, employees, agents or sub-Parties of Exempt Waste or Unpermitted Material to the Landfill, Transfer Stations or Material Recovery Facility; (c) arising out of TRG's breach of this Agreement; or (d) arising from any Environmental Conditions resulting from TRG's or its Affiliates operations of the Transfer Stations or Materials Recovery Facility. This obligation to defend shall include all reasonable attorneys' fees, litigation support expenses, and expert witness fees. The foregoing indemnity is intended to operate as an agreement pursuant to section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, CERCLA, 42 USC section 9607(e) to defend, protect, hold harmless, and indemnify Republic and its officers, employees and agents from liability. This indemnity shall survive termination of this Agreement. TRG shall also indemnify Republic against liability for certain Liquidated Damages as set forth in Sections 5.7 and 9.3.

9.2 Republic Indemnity.

Republic shall indemnify, defend and hold harmless TRG, its direct and indirect parent companies and subsidiaries, affiliates, stockholders, directors, officers, employees and agents, from and against any and all Indemnified Claims, arising out of Republic's or its affiliates (a) negligent acts or omissions in performing under this Agreement, except to the extent that such Indemnified Claims are attributable the negligent act or omission or willful misconduct of TRG or any of its direct and indirect parent companies and subsidiaries, affiliates, stockholders, directors, officers, employees, agents or Parties; (b) or arising out of Republic's breach of this Agreement; or (c) arising from any Environmental Conditions relating to the Landfill or resulting from Republic's or its affiliates operation of the Landfill This obligation to defend shall include all reasonable attorneys' fees, litigation support expenses, and expert witness fees. The foregoing

indemnity is intended to operate as an agreement pursuant to section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, CERCLA, 42 USC section 9607(e) to defend, protect, hold harmless, and indemnify TRG and its officers, employees and agents from liability. This indemnity shall survive termination of this Agreement.

9.3 Other County Liquidated Damages.

As of the Execution Date of this Agreement, the Parties anticipate that the Operations Agreement may provide for liquidated damages to be paid by Republic to the County for various items of non-compliance with the Operations Agreement yet to be described. Should Republic be assessed any liquidated damages under the Operations Agreement apart from potential liquidated damages for the unexcused failure to achieve the diversion goals in the Operations Agreement, which subject is addressed in Section 5.7 of this Agreement, and should such liquidated damages arise from the acts or omissions of TRG or the breach of this Agreement by TRG, then TRG shall defend and indemnify Republic from and against the imposition of such liquidated damages and, at Republic's request, shall reimburse Republic for such liquidated damages or directly pay such liquidated damages to the County.

9.4 Indemnity Claims Notice. Subject to the terms of this Agreement and upon obtaining actual knowledge of a claim for which it is or could be entitled to indemnity under this Article, the Party seeking a defense and/or indemnity from the other Party shall provide written notice to the other Party of such claim in a timely manner (and with such accompanying materials) (the written notice under this Section is referred to as a "Notice of Claim"). A Notice of Claim shall specify, in reasonable detail, the facts known to Party about any claim for which it seeks a defense or indemnity. Notwithstanding the foregoing, the failure to provide (or timely provide) a Notice of Claim shall not affect the rights to indemnification of any Party.

ARTICLE 10. INSURANCE

10.1 Types and Amounts of Coverage.

Each Party to this Agreement shall procure from an insurance company or companies, and maintain in force at all time during the Term the types and amounts of insurance described in Exhibit X ("Insurance Requirements") to the Operations Agreement, which is incorporated herein by this reference.

10.2 Delivery of Proof of Coverage.

On or before the Effective Date, each Party to this Agreement shall furnish the other parties with certificates of each policy of insurance required hereunder. Such certificates shall show the type and amount of coverage, effective dates, and dates of expiration of polices, and shall be accompanied by copies of all required endorsements. The certificates and endorsements

for each policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. All parties shall periodically furnish renewal certificates to the other parties to demonstrate maintenance of the required coverage throughout the Term. Certificates of insurance shall name all other parties to the Agreement as an additional insureds under its respective Comprehensive General Liability policy.

TRG shall comply with the requirements of Section 14.2 and Exhibit X of the Operations Agreement to the extent such requirements are applicable to the Prime Subcontractor (that is, TRG) in Section 14.2, including but not limited to obtaining the types of coverage and limits specified therein, naming the County parties as additional insureds, and providing proof of endorsements and insurance to the County.

Failure to provide the required coverage and proofs of insurance shall be considered a default on the part of Republic and TRG.

ARTICLE 11. SUCCESSORS AND ASSIGNS; ASSUMPTION OF SERVICE FEE OBLIGATIONS.

The terms, covenants and conditions of this Agreement shall apply to and shall bind the successors and permitted assigns of all Parties to this Agreement. No Party to this Agreement shall assign or transfer its rights or obligations under this Agreement to any other Entity, without the prior written consent of all other Parties to this Agreement, which consent may not be unreasonably withheld or delayed by such Party whose approval is being requested. The Party to this Agreement who seeks to assign or transfer any rights or obligations under this Agreement, including, without limitation, an assignment of rights or obligations from one Party to another Entity hereunder arising as a result of an alleged breach or by agreement, shall first receive the written consent of the County to such assignment. Any purported assignment of any rights or obligations hereunder without the express written approval of the County upon a vote by the Board approving such transfer shall be without any force or effect. It is agreed by all Parties to this Agreement that the right to collect Scale House Fees comes with, and cannot be separated from, the obligation to pay TRG the Service Fees, Transportation Fees, and other fees and concessions described herein, and therefore Republic shall use commercially reasonable efforts to obtain the County’s agreement in the Operations Agreement to include this obligation in any contract or agreement it may have in the future with any third party to collect Scale House Fees.

ARTICLE 12. NOTICES.

Any and all notices to be given under this Agreement, or which any Party may desire to give to the other, shall be in writing. Said notices shall be deemed delivered (A) on the date of delivery, when delivered by personal delivery to the other Party's place of business as designated below during regular business hours, (B) within three (3) days of deposit when delivered by deposit in the US mail, as registered or certified mail, return receipt requested, postage prepaid or (C) within one (1) day of deposit, when delivered by deposit with a nationally recognized overnight courier service, for example with Federal Express, United Parcel Service or similar services, and addressed as follows:

A. If to Republic: Notice to Republic shall be addressed as follows:

Operations Manager
Republic Services of Sonoma County
500 Meacham Road
Petaluma, California 94952

and to:

Area President
Republic Services
3260 Blume Dr., Suite 200
Richmond, CA 94806

B. If to TRG: Notice to TRG shall be addressed as follows:

Jim Salyers
TRG Corporation
3417 Standish Avenue
Santa Rosa, CA 95407

Changes of address shall be promptly filed with the other Parties.

ARTICLE 13. WAIVER

The waiver by any Party of any breach or violation of any provision of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach of violation of the same or any other provision. The subsequent acceptance by any Party of any monies which become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other Party of any provision of this Agreement.

ARTICLE 14. OVERRIDING FEDERAL, STATE AND LOCAL LAWS AND PERMITS

The obligations of the Parties in this Agreement are subject to any and all controlling Federal, State and local laws, ordinances and regulations and to any and all requirements contained in any permits and approvals for the Landfill. Should any material obligation or covenant of any Party in this Agreement be determined by a court of competent jurisdiction to be unenforceable by reason of any Federal, State or local law, ordinance or regulation, or should any material obligation of any Party be determined by any Governmental Authorities with jurisdiction over the Landfills to be inconsistent with any permit or approval of the Landfills, then such Party shall not be liable to the other Party for its failure to perform such obligation or covenant; however, in such event, the Party to whom the obligation or covenant is owed that is

no longer being performed may elect to terminate this Agreement without liability to the other Party.

ARTICLE 15. FORCE MAJEURE

No Party shall be in default of its obligations under this Agreement in the event, and for so long as such default is the result of an event of Force Majeure. Notwithstanding the foregoing, the performing Party shall be entitled to terminate this Agreement without further liability to the non-performing Party if the non-performing Party does not re-commence performance within thirty (30) days after the occurrence of the event which initially prevented such performance.

ARTICLE 16. PARTIES IN INTEREST

Nothing in this Agreement, whether express or implied, is intended to confer any rights on any Entity other than the Parties and their representatives, successors and assigns, except as provided herein.

ARTICLE 17. DEFAULT, NOTICE OF CUREAND TERMINATION

If either Party fails or refuses to perform any of its covenants or obligations under this Agreement, the other Party may deliver a written notice of breach of contract ("Notice of Default") to the defaulting Party. Unless the defaulting Party corrects the breach within 30 calendar days of receiving the Notice, or if the default cannot be reasonably cured within 30 calendar days, commences the cure within said 30 calendar day period and thereafter diligently prosecutes the cure to completion, then, at any time until the defaulting Party actually corrects the noticed breach, the non-defaulting Party, at its sole election, may request mediation utilizing an agreed upon third party. Should this not be successful, the non-defaulting Party may seek to terminate this Agreement upon further written notice ("Notice of Termination") to the defaulting Party and to the County. This Notice of Termination shall include a detailed statement of the nature of the alleged default. This Agreement may not be terminated without the express approval of the County by a vote of the Board of Supervisors which approval may include approval of any substitute sub-contractors hereunder or under the Operations Agreement. Upon receipt of County approval, a Notice of Termination shall become effective ten business days after its receipt by the defaulting Party or at the time stated in the Notice of Termination, whichever is later (the "Default Termination Date"); provided, however, that nothing herein shall waive the right of any Party to seek judicial interpretation or enforcement of this Agreement, including the determination of the validity of any such Notice of Termination. In the event that the alleged defaulting Party files suit contesting the termination of this Agreement, then such alleged defaulting Party shall continue to perform its obligations hereunder and this Agreement shall not be terminated unless the Party giving the Notice of Termination can establish that the sooner termination of this Agreement is necessary to avoid irreparable harm.

ARTICLE 18. OBLIGATIONS SURVIVING TERMINATION

Should this Agreement be terminated pursuant to its terms, each Party shall continue to meet its obligations hereunder accruing prior to the Termination Date, including its continuing indemnity obligations. Nothing in this Section shall limit a Party's liability for breach of this Agreement.

ARTICLE 19. APPLICABLE LAW

The interpretation and effect of this Agreement shall be governed by application of the laws of the State of California.

ARTICLE 20. JURISDICTION

Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the Parties agree that this Agreement is made in and will be performed in Sonoma County, California and that venue in any action between the Parties shall be conducted in the Superior Court in and for Sonoma County.

ARTICLE 21. ENTIRETY

The Parties agree that this Agreement represents the full and entire agreement between the Parties with respect to the matters covered herein. This Agreement replaces and supersedes all prior negotiations, representations and promises of each of the Parties, and is intended to be a fully integrated contract. Neither Party has relied on any other statements, representations, promises or commitments of the other Party, except as expressly set forth in this Agreement. This Agreement may only be modified if such modification is in writing and signed by both Parties.

ARTICLE 22. NEGOTIATED AGREEMENT

Each Party represents and warrants to the other Parties that such Party is authorized to execute, deliver and perform this Agreement and that such execution, delivery and performance will not conflict with, or result in any violation of or default under, any material contract or agreement to which such Party is subject. Each Party acknowledges that no other Party or agent or attorney has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter herein to induce another Party to execute this Agreement. The Parties agree that no provisions or provision may be subject to any rule of construction based upon any Party being considered the Party "drafting" this Agreement.

ARTICLE 23. HEADINGS

The headings contained in this Agreement are for descriptive purposes only. The operative provisions of this Agreement are found only in the text of this Agreement.

ARTICLE 24. SEVERABILITY

If any non-material provision of this Agreement is for any reason deemed to be invalid, and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement, which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

ARTICLE 25. ATTORNEYS' FEES

The prevailing Party in any dispute arising hereunder shall be entitled to recover its reasonable attorneys' fees and costs (including expert fees and costs of appeal) from the non-prevailing Party or Parties.

ARTICLE 26. DISPUTE RESOLUTION

The Parties each hereby voluntarily agree that any and all disputes arising out of the terms of this Agreement, their interpretation, and any of the matters herein set forth, shall be subject first to mediation under the auspices of the Judicial Arbitrations and Mediation Service ("**JAMS**") or such other mediation service on which the parties may then agree. If such mediation does not result in the settlement of all matters raised therein, the Parties each hereby expressly and voluntarily agree that any and all disputes not settled in the mediation process arising out of the terms of this Agreement, their interpretation, and any of the matters herein set forth, shall be subject to standard judicial proceedings with Sonoma County as the presiding jurisdiction.

ARTICLE 27. MUTUAL COOPERATION

The Parties agree to work together in a good faith manner, to obtain the cooperation of other Governmental Authorities in Sonoma County, as may be necessary to reasonably fulfill the intent of the parties to this Agreement and its terms.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

REPUBLIC: **REPUBLIC SERVICES OF SONOMA COUNTY, INC.**, a Delaware corporation

By:_____
Name:_____
Title:_____

TRG: **THE RATTO GROUP OF COMPANIES**, a Delaware corporation, for itself and its Affiliates: North Bay Corporation; Rohnert Park Disposal, Inc.; Santa Rosa Recycling and Collection, Inc.; Redwood Empire Disposal, Inc.; Windsor Refuse & Recycling, Inc.; Timber Cove Recycling, Inc.; West Sonoma County Disposal, Inc.; and Redwood Empire Disposal Sonoma County, all California corporations.

By:_____
Name:_____
Title:_____

EXHIBIT A

Material Recovery Facility Description and Operations

A. DESCRIPTION

To fulfill its obligation to provide the Materials Recovery Facility, Republic shall permit, construct and install at the Central Transfer Station the Processing equipment described in the diagram attached to this Exhibit as Exhibit A-1.

The Processing equipment is estimated to Process up to approximately thirty tons per hour depending on which of three different kinds of materials received at the Central Transfer Station are being Processed at any given time:

- Self-haul materials.
- Construction and Demolition Debris.
- Commercial dry route loads.

Recyclables to be sorted include: cardboard, mix paper, mix containers, metal, clean wood, treated wood, roofing, concrete, gypsum, and yard waste. The sorted materials will be either baled or sent loose for wood chipping or composting at another facility.

The Materials Recovery Facility Processing system starts with two receiving or loading stations, a slow speed auger shredder and an in-ground steel belt-loading conveyor. A large portion of the incoming materials will be processed through the shredder. Sorting efficiency will be improved by shredding provided that no large unwieldy or over weight pieces are handled. Shredded materials will fall onto the infeed conveyor and then incline up to feed the elevated sorting belt. All materials picked from the sorting belt will be dropped in a debris box or a large full-sided 25' deep by 14' high by 11' wide bunker. The sort belt includes seven large full size bunkers and 3 smaller drop chutes feeding 5 to 7 yard boxes. Each of the seven full size bunkers can be re-configured to handle multiple items. The system also includes two separate multi-level fines screens to insure maximum collection of fines for use as ADC (alternate daily cover) at the landfill. The design includes a mixed paper screen to improve the efficiency in collecting mix paper from the commercial routes.

The Processing equipment included in the system will be supplied by American Pulverizer / Hustler Conveyors (shredder, sort belts and screens) and Harris Equipment (baler). Western Baler and Conveyor is the local representative for both suppliers and will provide installation.

The processing equipment to be purchased and installed by Republic shall include, but not necessarily be limited to, the following items:

60” wide x 14’ long Flat Belt Shredder Discharge Conveyor with hopper
60” wide x 28’9” long Flat Belt Conveyor with hopper
72” wide Double Deck Fines Screen with supports and chutes
72” wide x 40’ 3/8” plate, 9” pitch Double Beaded Overlapping Pan Conveyor with pit plates and chute
72” wide x 47’ 3/8” plate, 9” pitch Double Beaded Overlapping Pan Conveyor with hopper and chute
66” wide x 127’ Flat Belt Sort Conveyor with side extensions and gravity take-up
17’6” wide x 108’ long Sorting Platform with chutes, stairs and bunker walls (bunker wall extensions by others)
72” wide Double Deck Fines Screen with supports and chutes:
30” wide x 40’ long Flat Belt Conveyor with hopper, magnetic head pulley and splitter chute
Control Panel
8 bunker wall extensions.
Mixed Paper screen with infeed and discharge conveyor.

The particular equipment to be installed will be as follows:

American Pulverizer Model SRS-36x156 Auger Shredder for size reduction to 18-24”minus and metered feeding.
Hustler 72” wide double deck fines screen,
Hustler 72” wide steel belt infeed conveyors.
108’ long x 66” wide Hustler sort belt and platform with eight 11’ wide (one is 30’ wide for push through to the transfer trailer hole), 23’ deep, 14’ clear height and fully skinned for debris box or bulk loading.
Mix paper screen with infeed and discharge conveyors. Note, main sort line includes a reversing conveyor to direct materials to either the mix paper screen or on down to sorting line to further sort positions.
Second Hustler 72” wide fines screen with fines take-away conveyor with magnetic head pulley for nails.
Harris Gorilla two ram baler, Model Gorilla 100-S4-13/9

The current estimate of the cost of sort line equipment for the Materials Recovery Facility is included for reference purpose only and Republic shall be responsible for the cost of the equipment at the time of purchase. Republic shall also be responsible for all design costs, sales taxes, shipping and other expenses associated with the purchase and installation of the equipment. The parties have mutually selected the equipment manufacturers, suppliers and installers and have agreed on the specific equipment to be installed to complete construction of the Materials Recovery Facility; provided, however, the parties may agree on substitute equipment of equal or greater quality and efficacy.

Reference the Hustler specification 65007R6 and the Hustler drawing 110112-1R10.

Price sort line installed:
Hustler conveyors. $1,742,800

AP Auger shredder	1,136,100
Hustler mix paper screen	527,030
Harris Gorilla baler	501,350

Republic shall pay all costs of designing, developing, constructing, and equipping the Materials Recovery Facility including all construction costs associated with building the Materials Recovery Facility within the existing facility at the Central Facilities. Construction costs include, but are not limited to, excavation (including the pit) and alterations to the existing building reasonably required for the efficient operation of the Materials Recovery Facility. Republic will install electric power lines to the Processing equipment. TRG will pay for daily utilities, including electricity and water usage.

B. OPERATION AND MAINTENCE

TRG will operate the Processing equipment a minimum of 40 hours per week, 5 days a week, 8-10 hours per day, Holidays excepted. TRG may operate the equipment for more than this minimum requirement at its discretion. TRG will use a minimum of 14 pickers on the belt sorting line and shall use more pickers if necessary to meet TRG's annual diversion obligations. TRG shall Process at the MRF all material reasonably deemed suitable for Processing by TRG.TRG shall operate the Processing equipment in accordance with Applicable Law and Prudent Solid Waste Practices as defined in the Operation Agreement.

After the Processing equipment is installed by Republic, TRG will service and repair the equipment in accordance with the manufacture's warranty requirements and other recommendations and instructions, and in accordance with Prudent Solid Waste Practices.

TRG shall provide all labor, supervision, other equipment, materials, supplies, and all other items necessary to perform the Materials Recovery Facility services required under this Agreement. Equipment to be provided by TRG may include, to the extent reasonably required to operate the Materials Recovery Facility, but not be limited to, loaders, forklifts, trucks, transfer vans and trailers, and other rolling stock commonly used in the operation of a transfer station and/or materials recovery facility. Contractor shall provide the required services in a thorough and professional manner so that the Materials Recovery Facility is provided with efficient, reliable, courteous and high-quality operations at all times. All activities of Contractor hereunder shall comply with Law, the Permits (including all mitigation required under all Permits and all environmental approvals relating to the Materials Recovery Facility) and any other applicable regulations and ordinances, as now existing or as they may be later adopted, modified or amended.

EXHIBIT B

TRANSFER STATION OPERATIONS

A. GENERAL

Contractor shall provide all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required under this Agreement. Equipment to be provided by Contractor may include, to the extent reasonably required to operate the Transfer Stations, but not be limited to, loaders, forklifts, trucks, transfer vans and trailers, and other rolling stock commonly used in the operation of a transfer station and/or materials recovery facility. Contractor shall provide the required services in a thorough and professional manner so that the Transfer Stations are provided with efficient, reliable, courteous and high-quality operations at all times. All activities of Contractor hereunder shall comply with Law, the Permits (including all mitigation required under all Permits and all environmental approvals relating to the Transfer Stations) and any other applicable regulations and ordinances, as now existing or as they may be later adopted, modified or amended. Contractor shall be responsible for the operation, maintenance and upkeep of the Transfer Stations as set forth herein. Unless otherwise expressly prescribed, the general standard for maintenance and upkeep shall be to maintain the Transfer Stations in substantially the same condition as in existence as of the Commencement Date, with ordinary wear and tear excepted.

Except for the operations specifically permitted under this Agreement, Contractor shall not engage in any private business, including the display or sale of any salvaged materials, vehicles or other property of Contractor or its employees, or the storage of unrelated or unnecessary equipment, at the Transfer Stations. Contractor shall notify Republic in writing of any material changes in, or to the Transfer Station operations (e.g. equipment type or number, management and employees), prior to the time such material change is implemented, which change shall be subject to Republic's prior written approval, which shall not be unreasonably withheld. Any changes to the operations shall meet the service requirements, performance standards and other terms of this Agreement.

B. WASTE ACCEPTANCE

1. Unloading Areas at Transfer Stations. Contractor agrees to receive all Waste delivered to the Transfer Stations. Contractor shall develop and maintain adequately sized unloading areas at the Transfer Stations for Waste so as to provide a safe and efficient environment for Customers to unload their vehicles. Unloading areas shall be of sufficient design to provide for safe distances between unloading vehicles, enable the queuing of vehicles during peak usage periods and insure that Customers do not have to come into contact with Wastes in order to unload their vehicles. The sufficiency of all unloading areas, including their width, materials, and location shall be at the reasonable discretion of the Republic.

2. Prohibited Material. Contractor shall not accept the following non-permitted wastes at the Transfer Stations: treated wood, asphalt, concrete, hazardous substances, liquid wastes and sludges; septic tank pumping; infectious wastes; putrescible agricultural wastes; tree stumps; concrete slab material; and any other Waste that is restricted by Law or Permits, or that Republic reasonably specifies from time to time as non-permitted. Should any of these non-permitted wastes be discovered on the tipping floor, and the Contractor is unable to identify the owner of the materials, they shall be handled in the following manner:

(a) Treated wood, asphalt, concrete, and tree-stumps, shall be immediately loaded onto an appropriate vehicle and transported to either the Landfill or an alternate disposal site.

(b) Liquid wastes and sludges, septic tank pumping, medical wastes, and putrescible agricultural wastes shall be disposed at a facility that is permitted to accept those types of wastes.

(c) Hazardous Substances shall be sorted and placed into the Hazardous Substances Storage Lockers for removal by Contractor. Only Hazardous Substances are to be stored in the Hazardous Substances Storage Lockers.

3. Hazardous Substances. Contractor will not knowingly allow Hazardous Substances, or any waste described in Paragraph 2 above, to enter any of the Transfer Stations. Contractor shall take all measures necessary to determine the type of Waste being delivered and to ensure that prohibited and Hazardous Substances are not unloaded onto the Transfer Stations' tipping floors. Contractor shall have full authority to reject any prohibited and Hazardous Substances from being unloaded onto the Transfer Stations' tipping floors and to evict any person attempting to deliver and unload non-permitted wastes. Contractor shall coordinate with Republic Staff to refund any tipping fees for any such rejected wastes.

