

Exhibit C

OPERATION OF HOUSEHOLD HAZARDOUS WASTE PROGRAMS AGREEMENT BY AND BETWEEN THE SONOMA COUNTY WASTE MANAGEMENT AGENCY AND CONTRATOR

DRAFT

TABLE OF CONTENTS

1.	DEFINITIONS.....	6
2.	SCOPE OF SERVICES	9
2.1	<u>Contractor Performance</u>	9
2.1.1	<u>Full Service Operation</u>	9
2.1.2	<u>Unknown Materials</u>	9
2.1.3	<u>Acceptance of Waste</u>	9
2.1.4	<u>Familiarity with CalEPA and US EPA Permitted Facilities</u>	9
2.1.5	<u>Disposal of Materials</u>	9
2.1.6	<u>Efficient Use of Containers</u>	10
2.2	<u>Waste Management</u>	10
2.2.1	<u>Hazardous Waste Management Methods</u>	10
2.2.2	<u>Excluded Materials</u>	10
2.2.3	<u>Syringes</u>	10
2.2.4	<u>HazCatting Unknowns</u>	10
2.2.5	<u>Disposal Destinations</u>	10
2.2.6	<u>Proof of Proper Disposal</u>	11
2.2.7	<u>Rejection of Wastes at Final Disposal Facilities</u>	11
2.2.8	<u>Acceptance of Waste From Agency Approved Door-to-Door Collection Service</u>	11
2.2.9	<u>Reuse</u>	11
2.2.10	<u>Latex Paint Reuse</u>	12
2.2.11	<u>Weighing of Wastes</u>	13
2.2.12	<u>Household Affidavit</u>	13
2.2.13	<u>Camping Stove Propane Cylinders</u>	13
2.3	<u>Operations</u>	13
2.3.1	<u>Hours of Operation</u>	13
2.3.2	<u>Access to HHW Facility</u>	14
2.3.3	<u>Holiday Closing</u>	14
2.3.4	<u>County Closing</u>	14
2.4	<u>Staffing and Subcontractors</u>	14
2.4.1	<u>Staffing</u>	14
2.4.2	<u>Staff Training</u>	15
2.4.3	<u>Subcontractors</u>	15
2.4.4	<u>Key Personnel</u>	15
2.5	<u>Mobile Program</u>	15
2.5.1	<u>Mobile Program Service</u>	15
2.5.2	<u>Mobile Program Vehicle</u>	15
2.5.3	<u>Mobile Program Site Responsibility</u>	16
2.5.4	<u>Inclement Weather</u>	16
2.5.5	<u>Security Guard</u>	16
2.5.6	<u>Traffic Control</u>	16
2.6	<u>Door-to-Door Collection Service</u>	16
2.6.1	<u>Door-to-Door Collection Service</u>	16
2.6.2	<u>Door-to-Door Collection Service Staffing</u>	16
2.6.3	<u>Packaging of Waste From Door-to-Door Collection</u>	16

2.6.4	<u>Door-to-Door Collection Vehicle</u>	16
2.6.5	<u>Door-to-Door Appointments</u>	16
2.6.6	<u>Historical Clean-outs</u>	17
2.6.7	<u>Door-to-Door Service Fees</u>	17
2.6.8	<u>Operations Plan, Emergency Response Plan and Work Health and Safety Plan</u>	17
2.6.9	<u>Surveying</u>	17
2.6.10	<u>Record keeping</u>	17
2.7	<u>CESQG</u>	17
2.7.1	<u>Conditionally Exempt Small Quantity Generators</u>	17
2.8	<u>Hazardous Waste Load Check Program</u>	18
2.9	<u>Plans, Security, Safety and Emergency Response</u>	18
2.9.1	<u>Daily and Weekly Inspections</u>	18
2.9.2	<u>Emergency Response Plan</u>	18
2.9.3	<u>Disaster Occurrence</u>	18
2.9.4	<u>Response Time</u>	18
2.9.5	<u>Emergency 24 Hour Phone Number</u>	18
2.9.6	<u>Worker Health and Safety Plan</u>	18
2.9.7	<u>Operation Plan</u>	18
2.9.8	<u>Emergency Contact List</u>	19
2.10	<u>Public Information</u>	19
2.11	<u>Agency Responsibilities</u>	19
3.	<u>TERM OF AGREEMENT</u>	19
3.1	<u>Term</u>	19
4.	<u>COMPENSATION FOR SERVICES</u>	19
4.1	<u>Program Operation Fee</u>	19
4.2	<u>Disposal Costs</u>	20
4.3	<u>Increased Disposal Costs Due to Regulatory Changes</u>	20
4.4	<u>Hazardous Waste Load Check Program</u>	20
4.5	<u>Payment Terms</u>	20
5.	<u>LIABILITY FOR COMPENSATION</u>	21
6.	<u>HHW FACILITY AND EQUIPMENT</u>	21
6.1	<u>Supplies and Equipment</u>	21
6.2	<u>Utilities</u>	21
6.3	<u>Permit Acquisition</u>	21
6.4	<u>HHW Facility Permit Compliance</u>	22
6.5	<u>Fines and Penalties</u>	22
6.6	<u>HHW Facility Maintenance</u>	22
6.7	<u>Condition of Premises</u>	22
6.8	<u>Additions and Alterations</u>	22
7.	<u>ACCOUNTING AND RECORDS</u>	22
7.1	<u>Maintenance and Audit of Records</u>	22
7.2	<u>Over-Payments to Contractor</u>	23
7.3	<u>Under-Payments to Contractor</u>	23
7.4	<u>Inspection of Accounts and Records</u>	23
8.	<u>REPORTS AND MEETINGS</u>	23

8.1	<u>Manifesting/Inventory</u>	23
8.2	<u>Form 303</u>	23
8.3	<u>Record keeping/Response Time</u>	23
8.4	<u>Status Reports</u>	23
8.5	<u>Surveying</u>	24
8.6	<u>Monthly Management Meetings</u>	24
9.	CONTRACTOR REPRESENTATIONS AND WARRANTIES	24
9.1	<u>Representations and Warranties</u>	24
9.1.1	<u>Organization and Good Standing</u>	24
9.1.2	<u>Authority and Authorization</u>	25
9.1.3	<u>Financial Stability</u>	25
9.1.4	<u>Litigation</u>	25
9.1.5	<u>Binding Obligation</u>	25
9.1.6	<u>Standard of Care</u>	25
9.1.7	<u>Status of Contractor</u>	25
9.1.8	<u>Taxes</u>	25
9.1.9	<u>Cost Disclosure</u>	25
9.1.10	<u>Conflict of Interest</u>	26
9.1.11	<u>Nondiscrimination</u>	26
9.1.12	<u>Waste Hierarchy</u>	26
9.2	<u>Survival of Representations and Warranties</u>	26
10.	INSURANCE	26
10.1	<u>Minimum Scope of Insurance</u>	26
10.2	<u>Minimum Limits of Insurance</u>	26
	General Liability	27
	Automobile Liability	27
	Employer's Liability	27
	Pollution and/or Asbestos Pollution Liability and/or Errors and Omissions.....	27
10.3	<u>Deductible and Self Insured Retention</u>	27
10.4	<u>Other Insurance Provisions</u>	27
10.5	<u>Acceptability of Insurers</u>	28
10.6	<u>Verification of Coverage</u>	28
10.7	<u>Subcontractors</u>	28
10.8	<u>Policy Obligations</u>	28
10.9	<u>Material Breach</u>	28
11.	BONDS	29
11.1	<u>Faithful Performance Bond</u>	29
11.2	<u>Payment Bond</u>	29
12.	INDEMNIFICATION	29
13.	EVENTS OF DEFAULT; REMEDIES	29
13.1	<u>Default</u>	29
13.2	<u>Termination Without Cause, Agency</u>	31
13.3	<u>Termination Without Cause, Contractor</u>	31
14.	EXPIRATION OF AGREEMENT	31
14.1	<u>Expiration</u>	31

15.	AGENCY'S RIGHT TO INSPECTIONS.....	31
16.	ATTORNEYS' FEES.....	31
17.	NOTICES	32
18.	GENERAL PROVISIONS	32
18.1	<u>Assignment</u>	32
18.1.1	<u>Assignment by Contractor</u>	32
18.1.2	<u>Assignment by Agency</u>	32
18.2	<u>Amendments</u>	32
18.3	<u>Nondiscrimination</u>	33
18.4	<u>No Waiver of Breach</u>	33
18.5	<u>Construction</u>	33
18.6	<u>No Third Party Beneficiaries</u>	33
18.7	<u>Applicable Law and Forum</u>	33
18.8	<u>Captions</u>	33
18.9	<u>Merger</u>	33
18.10	<u>Time of Essence</u>	33
19.	NATURAL DISASTER FIELD RESPONSE	34
19.1	<u>Collect, Package, Transport & Dispose of Hazardous Waste</u>	34
19.2	<u>Consolidation at Household Toxics Facility</u>	34
19.3	<u>Track and Maintain Separate Records</u>	34
19.4	<u>Comply with Administrative Procedures</u>	34
19.5	<u>Compensation for natural Disaster Services</u>	34

LIST OF EXHIBITS	To be included with final Agreement
EXHIBIT A	Methods of Disposal and Costs
EXHIBIT B	Approved Disposal Facilities
EXHIBIT C	Reuse and Recycling Policy Statement
EXHIBIT D	Reusable Exchange Program Quality Assurance Plan
EXHIBIT E	Products Not To Be Redistributed List
EXHIBIT F	Form of Payment Bond
EXHIBIT G	List of Approved Subcontractors
EXHIBIT H	CESQG & Emergency Response Fees
EXHIBIT I	Inspection Checklists
EXHIBIT J	Condition of HHW Facility Acknowledgment
EXHIBIT K	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

HOUSEHOLD HAZARDOUS WASTE OPERATIONS
AGREEMENT BY AND BETWEEN
THE SONOMA COUNTY WASTE MANAGEMENT AGENCY,
AND CONTRATOR

This Agreement is made and entered into this _____ day of _____, 2014, by and between the Sonoma County Waste Management Agency ("Agency"), a joint powers Agency, and _____, a [include description of Contractor, *e.g.*, "a California Corporation", etc., if appropriate] (hereinafter "Contractor"). Agency and Contractor are sometimes collectively referred to as the "parties" and singularly, as "party". Unless otherwise stated, all terms shall have the meanings ascribed to them in Section 1 below.