C. SORTING WASTE

1. Recycling. Contractor shall maintain the recycling programs currently in effect at the Transfer Stations and shall sort, stockpile and remove all recyclable materials recovered by Contractor prior to loading Waste into transfer vehicles for disposal.

2. Construction and Demolition Debris Diversion. Construction and demolition debris which is segregated or source separated at the time it arrives at a Transfer Station will remain segregated and initially during the Term until the Materials Recovery Facility is constructed, will be transferred to or processed at C&D processing facility within Sonoma County. Once the Materials Recovery Facility is operational, all such Construction and Demolition Debris shall be processed at the Materials Recovery Facility. Floor operators at Transfer Stations will monitor incoming loads in order to identify segregated or source separated loads and to direct such loads to the C&D stream in order to maximize diversion and ensure implementation of this provision.

3. Prohibited Material. Contractor shall staff the floor of each Transfer Station such that all employees are trained to identify and remove non-permitted and Hazardous Substances discovered on the tipping floor of the Transfer Stations, and who can safely store those wastes in the Hazardous Substance Storage Lockers located at each Transfer Station. Contractor shall arrange for, at Contractor's expense, the removal of the contents of the Hazardous Substances from the lockers at least once every 90 days, or when the material has exceeded the storage capacity of the lockers.

4. Sufficient Equipment. Contractor shall supply and maintain sufficient numbers and types of equipment, as identified in the regular reports to Republic, to ensure ongoing compliance with the State of California minimum standards identified in California Code of Regulations Title 27, Section 21600.

D. LOAD CHECKING PROGRAM

Contractor shall follow the County's Load Checking Program which meets the requirements of applicable Law and Permits. The Load Checking Program shall provide for Contractor s ability and responsibility to reject loads that are discovered to contain Hazardous Substances or Household Hazardous Waste. Contractor shall implement the approved Load Checking Program in a diligent, reasonable and non-discriminatory manner. Contractor shall produce and maintain a load checking form that shall be used to track load checks. Copies of the forms shall be submitted to Republic monthly. Contractor shall utilize suitable temporary storage that is in place at the Transfer Stations for Hazardous Substances and Household Hazardous Wastes which are discovered through the Load Checking Program (or otherwise) in conjunction with Contractor's operation of the Transfer Stations. Contractor shall place such materials on a daily basis in the Hazardous Substance Storage Lockers and have such materials removed, at Contractor's expense, at intervals required by the Permits or applicable Law or more frequently as necessary. The removal and associated expense of handling the contents of the Lockers shall be the responsibility of the Contractor. Ownership or title to such Hazardous Substances or Household Hazardous Waste shall remain with the generator thereof and shall not be deemed to have passed to Contractor or Republic.

E. WASTE REMOVAL

1. Class III Solid Waste. Contractor shall be responsible for the transfer of all Class III Solid Waste from each Transfer Station to the Landfill, or the Central Landfill as may be directed by Republic, as described in Exhibit B.

2. Gray Water. Contractor shall be responsible for removing and transporting the gray water (contact water) from the holding tanks at each Transfer Station, and at the Contractor's expense, by a licensed hauler. Republic shall be responsible for paying the cost of processing or disposal of the gray water at whatever disposal or processing facility to which the gray water is delivered. Contractor shall transport the contents of the tanks to either the Santa Rosa waste water treatment facility or, for the Annapolis Transfer Station, the Gualala waste water treatment facility. When the tanks reach capacity or when notified by Republic,

Contractor shall dispatch a licensed hauler immediately to remove the contents of the tank. The hauler shall arrive at the site with an empty tanker. If the hauler knowingly or negligently allows a substance to contaminate the contents of the gray water tank, such that the combination of liquids cannot be accepted at the waste water treatment plant, the Contractor shall be responsible for, and bear the cost of, alternative disposal.. If the hauler cannot remove all the contents of the tank in a single load, the hauler will make successive trips until all the contents of the tank have been completely evacuated. In the event emergency conditions prevent the Santa Rosa or Gualala waste water treatment facilities from accepting the gray water, Contractor may transport the grey water to the East Bay MUD facility and charge Republic for its extra costs of transporting such gray water up to a maximum of $160 per trip to such facility which maximum amount shall be increased annually by a percentage equal to the Bay Area CPI as that term is defined at Section 7.3 of this Agreement.

F. HAZARDOUS SUBSTANCES STORAGE AND COMPATIBILITY

1. Republic or the County/JPA will supply Hazardous Substances Storage Lockers within which the Contractor shall temporarily store non-dangerous household Hazardous Wastes that Contractor determines can be safely stored.

2. Contractor shall only place in the Hazardous Substances Storage Locker those materials that can be safely stored, based on Contractor's reasonable determination. When determining whether a material can be safely stored, Contractor shall consider the compatibility of the materials stored in the same compartment of the Hazardous Substances Storage Locker, containment features of the Hazardous Substances Storage Locker, ventilation, capacity, etc. In placing materials in the Hazardous Substances Storage Locker, Contractor shall separate materials by hazard class as defined by the federal Environmental Protection Agency, federal Department of Transportation, and the California Occupational Safety and Health Administration.

3. Materials that may be considered for storage in the Hazardous Substances Storage Locker include, but are not limited to: household hazardous wastes (such as cleansers and detergents), sharps, automotive products (such as brake fluid, power steering fluid, antifreeze, etc.), solvents (such as thinners, turpentine, kerosene, acetone), paints (oil and latex based), pesticides (insecticides, fungicides, herbicides), wood preservatives, sealants, and pool chemicals. Used motor oil and oil filters and automotive batteries are to be stored in their respective containers in other locations. All materials temporarily stored in the Hazardous Material Lockers are the financial and regulatory responsibility of the Contractor. The removal and associated expense of handling the contents of the Lockers shall be the responsibility of the Contractor.

4. Republic of the County/JPS will be responsible for the maintenance and upkeep of the Hazardous Substances Storage Lockers. The lockers shall be kept clean, painted, and free of oxidation and penetrations. Vents, doors and locks shall be kept in good working order. Contractor shall be responsible on a daily basis for maintaining the lockers in a clean and orderly fashion. It shall be the Contractor's responsibility to ensure that only materials that are compatible with one another are stored in the same locker.

G. MATERIALS SCAVENGING AND SALVAGING

1. Scavenging. Contractor shall take all steps reasonably necessary and consistent with Prudent Solid Waste Practices to prevent its employees, customers, and any other users of the Transfer Stations from engaging in any materials scavenging activities.

2. Salvaging. Materials salvaging, as approved by the Local Enforcement Agency (LEA), shall be conducted in a planned and controlled manner and shall not interfere with other aspects of the site operation. Salvaged materials that have been pulled from the Transfer Stations' floors shall be temporarily stored in a specified and segregated area so as to minimize the risk of fire, health, and safety hazards, vector attraction, and other hazards and nuisances and shall become the property of the Contractor. Storage areas shall be strategically placed so as not to interfere with solid waste operations. Salvaged materials shall be removed from the operational area daily, or more often as necessary, and at the discretion of the LEA.

H. RECYCLING OPERATIONS

Contractor shall at its expense provide the necessary labor, equipment, tools, supervision, containers, and all other resources to provide required recycling services assigned to the Contractor as defined in Table H-1 below. Contractor shall provide and place sufficient numbers of containers at various locations at each Transfer Station. In the event the Regional Water Quality Control Board or the LEA require that the containers be covered, Contractor shall provide covered containers for no additional cost to Republic. Contractor shall ensure that all materials are kept inside the recycling containers and that full containers are promptly exchanged for empty containers prior to the time that materials overflow the containers. The location, the number, and the type of container to be used for the deposition of recyclable materials shall be approved by Republic. Recycling services at each Transfer Station shall be made available to the public by the Contractor during the hours that each Transfer Station is open to the public.

1. Title to Recyclable Material

   a. Material intended to be recycled and placed in Contractor's containers shall become the property of the Contractor and the Contractor shall gain all rights, legal title, and interest in and liability for such material.

   b. All revenue that Contractor might receive for the sale of the recycled material to a buyer shall be retained by Contractor.

[Continued on next page]

2. Materials to be Accepted

Table H-1
Recyclable Materials Accepted

Site	Glass	Scrap Metal	Mixed Paper	Plastic	Appliances	Batteries	Electronics	Small Engine Equipment	Mattresses	Motor Oil & Filters	Paint	Tires	Wood Pallets	Yard Debris	C&D
Annapolis	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦
Central	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦
Guerneville	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦
Healdsburg		♦					♦		♦			♦	♦	♦	♦
Sonoma		♦			♦		♦		♦			♦	♦	♦	♦

♦Materials accepted by Contractor at each site.

(a) Glass, Metals, Mixed Paper, and Plastics: Contractor shall accept ownership of and store in containers, glass; scrap metal; mixed paper products, including, but not limited to, cardboard, cartonboard, magazines, newspaper, office paper, and telephone books, in an area of the Transfer Station that will not interfere with solid waste operations. Contractor shall remove containers whenever they are full.

(b) Appliances: Contractor shall accept ownership of and be responsible for transport of appliances and other white goods at all Transfer Stations. Republic shall assume responsibility for, and ensure that, all freon and other chemical refrigerant, mercury switches and mercury containing appurtenances, polychlorinated biphenyls (PBCs), lubricating oil, and any other prohibited and toxic material is removed from the appliances prior to transport. Republic shall assume all liability for the proper removal and disposal of all items removed from the appliances in accordance with this Agreement, Law, the Permits and Prudent Solid Waste Practices.

(c) Used Automotive Batteries: Contractor shall accept used automotive batteries that have been transported for recycling by the public. Contractor will not accept automotive type batteries for recycling from commercial haulers, including commercial non-profit dealers, and loads containing more than two (2) batteries. Contractor shall supply and maintain in good working condition non-permeable, leak proof containers fitted with rain-tight lids that shall be used to temporarily store the batteries. Contractor shall ensure that automotive batteries are removed from each Transfer Station by a licensed hauler when the battery containers reach capacity.

(d) Electronics: Electronics and universal waste is a class of Hazardous Substances that includes electronic waste, such as televisions, cell phones, computers, computer monitors, batteries and, florescent bulbs. Contractor shall accept and store universal waste in a designated area adjacent to, but not interfering with, the solid waste operations of each Transfer Station. All universal waste shall be removed from the operational areas weekly, or more often if necessary, by Republic and shall become the responsibility of Republic.

(e) Small Engine Equipment: Contractor shall accept gas-powered small engine equipment, such as lawn mowers, edgers, leaf blowers, chain saws, etc. Prior to accepting such equipment for recycling, Contractor shall check the engine, and any other petroleum containing part, of each item to ensure that all fuels and oil lubricants have been removed.

(f) Mattresses: Contractor shall accept mattresses and transport them to a site that accepts mattresses.

(g) Used Automotive Oil and Filters: Contractor shall accept ownership of all used automotive engine lubricating oils and oil filters from the public. Contractor will not accept automotive engine lubricating oils for recycling from commercial haulers, including commercial non-profit dealers, and loads containing more than five (5) gallons of oil. Waste oil shall be stored in waste oil tanks supplied by Republic. At Guerneville, Healdsburg and Sonoma Transfer Stations, the waste oil tanks are housed in concrete buildings equipped with built-in sump storage to help prevent accidental spills. Contractor shall be responsible for the continuous maintenance of both the storage tanks and the concrete buildings. Contractor shall keep the tanks clean and all gauges and alarms shall be kept in good working condition. The concrete buildings shall be kept clean such that no overspill is allowed to pool on the floor of the building. Doors, vents, and locks shall be kept in good working condition and the buildings shall be maintained to prevent the contents from exposure to outside elements. Contractor shall accept ownership of and be responsible for the storage of used oil and filters. Contractor shall contact Republic when the contents of the waste oil tanks or waste oil filter containers are at two-thirds (2/3) capacity. Republic shall assume responsibility for the removal and transport of all contents of the oil storage tanks and oil filter drums.

(h) Tires: Whole tires accepted at the Transfer Stations shall be removed by Contractor and stockpiled in a designated area. Contractor shall transport all collected tires to a tire recycler at the Contractor's expense.

(i) Wood: Contractor shall accept ownership of, and be responsible for, transport to the Compost Facility of all unpainted, untreated, and clean dimensional lumber, pallets, plywood, siding, and oriented strand board (OSB) for recycling, as described in Exhibit B. [Rick, Does the reference to Ex B still work?]

(j) Yard Debris: Contractor shall collect yard debris and green waste and be responsible for the transport of material for processing to the Compost facility, as described in Exhibit B. [Rick, Does the reference to Ex B still work?]

(k) Construction and Demolition Debris: Construction and demolition debris which is segregated or source separated at the time it arrives at a Transfer Station will remain segregated and will initially during the Term be transferred to or processed at a C&D processing facility within Sonoma County. Once the Materials Recovery Facility becomes operational, all such Construction and Demolition Debris shall be transferred to the Materials Recovery Facility. Floor operators at Transfer Stations will monitor incoming loads in order to identify segregated or source separated loads and to direct such loads to the C&D stream in order to maximize diversion and ensure implementation of this provision.

2. Changes to the List of Accepted Materials.

Republic may request in writing that Contractor accept additional non-hazardous wastes for reuse and recycling that are not specifically set forth above provided that Republic shall reasonably compensate Contractor for any additional costs incurred by Contractor in connection with its receipt of such additional non-hazardous waste. Contractor shall accept these requested additional materials within thirty (30) days of the request in accordance with this Agreement. In addition, Contractor may request that certain accepted materials listed above be deleted. Contractor shall make such requests, in writing, to Republic and include all the reasons for the request and all documentation supporting Contractor's request. Republic shall consider such requests, in its reasonable discretion.

I. OPERATING STANDARDS

1. Litter Control. Contractor shall be responsible for both on-site and off-site litter control as follows:

(a) **On-Site Litter Control:** Contractor shall use reasonable conventional efforts to maintain and keep the Transfer Stations free of litter including adding additional temporary employees to collect litter. Said efforts shall be consistent with Prudent Solid Waste Practices and the requirements of applicable Law, the Permits and governmental authorities. Litter consists of any Waste outside of the unloading or stockpiling areas. Contractor shall be solely responsible for maintaining the Transfer Stations in a clean and sanitary condition and shall be responsible for any public nuisance created as a result of its operations. Contractor shall construct and maintain litter fences during windy conditions to contain blowing Waste.

(b) **Off-Site Litter Control:** Contractor shall be responsible for the prompt removal of litter blown off-site to surrounding properties as well as roads depicted on Exhibit K to the County Operations Agreement. Prior to entering off-site properties to pick-up litter, Contractor shall contact the landowner(s) for permission to enter. If any landowner refuses entry by Contractor, Contractor shall document such refusal and shall not enter the refusing landowner's property unless and until the landowner subsequently gives permission to either Republic or Contractor to enter the subject property.

2. Vector Control. Contractor shall use Prudent Solid Waste Practices to control birds, rodents, insects and other disease carrying or breeding organisms, subject to Law and the Permits. Contractor shall provide any chemical sprays, traps and similar measures approved by local or State agencies to control these pests, whenever necessary.

3. Odor Control. Contractor shall remove all Waste from the Transfer Station floor within the time frames set out in the Solid Waste Facility Permits for each site in order to control odors emanating from the Waste.

4. Dust Control. Contractor shall meet all requirements of applicable Law, the Permits and any applicable governmental authority with respect to dust control and mitigation. Contractor shall maintain all dust control systems existing at the Transfer Stations. Contractor shall provide sufficient equipment and manpower to apply water and/or sweep for the alleviation and prevention of dust that may occur during Contractor's daily operations at the Transfer Stations. Contractor shall post, adhere to and make all reasonable attempts to have Customers adhere to traffic speeds on all on-site unpaved roads of fifteen (15) miles per hour or less. Republic reserves the right to reasonably determine adequacy of Contractor's dust control measures. Notwithstanding the foregoing, Republic's obligations shall not limit or modify Contractor's obligations or responsibility hereunder and Contractor shall have a continuing responsibility to undertake the dust control measures specified herein.

5. Drainage Control. Contractor shall control drainage at each Transfer Station, to the greatest extent possible, in order to minimize the creation of, and prevent uncontrolled off-site migration of, contact water. Republic shall be responsible for maintaining updated SWPPP's for each of the Transfer Stations and the Materials Recovery Facility and shall be responsible for securing storm water samples as may be required by the Regional Water Quality Control Board or other regulatory agencies. Contractor shall be responsible for implementation of BMP's that are operational in nature such as the placement of canvass covers, straw wattles, drains inserts, sweeping and the like. Republic shall be responsible for implementation of BMP's that are structural in nature such as permanent canopies, storm water treatment systems, metal covers to permanent containers or bunkers, and the like. The parties shall work together to control storm water run off in a manner that is consistent with applicable law and the permits for the Transfer Stations and the Material Recovery Facility.

6. Medical Waste. Contractor shall not accept medical waste at any Transfer Station.

7. Noise Control. Contractor shall control excessive noise at each Transfer Station to the greatest extent possible in order to prevent nuisance to nearby residences. Contractor shall discourage the use of "jake brakes" and excessive use of truck air horns. Contractor shall, under no circumstances unless authorized by Republic, operate any of the Transfer Stations before or after the permitted hours of operation.

8. Nuisance Control. Contractor shall ensure that operations at each Transfer Station are conducted in such a way as to not create unnecessary nuisances that might be in

direct conflict with any mitigation measures applicable to such Transfer Station through applicable California Environmental Quality Act environmental review documentation.

9. Sanitary Facilities. Contractor shall provide and routinely maintain, in a clean and sanitary manner, a minimum of one portable toilet at each of the Transfer Stations, on or adjacent to the tipping floor, for the Contractor's employees and for the public.

10. Fire Suppression Water Supply. Contractor will provide and maintain water in the water tanks for the water suppression system at levels not less than three-quarters of total tank volume at all times and at all Transfer Stations.

11. Fire Safety.

(a) Fire Control. Should any fires occur, it shall be the responsibility of Contractor to notify the fire department and Republic immediately and to then use all available methods to control and extinguish such fires.

(b) Smoking. Smoking shall only be permitted in areas specifically designated and approved by Republic, in its sole discretion, for that purpose.

(c) Burning. No burning shall be permitted and Contractor shall use all reasonable means and act in a manner consistent with Prudent Solid Waste Practices to prevent burning of any kind at the Transfer Stations.

12. Required Signage. Republic will provide signage identifying the Transfer Stations, the hours the Transfer Stations are respectively open for the receipt of Waste, rules applicable to the Transfer Stations and signs at the Transfer Station scale houses listing the appropriate Facility Rates, prohibited materials and other information as deemed necessary by Contractor and Republic. Except for the signage to be provided by Republic, Contractor shall be responsible for providing all on-site signage necessary to safely and efficiently direct traffic from the scale houses to the material unloading areas of the Transfer Stations.

J. ACCESS TO THE TRANSFER STATIONS

1. Public Access. No Waste shall be deposited at any Transfer Station by any person at any time that such Transfer Station is not open to the public. Public Hours will be established in accordance with the Operations Agreement but in no event will the hours of operation be less than as set forth on Table 1: Public Hours of Access, below:

Table J-1
Public Hours of Access [add line for Central]

Site	Days	Hours of Access
Annapolis Transfer Station	Wednesday – Saturday	7:00 a.m. to 4:00 p.m.
Guerneville Transfer Station	Monday and Tuesday Thursday – Saturday	7:00 a.m. to 4:00 p.m.
Healdsburg Transfer Station	Monday – Saturday	8:00 a.m. to 4:00 p.m.
Sonoma Transfer Station	Monday – Saturday	7:00 a.m. to 4:00 p.m.

All sites are closed on the following holidays: Thanksgiving Day, Christmas Day, New Years Day, Labor Day, and Independence Day. Republic reserves the right to either shorten or lengthen the daily hours of operation or increase or decrease the number of operating days per year.

2. Contractor Access. Contractor shall have full and unimpaired access to the Transfer Stations. as shall be provided in the Operations Agreement.

K. MAINTENANCE PROGRAM

1. General Cleanliness. Contractor shall maintain all areas of the Transfer Stations, as they are defined in the Transfer/Processing Report (Report of Facility Information), in a neat, litter free, clean, and orderly manner. Contractor shall, to the extent not prohibited by law or regulation, power clean the interior and exterior of each Transfer Station not less often than every five years.

2. Paint. Contractor shall be responsible for washing the Transfer Station buildings. Contractor shall be responsible for the repair and replacement of the external skin of the Transfer Station buildings due to damage that is a result of negligence. Republic shall be responsible for repainting the exterior of the Transfer Stations as may be reasonably required, including repainting in the event that Contractor's power washing of a building causes damage to the exterior paint.

3. Structural. Contractor shall be responsible for maintenance and routine repair of all structural components of the Transfer Station buildings, such as concrete walls, steel posts and girders, loading hoppers, down spouts, and any other external appurtenances that are damaged as a result of industrial activities of the Contractor at the Transfer Stations, or otherwise. Republic shall be responsible for major repairs and replacement of all structural components of the Transfer Station buildings, such as concrete walls, steel posts and girders, loading hoppers, down spouts, and any other external appurtenances that are damaged or otherwise become unserviceable as a result of ordinary wear and tear, casualty or any other

reason other than the negligence of the Contractor at the Transfer Stations. The useful life of a loading hopper shall be presumed to be five (5) years.

4. **Asphalt.** Contractor and Republic shall identify areas of asphalt at the Transfer Stations that require repair or replacement as of the commencement of this Agreement and shall work together to effect such repairs or replacements. Thereafter, Republic shall be responsible for the maintenance and repair of all asphalt turn around areas, landings, driveways and access areas. Contractor shall use street tracks on all track-mounted dozers used at the Transfer Stations and shall use all available means to prevent unnecessary damage to asphalt surfaces when running track-mounted equipment. Extra care should be used when turning track vehicles to minimize damage to those surfaces.

5. **Transfer Station Floors.** Republic will repair the floors of the Transfer Stations to the extent that the wear on the floors is greater than the wear that would normally occur in accordance with Prudent Solid Waste Practices. Contractor shall install and maintain in good working order rubber cutting edges to the front edge of the loader bucket in such a way as to prevent the unnecessary wearing of the transfer station floor surface.

6. **Gray Water Tanks.** Contractor shall clean, on a daily basis, the gray water grate systems located at the front of the Transfer Stations' floors. The systems must be maintained in order to prevent clogging of the gray water collection and distribution infrastructure that would result in the comingling of sites' gray water systems and storm water systems. It shall be the responsibility of Republic that the contents of the gray water tanks meet the acceptability criteria of the receiving waste-water treatment facility. Republic shall pay the disposal costs associated with the gray water directly to the Wastewater Treatment Facility.

7. **Electrical Connections.** Republic shall be responsible for utility connections from the street outside of each Transfer Station to each main electrical box connected directly to service from the street in each Transfer Station and from the electrical box to the scales in each Transfer Station. Contractor shall be responsible for all other electrical connections.

8. **Utilities and Telephone.** Contractor shall pay for all utilities in operating the transfer stations, including electrical and water, and shall maintain a telephone at each of the Transfer Stations at all times. All charges for telephone service installed and/or used by Contractor shall be the sole responsibility of Contractor. In the event a phone line is unavailable, Contractor shall provide a two-way radio or cellular phone at the each Transfer Station.