R E C I T A L S

WHEREAS, Agency desires to collect hazardous waste, at the existing Household Hazardous Waste Facility ("HHW Facility") from residents, businesses that qualify as Conditionally Exempt Small Quantity Generators ("CESQG"), from a Mobile Program, Door to Door Collection Service, Hazardous Waste Load Check Program, and emergency response cleanups; and

WHEREAS, Agency is to administer the operation of the HHW Facility; and

WHEREAS, Agency desires to contract with a qualified, experienced Contractor to operate the HHW Facility and provide appropriate reuse, recycling and disposal of collected wastes; and

WHEREAS, Agency has selected Contractor through a competitive request for proposal process and found Contractor to be qualified and experienced in the processing and disposal of hazardous wastes; and

WHEREAS, Agency and Contractor desire to enter into this Agreement whereby Contractor shall perform hazardous waste processing and disposal services as described in this Agreement.

NOW, THEREFORE, Agency and Contractor do hereby agree as follows:

A G R E E M E N T

1. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below. Any term may be used in the plural or past tense.

"Agency". Agency shall mean the Sonoma County Waste Management Agency, a joint powers Agency comprised of the following members: County of Sonoma, City of Santa Rosa, City of Petaluma, City of Rohnert Park, City of Cotati, City of Healdsburg, City of Cloverdale, City of Sonoma, City of Sebastopol and Town of Windsor.

"Agency Representative". Agency Representative shall mean a person or persons assigned by the Agency to manage or oversee the Program.

CalRecycle. CalRecycle shall mean The California Department of Resources Recycling and Recovery.

"Central Disposal Site". "Central Disposal Site" shall mean the County of Sonoma's Central Disposal Site, located at 500 Mecham Road, Petaluma, California, which is comprised of approximately 398 acres and includes the Central Landfill and the Central Transfer Station in addition to other operational facilities for composting, household hazardous waste, reuse, and recycling.

"CESQG". CESQG shall mean a conditionally exempt small quantity Generator or commercial source which meets the criteria for conditionally exempt small quantity Generators as specified in Section 261.5 of Title 40 of the Code of Federal Regulations (Section 25218.1(a) of the California Health and Safety Code).

"Chemist". An individual with a Bachelors degree in chemistry or related science or a minimum of three years of field experience and appropriate training.

"Contractor". Contractor shall mean the selected proposer who enters into a Contract with the Agency.

"County". County shall mean the County of Sonoma, a political subdivision of the State of California.

"CUPA". The Central Unified Project Agency (CUPA) is the local regulatory agency responsible for regulating the HHW Facility and Mobile Program and enforcing all applicable regulations for the operation of the HHW Facility and Mobile Program collections.

"Director". Director shall mean the Agency's Executive Director.

"Door-to-Door Collection Service". Door-to-Door Collection Service shall mean service consisting of travel to specified location and pickup and hauling of HHW or CESQG waste to the HHW Facility.

"Door-to-Door Contractor". Agency may approve other contractors to collect Household Hazardous Waste and CESQG waste and deliver said waste to the HHW Facility. Such an approved contractor shall be called "Door-to-Door Contractor."

"DTSC". DTSC is the Department of Toxic Substances Control, the State regulatory agency for hazardous waste.

"Effective Date". Effective Date shall mean the date first written above.

"Emergency Response Agencies". Emergency Response Agencies shall mean agencies associated with the Agency or its member jurisdictions that respond to emergency Hazardous Waste incidents within Sonoma County.

"Emergency Response Waste". Emergency Response Wastes shall mean wastes delivered to the HHW Facility from Emergency Response Agencies for purposes of storage and/or disposal.

"HHW Facility". HHW Facility shall mean the Household Hazardous Waste processing located at the Central Disposal Site.

"Hazard Class". Hazard Class shall mean the category of hazard assigned to a hazardous material under the definitional criteria of part 178 of 49 C.F.R. Ch.1 and the provisions of the §172.101 Table in such subchapter.

"Hazardous Waste". Hazardous Waste shall mean any substance, chemical, waste or other material which is listed, defined or otherwise identified as "hazardous" or "toxic" under any federal, state, local or administrative Agency ordinance or any regulation, order, rule or requirement adopted thereunder, or law or any material that because of its quantity, concentration, or physical or chemical characteristics, poses a significant, present or potential hazard to human health or safety or to the environment if released into the environment, as well as any formaldehyde, polychlorinated biphenyl, petroleum, petroleum product or by-product, crude oil, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel or mixture thereof, radon, asbestos, and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985 (42 U.S.C. Section 3011 et seq.) and California's Hazardous Waste Control Law (HWCL).

"Hazardous Waste Load Check Program". Hazardous Waste Load Check Program shall mean the Hazardous Waste load checking program in operation at the Central Disposal Site and the transfer stations located in Sonoma County.

"HazCatting" or "HazCat". HazCatting shall mean the process by which the Hazard Class of unknown wastes are identified.

"Historical Clean-Outs". Historical Clean-outs are one time amnesty opportunities for businesses to clean-out accumulation of hazardous waste without incurring penalties or losing their CESQG status. Historical Clean-outs are limited to 1,000 kilograms. Historical Clean-outs can be requested in permit variances for CESQG door-to-door collection programs, but are not in addressed in law or regulation.

"Household Hazardous Waste". Household Hazardous Waste shall mean any Hazardous Waste generated incidental to owning or maintaining a place of residence. Household Hazardous Waste shall not include any waste generated in the course of operating a business concern at a residence.

"Generator". Generator shall mean the party responsible for any specified Hazardous Waste as defined below.

"Legal Requirements". Legal Requirements shall mean all applicable local, state and federal laws, ordinances, rules, regulations, codes and orders, as may be amended from time to time, including, but not limited to, the California Hazardous Waste Control Law ("HWCL") (Cal. Health & Safety Code §25100 et seq.), the provisions of the HWCL related to small quantity Generators (Cal. Health & Safety Code §25218 et seq.), All regulations implementing the HWCL, including but not limited to: 22 C.C.R. §66001 et seq.; the California Occupational Safety and Health Act (Cal. Labor Code §6300 et seq.); the Federal Occupational Safety and Health Act (29 U.S.C. §651 et seq.); Federal Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); and all Department of Transportation Regulations relating to hazardous materials (Subtitle B, Chapter I, Subchapter C of Volume 49 of the Code of Federal Regulations).

"Mobile Program". Mobile Program shall mean a vehicle specially equipped to handle Household Hazardous Waste, in accordance with all Legal Requirements, collected at events held at Mobile Program Sites up to ninety (90) participants per event.

"Mobile Program Site(s)". Mobile Program Site shall mean the location of a temporary Hazardous Waste collection event that is operated in conjunction with the HHW Facility.

"PaintCare". PaintCare Inc. a non-profit (501(c)(3) organization, established by the American Coatings Association to implement California's Paint Stewardship Law.

"PBR Notification". A PBR Notification is a Permit-by-Rule Notification. Since a PBR Permit does not require an application and approval process by the State, a PBR Notification is accepted in lieu of an

application to inform the State and CUPA that a facility is in operation. Each Mobile Program collection site also requires a PBR Notification.

“PBR Permit”. A PBR permit is a Permit-by-Rule Permit required for HHW facilities under CCR, Title 22. Each Mobile Program collection site also requires a PBR Permit.

“Program”. Program shall mean the Agency's Household Hazardous Waste program for the handling and processing of Household Hazardous Wastes and Hazardous Wastes received from Residents, CESQG's, the Door-to-Door Collection Services, the Hazardous Waste Load Check Programs and emergency response agencies.

“Resident”. An individual or individuals that live in Sonoma County. For purposes of this Agreement, Resident implies an individual bring waste generated from personal use and not in the course of a business venture, even if the business venture is housed within the Resident's home.

“Reuse Waiver”. A reuse waiver shall mean a waiver of liability specifically designed for use by the reuse program.

“Variance”. A variance grants a permit holder special permission to operate outside the standard regulations set forth for a Permit within the limits set forth in the variance. Variances, for the purpose of this Agreement, are granted by DTSC and include, but are limited to, the Door-to-Door Collection Service variances and the CESQG transportation variance.

“TSDF”. TSDF shall mean a treatment, storage or disposal facility that is permitted by the appropriate agencies to take and manage Hazardous Waste.

2. SCOPE OF SERVICES.

2.1 Contractor Performance.

2.1.1 Full Service Operation. In operating the Program, Contractor shall perform a full range of services which shall include, without limitation: sorting wastes, sorting for reuse, operating the reuse depot, packaging wastes, labeling and marking wastes, transporting and disposing of all Hazardous Wastes accepted through the HHW Program.

2.1.2 Unknown Materials. Contractor shall promptly respond to the processing of all unknown materials, including, without limitation, sampling, HazCatting analysis and categorization. The unknown materials, after being identified, shall then be incorporated into the appropriate waste streams for recycling and/or lab packing and disposal by Contractor.

2.1.3 Acceptance of Waste. Subject to exclusions set forth in Section 2.2.2 below, Contractor shall receive and manage Hazardous Waste generated by Residents and CESQG of Sonoma County, from the Door-to-Door Collection Service and Mobile Program, Hazardous Waste Load Check Programs and Emergency Response Wastes.

2.1.4 Familiarity with CalEPA and US EPA Permitted Facilities. Contractor shall be informed on current costs, procedures, and analytical requirements for disposal of Hazardous Waste at approved CalEPA and US EPA permitted Hazardous Waste facilities utilized during the course of performing this contract.

2.1.5 Disposal of Materials. Contractor shall not dispose as hazardous any materials that can be managed as non-Hazardous Waste.

2.1.6 Efficient Use of Containers. Contractor shall work to decrease the actual number of containers sent for recycling or disposal by packing containers efficiently, Efficiency shall be measured by both the manner in which the waste is packed in a container as well as the size of container selected. Contractor shall pack as much waste in any one container as the container can hold within legal limits. The largest container appropriate for a waste category shall be used where sufficient volume exists. Contractor shall accumulate waste as long as legally allowed in order to use the largest container appropriate for any waste category. Agency may specify the packing method for any waste category, and Agency may change the method during the course of this Agreement. As a general rule, any waste that may be bulked shall be bulked unless the Agency has specifically indicated otherwise. It is Agency's expectation that waste accepted from Hazardous Waste Load Check Program, Door-to-Door Collection Service, or the Mobile Program may frequently be accepted in partially full containers. Accepting waste in partially full containers is preferred to small containers. Partially full containers shall be packed with compatible waste accepted at the HHW Facility, thereby maximizing the container size, controlling recycling and disposal costs and limiting the need for repackaging. Contractor shall develop clear, simple, written guidelines for packaging and provide necessary hands-on training to Door-to-Door Collection Service personnel and field personnel so that repackaging is not required. Emergency Response Wastes shall not be packaged with wastes from other programs as Emergency Response Wastes are subject to different regulations.

2.2 Waste Management.

2.2.1 Hazardous Waste Management Methods. Agency will select the disposal method to be used for each waste category from options provided in Exhibit A. Agency may change disposal method at anytime by giving Contractor 24 hours prior written notice. Contractor shall package and transport Hazardous Wastes for final disposal in accordance with all applicable Legal Requirements.

2.2.2 Excluded Materials. Contractor shall not accept the following materials: 1) explosives with the exception of surface flares; 2) biological wastes, with the exception of syringes; 3) reactive wastes, unless listed on Exhibit A; and 4) radioactive materials. Contractor will install a Geiger counter to avoid accepting radioactive material. Should a household or business bring any of the aforementioned materials to the HHW Facility or Mobile Program, Contractor shall assess whether the participant is in any imminent danger from the material and if so, will inform the participant, evacuate the area if necessary and contact the appropriate emergency response agency or agencies. If no detectable imminent danger is present, Contractor may reject excluded materials. Contractor shall provide participant with information on the proper handling and disposal of the material. If Contractor accepts any of the aforementioned material inadvertently, Contractor shall notify Agency Representative and upon their direction, dispose of such waste using an approved subcontractor. Contractor shall make its best efforts to determine the source of the material and shall promptly inform Agency Representative of each such incident. Should a participant be rejected with waste, Contractor shall notify landfill gatehouse staff immediately to avoid potential illegal dumping.

2.2.3 Syringes. Contractor shall accept syringes and related wastes, e.g. pipettes lancets, swabs, empty medicine bottles. Contractor shall supply all appropriate containers and labeling materials. Contractor shall obtain all necessary permits and handle waste in accordance with all Legal Requirements.

2.2.4 HazCating Unknowns. Contractor shall HazCat any materials received for which Contractor is unsure of the identification. All HazCating activities shall be performed in a designated laboratory space, which contains all appropriate safety and emergency response equipment. All HazCating shall be performed by the field chemist.

2.2.5 Disposal Destinations. Contractor shall dispose of Hazardous Wastes only at the facilities designated in Exhibit B. Alternate facilities may be utilized upon prior written approval by Agency Representative. Contractor may be required to submit permits, proof of insurance and/or environmental audits on

any facility listed in Exhibit B or alternative facility. Agency reserves the right to reject any disposal facility at any time, including those listed in Exhibit B.

2.2.6 Proof of Proper Disposal. Contractor shall provide Agency final disposal certificates for all Hazardous Wastes that are fuel blended, treated, incinerated or landfilled.

2.2.7 Rejection of Wastes at Final Disposal Facilities. Agency shall not be responsible for additional costs incurred as a result (directly or indirectly) of a TSDF or other authorized facility refusing to take Hazardous Waste from Contractor, or as a result of Contractor not having prior contract arrangements for use of a particular TSDF or other authorized facility. This includes the repacking and manifesting of misdirected or rejected Hazardous Wastes. Contractor shall provide Agency with all paperwork associated with the rejection and disposal of Hazardous Waste.

2.2.8 Acceptance of Waste From Agency Approved Door-to-Door Collection Service. Contractor shall accept any waste brought to the facility which has been collected in connection with an Agency approved Door-to-Door Collection Service. Contractor shall set reasonable minimum standards for packaging of hazardous waste from Door-to-Door Collection. Contractor shall accept partially full containers from Door-to-Door Collection Service and, where allowed by applicable Legal Requirements. Contractor shall fill the container with compatible materials to ensure the container is filled to capacity. Contractor shall consolidate smaller packed containers (e.g. 5 gallon and 30 gallon containers) when economical, and where allowed by applicable Legal Requirements. In such incidents a repack fee may not be charged. Contractor shall provide approved Door-to-Door Collection Service with drums and absorbent for the packing of Hazardous Waste. Contractor may inspect any or all containers upon receipt. Should any container fail to meet the packing specifications developed by Contractor, Contractor may reject for repacking or repack container at Contractor's discretion. Contractor may charge a twenty five dollar (\$25) repacking fee. Should Contractor choose to repack a container, Contractor shall file a report with Agency and Door-to-Door contractor within a week of the incident specifying the reason for repacking the container. Contractor shall coordinate unloading schedules. The parties acknowledge that the contractor providing the Door-to-Door Collection Service on behalf of the Agency is solely responsible for any compensation due to Contractor. The Door-to-Door Collection Service contractor will provide payment to Contractor for fees from CESQG's service within 30 days of delivery to the Facility. Contractor may refuse to accept partial payments. In the event that Contractor does not receive payment or payment is not received on time from the Door-to-Door contractor, the following actions will be taken:

A late fee of \$50 will be assessed for the first late payment or bounced check, increasing to \$100 on the second violation.

The Door-to-Door Contractor and the Agency will be notified of the delinquency. The Door-to-Door Contractor will be given 10 days to make payment.

If payment is not made within 10 days, the Door-to-Door Contractor will be notified by Agency to discontinue collection of CESQG waste until full payment is made.

If payments are late or insufficient more than two times within a calendar year, the Contractor shall have the right to refuse further acceptance of CESQG waste from the Door-to-Door Contractor.

Contractor may review the receipts and shipping papers obtained from the Door-to-Door contractor to determine whether wastes were properly classified or whether the Door-to-Door contractor imposed the proper charge for the waste as set out in Exhibit H of this Agreement. If Contractor determines wastes were improperly classified or charges imposed were not consistent with Exhibit H of this Agreement, then the Contractor may require the Door-to-Door contractor to pay to Contractor the appropriate charge consistent with Exhibit H of this Agreement.

2.2.9 Reuse. Contractor shall make available a reuse area at all Mobile Program Sites and the HHW Facility. Contractor shall open the reuse area located at the HHW Facility to the

public Thursday through Saturday 8:00 a.m. to 4 p.m. Contractor shall make each Program participant aware of the reuse program through verbal or written communication. Contractor shall include the Reuse and Recycling policy statement, Exhibit C, in all of its employee training manual. Contractor shall follow the following procedures for handling reuse items:

- Identify any products in their original containers that are in good, non-leaking condition, and original labels intact.
- Confirm that such product (hazardous component) is still available on the market at the time of distribution.
- Confirm that product has not expired if there is an expiration date and/or known shelf life.
- Place reuse item in designated area/locker. Agency has final decision over distribution of reuse material.
- Participant must sign a liability waiver covering both Agency and Contractor provided by Agency and approved by the Contractor. The waiver shall identify all reuse products by category and weight before leaving the site with the material. The waiver applies to staff as well as the public.
- Maintain log of all release forms in chronological order.
- Provide all materials at no charge to the public.
- Materials shall be removed from the reuse program and appropriately disposed if not claimed after six (6) months.
- Follow the Reusable Exchange Program Quality Assurance Plan and Products Not To Be Redistributed list provided by the Agency, Exhibits D and E. Either the Plan or the List may be changed by the Agency at anytime.
- Achieve a minimum of a 20% reuse rate by weight.

The Agency puts great value on the reuse program. Should Contractor fail to meet the 20% reuse rate, Contractor must provide an acceptable justification or meet the 20% reuse rate within 30 days of notice of non-compliance from Agency. Should Contractor fail to meet compliance notice, Agency may fine Contractor \$1,000 per month to be withheld from payment due until such time as Contractor complies with 20% reuse rate or provides an acceptable justification. Staffing or workload issues will not constitute an acceptable justification. Contractor is solely responsible for providing adequate staffing and management of workload. If the reuse goal cannot be achieved due to lack of interest in reuse products, Contractor shall make reasonable efforts to stimulate interest by advertise reuse program and/or building relationships with businesses and/or governmental agencies that can use reuse products.

2.2.10 Latex Paint Reuse. Contractor will set aside reusable latex paint for redistribution through Contractor's reuse program or the County's exchange program (e.g., Recycletown). Partial containers of reusable paint or paint in quantities that cannot be readily redistributed through the reuse programs shall be mixed together, screened and repackaged in one or

five gallon containers. If all the paint cannot be given away through the reuse or exchange programs, Contractor shall contact other organizations that may be interested (e.g., graffiti eradication programs, recreation departments, public works departments, housing and community development organizations, theater groups, CalTrans, community service groups, schools or government agencies). After all reasonable efforts have been made to give away paint, Contractor may dispose of paint stored for more than six (6) months or where the paint has spoiled or hardened beyond reuse. Should the Agency decide to send latex paint to a recycler, Contractor shall submit, in writing, a recycler(s) for Agency's approval. Contractor may only use recyclers that utilize the Green Seal certification for reprocessed latex paint."