9. **Sanitary Facilities and Drinking Water for Employees.** Contractor shall provide sanitary facilities for its employees at the Transfer Stations. A well maintained chemical toilet and hand wash facility at each facility is the minimum requirement. In addition, Contractor shall provide on-site potable drinking water for all employees. Republic shall be responsible for any construction and related costs or expenses incurred or to be incurred to comply with ADA or OSHA.

10. Maintenance and Structural Responsibilities. Contractor shall be responsible for the daily upkeep of the Transfer Stations. Republic shall be responsible for all long term maintenance resulting from the passage of time, the reasonable usage of the improvements and ordinary wear and tear of the roads, structures, equipment, utilities, mechanical systems, and tipping floors. The parties shall work together to develop a schedule for required structural repairs at the Transfer Stations. For example, if a hopper is damaged in Contractor's operation of a Transfer Station so that repair of the metal components such as a lid or other metal attachment of the hopper is required, it shall be Contractor's responsibility to undertake such repair. In the event that the structural portion of a hopper is damaged or in the event that any part of the hopper has reached the end of its useful life, then it shall be the responsibility of Republic to repair or replace such hopper.

11. Use of Transfer Stations.

(a) Contractor Cooperation with Republic Construction Projects. Contractor shall cooperate with Republic and Republic's contractors and engineering and operations consultants during any construction projects at the Central Landfill and the Transfer Stations and/or ongoing operations which may be undertaken during the Term of this Agreement. Republic will provide advance notification to Contractor of any construction projects to be implemented (other than those necessitated by emergency), and will work with Contractor to assure operations are reasonably coordinated with construction schedules and activities. Republic will take reasonable measures to ensure that Contractor's operations are not unduly impacted by third party contractors or consultants and Contractor shall take reasonable measures to not impact or interfere with the work of Republic personnel and third party contractors or consultants undertaking such work.

(b) Repair of Damaged Property. Contractor shall have sixty (60) calendar days to repair or replace any property at or related to the Transfer Stations which is damaged by Contractor's operations under this Agreement, excepting structural damage occurring as the result of Contractor's ordinary and proper use of the Transfer Stations. The repair of structural damage arising in the ordinary course of Contractor's operations shall be Republic's obligation. In the event Contractor does not perform its repair or replacement obligations within such sixty (60) day period, or, in the case of repairs that will take longer than thirty (30) days to complete, to commence such repair and pursue such repair until completion, Republic shall have the right (but not the obligation), without further notice to Contractor, to perform such work at Contractor's sole cost and expense. Contractor shall provide written notice to Republic of any required repair within fifteen (15) days of Contractor's having learned of the need for such repair.

(c) Contractor's Right to Existing Facilities. Contractor shall have a non-exclusive license to enter onto the Transfer Stations as specified by the Republic for administrative and daily operations and maintenance of equipment.

(d) Contractor Provided Buildings at the Transfer Stations. Contractor shall have the right and privilege to install portable structures suitable for maintenance of equipment, storage of supplies, employee facilities and office functions. Contractor shall be

responsible for maintenance of such facilities for the full Term of the Agreement. The area(s) for placement of such structures shall be subject to County's approval which will not be unreasonably withheld. Contractor has the right and privilege to lease portable structures for Contractor s use in lieu of constructing facilities. All costs and charges for constructing and/or installing or leasing buildings and facilities at the Transfer Stations and all costs and charges of any utility service furnished to any such building or facility shall be the sole and separate obligation of Contractor. Contractor shall at its own expense have the responsibility of obtaining all necessary building and use permits and approvals, including any and all necessary environmental review, for any building or facility provided by Contractor. The title to any such building or facility shall at all times remain in the name of Contractor; provided that, in the event this Agreement is terminated or completed or if the operations at the property on which the building or facility is located is terminated, Contractor shall offer for sale to the County at Contractor s depreciated book value (as shown on Contractor's most fixed asset listing) any such buildings or facilities the County may wish to acquire. In the event the County does not wish to acquire Contractor s buildings or facilities, Contractor shall remove the buildings and facilities from the premises, clear any part and/or foundation of the same, leave the premises in substantially the same condition as first encountered by Contractor, and shall clear away and remove any furnishings or other personal property, all at Contractor's sole cost and expense. If Contractor fails to comply with the requirements of this section within fifteen (15) days after such termination or relocation of the operations at the property on which the building or facility is located, Contractor shall be deemed to have abandoned the same. The County shall then have the option of taking possession of the remaining buildings, facilities, or personal property; selling the same or any part thereof; retaining the proceeds of its expenses in the matter; or of demolishing the building or facility and any such foundation, furnishings or personal property and disposing thereof. In any case, the County shall be entitled to recover from Contractor the County's expenses incurred in demolishing the building or facilities, foundation, furnishings or personal property and/or disposing of the same. Contractor is expressly advised that nothing contained herein shall be construed as authorizing, nor interpreted as a representation that the County will authorize, the construction, installation or use of any building or facility contrary to applicable Law or any permit, including the applicable provisions of the zoning ordinance, building code, fire code or other applicable ordinances of the County of Sonoma, nor as a representation that the County of Sonoma shall grant any exception or variance from any such ordinance for such purposes.

(e) Areas of No Access. Contractor shall not, without the consent of the County, in its sole discretion, have the right to access, enter or use the Excluded Areas.

(f) Cooperation with Other Contractors, Licensees, Lessees and Vendors. Contractor acknowledges and agrees that various vendors, other contractors, licensees and lessees have certain rights of access and use of the Facilities. Contractor shall not violate the terms of any lease, license or access right of such parties and shall cooperate with all of such vendors, contractors, licensees and lessees and not interfere with their respective rights, use and enjoyment with respect to the Facilities.

L. EQUIPMENT

Contractor shall supply all equipment necessary to handle, push, cover or transfer Waste, maintain on-site roads, provide dust control, perform both on and off-site litter clean-up services, and otherwise perform the requirements of this Agreement. Contractor agrees to provide all necessary labor, parts, fuels, and lubricants necessary to maintain and operate any and all equipment needed to operate the Transfer Stations. With the exception of the Annapolis Transfer Station, fuel and lubricants for the equipment shall be provided using mobile refueling trucks; Fuel and lubricants are not to be stored at the transfer stations. Fueling, lubricating and minor maintenance of equipment shall take place on the transfer station floor only. Fuel and lubricants may be stored at the Annapolis Transfer Station in quantities and containers approved by the Republic. Equipment shall be of sufficient size and quantity to safely and efficiently operate the Transfer Stations and shall comply with Law, the Permits and any and all State and Federal vehicle emissions standards and applicable safety regulations. Contractor is responsible for maintaining equipment which will operate with a minimum of down time. Contractor shall promptly remove all equipment and other property not used in, or necessary for proper operations.

M. LABOR

1. Sufficient Number of Employees. Contractor shall employ and have on duty, during all hours that the Transfer Stations are required to be open, a sufficient number of trained and competent employees.
Contractor s employees shall control dumping at all locations that Wastes are unloaded, control and clean up litter, inspect Waste loads for prohibited materials in accordance with the County's Load Checking Program, and perform other duties as may be required to operate the Transfer Stations, including operation of Contractor s equipment to ensure that all of Contractor s operations are performed in accordance with this Agreement, Law, the Permits and Prudent Solid Waste Practices. Contractor shall have additional labor forces available within 24 hours of severe wind events to provide on-site and off-site litter control as described in Paragraph I(1) above.

2. On-Site Contractor Representative; Employee General Qualifications/Training. At least one of Contractor's employees at each of the Transfer Stations shall be designated as a representative of the Contractor to interact with the County, Republic and Customers, shall be at the Transfer Stations, in each case during all weekday hours of operation and shall be reachable by phone at all times.

3. Employee Clothing. Contractor employees shall wear proper personal protective equipment.

4. Safety Program and Monthly Safety Meetings. Contractor shall develop and maintain a complete safety program. Contractor shall provide documentation to Republic upon request that the safety program is being adhered to by Contractor and Contractor's employees. Contractor shall conduct operations, safety, and Hazardous Substances recognition training meetings at least monthly. The Contractor representative for each Facility shall participate in Republic's site-safety meetings.

5. Hazardous/Unacceptable Material Training. It is recognized that some non-approved materials, including Hazardous Substances, Household Hazardous Waste or medical and infectious waste may occasionally be unloaded by a Customer. Contractor shall train all on-site employees to recognize such unacceptable materials and shall submit copies of Hazardous Material Health and Safety certification or equivalent training documentation for each employee to Republic within two (2) weeks of an employee's on-site employment.

N. HEALTH AND SAFETY

Contractor shall operate the Transfer Stations at all times in a safe and careful manner demonstrating consideration for the health and safety of all persons, employed or otherwise in the Transfer Stations, including the general public. Contractor shall operate equipment in a professional, courteous, and workman like manner and adhere to all Laws, including without limitation, California Code of Regulations Title 22, Section 66264.16 (Personnel Training), California Code of Regulations Title 8, Section 3380 (Personal Protective Devices) and Section 5192 (Hazardous Waste Operations and Emergency Response).

1. Injury and Illness Prevention Program. Contractor shall develop and implement an Injury and Illness Prevention Program, SB-198, in accordance with the requirements of California Code of Regulations Title 8, Section 3203.

2. Training. Contractor shall provide all necessary training to its personnel as required by Contractor's Injury, Illness, and Prevention Plan. Contractor's employees assigned to operations at the Transfer Stations shall be adequately trained in all subjects as they pertain to the operation and maintenance of solid waste facilities, Hazardous Substances recognition, screening, and handling, equipment use, environmental controls, and emergency procedures. Contractor shall be responsible for providing and maintaining records of all such training.

3. Safety. Contractor shall apply all safety measures in accordance with the California Department of Transportation "Manual of Traffic Safety for Construction and Maintenance Zones," California Occupational Safety and Health Administration, and all other applicable safety codes.

4. Emergency Response and Evacuation Plan. Contractor shall provide to Republic an Emergency Response and Evacuation Plan prior to the Commencement Date. Contractor shall develop and maintain the Plan that, addresses, among other things, the steps the Contractor will take in the event of an environmental discharge of any potential pollutants. Contractor shall document and report immediately to Republic, and any relevant local, state, and federal agencies, the discharge of any petroleum product and identify steps taken to clean-up the release.

5. Special Occurrences. Contractor shall develop and complete a Special Occurrence Form and submit completed forms to Republic within 24-hours of the occurrence of an unusual situation at any Transfer Station. An unusual situation would include, but not be limited to: fires; injuries; property damage; accidents; explosions; theft; vandalism; mechanical

failure of any portion of a Transfer Station; environmental incidents such as chemical or liquid spills or the release of Hazardous Substances; flooding; violations, and other concerns. The report shall specify the area of concern, action taken, dates of actions and inspection, when needed by inspectors.

6. Other Provisions. Contractor shall provide all other necessary facilities including, but not limited to: eye wash stations, personal protective equipment, and other items that may be required to comply with California Division of Occupational Safety and Health and Department of Transportation standards, Law or other regulations as applicable.

O. PROTECTION OF THE ENVIRONMENT

1. Spill Prevention, Control, and Countermeasure Plan. Contractor shall provide to Republic a Spill Prevention, Control, and Countermeasure (SPCC) Plan, as applicable, in accordance with 40 CFR 112, prior to the Commencement Date. Contractor shall document and report immediately to Republic, and any relevant local, state, and federal agencies, the discharge of any oil product and identify steps taken to clean-up the release.

2. Contingency Plan. Contractor shall develop a Contingency Plan, in accordance with 40 CFR 109, for the removal of any oil product from the inland navigable waters of the United States and costal and contiguous zone waters. Contractor will develop the Plan within sixty (60) days of the execution of the Agreement. Contractor will not perform any work that is the responsibility of Republic without the verbal/written consent from Republic. Once Contractor receives the verbal/written consent from Republic the Contractor will perform the approved scope of work and will be compensated on a time and materials basis unless a bid price is requested.

3. Spill Kits. Contractor shall provide and maintain spill kits in good working order at all times. The spill kits shall contain any and all materials that Contractor might need to prevent a spill from entering a Transfer Station's storm water system. The kits should be strategically located and with frequency to ensure a timely response to a spill.

P. PERMITS AND LEGAL REQUIREMENTS

The Transfer Stations are subject to Law and Permits. Contractor shall be familiar with and comply with all such Laws and Permits and supporting documents including, without limitation: General Permit to Discharge Storm Water Associated with Industrial Activities, Order No. 97-03-DWQ and supporting documents - Storm Water Pollution Prevention Plans, issued by the California Regional Water Quality Control Board; and Solid Waste Facility Permits and supporting document – Transfer/Processing Reports, issued by the California Integrated Waste Management Board. Contractor shall bear the cost of any fines and re-inspections issued for any violations by the Contractor of any of the terms of any Permits, or any other applicable requirements of Law, and governmental authority. Contractor shall secure, from the applicable Governmental Authority, any and all necessary permits, consents and authorizations for the

performance of work and any site improvements performed by Contractor in conjunction with this Agreement. In the cases when Republic directs Contractor to perform work that is Republic's express responsibility under the Agreement or this Scope of Services, Republic will acquire any necessary permits and reimburse Contractor as provided at Section R, below.

Q. REPORTING AND RECORDKEEPING REQUIREMENTS

1. Reports. Contractor shall comply with all reporting and record keeping requirements of the Operations Agreement.

R. ADDITIONAL WORK DIRECTED BY REPUBLIC

Republic may from time to time during the Term request that Contractor perform additional services related to the operation of the Transfer Stations not specifically identified in this Agreement. Upon Republic's request, Contractor shall offer its opinion on the reasonableness of the requested work and, if there is agreement on performing the requested work, promptly provide a written estimate of Contractor's cost for performing the requested services, with a detailed breakdown of the components of Contractor's projected costs and pricing proposal costs and documentation which reasonably supports Contractor's projected costs. Upon receipt of Contractor's proposal, Republic may, in its sole discretion, deliver a written acceptance to Contractor of its proposal to perform the additional services and the Contractor shall perform such additional services in accordance with Contractor's proposal. Whenever Contractor performs work required hereunder that is the responsibility of Republic with the consent of Republic (or otherwise within Contractor's right to perform such work without the consent of Republic under the terms of this Agreement), then Republic shall compensate Contractor for these services on a time and materials basis or such other agreed upon method in accordance with Contractor's proposal for each individual project.

Exhibit C

Third-Party Disposal Agreements

1. Solid Waste Disposal Agreement dated May 24, 2009 by and between The Ratto Group of Companies, Inc. and Potrero Hills Landfill, Inc.

2. Solid Waste Disposal Agreement dated _____ by and between the Ratto Group of Companies and Recology

Exhibit D

Initial Scale House Fees

TRG and its Affiliates shall pay Republic, the following initial per Ton Scale House Fees, subject to adjustment as provided in the Agreement:

$82.00 per Ton: for the delivery by TRG of Construction and Demolition Debris;

$58.04 per Ton: for the delivery by TRG of Residuals from any non-County owned transfer stations and materials recovery facilities that are owned or operated by TRG in Sonoma County.

EXHIBIT J

EXHIBIT J

Waste Delivery Agreement

PLACEHOLDER

EXHIBIT K

EXHIBIT K

Mutually Expected Major Capital Repairs During the County Facilities Operations Period

Mutually expected major capital repairs include the following projects:

1. Transfer station tipping floor repairs or replacements will be completed on an "as needed" basis. "As needed" defined as when tipping floors have worn to a level where rebar is exposed and is creating a dangerous situation and or operational deficiencies. (Healdsburg transfer station floor repairs will be complete within 12 months of the Effective date.)

2. Overlay access roads on an "as needed" basis. "As Needed" defined as when access roads show distinct signs of wear that can't be patched, sealed or sectioned. (Sonoma's access road will be repaired within 12 months of the Effective Date)

3. Capital improvements to be made to the Guerneville cashier booth within 24 months of the Effective Date. Republic has the discretion to either fix or replace the cashier booth to a configuration that matches up with the above ground scale. The above ground scale will be lowered to ground level only if a cashier booth configuration can't be established to match the above ground scale.

EXHIBIT K

Mutually Expected Major Capital Repairs During the County Facilities Operations Period

Mutually expected major capital repairs include the following projects:

1. Transfer station tipping floor repairs or replacements will be completed on an "as needed" basis. "As needed" defined as when tipping floors have worn to a level where rebar is exposed and is creating a dangerous situation and or operational deficiencies. (Healdsburg transfer station floor repairs will be complete within 12 months of the Effective date.)

2. Overlay access roads on an "as needed" basis. "As Needed" defined as when access roads show distinct signs of wear that can't be patched, sealed or sectioned. (Sonoma's access road will be repaired within 12 months of the Effective Date)

3. Capital improvements to be made to the Guerneville cashier booth within 24 months of the Effective Date. Republic has the discretion to either fix or replace the cashier booth to a configuration that matches up with the above ground scale. The above ground scale will be lowered to ground level only if a cashier booth configuration can't be established to match the above ground scale.

EXHIBIT L

EXHIBIT L

COUNTY'S RESERVED OPERATIONS

1. **Compost Facility License Agreement**, dated as of February __, 2013, by and between the County of Sonoma ("County") and the Sonoma County Waste Management Agency ("SCWMA"), setting forth the terms and conditions of SCWMA's use of County Central Landfill Land as a Compost Facility. SCWMA has a right to allow transport contractor access to Compost Facility for Green Waste transportation services. Incorporated into this Agreement as Exhibit __.
2. **Future Compost Facility Area (Map)**, depicting the site on County's Central Landfill Land designated as the future site of a Future Compost Facility. Incorporated in this Agreement as Exhibit __.
3. **Household Hazardous Waste (HHW) Facility License Agreement**, dated as of _____ __, 2013, by and between the County and SCWMA, setting forth the terms and conditions of SCWMA's use of County Central Landfill Land as a HHW Facility. Incorporated in this Agreement as Exhibit __.
4. **Services Agreement for the Reuse and Recycling Operations at the Sonoma Transfer Station**, dated as of September 27, 2005, by and between the County and Sonoma Garbage Collector, setting forth the terms and conditions under which Sonoma Garbage Collector may operate the Sonoma Transfer Station Reuse and Recycling Center.
5. **Master Agreement for the Compressed Natural Gas Facility; License to County; Use of Landfill Gas; Other Agreements ("CNG Grant")**; dated as of October 1, 2002, by and between the County and the U.S. Department of Transportation, Federal Transit Administration (Grant No. FTA G-9). See attached map for location.

   (a) In connection with the development and use of the equipment and facilities under the CNG Grant at the Landfill, Contractor hereby grants to the County an irrevocable license, coupled with an interest, for access, ingress and egress to the equipment and facilities under the CNG Grant. Under such license, the County may (i) enter upon the Landfill and use, operate, maintain, repair and rebuild the equipment and facilities under the CNG Grant; and (ii) use 100 standard cubic feet per minute (scfm) of Landfill Gas (such Landfill Gas can be extracted from two locations depending on feed gas quality: 1) the 18-inch main header just before the 48-inch knockout vessel or 2) a "dead-end" header on the bench road that serves nine gas extraction wells (V-70.1 to V-75). The term of the license shall be 12 years after the Effective Date.

   (b) County shall be solely responsible for all obligations under the CNG Grant and in connection with such equipment and facilities and, other than maintaining the Landfill Gas fields at the Landfill and its express obligations under this Agreement and allowing the Landfill Gas to be extracted as set forth in this Agreement, Contractor shall have no responsibilities, obligations or liabilities thereunder or in connection therewith. At the conclusion of the 12 year license set forth in Section 5(a) of this Exhibit, County shall have the right to dismantle, remove or transfer title of equipment and facilities associated with the CNG Grant to Contractor, or negotiate County's continued use of said equipment and facilities for a period to be defined.

(c) Except for the CNG Grant, which is separately addressed in this Section 5, Contractor shall allow the equipment, facilities and structures constructed in connection with the Grant Agreements to remain at the Facilities for the useful life thereof.

6. **UNAVCO License Agreement**, dated as of January 31, 2006 by and between the County and UNAVCO, Inc. During the period in which such agreement is effective and the equipment referenced therein is located at the Landfill, Contractor hereby grants to the County an irrevocable license, coupled with an interest, for access, ingress and egress to the equipment and facilities under such agreement. The County shall also be afforded access to the data generated by the equipment installed under such agreement. See attached map for location.
7. **Guerneville Maintenance Facility (Map)**, depicting the site on County's Guerneville Transfer Station Land designated as a maintenance yard for County use. See attached map for location.

EXHIBIT M

EXHIBIT M

Day and Hours of Operations to the Public

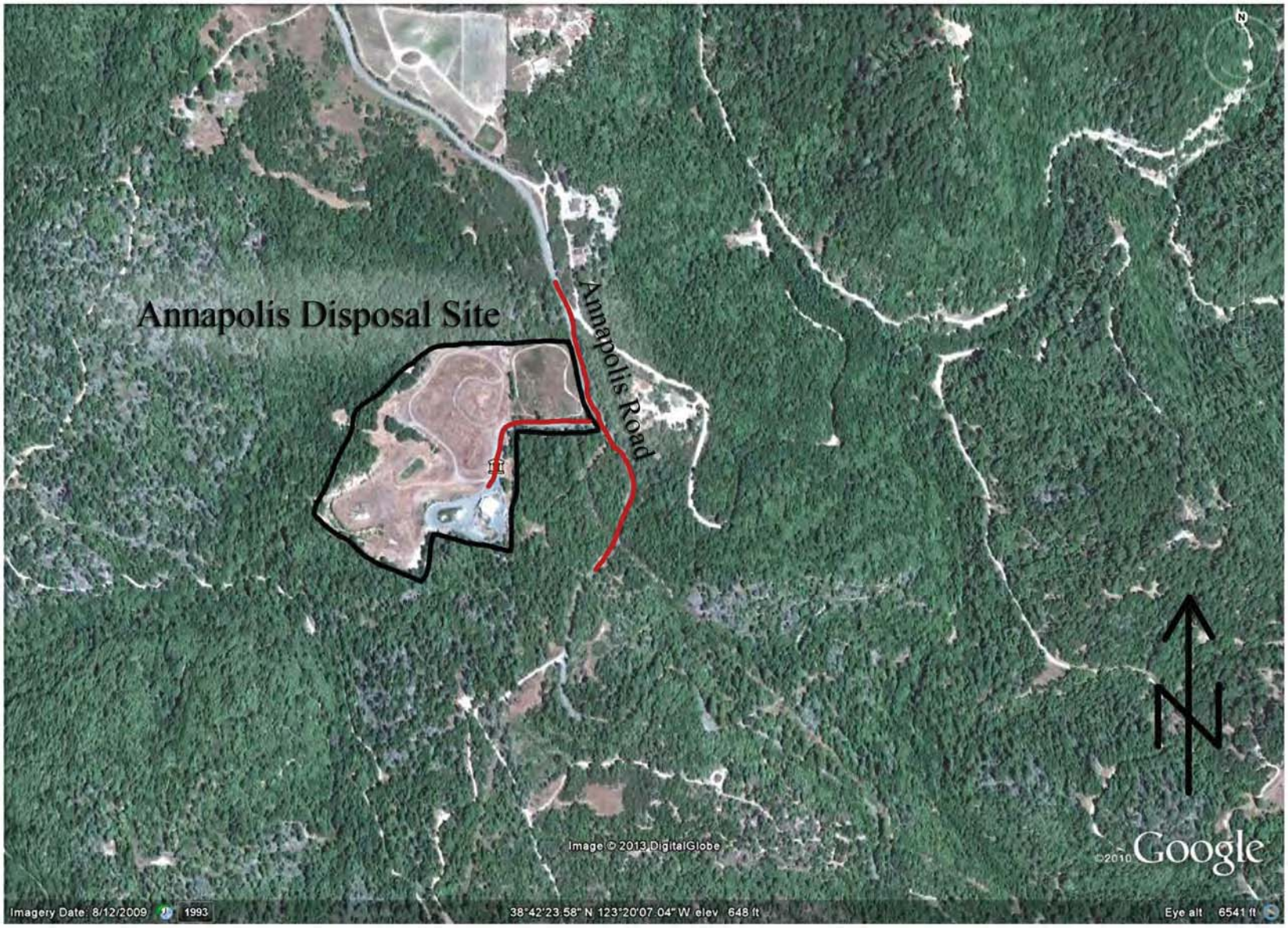
Site	Days	Hours of Access
Annapolis Transfer Station	Wednesday - Saturday	8:00 a.m. to 4:00 p.m.
Guerneville Transfer Station	Monday and Tuesday Thursday - Saturday	8:00 a.m. to 4:00 p.m.
Healdsburg Transfer Station	Monday - Saturday	8:00 a.m. to 4:00 p.m.
Sonoma Transfer Station	Monday - Saturday	7:00 a.m. to 3:00 p.m.
Central Transfer Station	Monday - Saturday	7:00 a.m. to 3:00 p.m.