2.2.11 Weighing of Wastes. Contractor must weigh all wastes once packaged prior to transporting from the site. Real gross weights must be tracked for each program, Mobile Program, Residential, CESQG, Door-to-Door collection, Hazardous Waste Load Check Programs and Emergency Response Wastes. Therefore Contractor must track partial containers before topping off container. Contractor must devise a tracking method that does not double count already weighted partial containers. Contractor shall also establish average weights for packing materials for each kind of container and packing method so that net weights of waste can be extrapolated. Contractor shall be reporting waste by waste category and program in net and gross weights.

2.2.12 Household Affidavit. If Contractor or Agency Representative suspects a participant using the household fee exempt program is actually a CESQG, Contractor or Agency Representative may question the participant and require participant to sign an affidavit that the Hazardous Waste they are delivering was generated by a household. If, on more than one occasion, Contractor or Agency have identified a participant as a probable business, not eligible to participate as a household, then Contractor or Agency may deny service to participant.

2.2.13 Camping Stove Propane Cylinders. If empty, Contractor shall pull pins from camping stove propane cylinders and recycle the containers as scrap metal. Unless empty, Camping stove propane cylinders are to be placed in the reuse program, regardless of amount of propane remaining in cylinder. Only cylinders that cannot be distributed through the reuse program or have corrupted containers are to be shipped as hazardous waste.

2.3 Operations.

2.3.1 Hours of Operation.

(a) Contractor shall provide services to Agency forty (40) hours weekly. Based on service needs and contract resources consistent with this Agreement, the number of hours of services rendered for any of the different program types may be adjusted during the contract term by mutual agreement of the parties memorialized in a written agreement signed by the Agency Executive Director. Unless otherwise approved in writing by the parties, the days and hours of operation shall be as follows:

Sunday No services

Monday	7:30 a.m. to 2:30 p.m.	No public services	Administrative
Tuesday	7:30 a.m. to 9:00 p.m.	Mobile Collection & Set-up	HHW/CESQG
Wednesday	7:30 p.m. to 2:30 p.m.	Door-to-Door/Load check	HHW/CESQG
Thursday	7:30 a.m. to 2:30 p.m.	HHW Facility	HHW
Friday	7:30 a.m. to 2:30 p.m.	HHW Facility	HHW
Saturday	7:30 a.m. to 2:30 p.m.	HHW Facility	HHW

(b) Notwithstanding any provision to the contrary, Contractor shall provide services at the HHW Facility on Sundays within thirty (30) days of mailing of a written request from Agency, subject to the provisions of paragraph 2.4.

Contractor shall develop a strategy to ensure that Mobile Program Sites are set up and ready for operation prior to the announced opening time. Contractor may use appointments for Conditionally Exempt Small Quantity Generators (CESQG's), mobile program users and door-to-door collections. If an appointment operating schedule is used, Contractor shall be responsible for setting appointments. Contractor shall post a sign outside the HHW Facility listing the hours of operation.

2.3.2 Access to HHW Facility. Contractor shall have full and unimpaired access to the HHW Facility from 7:00 a.m. to 4:00 p.m. every day of the week, Tuesdays from 7:00 a.m. to 10:00 p.m., and Wednesdays 7:00 a.m. to 10:00 p.m. or as necessary for emergencies or incidents, but at no other times unless approved by Agency in writing.

2.3.3 Holiday Closing. Contractor shall close the HHW Facility on holidays observed by the Central Landfill (i.e., New Years, Easter, Independence Day, Labor Day, Thanksgiving and Christmas). Contractor shall post a sign year-around listing the days the HHW Facility will be closed.

2.3.4 County Closing. Agency shall have the right to shut down the Program, or portions thereof, when deemed necessary. Agency shall provide thirty (30) days advance notice unless such advance notice is impractical under the circumstances.

2.4 Staffing and Subcontractors.

2.4.1 Staffing. Contractor shall provide all on-site technical staff to provide the services stated in this Agreement. Contractor shall have seven (7) full-time staff dedicated to operation of the HHW Facility, one (1) Program Manager, one (1) Chemist, (4) four Technicians and one (1) Administrative Support. During any time Contractor is accepting materials at the HHW Facility and Hazardous Waste is being accepted, Contractor shall have at least two employees on-site. Contractor shall dedicate at least one staff person who is responsible for Agency's HHW Facility and whose sole duties consist of operating the Agency's program. Agency shall designate an employee to act as liaison to the Program. No Agency or County staff member will be assigned to operate the HHW Facility or the Mobile Program. Agency Representative(s) may or may not be on site during operational hours. Agency Representatives' responsibilities will be limited solely to the following:

- (a) Review and sign manifests, although Contractor may be delegated this responsibility by Agency Representative to sign on behalf of Agency
- (b) Audit record keeping
- (c) Review monthly/quarterly/annual reports
- (d) Serve as Agency liaison/contact for Contractor
- (e) Inspections/program auditing
- (f) Review and approve Contractor billings
- (g) Assist Contractor in locating Mobile Program Sites and serve as a liaison with the site owner when necessary (Contractor maintains primary responsibility for arranging, permitting and locating sites)
- (h) Emergency incident contact/liasion (Contractor maintains responsibility for coordinating emergency response efforts and contacting emergency

responders. In case of an emergency, the Contractor shall also promptly contact Agency Representative.)

- (i) Review and sign Permit By Rule notifications and variances.

2.4.2 Staff Training. Contractor's personnel must be trained in the safe and proper handling of Hazardous Wastes and must be capable of emergency response and cleanup of Hazardous Waste spills, and securing of Hazardous Wastes during disasters as required by all Legal Requirements.

Contractor shall provide all staff with appropriate site specific training, including temporary and replacement staff. Contractor shall maintain copies of all training certificates and records at the HHW Facility for all employees as required by all Legal Requirements.

2.4.3 Subcontractors. Contractor shall provide for the transportation, recycling, reclaiming, and disposal of all materials accepted in connection with the Program. Contractor shall arrange for and manage any subcontractors necessary to provide these services. Contractor may use the subcontractors listed in Exhibit G. Additional subcontractors may be utilized upon prior written approval by the Agency Representative. Contractor may be required to submit permits, proof of insurance and/or references for any new or Exhibit G listed subcontractor. Agency reserves the right to reject any subcontractor at any time, including those listed in Exhibit G.

2.4.4 Key Personnel. The parties hereby acknowledge that (insert key personnel) are the key personnel whose services are a material inducement to the Agency to enter into this Agreement and without whose services the Agency would not have entered into this Agreement. (Insert key personnel) shall be the principal persons of Contractor overseeing Contractor's performance herein. In no event shall any other person perform such services unless Contractor has obtained Agency's prior written consent thereto.

2.5 Mobile Program.

2.5.1 Mobile Program Service. Contractor shall provide for collection of Household Hazardous Wastes at Mobile Program Sites, subject to the exclusions set forth in Section 2.2.2 above, and in accordance with the current Permit-by-Rule Regulations for Temporary Household Hazardous Waste Collection Facilities. Agency and Contractor shall mutually agree on site selection. While Agency will work with Contractor to obtain written permission to use such sites, it is ultimately Contractor's responsibility to obtain Mobile Program Sites. In the event that, despite its best efforts, Contractor is unable to obtain written permission to use a Mobile Program Site selected by Agency and Contractor for a scheduled temporary Hazardous Waste collection event, an alternative Mobile Program Site will be selected by Contractor and Agency and the date for the event will be changed, as necessary. Contractor shall name as an additional insured under Contractor's insurance policies, all owners of Mobile Program Sites who request such protection. All waste accepted at a Mobile Program collection site is to be taken back to the HHW Facility for further consolidation and transport. Contractor may transport waste from a Mobile Program collection site directly to a recycling or disposal facility only if there is a cost advantage to the Agency.

2.5.2 Mobile Program Vehicle. Contractor shall provide a vehicle that will be used for serving the Mobile Program Sites. Contractor shall provide a vehicle that is able to service up to eighty (80) cars per event. Contractor shall have a contingency plan for handling unexpectedly high participation and/or Hazardous Waste volumes at an event. Contractor shall maintain ownership of the vehicle at the conclusion of this Agreement. On or before the Start Date, Contractor shall provide Agency copies of all licenses and permits necessary for vehicles used in the performance of services under this Agreement.

2.5.3 Mobile Program Site Responsibility. Contractor shall be fully responsible for all Hazardous Wastes disposed of at any Mobile Program Site during any day of a scheduled event, regardless of whether such event was shortened or canceled, subject to the exclusions set forth in Section 2.2.2 above. If, for any reason, including but not limited to inclement weather, a Mobile program Site is closed, Contractor shall post conspicuous signs or personnel at the Mobile Program Site to inform the public of the closure and shall inspect such site and ensure no Hazardous Wastes were dumped, left or disposed of at the Mobile Program Site. Contractor shall be responsible for collection, at its sole cost and expense, for all Hazardous Wastes dumped, left, or disposed of at the Mobile Program Site during any and all hours of any scheduled event, regardless of whether such event is shortened or canceled for any reason.

2.5.4 Inclement Weather. Contractor shall be prepared and will be expected to provide Mobile Program services regardless of weather conditions, unless weather conditions threaten the safety of the public or workers or create a potential for uncontrolled release of Hazardous Wastes (e.g. very strong winds or lightening.)

2.5.5 Security Guard. Contractor shall at all times while Hazardous Waste is at a Mobile Program Site, supervise and secure such Hazardous Waste. Contractor may hire a security guard to ensure the security of the Hazardous Wastes while on-site.

2.5.6 Traffic Control. Contractor is responsible for managing the traffic generated by the collection. Traffic shall be managed in a manner that will provide the least impact on the regular flow of traffic at the site or adjacent streets.

2.6 Door-to-Door Collection Service

2.6.1 Door-to-Door Collection Service. Contractor shall provide door-to-door collection of Household Hazardous Wastes from residents and Hazardous Waste collection from CESQs subject to the exclusions set forth in Section 2.2.2 above, and in accordance with a door-to-door variance.

2.6.2 Door-to-Door Collection Service Staffing. Contractor shall provide a minimum of two staff, one of which shall be a chemist, to operate the door-to-door collections at all times.

2.6.3 Packaging of Waste From Door-to-Door Collection. Contractor shall set reasonable minimum standards for packaging of hazardous wastes from Door-to-Door Collection Service in accordance with all applicable laws and regulations. Upon delivery of partial containers from the door-to-door Program to the HHW Facility, Contractor shall, where allowed by applicable Legal Requirements, fill the container with compatible materials to ensure the container is filled to capacity. Contractor shall consolidate smaller packed containers (e.g. 5 gallon and 30 gallon containers) when economical and where allowed by applicable Legal Requirements.

2.6.4 Door-to-Door Collection Vehicle. Contractor shall provide a vehicle that will be used for door-to-door collection. Contractor shall maintain ownership of the vehicle at the conclusion of this Agreement. On or before the Start Date, Contractor shall provide Agency copies of all licenses and permits necessary for any vehicle to be used in the performance of services under this Agreement.

2.6.5 Door-to-Door Appointments. Contractor shall provide a toll-free phone number for door-to-door participants to schedule pick-ups. The phone line shall be staffed 20 hours per week. Contractor shall return calls within two days from when the call is received. When the

phone line is not staffed, the voice mail system shall inform callers of the hours during which the phone line is staffed and also that they shall receive a return call within two days. The voice mail system shall also inform callers of alternative service opportunities, for example mobile collections and HHW Facility hours. Contractor may elect to schedule pick-ups on the basis of geographic proximity of residences and/or CESQGs so that Contractor may concentrate its pick-ups in certain general areas on certain days. However, Contractor must make pick-ups within three (3) weeks of receiving a request for an appointment unless the available appointments for the geographic area have already been filled. In any event, all pick-ups must be accomplished within four (4) weeks of receiving a request for an appointment.

2.6.6 Historical Clean-outs. Contractor shall provide Historical Clean-outs for CESQGs. Contractor shall track historical clean-outs, never providing more than one to any particular CESQG. The provision of Historical Clean-outs is dependent upon Historical Clean-outs being allowed under the door-to-door collection variance.

2.6.7 Door-to-Door Service Fees. Contractor may charge \$25 for residential collections. Contractor shall limit waste collected to 55 gallons or 425 pounds per appointment. Residents may schedule sequential appointments so long as an additional appointment fee is paid and appointments are available. Agency reserves the right to charge a surcharge on any or all Door-to-Door Collection Services. Should Agency opt to charge a surcharge, Contractor shall show and calculate it as a credit to Agency on Contractor's invoices. Contractor bears sole responsibility for collecting door-to-door collection fees from participants. Contractor shall establish a consistent and published payment policy to be applied to all program users. Contractor shall provide service to ten (10) monthly or one hundred and twenty (120) annually homebound senior and/or disabled households at no charge. Contractor shall develop a screening methodology for determining whether a resident qualifies as "homebound senior" or "disabled" resident. Contractor shall obtain Agency approval prior to utilizing screening methodology.

2.6.8 Operations Plan, Emergency Response Plan and Work Health and Safety Plan. Contractor shall prepare an Operations Plan, Emergency Response Plan and Work Health and Safety Plan for the Door-to-Door Collection Service in accordance with applicable laws and regulations and applicable variance.

2.6.9 Surveying. Contractor shall survey Door-to-Door Collection Service participants as set forth in Section 8.5 of this Agreement.

2.6.10 Record keeping. Contractor shall prepare separate records for the Door-to-Door Collection Service, including number of participants, surveys and waste quantities independently from other HHW program services provided for in is Agreement.

2.7 CESQG.

2.7.1 Conditionally Exempt Small Quantity Generators. Contractor shall operate a program for accepting Hazardous Waste from CESQG in accordance with applicable Legal Requirements and subject to the exclusions set forth in Section 2.2.2 above. Contractor shall not accept more than the CESQG limits specified in the California Health and Safety Code. Contractor shall require all CESQG to sign an affidavit verifying that they are a conditionally exempt Generator as defined in Section 25218.1 (a) of the California Health and Safety Code. Agency will not subsidize the disposal cost for CESQG. Contractor shall charge CESQG the disposal fees set forth in Exhibit H. Contractor shall handle all aspects of payments for services. Contractor shall, at a minimum, accept

payment in the form of cash or business checks. Contractor shall have the right to require cash on delivery from businesses that have a poor payment history.

2.8 Hazardous Waste Load Check Program. Any materials collected by the Hazardous Waste Load Check Program shall be handled by Contractor at the HHW Facility, subject to the exclusions set forth in Section 2.2.2 above. Contractor shall collect Hazardous Wastes from each site, where a Hazardous Waste Load Check Program is being operated, using the Mobile Program or other licensed vehicle at least every ninety (90) days, or more frequently if requested by County. This program shall be billed to the Sonoma County Department of Transportation and Public Works (Integrated Waste Division) separately from other billings to the Agency. Disposal of Hazardous Wastes collected from the Hazardous Waste Load Check Program are to be charged at the rates set forth in Exhibit A. Contractor shall not be guaranteed any amount of work for the Hazardous Waste Load Check Program.

2.9 Plans, Security, Safety and Emergency Response.

2.9.1 Daily and Weekly Inspections. Contractor shall perform daily and weekly inspections to ensure that all equipment is functioning appropriately and that all Hazardous Wastes are properly contained. In performing such inspections, Contractor shall complete the checklists attached hereto as Exhibit I.

2.9.2 Emergency Response Plan. Within thirty (30) calendar days of signing this Agreement, Contractor shall provide, for Agency review and approval, a detailed emergency response plan that addresses spills, personnel injuries, fire, and natural disasters. In addition, Contractor shall obtain approval of an emergency response plan from local fire departments as required by said agencies.

2.9.3 Disaster Occurrence. Contractor shall provide all labor and materials necessary to properly fasten, restrain, and secure all Hazardous Wastes for the occurrence of a major earthquake, or other natural or unnatural disaster.

2.9.4 Response Time. Contractor shall respond to emergency service requests and Hazardous Waste spills associated with the Program within a maximum of two (2) hours after initial contact from Agency or an emergency response agency.

2.9.5 Emergency 24 Hour Phone Number. Contractor shall provide a 24 hour phone number that can reach an individual knowledgeable in the types of Hazardous Wastes and any specific emergency measures required if the Hazardous Wastes are released into the environment. This phone number is to be listed on manifests as required by applicable regulations, and provided to Agency Representative and local emergency response agencies.

2.9.6 Worker Health and Safety Plan. Within thirty (30) calendar days of signing this Agreement, Contractor shall provide a detailed worker health and safety plan for Agency's review and approval. Agency reserves the right, at any time, to require further safety measures be included. In addition, Contractor shall obtain approval of worker health and safety plan from local fire departments as required by said agencies.

2.9.7 Operation Plan. Within sixty (60) calendar days of Agency's request, Contractor shall provide, for Agency review and approval, a detailed operation plan that describes the: (i) program operations; (ii) equipment and materials to be used; (iii) personnel plan; (iv) health and safety plan; (v) Hazardous Waste handling plan; (vi) Hazardous Waste management plan; (vii) security;

(viii) emergency response plan; (ix) list of applicable permits; and (x) indemnification and insurance requirements. Agency reserves the right, at any time, to require further measures be included.

2.9.8 Emergency Contact List. Contractor shall provide Agency with an emergency contact list for all HHW facility personnel and appropriate offsite management contacts. Contractor is responsible for providing a new contact list whenever personnel or contact information changes.

2.10 Public Information. Contractor shall cooperate with Agency in promotional and educational efforts. This may include distribution of educational materials to Program participants and displaying educational materials at Mobile Program Sites and the HHW Facility. Contractor shall be supportive in both attitude and action of educational efforts which encourage the use of less product or safer, less toxic products.

2.11 Agency Responsibilities. Agency shall perform the following tasks:

- Provide the HHW Facility with installed emergency equipment, reuse lockers and water (non-drinking), toilet facilities and electricity.
- Prepare initial permit documentation and PBR Notification.
- Act as Generator of the Household Hazardous Waste.
- Sign the manifests, although this may be delegated to Contractor.
- Assist in selection and approval of Mobile Program Sites.
- Review and analyze data from reports as provided by Contractor and prepare reports for State as required.
- Obtain Generator ID number.
- Coordinate the community education and publicity for the Program.
- Review and sign the Permit By Rule notifications for the Mobile Program
- Maintain variance for CESQG transport.
- Provide closure assurance for the HHW Facility.

3. TERM OF AGREEMENT.

3.1 Term. The term of this Agreement shall commence on the Effective Date and terminate on February 11, 2017.

4. COMPENSATION FOR SERVICES.

4.1 Program Operation Fee. For all services and incidental costs required hereunder (subject to Section 4.2 below) commencing on June 1, 2006, Contractor shall be paid an annual operations fee in an amount not to exceed four hundred and thirty eight thousand two hundred and eighty Dollars (\$438,280). Bond payments are in addition to the operations fee based on the annual cost of the bond and apportioned in monthly payments. The actual cost of the performance and payment bonds shall

be passed through to Agency to be paid in equal monthly installments. The operations fee will be paid in equal monthly installments throughout the year. Contractor may bill as frequently as monthly. An invoice must be submitted by July 3rd of each year to encompass any un-invoiced expenses incurred in the previous County fiscal year.