Contractors Hours of Access

Site	Days	Hours of Access
Annapolis Transfer Station	Daily	6:30 a.m. to 6:00 p.m.
Guerneville Transfer Station	Daily	7:00 a.m. to 5:30 p.m.
Healdsburg Transfer Station	Daily	5:30 a.m. to 6:00 p.m.
Sonoma Transfer Station	Daily	24 - Hours
Central Transfer Station	Daily	6:00 a.m. to 6:30 p.m.

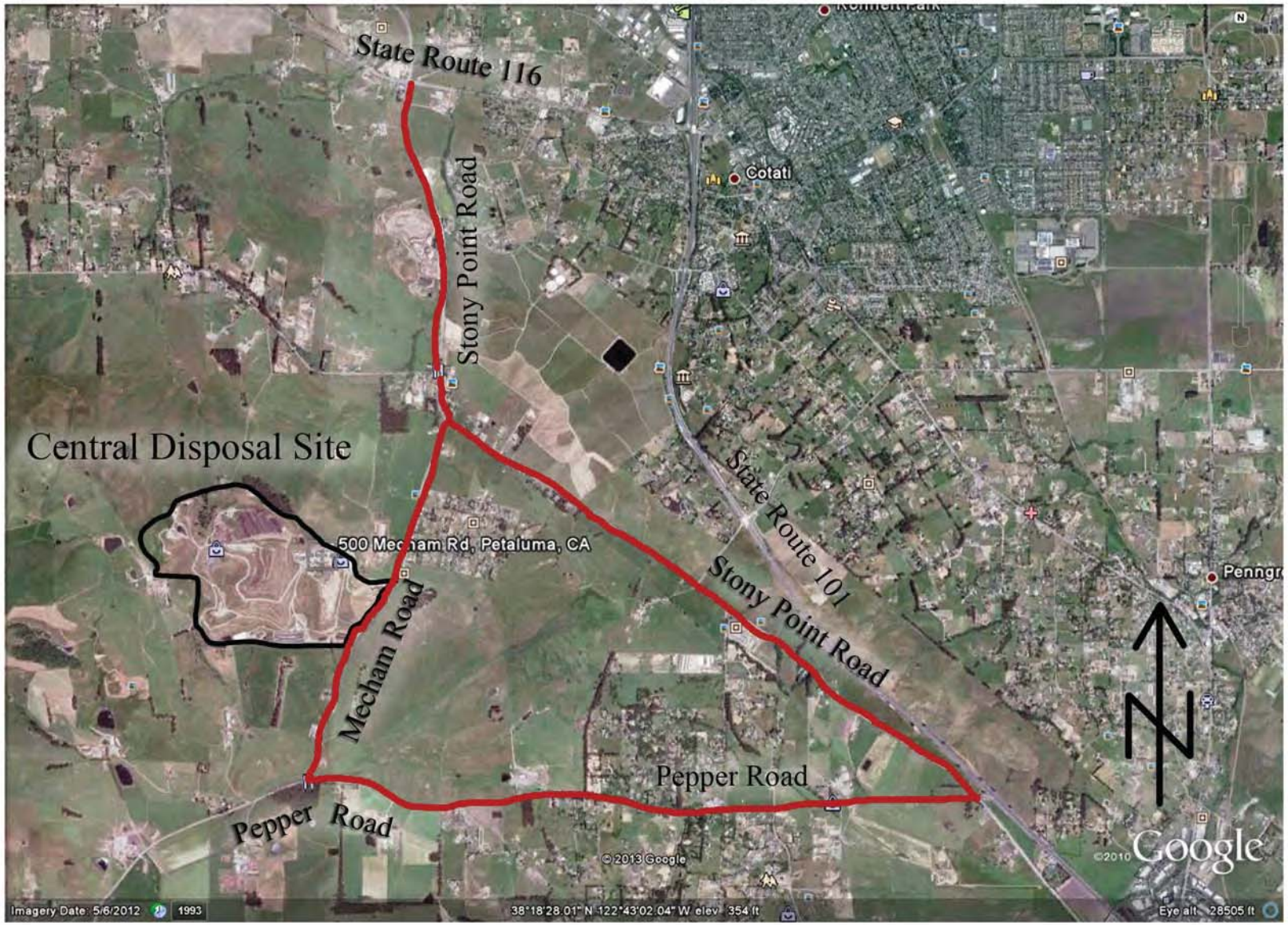
EXHIBIT N

Annapolis Disposal Site
Roadside Litter Pickup by Supervised Adult Crew (SAC Crew)

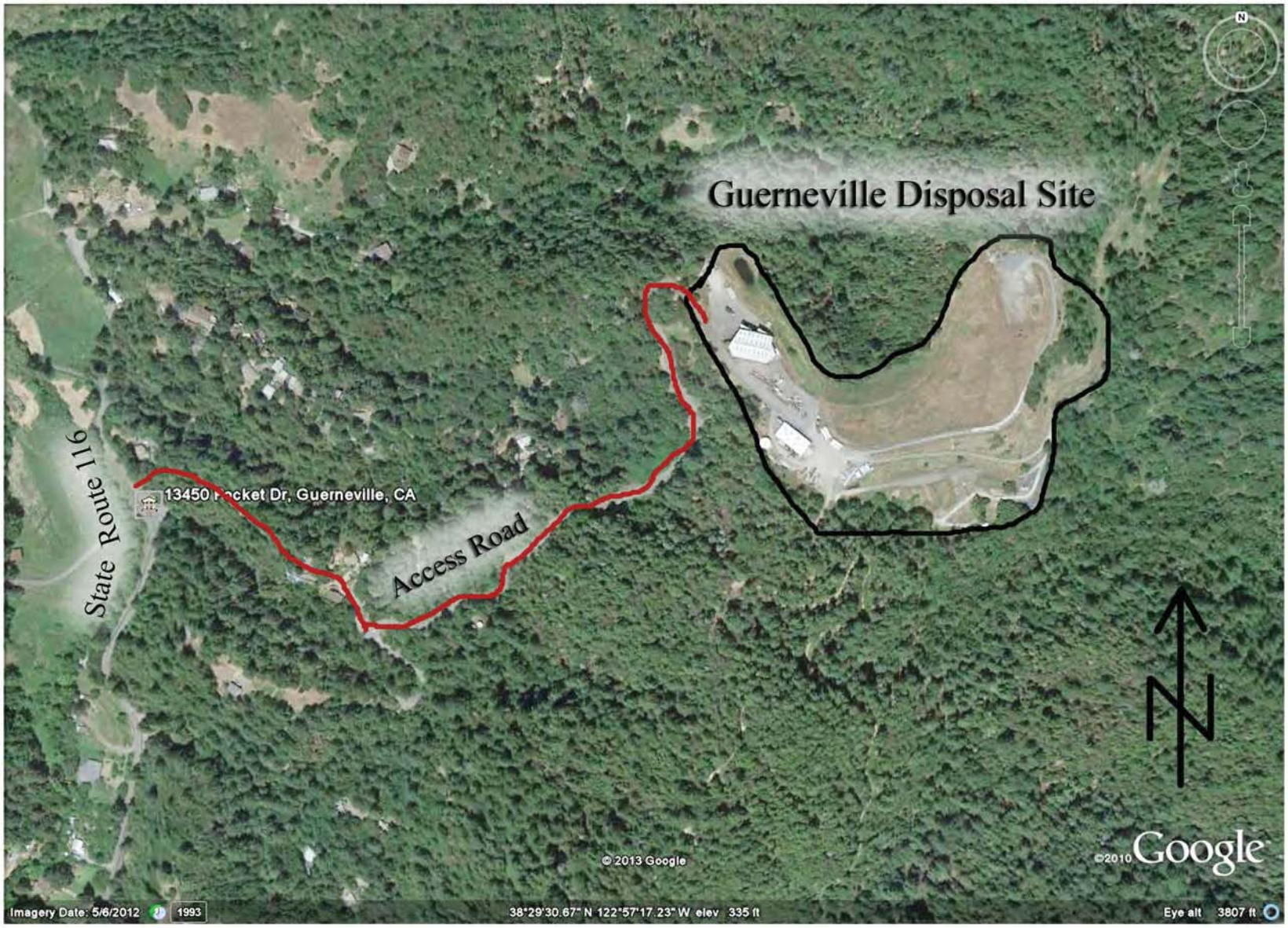


Central Disposal Site

Roadside Litter Pickup by Supervised Adult Crew (SAC Crew)

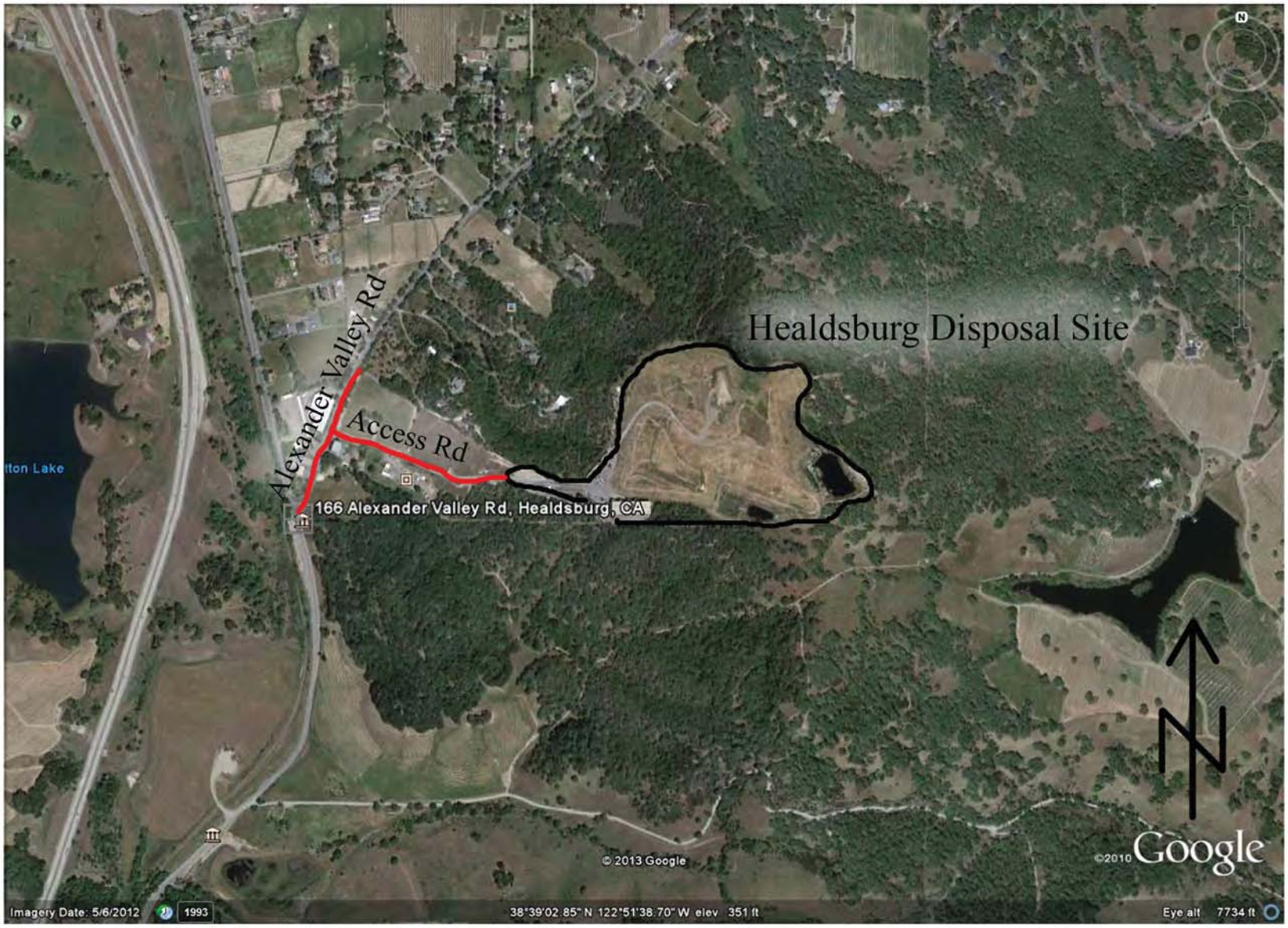


Guerneville Disposal Site
Roadside Litter Pickup by Supervised Adult Crew (SAC Crew)



Healdsburg Disposal Site

Roadside Litter Pickup by Supervised Adult Crew (SAC Crew)



Sonoma Disposal Site

Roadside Litter Pickup by Supervised Adult Crew (SAC Crew)

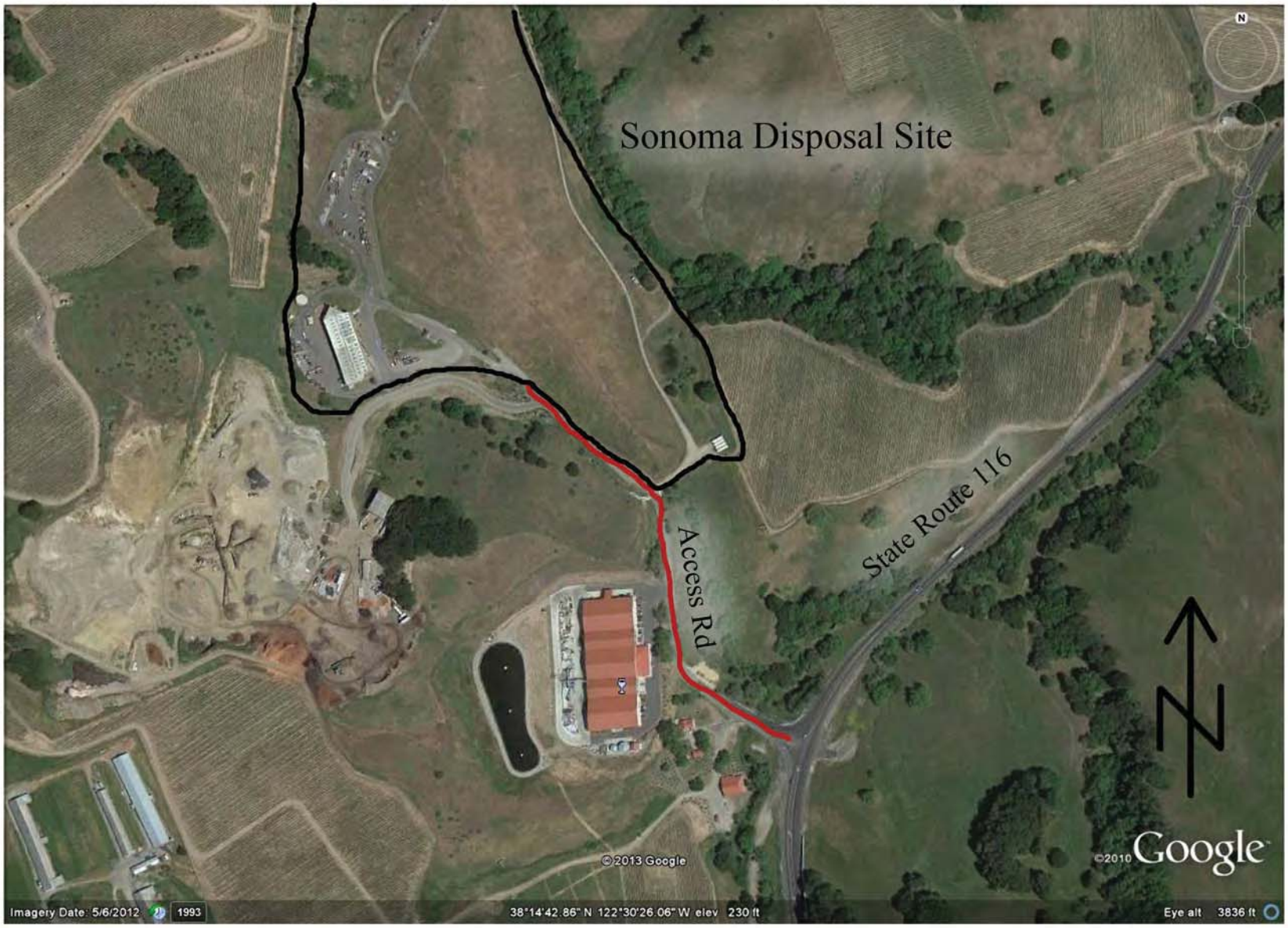


EXHIBIT O

EXHIBIT O

FORM OF QUITCLAIM BILL OF SALE

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned, **THE COUNTY OF SONOMA,** a political subdivision of the State of California ("**County**"), does hereby give, grant, bargain, sell, transfer, assign, convey and deliver to **REPUBLIC SERVICES OF SONOMA COUNTY, INC.**, a Delaware corporation ("**Contractor**"), all personal property (if any) owned by County described in the Schedule attached to this Bill of Sale as Attachment A and incorporated herein by this reference.

To the extent that County has or may have rights to any claims or warranties relating to the individual Properties transferred under this Bill of Sale, such rights and warranties are hereby deemed transferred to Contractor.

SAID PERSONAL PROPERTY IS BEING TRANSFERRED ON AN "AS IS" BASIS, WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, OF ANY KIND WHATSOEVER BY COUNTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ACKNOWLEDGES THAT COUNTY EXPRESSLY DISCLAIMS AND NEGATES, AS TO ALL PERSONAL PROPERTY TRANSFERRED HEREBY: (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY; (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; AND (C) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR MATERIALS.

Without limiting the generality of the foregoing, the obligations of County under this Quitclaim Bill of Sale shall be without recourse to the assets, properties or funds of any affiliate, employee, successor or assign of County or any of their respective affiliates, and no such affiliate, employee, successor or assign shall have any personal liability to Contractor.

EXHIBIT O

	PERSONAL PROPERTY						
ITEM NO	DESCRIPTION	LICENSE NUMBER	VIN/SERIAL NUMBER	YEAR IN SERVICE	HOURS OR MILAGE	PURCHASE ORDER	
89777	PORTABLE AIR MONITORING SYSTEM			Jul-99		8610-0442	
89923	Cat Side Dump Bucket			July-02		8610-0650	
90327	Solar Towable Message Board sn452372			July-04		8610-0937	
90328	Solar Towable Message Board sn452373			July-04		8610-0937	
90329	Solar Towable Message Board sn452374			July-04		8610-0937	
E124	Ford F250	1167550	1FTNX21P44ED66562	2004		8610-0935	
E125	Ford F250	1167555	1FTNX21P64ED66563	2004		8610-0935	
G346	WATER TRUCK	E044908	1HTFLATT3VH442557	Jul-97		050-1-5136/554	(Bid)
G415	FORKLIFT, MID SIZE, 4W/DRIVE		LT1347	Jul-06		8610-1025	
G420	INTERNATIONAL WATER TRUCK	1167195	1HTXHSBR66J261668	2006		8610-1023	
H240	Cat 426 Backhoe		06XN01524	1999		8610-0492	
H248	CAT WHEEL LOADER		4BS00512	Jul-00		8610-0607	
H254	Cat Wheel Loader		6YW00926	2002		8610-0747	
H256	Cat Articulated Truck		AZZ00284	Jul-03		8610-0839	
H258	Cat 14H Motor Grader		ASE00782	Jul-04		8610-0864	
H269	963 Caterpillar Wheel loader		CAT0938GCCRD01701	Jul-06		8610-1022	
H275	Cat 950H Loader		CAT0950HTK5K01165	2007		8610-1108	
H276	Cat Sweeper	1072662	1FVAB6BV07DW94934	Jul-07		8610-1107	
J046	Cat D6 Dozer		NM13283	1999		8610-0512	
J050	EXCAVATOR AND BUCKET		6DR03847	Jul-01		8610-0630	
J057	D9 Cat Tractor Crawler		ABK00766	Jul-03		8610-0818	
J058	963C Cat Track Loader		CAT0963CE2DS03037	Jul-03		8610-0840	
J062	Cat 963D Track Loader		LCS01582	2011		QB110828000	
K218	AERO MULCHER 35 HP		70-695-294	Nov-95		8610-0199	
K239	Allm Towable LightTower - Not Fixed Asset		9511BN4C04	May-00		8610-0603	
K240	Allm Towable LightTower - Not Fixed Asset		A9602BN4C51	May-00		8610-0603	
K255	Snorkle - Manlift		961560	Jul-03		8610-0868	
K258	Rock Mobile Screen System on Trailer		2S91F37U332113030	Jul-04		8610-0909	
K270	JCB Forklift -		SLP93004XE0664597	Jul-06		JPA BPO	
K271	JCB Forklift -		409069088	Jul-06		JPA BPO	
K272	Toyota Forklift		404050316	Jul-06		JPA BPO	
L263	20 x 8 ft Mobile Trailer - Cashiers	1179384	5AKMR1911YRS27157	Jul-04		8610-0914	

EXHIBIT P

EXHIBIT P

List of Employment Openings

Per Section 4.12 of this Agreement, County shall notify the Facility Employees not otherwise expressly retained as County employees by the County that the County will terminate their employment as of the Effective Date of this Agreement ("Impacted Facility Employees"), and Contractor and/or Prime Subcontractor shall notify the Impacted Facility Employees of the job openings, listed below, which will be offered to the Impacted Facility Employees who are then currently performing the same or substantially similar jobs at the County Facilities, subject only to meeting Contractor's pre-employment medical requirements including drug testing. Impacted Facility Employees may apply for the job openings that they qualify for as described below.

Ten (10) Scale House Operators – Disposal Worker I meets the qualifications for these positions

One (1) Scale House Supervisor – Disposal Supervisor meets the qualifications for this position

Two (2) Equipment Operators – Disposal Worker II meets the qualifications for these positions

Two (2) General Laborers – Disposal Worker I and II meet the qualifications for these positions

EXHIBIT Q

EXHIBIT Q

Material Recovery Facility Description and Operations

A. DESCRIPTION

To fulfill its obligation to provide the Materials Recovery Facility, Contractor shall permit, construct and install at the Central Transfer Station substantially similar processing equipment to the equipment described in this Exhibit.