4.2 Disposal Costs. In addition to the annual operations fee, Contractor shall be reimbursed for disposal costs of Hazardous Wastes at the unit prices set forth in Exhibit A. Agency shall only pay Hazardous Wastes disposal costs for Hazardous Wastes that have been shipped, and for which a signed manifest has been returned or for which a valid billing of lading exists. If Contractor is compensated through the California Architectural Paint Recovery Program, any program products, covered under the California Architectural Paint Recovery Program codified by Public Resources Code 48700 and administered by PaintCare, shall not be reimbursed by Agency and disposal costs shall not be charged to CESQGs or charged to the Load Check Program.

4.3 Increased Disposal Costs Due to Regulatory Changes. In the event that requirements imposed on the Program by state or local agencies that are the result of new or revised regulations proposed and enacted after the Effective Date of this Agreement, cause Contractor to have to expend an excess of more than Ten Thousand and No/100 Dollars (\$10,000.00) in the aggregate in any twelve (12) month period, the excess over Ten Thousand and No/100 Dollars (\$10,000.00) shall be considered pass through costs to the Agency. Contractor shall have the burden of proving to the Agency, the amount of expense incurred as a result of such new or revised regulation.

4.4 Hazardous Waste Load Check Program. Hazardous Waste Load Check Program Hazardous Waste disposal costs are to be charged at the rates set forth in Exhibit A. Contractor shall indicate amount of Hazardous Waste collected at the disposal sites.

4.5 Payment Terms. Payment shall be made to Contractor by Agency within thirty (30) days after receipt of a complete invoice and upon the approval of the Agency's contract manager that the tasks and submittals are acceptable and adequate. A "complete invoice" shall include the following documentation in addition to the invoice: (a) copies of returned, signed Hazardous Waste manifests for all Hazardous Wastes billed; and (b) status reports, as required. Agency shall notify Contractor of any invoice discrepancies or issues in writing within ten (10) working days of receipt of an invoice. Contractor shall respond to any such notice of deficiency in writing within fifteen (15) days, and payment will be due from the Agency within fifteen (15) days after receipt of such response. In the event that any issues or discrepancies remain after the Agency receives such response, Agency nonetheless shall pay all undisputed amounts within the fifteen (15) day period, and the parties will resolve the remaining issues or discrepancies in accordance with the procedures set forth above. Agency may withhold payment whenever Contractor fails to provide a complete invoice, until Contractor supplies Agency with a complete invoice. Invoices for the Hazardous Waste Load Check Program shall be submitted in accordance with this Section, provided, however that such invoice shall be billed separately to the Sonoma County Department of Transportation and Public Works. All invoices are to be directed to:

Lisa Steinman, Household Hazardous Waste Program Manager
Sonoma County Waste Management Agency
2300 County Center Drive, Suite B100
Santa Rosa, CA 95403

Contractor is required to submit to the Agency an accurate and complete invoice, including any supporting documentation, no later than sixty (60) days from the close of each invoice period. Failure to comply with this requirement may result in the Agency assessing Contractor a fifty dollar (\$50) fine

for each week the Contractor fails to meet this requirement. Fines may be assessed at the close of business on every Monday.”

5. LIABILITY FOR COMPENSATION

Contractor hereby acknowledges that pursuant to Section 18 of Article 16 of the California Constitution, there are certain limits on the Members of the Agency incurring liability under this Agreement. Therefore, notwithstanding anything stated to the contrary herein, Contractor hereby understands, acknowledges and agrees to look solely to the special funds of the Agency which are generated from the collection of tipping fees for Agency programs. In no event shall County's or Agency's obligation to pay Contractor hereunder extend beyond the tipping fees collected by the Agency. During the term of the Agreement, Agency shall work with Contractor to adjust or decrease service if it is expected that annualized services will exceed the tipping fees collected by Agency. In addition, Agency shall have the right to cancel and terminate this Agreement at the end of any fiscal year of the Agency if the Agency is not authorized by state or federal law or regulation to appropriate moneys sufficient to pay the compensation required under this Agreement. The Agency may effect such termination by giving Contractor thirty (30) days prior written notice of termination unless the giving of such advance notice is impractical under the circumstances.

Notwithstanding anything contained to the contrary in this agreement, Contractor agrees that the County or Agency may terminated this Agreement with thirty days' written notice, for any of the following reasons:

- A. County or Agency has exhausted all funds legally available for payments to become due under this Agreement; or
- B. An appropriation of funds for the next fiscal years is made, but prior to actual release such appropriation is withdrawn; or
- C. No appropriation of funds for payments in the next fiscal year is made in the budget.

At the end of the termination notice period and if County has the right to terminate, County's obligation under this Agreement shall terminate provided that County has made all payments required to the date of termination. Upon such termination, all obligations of County accruing after the effective date of such termination shall be deemed to be extinguished.

6. HHW FACILITY AND EQUIPMENT.

6.1 Supplies and Equipment. Contractor shall supply all necessary equipment and supplies including but not limited to drums, containers, absorbent, labels, appropriate shipping papers, personal safety equipment, fire extinguishers, secondary containment pallets, forklifts, Mobile Program vehicle, computers, office equipment, and any other equipment necessary to the operation of the HHW Facility and Mobile Program. Contractor shall retain ownership of equipment supplied by Contractor at the conclusion of this Agreement. Agency shall provide the permanent structures and permanent safety equipment such as showers, emergency warning systems, sprinklers, water (non-drinking), electricity, and reuse product lockers.

6.2 Utilities. Contractor shall be responsible for providing the phone service to the HHW Facility or reimbursing Agency for phone service. Contractor shall also be responsible for providing drinking water. Agency and County shall provide water for emergency systems, sanitation requirements and electricity. Contractor shall make every effort to conserve the use of electricity.

6.3 Permit Acquisition. Agency shall prepare initial documentation to comply with PBR Permit requirements and file the PBR Notification. Contractor shall be responsible for maintaining the PBR Permit documentation and keeping all documentation current. Agency shall obtain an EPA Identification numbers for both the HHW Facility and Mobile Program Sites. Contractor shall prepare

Mobile Program PBR Notifications and Agency shall review, sign and submit the notifications. Contractor shall obtain licensing for any vehicles that transport Hazardous Waste.

6.4 HHW Facility Permit Compliance. Contractor shall conduct its operations in compliance with the HHW Facility's PBR Permit.

6.5 Fines and Penalties. Contractor shall pay any and all fines and/or penalties incurred by the Agency, County and/or Contractor in connection with Contractor's failure to comply with any Legal Requirements or the terms and conditions of this Agreement.

6.6 HHW Facility Maintenance. Throughout the term, Contractor shall, at Contractor's sole cost and expense, maintain the HHW Facility and improvements (including, without limitation, landscaping, utilities, emergency equipment, storage tanks, reuse lockers and all equipment supplied by Contractor) in first-class condition and repair. Agency and County shall have no obligation to improve, alter, repair, remodel or maintain the HHW Facility or improvements in any way whatsoever, except to the extent repairs or maintenance are required as: (1) a direct result of a defect in the design or construction of the HHW Facility or permanent improvements made by County, including, without limitation, any defect in the materials or equipment incorporated into the permanent improvements; or (2) a natural event (including, without limitation, an earthquake, fire or flood) causing damage to or destruction of the HHW Facility, except to the extent that such damage or destruction is caused or aggravated by Contractor.

6.7 Condition of Premises. Contractor shall sign an acknowledgment that the HHW Facility and improvements thereto are in suitable condition, when the HHW Facility is ready for occupancy. See Exhibit J. Contractor agrees to report any defects noted by it in writing to Agency and County no later than twenty (20) days after beginning operations hereunder.

6.8 Additions and Alterations. Contractor shall not make any additions or alterations to the HHW Facility without Agency and County's prior written consent. Agency or County may require Contractor to submit engineered drawings and calculations for such proposed improvements and/or alterations, including but not limited to, structural, electrical, and plumbing. Any alterations or additions to the HHW Facility shall become County's property free and clear of all claims upon the expiration or earlier termination of this Agreement.

7. ACCOUNTING AND RECORDS.

7.1 Maintenance and Audit of Records. Contractor shall maintain full and complete accounting records, prepared in accordance with generally accepted accounting principles, separately reflecting Contractor's costs, revenue, and inventory directly associated with the Program and Contractor's obligations hereunder. Contractor shall maintain its accounting records in a manner which clearly and separately identifies the costs, revenues, and inventory and separately identifies the quantity of waste from Residents, CESQG, Door-to-Door Collection Services, Hazardous Waste Load Check Programs, reuse program and Emergency Response Agencies. Such records shall include, without limitation, shipping documents, receiving and delivery logs, invoices, and other documents for costs, revenues and inventory. Such books and records shall be subject to audit and inspection by Agency and its authorized representatives, agents or employees, in the event that Agency is unable to verify Contractor's income and expenses associated with this Agreement by the records required to be kept by Contractor pursuant to Section 8 below. In the event such audit or inspection reveals that Contractor does not maintain adequate and separate records in accordance with the terms of this Agreement, Agency shall notify Contractor in writing of any alleged deficiencies in the accounting. Contractor shall have fifteen (15) calendar days to correct said deficiencies. If Contractor fails to

correct said deficiencies to Agency's reasonable satisfaction, then Agency or its authorized representative, may create such adequate and separate records and Contractor shall reimburse Agency for the costs of such services. All records of Contractor that are not needed to verify compliance with this Agreement and to audit figures used in formula determinations shall be considered confidential and the private property of Contractor.

7.2 Over-Payments to Contractor. In the event that an audit or inspection reveals that the amount of compensation paid to Contractor by Agency is greater than the amount actually due to Contractor under the terms of this Agreement, Contractor shall remit such excess compensation to Agency, including interest from the date of over payment at the rate of ten percent (10%) per year, within thirty (30) days of invoice by Agency of such excess. If such reimbursement is not made by Contractor within the specified time period, Agency may deduct the monies due to Agency from Contractor's next monthly payment.

7.3 Under-Payments to Contractor. In the event an audit or inspection reveals an error on the part of Agency, such that the amount of compensation paid to Contractor by Agency is less than the amount actually due to Contractor under the terms of this Agreement, Agency shall remit to Contractor such compensation due, including interest from the date of under-payment at the rate of ten percent (10%) per year, within thirty (30) days of invoice by Contractor of such under-payment. Interest shall not be due to Contractor if under-payment is due to an incorrect invoice submitted by Contractor or dispute over compensation adjustments.

7.4 Inspection of Accounts and Records. Contractor's accounting records as described above, shall be made available to Agency in Sonoma County for inspection and/or audit by Agency or its authorized representatives, for a period of three (3) years following the termination of this Agreement.

8. REPORTS AND MEETINGS.

8.1 Manifesting/Inventory. Agency agrees to sign all manifests, upon review of their conformity with all Legal Requirements, prior to shipment. Agency may delegate the signing of manifests to Contractor on behalf of Agency. Bills of lading may be used when appropriate.

8.2 Form 303. Contractor shall provide a completed Form 303's as required by the State for annual submission to DTSC and CalRecycle.

8.3 Record keeping/Response Time. Contractor shall track and make available to Agency reports for the following: (a) Manifests; (b) Bills of Lading; (c) Survey data; (d) CESQG receipts; (e) Reuse Waivers; (f) Training materials; (g) Training certificates; (h) Subcontractor contracts; (i) Permits; (j) Permit required documentation; and (k) Daily and weekly inspection checklists. Contractor shall respond to requests for review of documentation listed above within two (2) days (excluding weekends) after a request from Agency.

8.4 Status Reports. Contractor shall submit monthly, quarterly, and annual reports to Agency. The status reports will summarize and consolidate data for each of the Mobile Program Sites and the HHW Facility and shall include information such as the number of participants, quantities and types of Hazardous Wastes collected and disposal, and cost information. In addition, monthly, quarterly and annual reports shall include the survey data developed by Contractor in accordance with Section 8.5 below. Quarterly and annual reports shall summarize monthly reports and analyze program impacts, costs and progress towards Agency goals. Contractor agrees to work with Agency to develop an acceptable reporting format and level of supporting documentation. Should Agency

deem necessary, more detail in program cost information to evaluate the HHW program, Contractor shall provide information as requested.

8.5 Surveying. Contractor shall survey all participants using the Program and analyze the information received to determine the best educational and publicity techniques, service shortfalls and other issues as necessary. Survey data shall be provided to Agency. At a minimum, the following information must be included in the survey:

Households

Community of origin (noting if their within or outside of city limits)
Number of households represented
How the participant learned of the program
Date of participation
Number of times they have utilized HHW services
Zip code
Location of participation (Mobile Program)

CESQG

Name of businesses (noting if their within or outside of city limits)
Signed affidavit of CESQG status
Community of origin
Type and quantity of materials delivered
How the participant learned of the program
Number of times they have utilized CESQG services
Zip Code
Date of participation

On occasion, Agency may request Contractor to track additional specific information for research purposes.

8.6 Monthly Management Meetings. Contractor's contract manager and site manager shall meet monthly with Agency's contract manager to discuss issues affecting the contract. Agency or County shall have the ability to call a mandatory meeting between regularly scheduled meetings should issues of an urgent nature arise. Agency shall provide a written summary of any decisions or actions taken or agreed upon in the monthly meetings. Said summaries shall be circulated to all meeting participants and be kept on file for the term of the Agreement.

9. CONTRACTOR REPRESENTATIONS AND WARRANTIES.

9.1 Representations and Warranties. In order to induce Agency to enter into this Agreement, Contractor represents and warrants (in addition to any other representations and warranties contained elsewhere in the Agreement) to Agency that the following statements are true, correct and complete:

9.1.1 Organization and Good Standing. Contractor is a duly formed and validly existing corporation and is in good standing under the laws of the State of California, and that Contractor has all requisite power and authority to carry on the business of the Contractor, to enter into the Agreement and to consummate the transactions hereby contemplated and is properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over Contractor and over the services being performed hereunder.

9.1.2 Authority and Authorization. Contractor has requisite power and authority to enter into the Agreement and that the execution, delivery and performance of the Agreement have been duly authorized by the governing authority, if any, of Contractor and no other action is requisite to the execution, delivery and performance of the Agreement.

9.1.3 Financial Stability. Contractor is financially solvent, able to pay its debts as they mature and possesses sufficient working capital to perform its obligations hereunder. In addition, Contractor's liquid assets are equal to or exceed the amount of any insurance deductibles. Contractor is able to furnish the tools, materials, supplies, equipment and labor required to perform its obligations hereunder.

9.1.4 Litigation. Contractor represents there are no actions, suits or proceedings pending or threatened against or affecting Contractor in any court of law or in equity, or before or by any governmental department, commission, board, bureau, Agency or instrumentality that: (a) might adversely affect the ability of any such person or entity to perform its respective obligations under the Agreement; or (b) involve any of Contractor's Household Hazardous Waste services.

9.1.5 Binding Obligation. The Agreement has been duly authorized, executed and delivered and is valid and legally binding on Contractor.

9.1.6 Standard of Care. All of Contractor's work will be performed in a good and workmanlike manner, with care, skill and diligence, and in accordance with generally accepted and applicable professional practices and standards at the time services were rendered as well as all Legal Requirements and the Agreement, it being understood that acceptance of Contractor's work by Agency shall not operate as a waiver or release. Contractor shall strictly comply with and satisfy all Legal Requirements applicable to the services and equipment being provided hereunder. Contractor is a sophisticated Household Hazardous Waste Contractor who possesses a high level of experience and expertise in the business administration and management of facilities and services of the size, complexity and nature of the HHW Facility and services being provided hereunder.

9.1.7 Status of Contractor. The parties intend that Contractor, in performing the services specified herein, shall act as an independent Contractor and shall control the work and the manner in which it is performed. Contractor is not to be considered an agent or employee of the Agency. In the event Agency exercises its right to terminate this Agreement, Contractor expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances or laws applicable to employees.

9.1.8 Taxes. Contractor agrees to file federal and state tax returns and pay all applicable real and personal property taxes (including any tax levied on a possessory interest, as defined in the California Revenue and Taxation Code, if applicable), general and special assessments, and other charges of every description, and on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including but not limited to state and federal income and FICA taxes. Contractor agrees to indemnify and hold the Agency harmless from any liability which it may incur to the United States or to the State of California as a consequence of Contractor's failure to pay, when due, all such taxes and obligations. In the event that Agency is audited for compliance regarding any withholding or other applicable taxes, Contractor agrees to furnish Agency with proof of payment of taxes on these earnings.

9.1.9 Cost Disclosure. In accordance with Government Code section 7550, Contractor agrees to state in a separate section in any filed report the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of any report.

9.1.10 Conflict of Interest. Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed. In addition, if requested to do so by Agency, Contractor shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with the Agency Clerk disclosing Contractor's or such other person's financial interests.

9.1.11 Nondiscrimination. Contractor shall comply with all applicable federal, state and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, sexual orientation, age, medical condition, pregnancy, disability, or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated by this reference.

9.1.12 Waste Hierarchy. Contractor shall recognize Agency's commitment to the following waste management hierarchy: (1) Source Reduction (Reduce, Reuse); (2) Recycle; (3) Treatment (Neutralization, Deactivation); (4) Environmentally Sound Incineration; and, finally (5) Land Disposal. Agency makes this commitment for the healthiest possible environment. Agency makes a commitment to inform the general public of Sonoma County of the importance of this hierarchy. Contractor shall support and further this commitment in action and attitude at all times.

9.2 Survival of Representations and Warranties. The foregoing warranties are in addition to, and not in lieu of, any and all other liability imposed upon the Contractor by Legal Requirements with respect to the Contractor's duties, obligations and performance hereunder. Contractor's liability hereunder shall survive the expiration or termination of this Agreement. Contractor acknowledges that Agency and County are relying upon Contractor's skill and experience in connection with the services called for hereunder.

10. INSURANCE.

Contractor must comply with Exhibit B to the 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 in addition to the following requirements:

Contractor shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors. With respect to General Liability, Errors and Omissions and Pollution and/or Asbestos Pollution Liability coverage should be maintained for a minimum of five (5) years after the expiration or earlier termination of this Agreement.

10.1 Minimum Scope of Insurance. Coverage shall be at least as broad as: (a) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001 or Claims Made Form CG 0002); (b) Insurance Services Office Form No. CA 0001, covering Automobile Liability, Code 1 (any auto) or Code 8, 9 if no owned autos; (c) Workers' Compensation insurance as required by the State of California and Employer's Liability insurance; and (d) Pollution and/or Asbestos Liability and/or Errors and Omissions.

10.2 Minimum Limits of Insurance. Contractor shall maintain limits no less than:

a. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

b. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

c. Employer's Liability: \$1,000,000 each accident, \$1,000,000 policy limit bodily injury by disease, \$1,000,000 each employee bodily injury by disease.

d. Pollution and/or Asbestos Pollution Liability and/or Errors and Omissions: \$1,000,000 each occurrence / \$2,000,000 policy aggregate.

10.3 Deductible and Self Insured Retention. Any deductibles or self-insured retention must be declared to and approved by the Agency. If possible, the insurer shall reduce or eliminate such deductibles or self insured retention as respects the Agency, its members, officers, officials, employees and volunteers; or the Contractor shall provide evidence satisfactory to the Agency guaranteeing payment of losses and related investigations, claim administration and defense expenses.

10.4 Other Insurance Provisions.

a. The General Liability, Automobile Liability, Pollution and/or Asbestos Pollution policies are to contain, or be endorsed to contain, the following provisions:

(i) The Agency, its members, officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of: (1) automobiles owned, leased, hired or borrowed by or on behalf of the Contractor; (2) work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations; and (3) Pollution and/or Asbestos Pollution.