The processing equipment is estimated to process up to approximately thirty tons per hour depending on which of three different kinds of materials received at the Central Transfer Station are being processed at any given time:

- Self-haul materials.
- Construction and Demolition Debris.
- Commercial dry route loads.

Recyclables to be sorted include: cardboard, mix paper, mix containers, metal, clean wood, treated wood, roofing, concrete, gypsum, and yard waste. The sorted materials will be either baled or sent loose for wood chipping or composting at another facility.

The processing equipment to be purchased and installed by Contractor shall be substantially similar to the following items:

60" wide x 14' long Flat Belt Shredder Discharge Conveyor with hopper
60" wide x 28'9" long Flat Belt Conveyor with hopper
72" wide Double Deck Fines Screen with supports and chutes
72" wide x 40' 3/8" plate, 9" pitch Double Beaded Overlapping Pan Conveyor with pit plates and chute
72" wide x 47' 3/8" plate, 9" pitch Double Beaded Overlapping Pan Conveyor with hopper and chute
66" wide x 127' Flat Belt Sort Conveyor with side extensions and gravity take-up
17'6" wide x 108' long Sorting Platform with chutes, stairs and bunker walls (bunker wall extensions by others)
72" wide Double Deck Fines Screen with supports and chutes:
30" wide x 40' long Flat Belt Conveyor with hopper, magnetic head pulley and splitter chute
Control Panel
8 bunker wall extensions.
Mixed Paper screen with infeed and discharge conveyor.

The particular equipment to be installed shall be substantially similar to :

American Pulverizer Model SRS-36x156 Auger Shredder for size reduction to 18-24"minus and metered feeding.
Hustler 72" wide double deck fines screen,
Hustler 72" wide steel belt infeed conveyors.
108' long x 66" wide Hustler sort belt and platform with eight 11' wide (one is 30' wide for push through to the transfer trailer hole), 23' deep, 14' clear height and fully skinned for debris box or bulk loading.
Mix paper screen with infeed and discharge conveyors. Note, main sort line includes a reversing conveyor to direct materials to either the mix paper screen or on down to sorting line to further sort positions.
Second Hustler 72" wide fines screen with fines take-away conveyor with magnetic head pulley for nails.
Harris Gorilla two ram baler, Model Gorilla 100-S4-13/9

Contractor may substitute equipment of equal or greater quality and efficacy.

B. OPERATION AND MAINTENCE

Contractor will operate the Processing equipment a minimum of 40 hours per week, 5 days a week, 8-10 hours per day, Holidays excepted, but may operate the equipment for more than this minimum requirement at its discretion. Contractor shall Process at the MRF all material reasonably deemed suitable for Processing by Contractor. Contractor shall operate the Processing equipment in accordance with Applicable Law and Prudent Solid Waste Practices as defined in the Operation Agreement.

Contractor will service and repair the equipment in accordance with the manufacture's warranty requirements and other recommendations and instructions, and in accordance with Prudent Solid Waste Practices.

Contractor shall provide all labor, supervision, other equipment, materials, supplies, and all other items necessary to perform the Materials Recovery Facility services required under this Agreement. Contractor shall provide the required services in a thorough and professional manner so that the Materials Recovery Facility is provided with efficient, reliable, courteous and high-quality operations at all times. All activities of Contractor hereunder shall comply with Law, the Permits (including all mitigation required under all Permits and all environmental approvals relating to the Materials Recovery Facility) and any other applicable regulations and ordinances, as now existing or as they may be later adopted, modified or amended.

Contractor's operations and maintenance described in this Exhibit shall be performed by Contractor's Prime Subcontractor.

EXHIBIT R

EXHIBIT R

COUNTY CONCESSION PAYMENT SCHEDULE

Total Annual Tons	Committed Tons ($/ton)
Less than 200,000 tons	$
200,000 – 225,000 tons	$
225,001 – 250,000	$
250,001 – 275,000	$
275,001 – 300,000	$
300,001 – 325,000	$
325,001 – 350,000	$
More than 350,000 tons	$

NOTES:

- The above rates for the County Concession Payment would be the initial rates starting in 2013. The rates would be adjusted annually by the same percentage increase in the Contractor Service Fee.
- Contractor shall pass through any changes in the County Concession Payment to the Gate Rate.
- The County Concession Payment would start at $_____ for the initial operating year and then be adjusted as necessary to account for the actual tonnage delivered for the previous 12 months.
- If total tons drop below 175,000 tons per year, County has the right to increase the County Concession Payment.
- The above rates would be charged on every ton coming through the County Facilities, including green waste and wood waste, with the following limited exceptions:

    - Beneficial Reuse Material ["Beneficial Reuse Materials" means materials that are incorporated into the operations of the County Facilities in accordance with Applicable Law, including but not limited to material used as or for Alternative Daily Cover, daily or intermediate soil cover, construction of drainage and erosion controls, retaining walls, French drains, sedimentation basins, roads, all weather surfaces, or other non-disposal, beneficial reuse. The term shall not include materials converted for purposes of producing energy or other products.]

    - Special Waste from within the County ["Special Waste" means any solid, liquid, semi-solid, gaseous material and associated containers which would not normally be disposed of by a municipal garbage removal and disposal system, which by way of example would include materials generated as a direct or indirect result of an industrial process or from the removal of contaminants(s) from the air, water or land. "Special Waste" includes any Waste from a non-residential source that includes, but is not limited to any of the following: industrial process waste, pollution control waste, incinerator residues, ash, spent catalyst, coke, sludges; tires, bottom settlements and water from storage tanks, oily silt, gasoline additive residues, tars, oils, grease, contaminated soil, contaminated wood, dead animals, residue, debris, articles from the cleanup of a spill or release of materials listed in this section, and regulated asbestos-containing material as defined in 40 CFR 61.141.]

    - Residuals from any other non-County owned waste processing or transfer station facility within the County

EXHIBIT S

EXHIBIT S

Initial Gate Rate and Contractor Service Fee

Initial Gate Rate:	$_____
Initial Contractor Service Fee:	$104.35
Initial Governmental Fee Component:	$7.50
Waste Management Agency Fee:	$4.50
AB 1220 Fee (State Board of Equalization):	$1.40
Sonoma Local Enforcement Agency (LEA) Fee*:	$0.91
Regional Water Board Fees*:	$0.57
Bay Air Quality Air Districts*:	$0.12
County Concession Payment:	$TBD

*Note:

These costs are not assessed on a per ton basis but rather are lump sum annual estimated costs of each of these governmental agency fees. The initial lump sum estimates are $200,000 for the LEA Fee, $126,000 for the Water Board Fees and $26,000 for the Air District Fees. All fees are divided by an estimated 220,000 annual tons for the first Operating Year of the Agreement.

Contractor shall be responsible for the payment of all Government Fees.

The Initial Contractor Service Fee paid by the County or a Committed City, shall be reduced by $3.60 per ton (as such amount is annually increased by Section 11.4) in the event the Prime Subcontractor (or its Affiliate) is not the County's or a Committed City's designated Franchise Hauler during any portion of the Committed Waste Period, but only with respect to that franchised Solid Waste from a given Committed City or the County which is delivered to the County Facilities by such successor hauler.

EXHIBIT T

EXHIBIT T

WASTE MANAGEMENT AGENCY FEE PAYMENT SCHEDULE

Fee Type	Initial Price Per Ton on all Waste($/ton)	Maximum Price Per Ton on Self Haul Waste ($/ton)
Waste Management Agency Fee	$4.50*	$5.95

NOTES:

- The above rate would be charged on every ton coming through the County Facilities, including green waste and wood waste, with the following limited exceptions:

    - Beneficial Reuse Material ["Beneficial Reuse Materials" means materials that are incorporated into the operations of the County Facilities in accordance with Applicable Law, including but not limited to material used as or for Alternative Daily Cover, daily or intermediate soil cover, construction of drainage and erosion controls, retaining walls, French drains, sedimentation basins, roads, all weather surfaces, or other non-disposal, beneficial reuse. The term shall not include materials converted for purposes of producing energy or other products.]

    - Special Waste from within the County ["Special Waste" means any solid, liquid, semi-solid, gaseous material and associated containers which would not normally be disposed of by a municipal garbage removal and disposal system, which by way of example would include materials generated as a direct or indirect result of an industrial process or from the removal of contaminants(s) from the air, water or land. "Special Waste" includes any Waste from a non-residential source that includes, but is not limited to any of the following: industrial process waste, pollution control waste, incinerator residues, ash, spent catalyst, coke, sludges; tires, bottom settlements and water from storage tanks, oily silt, gasoline additive residues, tars, oils, grease, contaminated soil, contaminated wood, dead animals, residue, debris, articles from the cleanup of a spill or release of materials listed in this section, and regulated asbestos-containing material as defined in 40 CFR 61.141.]

    - Residuals from any other non-County owned waste processing or transfer station facility within the County

EXHIBIT U

EXHIBIT U

FORM OF LEGAL OPINION

County of Sonoma
Department of Transportation and Public Works
2300 County Center Drive, Ste. B100
Santa Rosa, California 95403

Re: Master Operations Agreement for Solid Waste Facilities dated as of _____ ___ 2013 ("Agreement"), by and between the County of Sonoma (the "County"), and Republic Services of Sonoma County, Inc., a Delaware corporation (the "Contractor"); Guaranty dated as of _____, __ 2013("Guaranty") by Republic Services, Inc, a Delaware corporation. ("Guarantor") in favor of County

Gentlemen:

Our firm is counsel to Republic Services of Sonoma County, Inc. and to Republic Services, Inc. (collectively, "Republic").

This letter is provided to you pursuant to Section 12.3.2(G) of Agreement. All capitalized terms not defined herein shall have the same meaning as in the Agreement.

In giving this opinion, we have considered such questions of law and we have examined such documents and instruments and certificates of public officials and individuals who participated in the procurement process as we have deemed necessary or advisable. We have examined the above-referenced Agreement, Guaranty, and the exhibits thereto. We have also examined the following documents:

1. Certificate of Assistant Secretary for Republic Services, Inc., regarding Tim Benter's authority to sign the Guaranty;

2. Certificate of Assistant Secretary for Republic Services, Inc., attaching the articles of incorporation and bylaws of Republic Services, Inc., as amended, and the certificate of qualification to do business in the State of California of Republic Services, Inc.;

3. Certificate of Secretary for Republic Services of Sonoma County, Inc., with attached Exhibit A – resolutions authorizing Mike Caprio to sign the documents;

4. Certificate of Incumbency (Republic Services, Inc.) for Tim Benter;

5. Certificate of Incumbency (Republic Services of Sonoma County, Inc.) for Mike Caprio;

6. Amended and Restated Certificate of Incorporation of Republic Services, Inc., filed in the State of Delaware on July 1, 1998;

7. Certificate of Correction of articles of incorporation of Republic Services, Inc., filed in the State of Delaware on April 26, 1999;

8. Certificate of Amendment of articles of incorporation of Republic Services, Inc,, filed in the State of Delaware on June 15, 1999;

9. Certificate of Designations of Series A Junior Participating Preferred Stock of Republic Services, Inc, filed in the State of Delaware on July 28, 2008;

10. Certificate of Qualification of Republic Services, Inc., whereby the corporation became authorized to transact business in the State of California on October 30, 2000;

11. Amended and Restated Bylaws of Republic Services, Inc., dated as of December 8, 2008;

12. Articles of Incorporation of Republic Services of Sonoma County, Inc.; and

13. Bylaws of Republic Services of Sonoma County, Inc.

In giving this opinion, we have assumed that all information and items submitted to us by parties other than Republic, or reviewed by us, are genuine, accurate, correct and complete, and if not originals, are true and correct copies of originals, and that all signatures on such items are genuine. We have further assumed that Republic has provided us with all contracts, agreements, court orders, judgments, corporate documents and other information that would have any material affect, qualification or bearing on any of our opinions stated in this letter, and in rendering these opinions we have assumed that our client has provided us with all such materials and information.

Subject to the foregoing, we are of the opinion that:

1. Contractor has been duly formed and organized as a corporation under the laws of the State of Delaware and has corporate power to: (a) enter into the Agreement (as defined in the Agreement), and (b) to perform its obligations under the Agreement.

2. Guarantor has been duly formed and organized as a corporation under the laws of the State of Delaware and has corporate power to: (a) own its properties and assets, (b) enter into the Guaranty, and (c) to perform its obligations under the Guaranty.

3. Contractor is qualified to do business and is in good standing in the State of California.

4. Guarantor is qualified to do business and is in good standing in the State of California.

5. The Agreement has been duly authorized by all necessary corporate action on the part of Contractor and the Agreement has been duly executed and delivered by Contractor.

6. The Guaranty has been duly authorized by all necessary corporate action on the part of Guarantor and the Guaranty has been duly executed and delivered by Guarantor.

7. The Agreement constitutes legal, valid and binding obligations of Contractor, enforceable against Contractor in accordance with their respective terms.

8. The Guaranty constitutes a legal, valid and binding obligation of the Guarantor, enforceable against Guarantor in accordance with its terms.

9. All required corporate approvals have been obtained with respect to execution, delivery and performance by Contractor of the Agreement; and to our actual knowledge, based on a reasonable investigation and inquiry the Agreement does not conflict with any agreements

to which Contractor is a party or with any orders, judgments or decrees by which Contractor is bound.

10. All required corporate approvals have been obtained with respect to execution, delivery and performance of the Guaranty; and to our actual knowledge, based on a reasonable investigation and inquiry, the Guaranty does not conflict with any agreements to which Guarantor is a party or with any orders, judgments or decrees by which Guarantor is bound.

11. The execution, delivery and performance of all obligations by Contractor under the Agreement do not conflict with, and are authorized by, the articles of incorporation and bylaws of Contractor.

12. The execution, delivery and performance of all obligations by Guarantor under the Guaranty do not conflict with, and are authorized by, the articles of incorporation and bylaws of Guarantor.

13. The execution and delivery by Contractor of the Agreement do not, to our actual knowledge, based on a reasonable investigation and inquiry, violate any current statute, rule or regulation applicable to Contractor or to transactions of the type contemplated by the Agreement.

14. The execution and delivery by the Guarantor of the Guaranty do not, to our actual knowledge, based on a reasonable investigation and inquiry, violate any current statute, rule or regulation applicable to the Guarantor or to transactions of the type contemplated by the Guaranty.

We are admitted to practice only in the State of California. We do not express any opinion herein concerning the laws of any jurisdiction other than the laws of the California and Delaware. This opinion is furnished solely for your benefit in connection with the transactions referred to in the Agreement and the Guaranty. This opinion is given as of the date of this letter and based on the facts and circumstances in existence as of such date. We assume no obligation to supplement this opinion if any applicable laws change after the date of this opinion, or if we become aware of any facts that might change the opinions expressed above after the date of this opinion.

EXHIBIT V

EXHIBIT V

Recording Requested by and
When Recorded, Return to:

Sonoma County Department of Transportation and Public Works
2300 County Center Drive, Suite B100
Santa Rosa, CA 95403

MEMORANDUM OF AGREEMENT

FOR VALUABLE CONSIDERATION, the County of Sonoma ("Contractor") has entered into a Master Operations Agreement ("Agreement") with Republic Services of Sonoma County, Inc. ("Contractor") pertaining to the operations and closure of Landfill facilities on that certain real property known commonly as 500 Mecham Road, Petaluma, California 94952, as more particularly described in Exhibit A, attached hereto. In that certain Agreement, County has agreed to the following (each capitalized term is as defined in the Agreement):

Upon the Closure Commencement Date, the County shall not: (a) allow additional Waste to be Disposed of on the Landfill without first releasing Contractor from its Closure and Post-Closure Obligations for the Landfill; or (b) conduct any activities on or under the Landfill or in any way disturb the surface or subsurface of the Landfill, including its cap. Without limiting the generality of the foregoing, the County covenants at all times after the Closure of the Landfill to maintain the Landfill footprint as non-irrigated open space, and not to (a) create or place or allow the creation or placement of any structures, roads, water or utility lines on the Landfill, or (b) conduct any earth movement or grading on the Landfill unless required to do so for Closure, Post-Closure or Remediation by a Governmental Authority or (c) in any way damage, disturb, alter or affect the Landfill cover system and other environmental control features used in or for the Closure or Post-Closure maintenance of the Landfill unless required to do so for Closure, Post-Closure or Remediation by a Governmental Authority or as a result of a Third Party Environmental Claim.

IN WITNESS WHEREOF, the undersigned have executed this document so that third parties might have notice of these Restrictive Covenants.

Dated: _____ ___, 2013

CONTRACTOR: REPUBLIC SERVICES OF SONOMA COUNTY, INC.

By_____

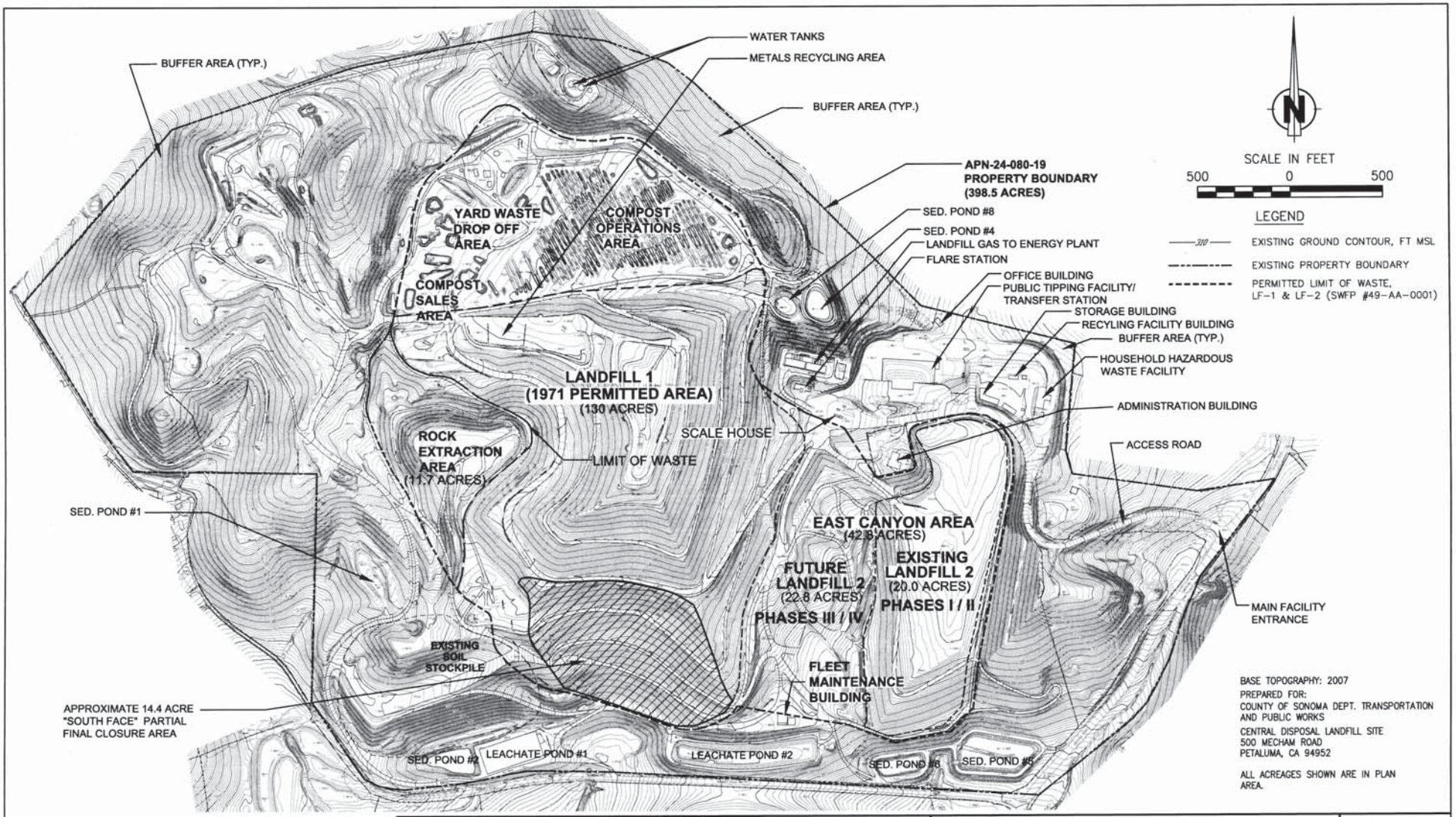
EXHIBIT V

COUNTY: COUNTY OF SONOMA

By: _____
Susan Klassen
Director, Transportation and Public Works

APPROVED AS TO FORM FOR COUNTY:

_____
Sheryl L. Bratton
Assistant County Counsel



SCS ENGINEERS ENVIRONMENTAL CONSULTANTS 6601 KOLL CENTER PARKWAY, SUITE 140 PLEASANTON, CALIFORNIA 94566 PH. (925) 426-0080 FAX. (925) 426-0707 PROJ. NO. 01210155.00 DWN. BY: ATV ACAD FILE: FIGURE 3 DSN. BY: ATV CHK. BY: AAM APP. BY: JJM	COUNTY OF SONOMA, DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS PETALUMA, CALIFORNIA	SHEET TITLE: SITE PLAN PROJECT TITLE: AMENDED JTD SONOMA COUNTY CENTRAL DISPOSAL SITE SONOMA COUNTY, CALIFORNIA	DATE: 11/08/11 SCALE: AS SHOWN FIGURE: 3

EXHIBIT W

DRAFT

THIS DRAFT LC IS PROVIDED TO YOU AT YOUR REQUEST AND THERE IS NO OBLIGATION ON OUR PART DESPITE OUR ASSISTANCE IN THE PREPARATION OF THIS DRAFT LC. THE DRAFT LC IS NOT TO BE CONSTRUED AS EVIDENCE OF COMMITMENT ON OUR PART TO ISSUE OR CONFIRM SUCH LC'S IN THE FUTURE.

****

[-VALUE DATE-
OUR L/C NO.: XXXXXX

TO:
[Insert name]

APPLICANT:
REPUBLIC SERVICES
[APPLICANT ADDRESS]
[APPLICANT CITY/STATE/ZIP]

WE HAVE ESTABLISHED OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR AS DETAILED HEREIN SUBJECT TO ISP98

DOCUMENTARY CREDIT NUMBER:	XXXXXX
DATE OF ISSUE:	-VALUE DATE-
BENEFICIARY:	COUNTY OF SONOMA ("COUNTY") Department of Transportation and Public Works 2300 County Center Drive, Ste. B100 Santa Rosa, California 95403
APPLICANT:	REPUBLIC SERVICES ("CONTRACTOR") [APPLICANT ADDRESS] [APPLICANT CITY/STATE/ZIP]
DATE AND PLACE OF EXPIRY:	_____ AT OUR COUNTERS
DOCUMENTARY CREDIT AMOUNT	USD $3,000,000.00
AVAILABLE WITH:	JPMORGAN CHASE BANK, N.A CHICAGO, ILLINOIS USA BY PAYMENT

ADDITIONAL DETAILS:

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT THE EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE (1) YEAR FROM THE EXPIRATION DATE HEREOF OR ANY FUTURE EXPIRATION DATE, HOWEVER BUT NOT BEYOND _____, UNLESS AT LEAST SIXTY (60) DAYS

PRIOR TO SUCH EXPIRATION DATE WE SEND NOTICE TO YOU BY CERTIFIED MAIL OR HAND DELIVERED COURIER, AT THE ADDRESS STATED ABOVE, THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD.

UPON SUCH NOTICE TO YOU, YOU MAY DRAW ON US AT SIGHT FOR AN AMOUNT NOT TO EXCEED THE BALANCE REMAINING IN THIS LETTER OF CREDIT WITHIN THE THEN-APPLICABLE EXPIRY DATE, BY PRESENTATION OF YOUR DATED AND SIGNED STATEMENT EXACTLY AS FOLLOWS:

THE AMOUNT OF THIS DRAWING, USD ..... UNDER JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT NUMBER XXXXXX REPRESENTS FUNDS DUE US AS WE HAVE RECEIVED NOTICE FROM JPMORGAN CHASE BANK, N.A. OF THEIR DECISION NOT TO AUTOMATICALLY EXTEND LETTER OF CREDIT NUMBER XXXXXX, AND THE UNDERLYING OBLIGATION REMAINS OUTSTANDING.

FUNDS UNDER THIS CREDIT ARE AVAILABLE AT SIGHT WITH JPMORGAN CHASE BANK N.A. UPON PRESENTATION OF THE FOLLOWING:

BENEFICIARY'S SIGNED AND DATED STATEMENT READING AS FOLLOWS:

"COUNTY HEREBY STATES THAT (1) CONTRACTOR HAS DEFAULTED ON AN OBLIGATION IN THAT CERTAIN MASTER OPERATIONS AGREEMENT, DATED AS OF _____ __, 2013, BY AND BETWEEN THE COUNTY AND CONTRACTOR (THE "AGREEMENT"), , (2) THE COUNTY HAS PROVIDED THE NOTICE, IF ANY, TO CONTRACTOR REQUIRED UNDER THE AGREEMENT , (3) ANY APPLICABLE CURE PERIOD HAS ELAPSED SINCE THE DELIVERY BY THE COUNTY OF SUCH NOTICE WITHOUT SUCH DEFAULT BEING CURED, AND (4) THE AMOUNT OF THE DRAFT DOES NOT EXCEED THE AMOUNT OF LOSSES (AS DEFINED IN THE AGREEMENT) ARISING OUT OF, RELATING TO OR CAUSED BY SUCH DEFAULT. THEREFORE, WE HEREBY DEMAND THE AMOUNT OF USD_____ UNDER JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT NUMBER XXXXXX."

WE ENGAGE WITH YOU THAT DOCUMENTS PRESENTED UNDER AND IN CONFORMITY WITH THE TERMS AND CONDITIONS OF THIS CREDIT WILL BE DULY HONORED ON PRESENTATION IF PRESENTED ON OR BEFORE THE EXPIRATION AT OUR COUNTERS AT 131 SOUTH DEARBORN STREET, 5TH FLOOR, MAIL CODE IL1-0236, ATTN: STANDBY LETTER OF CREDIT UNIT, CHICAGO, IL 60603-5506. THE ORIGINAL LETTER OF CREDIT MUST ACCOMPANY THE DOCUMENTS REQUIRED UNDER THIS CREDIT FOR ENDORSEMENT.

THIS LETTER OF CREDIT MAY BE CANCELLED PRIOR TO EXPIRATION PROVIDED THE ORIGINAL LETTER OF CREDIT (AND AMENDMENTS, IF ANY) ARE RETURNED TO JPMORGAN CHASE BANK, N.A., AT OUR ADDRESS AS INDICATED HEREIN, WITH A STATEMENT SIGNED BY THE BENEFICIARY STATING THAT THE

DRAFT

THIS DRAFT LC IS PROVIDED TO YOU AT YOUR REQUEST AND THERE IS NO OBLIGATION ON OUR PART DESPITE OUR ASSISTANCE IN THE PREPARATION OF THIS DRAFT LC. THE DRAFT LC IS NOT TO BE CONSTRUED AS EVIDENCE OF COMMITMENT ON OUR PART TO ISSUE OR CONFIRM SUCH LC'S IN THE FUTURE.

G:\GTScommon\ITB\Common\Jeet Mitra\2012\Drafts Pending\Republic Services_City of Inglewood_JPMC LC Comments_06112012_JM.doc

****

ATTACHED LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED TO THE ISSUING BANK FOR CANCELLATION.

THIS LETTER OF CREDIT IS SUBJECT TO AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES, INTERNATIONAL CHAMBER OF COMMERCE - PUBLICATION NO. 590 ("ISP98"), AND IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF NEW YORK WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

PLEASE ADDRESS ALL CORRESPONDENCE REGARDING THIS LETTER OF CREDIT TO THE ATTENTION OF THE STANDBY LETTER OF CREDIT UNIT, 131 DEARBORN STREET, 5TH FLOOR, MAIL CODE IL1-0236, CHICAGO, IL 60603-5506, INCLUDING THE LETTER OF CREDIT NUMBER MENTIONED ABOVE. FOR TELEPHONE ASSISTANCE, PLEASE CONTACT THE STANDBY CLIENT SERVICE UNIT AT 1-800-634-1969, SELECT OPTION 1, AND HAVE THIS LETTER OF CREDIT NUMBER AVAILABLE.

_____

AUTHORIZED SIGNATURE

EXHIBIT X

EXHIBIT X

Insurance Requirements - Republic Services of Sonoma County Inc. / County of Sonoma – Master Landfill and Transfer Stations Operations Agreement.

Contractor - Required Insurance

Contractor shall maintain, and shall cause the Prime Subcontractor to maintain, the insurance specified below unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*. Contractor shall not commence Construction, nor allow its employees, subcontractors or anyone to commence Construction until the required insurance has been submitted and approved by County and a Notice to Proceed has been issued. Any requirement for insurance to be maintained after termination of this Agreement shall survive this Agreement.

County reserves the right to review any applicable policy endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

Contractor shall promptly notify the County of any Claims or Losses related to this agreement. This report shall include the name and address of all claimants, the nature of the Loss, the date the Loss arose, the amount of the Loss (if known), and the identity of the insurance carriers that Contractor has notified of the claim.

1. **Workers Compensation Insurance & Employers Liability Insurance**
   - **a.** Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
   - **b.** Employers Liability with limits of $5,000,000 per Accident; $5,000,000 Disease per employee; $5,000,000 Disease per policy.
   - **c.** The policy shall be endorsed to include a written waiver of the insurer s right to subrogate against County.
   - **d.** *Required Evidence of Insurance*:
     - **i.** Subrogation waiver endorsement; and
     - **ii.** Certificate of Insurance.

2. **General Liability Insurance**
   - **a.** Commercial General Liability Insurance on a standard occurrence form, no less broad than ISO form CG 00 01.
   - **b.** Minimum Limits: $5,000,000 per Occurrence; $10,000,000 General Aggregate; $10,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance. If Contractor maintains higher limits than the specified minimum limits, County requires and shall be entitled to coverage for the higher limits maintained by Contractor.
   - **c.** Contractor is responsible for any deductible or self-insured retention.
   - **d.** The County of Sonoma, its officers, agents and employees shall be additional insureds for liability arising out of ongoing and completed operations by or on behalf of the Contractor in the performance of this Agreement.
   - **e.** The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.

f. The policy definition of "insured contract" shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard (broad form contractual liability coverage including the "f" definition of insured contract in ISO form CG 00 01, or equivalent).

g. The policy shall be endorsed to include a written waiver of the insurer s right to subrogate against County.

h. The policy shall cover inter-insured suits between County and Contractor and include a "separation of insureds" or "severability" clause which treats each insured separately.

i. *Required Evidence of Insurance*:

- **i.** Copy of the additional insured endorsement or policy language granting additional insured status;
- **ii.** Copy of the endorsement or policy language indicating that coverage is primary and non-contributory;
- **iii.** Subrogation waiver endorsement; and
- **iv.** Certificate of Insurance.

3. Automobile Liability Insurance

a. Minimum Limits: $5,000,000 combined single limit per accident.

b. Insurance shall apply to all owned, hired and non-owned vehicles.

c. The policy shall include an MCS 90 endorsement as required by the Motor Carrier Act of 1980.

d. County shall qualify as an additional insured.

e. *Required Evidence of Insurance*:

- **i.** Copy of the endorsement or policy language indicating that County is an additional insured;
- **ii.** Copy of the MCS-90 endorsement; and
- **iii.** Certificate of Insurance.

4. Pollution Liability Insurance

a. Minimum Limits: $10,000,000 per pollution Incident; $25,000,000 Aggregate. If Contractor maintains higher limits than the specified minimum limits, County requires and shall be entitled to coverage for the higher limits maintained by Contractor.

b. Contractor is responsible for any deductible or self-insured retention.

c. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of work.

d. Insurance shall be continued for five (5) years after termination of this Agreement. If the insurance is on a Claims-Made basis, the continuation coverage may be provided by: (a) renewal of the existing policy; (b) an extended reporting period endorsement; or (c) replacement insurance with a retroactive date no later than the commencement of this Agreement.

e. The County of Sonoma, its officers, agents and employees shall be additional insureds for liability arising out of operations by or on behalf of the Contractor in the performance of this Agreement. County, et al. shall continue to be additional insureds for (5) years after termination of this Agreement.

f. The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.

g. *Required Evidence of Insurance*:

- **i.** Copy of the additional insured endorsement *or* policy language granting additional insured status;
- **ii.** Copy of the endorsement or policy language indicating that coverage is primary and non-contributory;

iii. Subrogation waiver endorsement; and
iv. Certificate of Insurance.

5. Increases in Limits of Insurance
County may periodically require higher policy limits if such increased limits are reasonably available in commercial insurance markets.

6. Standards for Insurance Companies
Insurers shall have an A.M. Best s rating of at least A:VII.

7. Documentation
- **a.** The Certificate of Insurance must include the following reference: Republic Services of Sonoma County, Inc. – Master Operations Agreement.
- **b.** All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Contractor agrees to maintain current Evidence of Insurance on file with County for the required period of insurance.
- **c.** The name and address for Additional Insured endorsements and Certificates of Insurance is: The County of Sonoma, its officers, agents and employees, County of Sonoma, Transportation and Public Works Department, 2300 County Center Drive, Suite B100, Santa Rosa, CA 95403.
- **d.** Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.
- **e.** Contractor shall provide prompt written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.

8. Policy Obligations
Contractor s indemnity and other obligations shall not be limited by the foregoing insurance requirements. The maintenance of claims made against any insurance required of Contractor shall not be considered a waiver by County of any claim, rights or remedies the County may have against Contractor.

9. Material Breach
If Contractor fails to maintain insurance which is required pursuant to this Agreement, it shall be deemed a material breach of this Agreement. County, at its sole option, may terminate this Agreement and obtain damages from Contractor resulting from said breach. Alternatively, County may purchase the required insurance, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance. These remedies shall be in addition to any other remedies available to County.

County - Required Insurance

Builders Risk

With respect to construction work under this Agreement, County shall maintain "All Risk" Course of Construction insurance as follows:

1. Insured property shall include: (1) Real property in Course of Construction; (2) building materials and

supplies intended to be in or on the completed buildings or structures at the construction sites, located at the sites, in storage or in transit, and whether or not owned or paid for by County; (3) fixtures and machinery intended to be in or on the completed building or structures; (4) scaffolding, cribbing, fencing, forms and temporary trailers, while located on the construction sites, in storage or in transit.

2. The limit shall be the full value of the completed construction.

3. Contractor and subcontractors of all tiers shall be additional insureds.

4. Insured perils: All Risks of Direct Physical Damage or Loss, including flood, except as excluded.

5. Contractor shall be responsible for the first $25,000 of the deductible for losses caused by all insured perils except flood. Contractor shall be responsible for the first $50,000 of losses caused by flood.

6. Exclusions may include, but are not limited to:

- **a.** Loss due to wear and tear, moths, vermin, termites, insects, latent defects, gradual deterioration, wet or dry rot, rust, corrosion, erosion or normal settling, shrinkage and/or expansion of buildings or foundations.
- **b.** Loss or damage due to contaminants and/or pollutants. However, fire losses arising directly or indirectly from pollutants or contaminants are covered.
- **c.** Loss of use or occupancy or consequential loss;
- **d.** Liquidated damages and/or penalties for delay or detention in connection with guarantees of performance or efficiency.
- **e.** Loss or damage caused by or resulting from infidelity or dishonesty on the part of any insured or the employees or agents of any insured.
- **f.** Inventory shortage or unexplained disappearance.

7. A copy of County's Course of Construction Insurance, including all policy coverages, conditions and exclusions, shall control in the event of any conflict with the language of this Agreement. Upon request, County will provide a Certificate of Property Insurance.

EXHIBIT Y

LIQUIDATED DAMAGES FOR FAILURE TO MEET SERVICE PERFORMANCE STANDARDS

After complying with the notice procedures required by Section 16.2 (B)(2)(a) of this Agreement, the County may in its discretion, assess liquidated damages for the following specific events:

1. Failure to submit timely or accurate reports, as required by Section 11.9 and other provisions of this Agreement, and as may be required by Applicable Law. County shall provide Contractor with written notice that it considers a report to be untimely or inaccurate. Contractor shall have a 14-day grace period following its receipt of County's written notice to submit the report, and if Contractor fails to do so, County may thereafter assess liquidated damages of $500.00 per day (but not to exceed a total of $5,000) against Contractor until full and accurate reports are submitted to County.

2. Each Day a facility (i.e., Central Landfill, Transfer Station or MRF) is non-operational, beyond an initial 24 hour period, the County may assess liquidated damages of $1,000 per day of non-operation. After 7 days of non-operation, the County may assess liquidated damages of $5,000 per day of non-operation. After 14 days of non-operation, the County may, at its option, consider Contractor in breach of this Agreement and may proceed against the security required by the Agreement to the extent of County's actual damages.

3. Failure to provide a response to a complaint from a member of the public or a customer within 2 business days following Contractor's receipt of the complaint, the County may assess liquidated damages of $500.00.

4. Failure to submit a timely and substantive response to a Governmental Authority issuing a notice of violation to Contractor of any applicable permit conditions or applicable regulations within the Governmental Authority's jurisdiction, the County may assess liquidated damages of $1,000. After 30 days of non-response, the County may consider Contractor in breach of this Agreement and may proceed against the security required by the Agreement to the extent of County's actual damages.

   The liquidated damages set forth in this Exhibit shall be adjusted annually by the change in CPI.

County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

APPROVED
APR 2 3 2013

Agenda Item Number: 46
(This Section for use by Clerk of the Board Only.)

	AYE	NO
GORIN	✓	
RABBITT	✓	
ZANE	✓	
McGUIRE	✓	
CARRILLO	✓	

THE WITHIN INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE

ATTEST: APR 2 4 2013

VERONICA A. FERGUSON, Clerk/Secretary
BY C Woodson
DEPUTY CLERK/ASST SECRETARY

To: Board of Supervisors

Board Agenda Date: April 23, 2013

Vote Requirement: Majority

Department or Agency Name(s):

Staff Name and Phone Number:
Susan R. Klassen, (707) 565-2440

Supervisorial District(s):
All Supervisorial Districts

Title: Regional Solid Waste Planning – Approve Final Master Operations Agreement

Recommended Actions:

1. Adopt a resolution making findings related to the approval of the Master Operations Agreement (MOA) for long-term development, operation and maintenance of County Solid Waste Facilities including the Central Landfill and County Transfer Stations located in Annapolis, Guerneville, Healdsburg, Sonoma and at the Central site; authorizing the Chair to execute the MOA; delegating authority to the Director of Transportation and Public Works to file a Notice of Determination for the Addendum to the Sonoma County Central Disposal Site Improvement Program Final Environmental Impact Report (SCH#1995073068) for the Master Operations Agreement in accordance with the provisions of CEQA and the State CEQA Guidelines and delegating authority to staff to take further actions as necessary to meet the conditions precedent to the effectiveness of the MOA.
2. Authorize the Transportation and Public Works Department to work with Human Resources to administer layoffs in accordance with Civil Service Rule 11 and the appropriate MOU.

Executive Summary:

On April 9, 2013, the Board of Supervisors accepted a presentation from staff on the draft Master Operations Agreement (MOA), took public comment on the draft MOA and gave direction to staff, to 1) make several modifications to the agreement and 2) bring it back to the Board for the Board's consideration for approval. This item requests that the Board approve the final version of the MOA and adopt a resolution making findings required to comply with CEQA and directing the Director of Transportation and Public Works to file the necessary Notice of Determination.

Board Direction to Staff
At the conclusion of the April, 9th presentation the Board gave direction to staff to work to address the following issues associated with the MOA:

1. Add language to the MOA, so that if Republic is asked by the Cities and County collectively, through the Sonoma County Waste Management Agency, to take over the composting operation at the landfill, consideration would first be given to the existing local vendor (Sonoma Compost) before Republic would put a sub-contract out to bid or take over operating themselves. See revised language in Section 7.2.

2. Add an annual reporting and presentation requirement to the MOA, such that Republic will prepare and present an annual report to the Board and the Sonoma County Waste Management Agency on Republic's efforts to reach solid waste diversion targets, reduce landfill disposal, remove commercial food waste from landfill disposal, and other environmental goals set forth in the MOA. See new language in Section 11.9 (E)
3. Address what the process would be to address the $4.50/ton government fee collected to support current SCWMA programs for education, planning and Household Hazardous Waste programs, should the Sonoma County Waste Management Agency's Joint Powers Agreement expire in February 2017. Address what would happen with the fee, and how provisions could be made to continue the programs. See new language in Section 7.8.
4. Address additional visual screening of the Central Landfill site for the landfill neighbors. See new language in Section 5.12.
5. Continue to work diligently to address employee transition issues, including providing every opportunity for displaced employees to land in comparable positions, and providing any job training, if needed.

The Final Master Operations Agreement included as Attachment 1 shows the language changes to address the issues above that are appropriately addressed in the Agreement. County staff will address the employee issues. Since the Draft final MOA was released to the public there have been other miscellaneous items and clarifications which are also shown in the attached redline version of the MOA.

Authorization to Administer Layoffs

There are a total of 26 employees in currently occupied County positions potentially impacted by the transition of the operation to a private operator. Pursuant to Public Resources Code sections 40057, 40058 and 40059, MOA terms have been negotiated which provide for Republic to offer a minimum of 15 positions to current County employees who are in the appropriate job classification for the open positions. Republic is required to initiate their recruitment process for these positions with 14 days of Board execution of the MOA. The job offers will be made subject to the employee meeting Republic's standard pre-employment medical requirements, including drug testing. Qualified employees hired by Republic and/or Ratto shall have employment for minimum of 6 months, unless dismissed for cause.

Many of the 11 remaining employees will be retained by the County to fill vacancies that have been held within the Transportation and Public Works Department in anticipation of this MOA. Employees that do not qualify to retain employment with the County, *and* are not employed by the Contractor, will receive severance pay from Republic Services amounting to two-weeks of base pay per year of County service, up to a maximum of 24 weeks of base pay.

To process the transition of employees, authorization to administer the layoff process is necessary. The Department will work with Human Resources to appropriately notify and administer the layoff process in accordance with Civil Service Rule 11 and the applicable MOU for all incumbents in the affected classifications. Human Resources and the Department will continue efforts to mitigate layoffs to the extent possible.

Brief History of the MOA Process

The MOA is the product of the three-year County City Solid Waste Advisory Group (SWAG) collaborative process between the Cities, the County and a diverse group of public stakeholders. This public process was launched by the County Board of Supervisors in December 2009 to build consensus regarding Sonoma County's long-term solid waste and recycling strategy. The provisions of the Draft MOA have been carefully crafted to accomplish the fundamental goals identified through this comprehensive public process. These goals included creating a system that provides:

1. Increased diversion — decreased landfill disposal
2. Public ownership for "local control" — Private operations for "economic efficiencies"
3. No pre-set volume (put-or-pay) disposal commitments — Supports increased diversion and local flexibility
4. Long term liability relief for closure, post-closure, and unforeseen environmental liabilities at the Central Landfill site
5. A sustainable rate model that works with high levels of waste diversion
6. In-county landfill to end reliance on outhaul export of Sonoma County trash
7. Quantifiable greenhouse gas (GHG) reductions
8. Ongoing funding for education, household hazardous waste, and other programs
9. Ongoing funding source for closed county landfill sites

The participants in the SWAG process recognized the significant challenges facing Sonoma County to make the necessary enhancements to our current system to accomplish the policy goals of protecting the environment, increasing diversion, managing our own waste stream in-county, addressing long-term liability and doing all of this on a cost effective basis for the ratepayers. The SWAG, after a long, transparent and public deliberation arrived at a clear preference for addressing this challenge through a model of public system ownership combined with private sector funding and operations. On June 12, 2012, based upon the recommendation of the SWAG, the Board directed County staff to negotiate with existing contractors at the Central Landfill and Transfer Stations in developing a long-term operations agreement that would meet both the SWAG's goals for diversion, cost efficiency and local control as well as address our regional unfunded solid waste liabilities. The long-term operations agreement would have the current contractors provide solid waste handling services to the County pursuant to Public Resources Code section 40059.

Benefits of the MOA

The structure and scope of the MOA harnesses the strengths of both types of organizations to the benefit of the community. Benefits identified include:

Benefits from the private sector:

1. Funding of $119 million in infrastructure development
2. Closure and post closure maintenance costs
3. Liability indemnification in perpetuity for the Cities and the County
4. Construction of a Material Recovery Facility (MRF) within the tipping building, contingent on further permitting
5. Guaranteed diversion commitment
6. Overall economic efficiencies

Benefits from the public sector:

1. The County retains ownership of all infrastructure and property for long term flexibility
2. Public enforcement of ongoing contract compliance
3. Public oversight of County owned infrastructure
4. Long term stable and predictable rate structure with public oversight
5. Opportunity to introduce new programs or future technology

The Master Operations Agreement, (MOA), calls for Sonoma County to retain ownership of the County Solid Waste Facilities and enter into a long-term operations contract with Republic Services. Upon approval of the MOA by the Board of Supervisors, the Cities of Sonoma County will be requested to commit their waste flow to Republic Services for a 20-year term. In exchange for the 20-year waste flow commitment each City will receive indemnification in perpetuity for the liabilities related to the Central Landfill along with the other new services

and program benefits that have been incorporated into the MOA to accomplish the SWAG identified goals highlighted above.

Conditions Precedent to the Effectiveness of the MOA

The MOA includes several conditions precedent before it becomes effective. The primary conditions precedent includes: (1) the receipt of City waste flow commitments by all Cities (with the exception of Petaluma); (2) the execution of a settlement agreement between the County and the cities concerning unfunded landfill liabilities; and (3) receipt of all necessary permits. The primary permit - the Waste Discharge Requirements (WDR) permit from the Regional Water Quality Control Board – was approved by the Regional Board on March 14, 2013. Since the waste flow commitments and the amount of the County Concession Payment are tied to the settlement negotiations between the County and the Cities, the final details of the flow commitments and amount of the Concession Payment are still being negotiated.

CEQA Compliance

On June 12, 2012, the Board of Supervisors considered and approved an Addendum to the Sonoma County Central Disposal Site Improvement Program Final Environmental Impact Report (SCH # 1995073068) for the Reopening of the Central Disposal Site, which considered the environmental impacts of reopening the Central Disposal Site. That addendum did not address certain deal points reached in the final MOA, namely the construction of a potential MRF and the implementation of the collection of commercial food waste. These are minor changes to the existing project that was previously evaluated. In light of the final proposed MOA, County staff has prepared an Addendum to the Sonoma County Central Disposal Site Improvement Program Final Environmental Impact Report (SCH#1995073068) for the Master Operations Agreement in accordance with the provisions of CEQA and the State CEQA Guidelines. The analysis detailed in the Addendum concluded that, although there are some minor changes in the project and project circumstances, these changes will not result in any new significant effects, or substantially more severe significant effects than previously examined in the prior environmental documents. In addition, no new information of substantial importance that was not known and could not have been known with the exercise of reasonable diligence at the time of the prior environmental review has been identified that shows that mitigation measures or alternatives that were previously found to be infeasible are now feasible and would substantially reduce one or more significant effects of the proposed project, or that mitigation measures or alternatives considerably different from those analyzed in the prior EIR would substantially reduce one or more significant effects of the proposed project but are not being adopted. Accordingly, a subsequent or supplemental EIR is not required, and this analysis will serve as an Addendum. The MRF will involve both an amendment to the existing CalRecycle solid waste handling permit and a use permit from the County. The plans for the MRF are not finalized and are currently insufficiently detailed for further environmental review. The proposed MRF is discussed in the Addendum on the basis of available information, but will be analyzed further based on detailed plans in the context of subsequent discretionary permits specific to the MRF.

Prior Board Actions:

On April 9, 2013: the Board accepted a report on the draft final MOA, and to public comment and directed staff to modify the final agreement per their direction and bring the MOA back for final approval on April 23, 2013. June 12, 2012: The Board accepted a report providing an update on the activities and recommendations of the County City Solid Waste Advisory Group (SWAG), directed Staff to enter into negotiations with the current operators of the Central Landfill and Transfer Stations for a long term operations agreement for the County Solid Waste Facilities, and authorized the Director of Transportation and Public Works to enter into any necessary contracts to facilitate the negotiations including, without limitation, retaining experts to assist in due diligence activities, provided such contracts do not exceed $25,000 each. July 12, 2011: The Board accepted a report providing an update on SWAG activities, presenting the recommendations of the SWAG Research Committee Report and the next steps in the SWAG process, the Board provided feedback on the Research Committee recommendations and

directed the County SWAG representative to vote to proceed with a consultant analysis of the recommendations. October 26, 2010: The Board adopted a Resolution stating concurrence with the Sonoma County/City Solid Waste Advisory Group priorities and objectives for developing a regional long-term solid waste option. December 08, 2009: The BOS approved and authorized release of the Request for Proposals (RFP) for Short-Term Transfer Station Operations, Transport and Disposal Services. Directed staff to include two optional services in the RFP for (a) Central Landfill limited disposal resumption operations (up to 558,206 cubic yards total), and (b) re-permitting services related to the Central Landfill (up to 9 million cubic yards) and direct staff to take actions needed to create and provide staff support to a Special Task Force of County and City elected officials to develop a consensus on a long-term solution for solid waste management. October 27, 2009: The Board of Supervisors did not approve the proposed Divestiture of the County Solid Waste Facilities.

Strategic Plan Alignment Goal 1: Safe, Healthy, and Caring Community

Providing community members with access to safe solid waste management services, and Goal 2: Economic and Environmental Stewardship, providing the community with a solid waste system which is focused on providing increased recycling and green house gas reductions in a manner that is economically efficient.

Fiscal Summary - FY 12-13

Expenditures		**Funding Source(s)**	
Budgeted Amount	$		$
Add Appropriations Reqd.	$	State/Federal	$
	$	Fees/Other	$
	$	Use of Fund Balance	$
	$	Contingencies	$
	$		$
Total Expenditure	**$**	**Total Sources**	**$**

Narrative Explanation of Fiscal Impacts (If Required):

As presented today, the MOA, once approved and made effective by the commitment of Sonoma County cities, will have a beneficial fiscal impact to the County by increasing diversion, reducing trash outhaul and resulting GHG emissions, providing a sustainable rate model. The initial rate impact to a typical franchised collection customer is expected to be nominal (less than 4%). The contractor's service fee is adjusted annually, during the 20 year commitment period, by 90% of the change in Consumer Price Index (CPI) with a maximum cap of 3.5% in any given year.

Staffing Impacts

Position Title (Payroll Classification)	**Monthly Salary Range** (A – I Step)	**Additions** (Number)	**Deletions** (Number)
Disposal Supervisor	$4,835.16-$5,876.98		1.0
Disposal Worker II	$4,083.80-$4,962.13		5.0
Disposal Worker I	$3,535.93-$4,299.47		11.9
Building Mechanic I	$4,308.16-$5,236.93		1.0

Administrative Aide	$4,057.71-$4,934.30		1.0

Narrative Explanation of Staffing Impacts (If Required):

As a result of the MOA with Republic, the above-listed positions will be deleted and will result in layoff notices for the incumbents. The Building Mechanic I and the Administrative Aide will have the opportunity to displace to prior held positions within the Department. TPW/County negotiated that the MOA stipulated the hiring of 15 disposal staff members. As a result, Republic will interview and hire 15 positions from the disposal staffing. There are 3 disposal staff that do not currently have an identified position. In an effort to retain those employees, the Department has made an effort to hold vacancies elsewhere in the Department as they have become available. Also, some employees in the division may have the seniority and qualifications to occupy other positions within the Department.

Transportation and Public Works and Human Resources are working together in an effort to mitigate layoffs where possible, for those employees not being hired by Republic. Some of the specific layoff mitigation efforts have included:

- Informational sessions on the County's recruitment and layoff processes as well as benefits available on layoff/retirement.
- Regular communications with staff informing them of employment opportunities within the County.
- One-on-one support for individuals as they applied for positions, including identifying potential classifications that would qualify as transfer opportunities.

Also, as part of the negotiated MOA, should there be any employees that do not secure a position with Republic or the County; Republic will pay them severance of 2 weeks base pay for each year of service, up to 24 weeks base pay.

Attachments:

Attachment 1: Final MOA – Redline showing language changes made since the April 9, 2013 Board meeting.

Attachment 2: Adopt a resolution making findings related to the approval of the Master Operations Agreement (MOA) for long-term development, operation and maintenance of County Solid Waste Facilities including the Central Landfill and County Transfer Stations located in Annapolis, Guerneville, Healdsburg, Sonoma and at the Central site; authorizing the Chair to execute the MOA; delegating authority to the Director of Transportation and Public Works to file a Notice of Determination for the Addendum to the Sonoma County Central Disposal Site Improvement Program Final Environmental Impact Report (SCH#1995073068) for the Master Operations Agreement in accordance with the provisions of CEQA and the State CEQA Guidelines and delegating authority to staff to take further actions as necessary to meet the conditions precedent to the effectiveness of the MOA.

Related Items "On File" with the Clerk of the Board:

1. MOA with Exhibits

THE WITHIN INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE

ATTEST: APR 2 4 2013

VERONICA A. FERGUSON, Clerk/Secretary
BY C Woodson
DEPUTY CLERK/ASST SECRETARY

#46
Resolution No. 13-0154

Sonoma County Administration Center
Santa Rosa, CA 95403

Date: April 23, 2013

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA, STATE OF CALIFORNIA, APPROVING AGREEMENT FOR OPERATION OF THE CENTRAL LANDFILL AND COUNTY TRANSFER STATIONS

RESOLVED, that the Board of Supervisors ("the Board") of the County of Sonoma ("the County") hereby finds as follows:

1. Procedural History

1.1 The County of Sonoma owns the Central Landfill and Central Transfer Station and four other transfer stations located in Sonoma, Healdsburg, Guerneville and Annapolis (the landfill and transfer stations are collectively referred to herein as the "Solid Waste Assets"). The transfer stations are located adjacent to closed landfills that are owned by the County (i.e., the closed Healdsburg landfill, the closed Guerneville landfill, the closed Annapolis landfill, and the closed Sonoma landfill).

1.2 The Central Landfill is comprised of two landfill units – the original landfill permitted in 1971 ("Landfill 1") and the East Canyon Expansion area permitted in 1998 ("Landfill 2"). In May of 2003, following the construction of a new liner in Landfill 2, an evaluation monitoring program detected volatile organic compounds ("VOCs") in the landfill underdrain system. The results of an investigation to determine the source of the VOCs indicated a design flaw in the liner anchor trench was responsible for VOC detections in the underdrain. The design flaw allowed landfill gas to migrate around the liner into underlying groundwater (Pacific GeoScience Report, 2004). During the investigation, it was also discovered that there was damage to a portion of the liner of Landfill 2. This damage was caused by an operational error in the select waste sorting area, where an excavator unknowingly damaged the liner, and was subsequently repaired and reported to the Local Enforcement Agency ("LEA") and the Regional Water Quality Control Board ("Regional Board"). As a result of these issues, the Regional Board issued new Waste Discharge Requirements in 2004 (the "2004 WDRs"). The 2004 WDRs included corrective action items for both landfill units. For Landfill 1, controlling landfill gas and removing leachate to the maximum extent practical was required. For Landfill 2, the 2004 WDRs required an enhanced monitoring program, a retrofit of the anchor trench and repair of the liner. All corrective action items in the 2004 WDRs for Landfills 1 and 2 have now been completed. Leachate has been removed to the maximum extent practical in Landfill 1 with a long term landfill gas and leachate management plan in place, which

includes a site conceptual and numeric model to guide operational management. The 2004 WDRs also prohibited any further liner construction.

1.3 In August 2005, as a result of the 2004 WDRs prohibiting further liner construction at the Central Landfill, the Board entered into temporary outhaul and disposal agreements so that waste generated within the County of Sonoma could be properly disposed of in out-of-county landfills having capacity. Because of the increase of vehicle miles travelled with outhauling to distant landfills, approximately two-thousand tons of additional greenhouse gas emissions resulted annually.

1.4 In April 2006, the Board of Supervisors accepted the "Reassessment of Long-Term Solid Waste Management Alternatives Report" prepared by Brown, Vence & Associates (BVA). Based on the BVA report recommendations and stakeholder comments, the Board directed staff to pursue the option of divestiture; selling of the County's solid waste assets and privatizing operations and solid waste management or, if not feasible, to close the Central Landfill and continue to outhaul the County's waste to out of County facilities.

1.5 In May 2007, the County initiated a process to transfer ownership of the Central Landfill and the transfer stations to a private company in exchange for the company obtaining permits to expand the Central Landfill and taking responsibility for all environmental liabilities for the landfill. The divestiture process was initiated since the Central Landfill could no longer accept waste and the regulators were requiring the County to begin permanently closing the landfill. The County had only accumulated $8.3 million of the estimated closure cost (estimated in 2007 to cost $46.9 million), leaving a funding gap of more than $38 million. In addition, while the County had $2.3 million in reserves set aside for the "maximum foreseeable release" financial assurances required by State law, the County did not have any other reserves set aside for unexpected off-site releases of environmental constituents from the landfill or any third party claims ("Third Party Environmental Claims"). One of the primary goals of the County in pursing the divestiture of the landfill was to transfer all environmental liability associated with the landfill to a private company, including the Third Party Environmental Claims. In addition, given that the County did not have flow commitments for the landfill, the County had no ability to finance the approximate $70.4 million of liner improvements that would be necessary to re-open the landfill once a new WDR was obtained and the cities had indicated to the County that they were not interested in providing flow commitments to the County given the recent release of VOCs in the underdrain.

1.6 In October 2007, the County submitted to the Regional Board the "Final Design Report, CQA of Retrofit, Repair Maintenance and Performance Monitoring", which documented: (i) how the design issues with the anchor trench were addressed through a retrofit, and (ii) the liner repairs made to the area of the liner damaged from operations.

1.7 In August 2009, a technical memorandum was prepared by Shaw Group, on behalf of the County, and submitted to the Regional Board documenting the County's compliance with the 2004 WDRs.

1.8 On October 27, 2009, the proposed divestiture of the Central Landfill did not receive approval by the Board of Supervisors. Although the proposed divestiture of the Landfill did not receive approval, it was imperative that the County find an alternative service delivery model for handling solid waste within the region. The existing model was failing and the County faced the real possibility that the landfill would have to be permanently closed and that all waste would need to be outhauled to out-of-county landfills.

1.9 In November 2009, the Board of Supervisors directed staff to develop a Request for Proposals (RFP) for the continuation of Transfer Station Operation, Transport and Disposal of waste from the five County Disposal sites. The Board directed staff to return to the Board on December 8, 2009 for RFP approval. With respect to long-term options for waste handling, the Board of Supervisors directed staff to bring back recommendations related to establishing a process to engage the County, Cities, and broader community, and build a consensus on a solution to the County's long-term solid waste management needs.

1.10 On December 8, 2009, the County formed a Solid Waste Advisory Group (SWAG) comprised of two members of the Board of Supervisors, and one City Council Member from each city in Sonoma County, to establish an open and transparent process and make recommendations on solid waste system planning and operations, such as, appropriate regional solid waste projects, priorities, schedules and funding sources.

1.11 After considering the results of the RFP, on June 8, 2010, the Board of Supervisors directed staff to develop two contracts to bring back to the Board for execution; one contract with The Ratto Group of Companies for the basic services including transfer station operation, transport and out-of-county disposal, and the other contract with Republic Services to provide services for the limited resumption of waste disposal at the Central Landfill and long-term permitting of the Central Landfill. On August 3, 2010, the Board of Supervisors approved and authorized the Chair to sign these contracts.

1.12 Both through the RFP process and through the County's experience working with Republic Services of Sonoma County, Inc. and The Ratto Group of Companies, Inc., the County has developed significant knowledge regarding these companies, including their operations, capabilities, and assets.

1.13 Prior to adopting its recommendations to the Board of Supervisors, the SWAG held more than 37 public meetings.

1.14 On June 12, 2012, the Board of Supervisors accepted the SWAG's recommendations, and directed staff to proceed with required permitting to re-open the landfill and enter into negotiations with current operators of the Central Landfill and Transfer Stations for a long-term operations agreement for the County solid waste facilities. The Board of Supervisors set the following basic goals and objectives for the negotiation:

- The County will enter into a long-term comprehensive operations agreement for the Central Landfill and Transfer Station properties it owns, with a private party.

- The private party will be responsible for development of the Central Landfill in accordance with the Permits issued by CalRecycle and the Regional Water Quality Control Board.

- The private party will develop such additional diversion facilities on the Central Landfill property as may be requested by the County based upon policy recommendations of the Sonoma County City Solid Waste Advisory Group.

- The private party will assume liabilities associated with the Central Landfill, and operation of the Transfer Stations included but not limited to operational liability, and Central Landfill closure, post-closure, and third party liability.

- The agreement with the private party will establish a sustainable funding structure for the acceptance of waste, and recyclables, from the governmental jurisdictions within the County, businesses, and the general public, which will not include put-or-pay provisions and will not create disincentives to diversion of material from landfill disposal.

1.15 Also on June 12, 2012, the Board of Supervisors approved an Addendum to the Sonoma County Central Disposal Site Improvement Program Final Environmental Impact Report (SCH # 1995073068) for the Reopening of the Central Disposal Site, which considered the environmental impacts of reopening the Central Disposal Site.

1.16 Pursuant to the Board of Supervisor's direction, County staff negotiated an agreement with Republic Services of Sonoma County, Inc., the terms and conditions of which are set forth in the Agreement For Operation Of The Central Landfill And County Transfer Stations Between County Of Sonoma And Republic Services Of Sonoma County, Inc. ("the Agreement").

1.17 On March 14, 2013, the North Coast Regional Water Quality Control Board (NCRWQCB) provided the County with new Waste Discharge Requirements (WDRs) allowing for the reopening of the landfill. The new WDRs will provide an estimated 20 years of landfill disposal capacity for the residents and businesses within the County.

1.18 The County and the cities within the County face uncertain solid waste handling fees due to numerous trends and factors, including potential environmental liability and increasing diversion. Tipping fees have increased 100% over the last 10 fiscal years to balance revenues with expenditures. The proposed Agreement advances numerous public policy goals, including (i) providing for in-county disposal of Waste; (ii) enhancing in-county diversion through development of a Materials Recovery Facility and other related programs to assist the County, the SWAG, and many of the communities within the region, to meet the diversion goal of 80% by 2015; (iii) transferring environmental liabilities and

obligations associated with the Central Landfill to the operator; (iv) entering into a long-term tip fee and disposal relationship; (v) securing certain indemnities and releases with respect to the use, operation and condition of land; and (vi) obtaining concession payments for the County in consideration of the County granting the operator an exclusive operations agreement for the County facilities.

1.19 The County is entering into this Agreement pursuant to Public Resources Code Sections 40057, 40058, and 40059. Section 40058 provides: "solid waste handling services shall be provided for by one or any combination of the following: (a) The furnishing of the services by the local agency itself. (b) The furnishing of the services by another local agency. (c) The furnishing of the services by a solid waste enterprise." Section 40059 provides: "Notwithstanding any other provision of law, each county, city, district, or other local governmental agency may determine all of the following: (1) Aspects of solid waste handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees, and nature, location, and extent of providing solid waste handling services. (2) Whether the services are to be provided by means of nonexclusive franchise, contract, license, permit, or otherwise, either with or without competitive bidding, or if, in the opinion of its governing body, the public health, safety, and well-being so require, by partially exclusive or wholly exclusive franchise, contract, license, permit, or otherwise, either with or without competitive bidding. The authority to provide solid waste handling services may be granted under terms and conditions prescribed by the governing body of the local governmental agency by resolution or ordinance."

1.20 The 2012 Reopening Addendum did not address certain deal points reached in the final MOA, namely the construction of a potential MRF through the installation of certain processing equipment inside the Central Transfer Station, and the implementation of the collection of commercial food waste. These are minor changes to the existing project that was previously evaluated. In light of these changes, the County has prepared an Addendum to the Sonoma County Central Disposal Site Improvement Program Final Environmental Impact Report (SCH # 1995073068) for the Master Operations Agreement, dated March 25, 2013 ("the Addendum") pursuant to CEQA and the State CEQA Guidelines (California Code of Regulations, title 14, §15000 *et seq.*). A true and correct copy of the Addendum is attached to this Resolution as Exhibit "A," and is incorporated into this Resolution by reference in full.

2. CEQA Compliance

2.1 Public Resources Code section 21166 provides that when an EIR has been prepared for a project, no subsequent or supplemental EIR shall be required unless substantial changes in the project or the project circumstances will require major revisions of the EIR, or new information, which was not known and could not have been known when the prior EIR was certified, becomes available. (See also CEQA Guidelines, § 15162.) State CEQA Guidelines Section 15164, subdivision (a), provides that the County shall "prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred." An addendum need not be circulated for public review or

comment, but must be considered by the agency before making its decision on the project. (State CEQA Guidelines, § 15164, subds. (c), (d).) The State CEQA Guidelines state that an agency should include a brief explanation of its decision not to prepare a subsequent EIR in the addendum, or the agency's findings on the project, or elsewhere in the record. (State CEQA Guidelines, § 15164, subd. (e).) The agency's explanation must be supported by substantial evidence. (*Id.*)

2.2 The Addendum evaluates whether any of the circumstances or conditions set forth by Public Resources Code section 21166 and CEQA Guideline 15162 have been met, which would require subsequent environmental review beyond the scope of the Sonoma County Central Disposal Site Improvement Program Environmental Impact Report (certified in November 1998) ("1998 EIR"), as modified by the Addendum for the Reopening of the Central Disposal Site (approved May 25, 2012) ("2012 Reopening Addendum"), and the Sonoma County Central Disposal Site Rock Extraction Project (certified in July 1998) ("REA EIR").

2.3 The Board concurs in and adopts the findings in the Addendum as though stated in full herein. The Board finds that the proposed project will not result in a new significant environmental effect or a substantial increase in the severity of a previously identified significant effect due to substantial changes proposed in the project, substantial changes with respect to the proposed project circumstances, or new information of substantial importance that was not known and could not have been known with the exercise of reasonable diligence at the time of the approval of the prior environmental documents. The Board finds that it has sufficient information to make an intelligent decision, taking into consideration the environmental impacts of the Agreement.

3. Evidence in the Record

3.1 In making the findings and determinations set forth above and in the exhibits attached hereto, the Board, on occasion, references specific evidence in the record. No such specific reference is intended to be exclusive or exhaustive. Rather, the Board has relied on the totality of the evidence in the record of these proceedings in reaching its decisions herein.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Board, based on the foregoing findings and the record of these proceedings, hereby declares and orders as follows:

1. The foregoing findings and determinations set forth herein, are true and correct, are supported by substantial evidence in the record, and are adopted as set forth herein.

2. The Board has reviewed and considered the information contained in the 1998 EIR, the 2012 Reopening Addendum, the REA EIR, and the Addendum, and has considered the environmental effects of the proposed project as shown therein.

3. The Director of Transportation and Public Works is authorized and directed to: (a) file a notice of determination in accordance with the provisions of CEQA and the State CEQA Guidelines.

4. The Chair is authorized to execute the Agreement.

5. The Director of Transportation and Public Works is authorized to:

(a) Take any and all steps that may be necessary to satisfy the conditions precedent to the effectiveness of the Agreement;
(b) Waive any conditions precedent to the effectiveness of the Agreement which are set forth in Section 12.3 of the Agreement;
(c) Set the initial County Concession Payment (Exhibit R to the Agreement) provided the initial amount does not cause the residential curbside waste collection rates to increase by more than 4% (assuming total annual tons within 300,001 – 325,000 range);
(d) Finalize the exhibits to the Agreement; and
(e) Enter into agreements that may be necessary to support the Director's efforts to meet the conditions precedent to the effectiveness of the Agreement, provided that any individual agreement shall not exceed $25,000.

Prior to exercising the delegated authority set forth above, the Director shall consult with the County Administrator and County Counsel.

6. The Clerk of the Board of Supervisors is designated as the custodian of the documents and other materials that constitute the record of the proceedings upon which the Board's decisions herein are based. These documents may be found at the office of the Clerk of the Board of Supervisors, 575 Administration Drive, Room 100A, Santa Rosa, CA 95403.

SUPERVISORS:

Supervisors:

Gorin: Aye Zane: Aye McGuire: Aye Carrillo: Aye Rabbit: Aye

Ayes: 5 Noes: 0 Abstain: 0 Absent: 0

So Ordered.

Resolution - Exhibit A

REVISED ADDENDUM

to the Sonoma County Central Disposal Site Improvement Program Final Environmental Impact Report (SCH # 1995073068) for the Master Operations Agreement

April 17, 2013

I. *Introduction*

This Addendum has been prepared in accordance with section 15164 of the CEQA Guidelines relative to the County's proposed Master Operations Agreement with Republic Services of Sonoma County, Inc., for operations of the County's Central Disposal Site and the County's Solid Waste Transfer Stations. This Addendum evaluates whether any of the circumstances or conditions set forth by Public Resources Code section 21166 and CEQA Guidelines 21152 have been met, which would require subsequent environmental review beyond the scope of the Sonoma County Central Disposal Site Improvement Program Environmental Impact Report (certified in November 1998, hereafter referred to as the "1998 EIR") and the Sonoma County Central Disposal Site Rock Extraction Project (certified in July 1998, hereafter referred to as the "REA EIR"). In addition, the County prepared an Addendum for the Reopening of the Central Disposal Site (approved May 25, 2012, hereafter referred to as the "2012 Reopening Addendum").

The County proposes to enter into a long-term agreement, called the Master Operations Agreement ("MOA" or "Agreement"), for a minimum term of 20 years for the operations of the Central Disposal Site ("Landfill") and the Solid Waste Transfer Stations ("transfer stations") (the "Project") located in Sonoma, Healdsburg, Guerneville, and Annapolis pursuant to a Master Operations Agreement with Republic Services of Sonoma County, Inc. ("Republic" or "Contractor").[1]

This long term agreement is essentially a transfer of the functions and permits related to the operation of the County's solid waste system from the County to Republic Services. The intent is for the Contractor to assume the County's responsibilities with respect to operation of its solid waste facilities and to pursue all necessary permitting to allow resumption of landfilling at the Central Disposal Site consistent with the County's longstanding plans and permits. No substantial change in operations from those already planned by the County and analyzed in prior

[1] The MOA does not include the County's closed landfills adjacent to the four transfer stations, or the Airport, Roblar, or Occidental closed landfill sites.

environmental documents is proposed, with the exception of the implementation of a Materials Recovery Facility component within the Central Transfer Station building[2], and the implementation of a commercial food waste collection program.

The County recently obtained all permits necessary for the reopening of the Landfill in the areas described in the 1998 EIR and the REA EIR, and also described in the 2012 Reopening Addendum. The details of the landfilling are described in detail in a Joint Technical Document (JTD) prepared by Keller Canyon Landfill Inc., and SCS Engineers, on behalf of the Sonoma County Department of Transportation and Public Works (DTPW) (*Amended Joint Technical Document Central Disposal Site, Sonoma County, CA; November 2011*), which was submitted, along with the appropriate permit application, to the North Coast Regional Water Quality Control Board (NCRWQCB) for new Waste Discharge Requirements (WDRs). The WDR's were adopted by the NCRWQB on March 14, 2013. A revision of the Solid Waste Facilities Permit (SWFP) for the reopening of the Landfill has already been obtained from Local Enforcement Agency and CalRecycle.

This Addendum supplements the 2012 Reopening Addendum, the 1998 EIR, and the REA EIR, all of which are incorporated by reference herein. The Addendum addresses the addition, as part of the MOA, of the proposed installation of a Materials Recovery Facility (MRF), and the implementation of the separate collection of commercial food waste. In addition, this Addendum addresses the potential changes in traffic volumes on roadways in the vicinity of the Landfill.[3] This is new information since the previous 2012 Reopening Addendum.

The 1998 EIR described an improvement program to provide solid waste disposal capacity at the Central Disposal Site on Mecham Road southwest of the city of Cotati. The 2012 Reopening Addendum is an Addendum to the 1998 EIR, and considered any potential changes in the project or circumstances, or new information since preparation of the 1998 EIR and the 1998 REA EIR as it relates to the reopening of the Central Landfill. Also in 1998, the County certified the REA EIR for the excavation of rock in order to create an additional eight months of landfill capacity. The rock has been excavated but no waste disposal has yet occurred in this area, however, it is now included as part of the proposed project.

CEQA embodies a strong presumption that once an EIR has been prepared for a project, no subsequent environmental review is required unless conditions or circumstances present themselves which would trigger the need for such additional environmental review. Public Resources Code section 21166 and Section 15162 of the CEQA Guidelines define the conditions

[2] The Central Transfer Station building, or public tipping building, consists of a large, steel structure enclosed on three sides, within which the public drops off waste. The building has a concrete floor and an opening (a loading bay) at the back of the building through which waste is pushed for filling the transfer trailers. These tractor-trailers then transfer this material to the active landfill face (or to other landfills during outhauling) for disposal.

[3] The traffic analysis discussed below included the traffic volumes projected from the Sonoma County Waste Management Agency Compost Facility Recirculated Draft EIR (*October 2012*). The DEIR included the Central Disposal Site as an alternative location for a continued and expanded composting operation at the Central Disposal Site.

that would require further environmental review, in the form of a Subsequent EIR or a Negative Declaration, for a project. These conditions are listed below:

15162 Subsequent EIR's and Negative Declarations

(a) When an EIR has been certified or negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

(1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

(2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

(3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
(A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

If none of the conditions described above has occurred, but some changes or additions to the previous environmental analysis are necessary, then the lead agency shall prepare an addendum to the previously certified EIR. (State CEQA Guidelines, § 15164)

This Addendum considers those changes in the project or project circumstances, or new information since preparation of the 1998 and REA EIR's, and the 2012 Reopening Addendum, that might trigger preparation of a subsequent EIR or Negative Declaration for the proposed

Master Operations Agreement. Below is a discussion of the proposed changes to the project described in the two EIR's and the 2012 Reopening Addendum, as well as an analysis of the new components proposed by the MOA, i.e., the MRF, and the collection of commercial food [4]. Each issue area in the 1998 EIR, REA EIR, and the 2012 Reopening Addendum, including cumulative impacts, were reviewed, and are discussed here as warranted. The discussion of each relevant issue area is followed by an analysis of why these changes do not rise to the level requiring the preparation of a Subsequent EIR or Negative Declaration.

II. *Background*

The 1998 Central Disposal Site Improvement Program EIR described various improvements to be made at the Central Disposal Site within the County's waste management system, including expansion into the East and West Canyons, to gain additional waste disposal capacity, and other operational improvements. Phases I and II of the East Canyon (Landfill 2) expansion have been constructed and disposal of waste commenced in August 2002. Landfilling in this area will include placement of refuse up to and overlapping the first landfill at the site (Landfill 1). The West Canyon expansion described in the 1998 EIR has not yet been constructed and is not proposed for development as part of the proposed project.

The 1998 REA EIR described a project to extract rock in an area that has been planned for refuse disposal since 1971, and create an area for approximately eight months of landfill capacity. This would include the placement of refuse up to and overlapping Landfill 1, within the 1971 permitted boundary of the Central Landfill. The rock extraction component of this project has been completed, but no preparation of the area for refuse placement has yet occurred. This preparation and placement of refuse in the REA is now part of the proposed project.

The 2012 Reopening Addendum described a project to construct new waste cells within the currently permitted footprint of the Central Disposal Site, as described in the 1998 EIR, and complete waste disposal operations in accordance with all applicable regulatory and permit requirements. The 2012 Addendum includes a detailed discussion of the proposed liner system; In addition, the 2012 Reopening Addendum analyzed a number of changes in the setting and circumstances since the 1998 EIR's were certified, including: the detection of trace amounts of VOCs in the Landfill 2 underdrain; the California Air Resources Board's (CARB) designation of diesel particulate matter (DPM) as a toxic air contaminant on August 27, 1998; the designation of California tiger salamander (CTS) as an endangered species by the U.S. Fish and Wildlife Service (USFWS), and as a threatened species by the California Department of Fish and Wildlife; and the designation of California tiger salamander Critical Habitat by the USFWS.

III. *Proposed Action*

The County proposes to enter into a Master Operations Agreement ("MOA", or "Agreement") with a private company, Republic Services of Sonoma County, Inc. ("Republic", or

[4] In addition, this Addendum provides updated traffic information and analysis.

"Contractor") to operate the County's solid waste system and reinitiate 100% landfilling at the Central Disposal Site (Landfill), and also operations of the transfer stations (the "Project") located in Sonoma, Healdsburg, Guerneville, Annapolis, and at the Central Disposal Site.

The MOA with the County includes long-term management, development, environmental compliance, and operations of the Central Landfill and transfer stations. The County will retain ownership of all underlying property. Republic's development responsibilities will include capitalization and construction of landfill liners in accordance with approved permits, as well as installation of a Material Recovery Facility (MRF), which includes equipment inside the tipping building, to process dry commercial, construction debris and select self-haul materials. In addition, as part of the MOA, Republic will implement a program for the separate collection of commercial food waste. This program will collect this material, travel to the Landfill for weighing, and leave to an out-of-County location for processing, until such time as the new Compost Facility, proposed by the Sonoma County Waste Management Agency, is operational and accepting food waste. Included in the scope of Republic's responsibility will be the management, operation and maintenance of the existing Gas to Energy Plant. There are terms included within the MOA to address regional solid waste and climate protection goals, including diversion incentives and reporting, rate structure including initial tipping rates and future rate control, concession payments, and employees.

The Agreement will allow Republic to assume the County's role in Landfill operations, and to construct new waste cells within the currently permitted footprint of the Central Disposal Site, and complete waste disposal operations in accordance with all applicable regulatory and permit requirements. The following areas are proposed to receive waste as part of this project: the remaining phases of Landfill 2 (Phases III, IV and V), the Compost Area of Landfill 1, and the Rock Extraction Area (within the 1971 permitted footprint). All of these areas have been fully evaluated in previous CEQA review – all phases of Landfill 2 were evaluated in the 1998 EIR for the Central Disposal Site Improvement Program EIR, while the REA was evaluated in the 1998 Central Disposal Site Rock Extraction Project EIR.

In addition to assuming the County's role in landfilling, the Contractor will incorporate more protective liners in the construction of landfill cells, and add a liner system in areas where new waste will abut and overlap Landfill 1, which will direct leachate to the leachate collection system. These additional protections were described in detail in the 2012 Reopening Addendum. In addition to landfilling, the proposed MOA would require the Contractor to seek the permits and approvals required to install and operate the MRF, and implement a commercial food waste collection program. The potential impacts of these new components are analyzed in this Addendum. The Addendum also provided updated traffic information and analysis.

IV. *Changes to the Project Setting/Change in Circumstances*

Only two changes in the setting and circumstances have occurred since the 2012 Reopening Addendum was prepared. These changes are: 1) potential changes in background traffic levels in the landfill vicinity, and 2) the consideration, as an alternative in a Draft EIR (*Sonoma County Waste Management Agency Compost Facility Recirculated Draft EIR, October 2012*), of a

continuing and expanded composting operation at the Central Disposal Site. The potential impacts associated with these changes are considered in this Addendum.

VI. *Discussion of Potential Impacts*

The following discussion considers environmental issue areas relative to the proposed MOA and transfer of operations of the County's solid waste system, that have changed since adoption of the previous environmental documents. The analysis addresses whether any of the changes would result in significant new or substantially more severe impacts than previously analyzed, such that the preparation of a Subsequent EIR or Negative Declaration would be required.

Note that there is no further discussion below as it relates to the transfer stations located in Sonoma, Healdsburg, Guerneville, and Annapolis. The MOA will simply result in a change in the operator of these facilities from the County to Republic Services of Sonoma County, Inc., with no change in operations at any of these facilities. This change in operator would not give rise to any physical impacts on the environment, and is not discussed further.

Traffic:

The 1998 EIR analyzed traffic impacts of the various operational improvements at the Central Disposal Site to a horizon year of 2014, as well as the cumulative traffic impacts associated with an additional 8 months of landfilling capacity achieved through the Rock Extraction Project (i.e., extending the horizon year until 2015. Given the horizon year of the proposed MOA of approximately 2033, a new traffic study was undertaken (*Traffic Impact Study for the Master Operations Agreement for the Central Disposal Site*, Crane Transportation Group, March 18, 2013).

This study considered intersections and roadway segments in the vicinity of the landfill, and analyzed the a.m. peak hour traffic impacts at these locations (when traffic in the vicinity of the Central Disposal Site is heaviest), as was done in the traffic study for the 1998 EIR. The study updated the traffic counts for the a.m. peak hour on affected roads, traffic projections into the future on affected roadways, and also used revised projected trip generation information into and out of the facility during the a.m. peak hour (with traffic counts for vehicles entering the landfill conservatively adjusted to reflect the peak season). The study conservatively considered September 2013 as the point in time for which to compare future years. This date was chosen because this is when 100% outhauling of waste to out-of-County landfills would begin if the MOA is not implemented. For purposes of the traffic study, it was assumed that landfilling would continue operations to the year 2040, with the interim year 2025 also evaluated [5]. The traffic was then compared to the projected horizon years to determine if the project would result in any new or substantially more severe significant impacts than disclosed in the 1998 EIR [6].

[5] Note it is likely that landfilling could occur for longer than 20 years, depending upon growth in the County, waste generation, and diversion rates of recoverable materials.

(Footnote cont'd on next page)

Note that the traffic study utilized the County Traffic Model, which includes traffic projections for a number of nearby existing or proposed projects, including the Roblar Road Quarry, the Stony Point Road Quarry, and the Graton Rancheria Casino and Hotel Project. In addition, the traffic study conservatively included projections for a continued and expanded composting operation at the landfill, as the Compost facility remaining at the landfill is currently under consideration as an alternative in a Draft EIR (*Sonoma County Waste Management Agency Compost Facility Recirculated Draft EIR, October 2012*). Note the traffic generated during the am peak hour by the proposed MRF and commercial food waste collection program is included in the traffic projections used in the traffic study.

The updated traffic study found that, without the project, two intersections will meet a signal warrant in 2013: 1) the intersection of Stony Point Road and Roblar Road would meet the peak hour signal warrant criteria, and 2) the intersection of Stony Point Road and West Railroad Avenue would also meet the same signal warrant criteria. With implementation of the project, the minor increase in traffic would not trigger any significant additional delay at these intersections, nor result in any new significant impacts on any study intersections or roadway segments. Accordingly, the traffic study confirms that the proposed project will not result in significant new or substantially more severe traffic impacts than were previously identified.

Noise:

Traffic Noise: The primary noise generated at the Central Disposal Site is related to traffic to and from the facility. For this project, the a.m. peak hour projections for traffic to and from the facility were updated from the 1998 EIR, based on actual traffic counts in 2013 and adjusted for peak season. Based on these revised traffic projections, the proposed project will generate fewer a.m. peak hour vehicles than projected in the 1998 EIR. Because of this, there would be no new significant or substantially more severe long-term traffic-related noise impacts as a result of the proposed project than those already analyzed.

Operational Noise: The 1998 EIR found no significant impacts related to long-term operational noise from landfilling or the public tipping building. It is likely that, when full landfilling resumes, the operator will use newer equipment than the County has used in the past, will likely be using fewer pieces of equipment than the County has used, and the equipment will be more dispersed across the landfill site. Accordingly, long-term operational noise impacts are likely to be even less than identified in the 1998 EIR.

Materials Recovery Facility:

The project also includes the proposed installation of a Material Recovery Facility (MRF) within the existing public tipping building, as described above in the Project Description. The contemplated MRF has a number of components, which include conveyor belts, sorting

[6] The traffic projections during the a.m. peak hour for landfilling in the future horizon years used in the traffic study were based on actual counts in 2013, and are less than those projected in the 1998 EIR, most likely because the growth rate and subsequent waste generation rate assumptions were over-estimated in 1998.

platforms, a baler (used to bale commodities e.g. plastic, metal, cardboard, glass, etc.), and screening equipment. The County has received a preliminary drawing of the MRF, but a detailed design has not yet been undertaken and finalized It is currently anticipated that all of this equipment will be located within the tipping building, and be powered by electric motors only. This building currently has three sides and is open on the north side. The MRF is proposed to be operated five days a week for nine hours, with limited hours on Saturday. A detailed analysis of the impacts of the MRF is not practical until more concrete design plans and details are available. Construction and operation of the MRF will require permits from the County and CalRecycle, which will require more detailed CEQA review. In the case of CalRecycle, the MRF will require an amendment to an already existing CalRecycle Solid Waste Handling Permit. In the case of the County, the MRF will require a Use Permit due to the modifications in existing operations at the tipping building. The MOA commits Republic to seek to permit the MRF, but all contractual obligations related to construction and operation of the MRF are explicitly contingent on a more detailed CEQA review, based on detailed plans. The MOA does not commit the County or Republic to construct or operate a MRF. Nonetheless, the following potential impacts are discussed based on available information.

Noise:

The 1998 EIR analyzed the noise associated with the unloading of refuse and the loading of transfer trailers that occur in the public tipping building. The EIR found that due to the relatively low level of activity, the large distance (a minimum of 1,000 feet) to the nearest receptor, and an intervening ridgeline, the resulting noise levels associated with activities in the public tipping building would not have a significant noise impact. With the addition of the MRF inside the building, it is possible noise levels may increase, although distance and topography will continue to provide noise attenuation. Republic will be contractually obligated to operate the MRF in compliance with applicable County noise standards, including Table NE-2 of the Sonoma County General Plan 2020 (County of Sonoma, September 2008). Appropriate noise mitigation that will achieve compliance based on the design of the MRF is well understood, and will be considered in the context of permits from the County and CalRecycle. Typical noise-attenuating measures could include noise barriers, noise blankets, or shielding of noise-generating motors and equipment.

Odor:

In addition to noise, it is possible that the MRF will generate odors as a result of the change of the handling of the current waste stream. The public tipping building currently handles both putrescible (wet) and non-putrescible (dry) waste. Per section 6.2 of the Agreement, the MRF will process dry commercial waste, Construction and Demolition material (C&D) and selected Self-Haul materials. Self-Haul materials that contain putrescible waste would not be deemed appropriate for processing. Thus, the MRF will only process dry, non-putrescible waste, and odor impacts are not anticipated to increase. Further, in operating the MRF, Republic will be contractually obligated to comply with applicable laws, which include specific BAAQMD regulations governing odor. In addition to Republic's contractual obligations, BAAQMD may also enforce these regulations. The MRF will be subject to BAAQMD Regulation 1-301, Public

Nuisance, and Regulation 7, Odorous Substances, both of which limit a source from discharging odorous compounds. Violations could lead to civil penalties or an injunction stopping operation of the facility.

Appropriate mitigation measures to maintain compliance will be considered in the context of permits from the County and CalRecycle. It is anticipated that, with design features and other measures, and with legal compliance, that odor impacts of the MRF will be less than significant

With implementation of appropriate mitigation measures for the MRF, and in light of Republic's legal obligations, there is no basis to conclude that new significant or substantially more severe noise or odor impacts from landfill operations than previously analyzed would result.

Other Issues Related to the Materials Recovery Facility:

Other potential impacts associated with the MRF were considered, and include the possibility of hazardous materials entering the facility, the potential for fire risk, and increased dust emissions. These are discussed below.

Hazardous Materials: The Landfill does not accept hazardous materials (except at the Household Hazardous Waste Facility, operated by the Sonoma County Waste Management Agency). The County has implemented a comprehensive Load Checking Program (Program) to discourage and prevent the improper disposal of prohibited waste. The Program is designed to identify hazardous waste and other ineligible waste and prevent their disposal at the Landfill. The Program requires operations personnel be trained to identify prohibited waste and how to properly handle these wastes.

As vehicles enter the entrance/scale house, loads are visually inspected, and if a contaminated load is observed, the driver is notified that the wastes are not accepted, and they will be allowed to dump everything but those unacceptable items. All waste loads are placed on the tipping building floor, and waste screening is performed by operations personnel. If hazardous wastes are found, staff will take the necessary steps for proper segregation and storage of the materials in hazardous waste lockers.

The MRF will also use this load checking process, and all workers of the MRF operations will have the necessary hazardous waste training.

Fire Risk: The MRF, like the tipping building, would continue to be subject to applicable fire standards, pursuant to Public Resources Code section 44151. In addition, the County has a Fire Prevention Plan (Plan) for the entire Landfill site. This Plan includes the public tipping building, in which the proposed MRF would be located. The building currently includes the following fire control systems: a fire alarm system, an automatic sprinkler system, and portable fire extinguishers. The Plan would be updated, as necessary, when the MRF is installed.

Dust Emissions: MRF's can represent a potential source of dust emissions.. The existing tipping building, in which the MRF will be constructed, already contains a dust suppression system –

misters. No additional dust suppression is anticipated being necessary, although, if warranted, modifications or additions can be made to the existing system.

Cumulative Traffic Impacts:

Two new projects with the potential to contribute to cumulative impacts were identified in the 2012 Reopening Addendum, and one additional project, the Graton Rancheria Casino and Hotel Project are now considered below:

> Stony Point Quarry – the proposed project consists of a revised Reclamation Plan and 20-year mining Use Permit, which includes a 14-acre expansion area for mining. A Mitigated Negative Declaration (MND) was adopted for the project, and Use Permit granted in December, 2012. The project includes a minor revision to the maximum allowable mining amount from the current production limits, as part of the vested rights of the quarry.
>
> Roblar Road Quarry - this project, which proposes a new, 65-acre hard rock quarry on Roblar Road. A Final EIR was certified in December 2010 by the County, but currently is in litigation. The quarry proposes to mine approximately 570,000 cubic yards of material annually, for a mining period of 20 years.
>
> Graton Rancheria Casino and Hotel Project (Casino) – this project, currently under construction, consists of a 413,000 square foot casino/hotel. The project is located on Wilfred Avenue in Rohnert Park.

The following analysis considers whether the Roblar Road Quarry, the Stony Point Road Quarry, and the Casino, along with the proposed project could result in cumulative traffic impacts not previously addressed.

The Stony Point Road Quarry is expected to generate an additional 18 truck trips during the am peak hour. The estimate is that 2/3 of this traffic travels to and from the north and the remaining 1/3 would travel to and from the south (*Traffic Impact Study for Stony Point Road Quarry, W-Trans, November 30, 2011*). The environmental document found no significant impacts during the am peak hour related to the new truck trips generated by the project. Note that the Traffic Study for the MOA (see Traffic discussion above) modeled the roadway system in the Landfill vicinity, and included projections for the various land uses, including the Quarry, thus the minor increase in traffic is accounted for in the modeling.

The Roblar Road Quarry project would generate approximately 28 truck trips during the am peak hour. Some of the haul routes for the proposed quarry include the same intersections utilized by the proposed project, including the intersections of Stony Point Road/Roblar Road, Stony Point Road/West Railroad Avenue, and Stony Point Road/Mecham Road.

The Casino Project is projected to generate substantial traffic (National Indian Gaming Commission Record of Decision, *Approval of Management Contract for Gaming Facility at the*

Wilfred Site in Sonoma County, California, for the Federated Indians of the Graton Rancheria, October 8, 2010); however, only a small fraction (5%) of the total daily traffic is shown to travel through any of the same intersections studied as part of the proposed project (Stony Point Road at Hwy 116, and Hwy 116 at Hwy 101). In addition, since the traffic study was complete, Highway 101 in the Casino vicinity has been upgraded with an additional HOV lane and improved on and off ramps, there further reducing traffic use of the Hwy 101/Hwy 116 intersection. The Casino project does not result in impacts to any of the intersections studied as part of the MOA. In addition, the Sonoma County Traffic model used for the traffic study included traffic generated by the Casino.

The Stony Point Road/Mecham Road intersection has been signalized since preparation of the 1998 EIR, and no significant cumulative impact will occur there. Both the Stony Point Road/Roblar Road and Stony Point Road/West Railroad Avenue intersections are identified as meeting signal warrants in both the 1998 EIR and in the updated traffic study for this Addendum. Given the low number of truck trips from both projects, and their distribution over the haul routes during the a.m. peak hour, the cumulative traffic impact at these two intersections would not be substantially more severe than previously identified.

VII. *Conclusion*

As shown in this Addendum, although there are some minor changes in the project and project circumstances, these changes will not result in any new significant effects, or substantially more severe significant effects than previously examined in the prior environmental documents. In addition, no new information of substantial importance that was not known and could not have been known with the exercise of reasonable diligence at the time the prior EIR was certified has been identified that shows that mitigation measures or alternatives that were previously found to be infeasible are now feasible and would substantially reduce one or more significant effects of the proposed project, or that mitigation measures or alternatives considerably different from those analyzed in the prior EIR would substantially reduce one or more significant effects of the proposed project but are not being adopted. Accordingly, a subsequent EIR or Negative Declaration is not required, and this analysis will serve as an Addendum.