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

(iii) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled or materially changed by the Insurer except after thirty (30) days prior written notice has been given to the Agency.

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

c. If General Liability, Pollution and/or Asbestos Pollution Liability and/or Errors and Omissions coverage are written on a Claims Made form:

(i) The "Retro Date" must be shown, and must be before the date of the Agreement or the beginning of contract work.

(ii) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement, or earlier termination thereof.

(iii) If coverage is canceled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the Effective Date of the Agreement, the Contractor must use its "best efforts" to purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work. For purposes of this paragraph, "best efforts" shall mean that if extended reporting coverage is available at a cost that does not exceed one hundred fifty percent (150%) of the annual premium for the canceled or non-renewed policy, Contractor shall purchase such coverage.

(iv) A copy of the claims reporting requirements must be submitted to the Agency for review.

10.5 Acceptability of Insurers. Insurance is to be placed and maintained with insurers with a current A.M. Best's rating of no less than A:VII if admitted. If Pollution and/or Asbestos Pollution and/or Errors and Omissions coverage are not available from an "Admitted" insurer, the coverage may be written by a Non-admitted insurance company. A Non-admitted company should have an A.M. Best's rating of A:X or higher.

10.6 Verification of Coverage. Contractor shall furnish the Agency with endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by the insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the Agency, unless the insurance company will not use the Agency's form. All endorsements are to be received and approved by the Agency prior to the execution of this Agreement by the Agency. As an alternative to the Agency's forms, the Contractor's insurer may provide complete copies of all required insurance policies, including endorsements effecting the coverage required by this Section 10. Upon Agency's written request, Contractor shall provide Agency access to certified copies of the insurance policies. Said policy copies shall be submitted to the Agency within thirty (30) days of such request. Contractor may strike out any proprietary information contained in such policies prior to providing the Agency with copies.

10.7 Subcontractors. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.

10.8 Policy Obligations. Contractor's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

10.9 Material Breach. If Contractor, for any reason, fails to maintain insurance coverage which is required pursuant to this Agreement, the same shall be deemed a material breach of this Agreement. Agency, at its sole option, may terminate this Agreement and obtain damages from Contractor resulting from said breach. Alternatively, Agency may purchase such required insurance coverage, and without further notice to Contractor, Agency may deduct from sums due to Contractor any premium costs advanced by Agency for such insurance. These remedies shall be in addition to any other remedies available to the Agency.

11. BONDS.

11.1 Faithful Performance Bond. Contractor shall provide Agency and with a faithful performance bond in the amount of one million dollars (\$1,000,000) in order to secure the Contractor's performance obligations under the Agreement. Such bond shall be executed by a surety company licensed to do business in the State of California. The initial term of the faithful performance bond shall be for one year commencing with the execution by the parties of the Agreement and shall be renewed on an annual basis until the termination of the Agreement. The condition of the foregoing bond shall be such that if Contractor shall well and truly perform the covenants, promises, undertakings and obligations under the terms of this Agreement, then the obligation of said bond shall be void; otherwise it shall remain in full force and effect. Agency shall be able to collect on said bond for discrepancies or other covered losses discovered up to the time when all obligations of Contractor under this Agreement have been satisfied.

11.2 Payment Bond. Contractor shall provide Agency with a payment bond in the amount of One Hundred Thousand Dollars (\$100,000). The payment bond shall be in the form attached hereto as Exhibit F.

12. INDEMNIFICATION.

Contractor agrees to accept all responsibility for loss or damage to any person or entity, including but not limited to Agency, and to defend, indemnify, hold harmless, reimburse and release Agency, its officers, agents, and employees, from and against any and all actions, claims, damages, disabilities, liabilities and expense including, but not limited to, attorneys' fees and the cost of litigation incurred in the defense of claims as to which this indemnity applies or incurred in an action by Agency to enforce the indemnity provisions herein, whether arising from personal injury, death, property damage or economic loss of any type, that may be asserted by any person or entity arising out of or in connection with the performance of Contractor hereunder, but, to the extent required by law, excluding liability due to the sole negligence or willful misconduct of Agency. If there is a possible obligation to indemnify, Contractor's duty to defend with legal counsel acceptable to Agency, exists regardless of whether it is ultimately determined that there is not a duty to indemnify. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Contractor or its agents.

13. EVENTS OF DEFAULT; REMEDIES.

13.1 Default. Upon an event of default, Agency shall have the right to foreclose upon the performance bond and may elect at its option to terminate this Agreement, purchase the Operating Equipment and operate the HHW Facility. These remedies shall not be exclusive and Agency shall have the right to seek specific performance of the Agreement. For purposes of this Agreement, an event of default shall be deemed to have occurred upon the happening of any one or more of the following events:

(a) Failure of Contractor to accept Household Hazardous Waste on more than: (i) thirty (30) operating days during any twelve (12) month period; or (ii) ten (10) or more consecutive operating days.

(b) Material failure of Contractor to operate the HHW Facility in compliance with the terms of the Agreement.

(c) Receipt by Contractor of any order or notice from any governmental Agency that all or any portion of the Contractor Improvements or Operating Equipment have been performed or used contrary to the terms of any law, ordinance or regulation, which order or notice is not complied with by Contractor within ten (10) days following the issuance thereof, provided that if such order or notice cannot be reasonably complied with within such ten (10) day period, an Event of Default shall not be deemed to have occurred unless Contractor fails to commence compliance within such ten (10) day period or to diligently and in good faith prosecute compliance thereafter, or to complete such compliance within thirty (30) days following written notice from the governmental Agency of such order or notice; or to complete such within a lesser time period if the failure to do so would, in the reasonable determination of the Agency, cause (i) the completion of the Contractor Improvements to be completed later than the Start Date; or (ii) Contractor to be unable to accept Household Hazardous Waste for a period of ten (10) or more consecutive Operating Days.

(d) Any failure on Contractor's part to comply with any other covenant or agreement contained in this Agreement (which does not constitute a breach or default that could become an event of default under any other subparagraph of this Section), which failure remains uncured for ten (10) days following written notice thereof by Agency, provided that if any such failure to comply or breach is capable of cure but cannot reasonably be cured within such ten (10) day period, an event of default shall not be deemed to have occurred unless Contractor fails to commence the cure of such failure or breach within such ten (10) day period or to diligently and in good faith prosecute the cure thereafter, or to complete such cure within thirty (30) days following written notice from Agency of such failure or breach.

(e) (i) Contractor shall voluntarily commence any case, proceeding or other action (A) under the Federal Bankruptcy Code, as amended from time to time, or under any other existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, seeking to adjudicate it a bankrupt or insolvent or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, custodian or other similar official for it or for all or any substantial part of its assets, or Contractor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Contractor any involuntary case, proceeding or other action of a nature referred to in clause (i) of this subparagraph (e) which (A) results in the entry of an order for relief of any such adjudication or appointment or (B) remains unstayed and undismissed for a period of sixty (60) days; or (iii) there shall be commenced against Contractor any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged or stayed or bonded pending appeal within thirty (30) days from the entry thereof; or (iv) Contractor shall take any action in furtherance of, or indicating its consent to approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) of this subparagraph (e); or (v) Contractor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or (vi) any termination or voluntary suspension of the transaction of business of Contractor, or any attachment, execution or other judicial seizure of all or any substantial portion of Contractor's assets which attachment, execution or seizure is not discharged within thirty (30) days.

(f) Any change shall occur in the key personnel identified in Section 2.4.4 above without the prior written approval of Agency.

(g) Any representation or disclosure made to the Agency by Contractor proves to be false or misleading in any material respect on the date as of which made, whether or not that representation or disclosure appears in this Agreement.

13.2 Termination Without Cause, Agency. Notwithstanding anything stated to the contrary herein, at any time and without cause, the Agency shall have the right, in its sole discretion, to terminate this Agreement by giving either (1) five (5) days written notice to Contractor with compensation of Thirty Thousand (\$30,000) or (2) thirty (30) days written notice with no compensation. Should this Agreement be terminated without cause prior to the expiration of the initial term referenced in Section 3.1, Agency shall pay Contractor for capital expenses as follows: $(\text{total capitalized expense} \times 0.65) / 36 \times (36 - \text{\#months of Agreement completed})$. For purposes of this formula, the total capitalized expense is \$65,000. Should the Agreement be terminated after the term of the Agreement has been extended under Section 3.2, Agency has no obligation to reimburse for capital expenditures.

13.3 Termination Without Cause, Contractor. Notwithstanding anything stated to the contrary herein, at any time and without cause, the Contractor shall have the right, in its sole discretion, to terminate this Agreement by giving one hundred and twenty (120) days written notice to Agency. Should this Agreement be terminated by the Contractor prior to the expiration of the initial term referenced in Section 3.1, the Contractor shall be reimbursed for all services performed prior to the date of termination.

14. EXPIRATION OF AGREEMENT.

14.1 Expiration. At the expiration or earlier termination of the term, Contractor shall surrender to Agency the possession of the HHW Facility. Contractor shall leave the surrendered HHW Facility and any other property in good condition and repair. At the expiration or sooner termination of the term, Agency may at Agency's election, demand the removal from the HHW Facility of all or any Contractor Improvements or Operating Equipment as specified in the notice provided for below. A demand to take effect at the normal expiration of the term shall be effected by notice given at any time within three (3) months before the expiration date. A demand to take effect on any other termination of the Agreement shall be effected by notice given in or concurrently with notice of such termination or within sixty (60) days after such termination. Contractor shall comply with the notice before the expiration date for normal termination, and within thirty (30) days after the notice for other terminations. The duty imposed by this provision includes, without limitation, the duty, if so requested, to leave the HHW Facility safe and free from debris and hazards. All property that Contractor is not required to surrender but that Contractor does abandon shall, at Agency's election, become Agency's property at termination. If Contractor fails to surrender the HHW Facility at the expiration or sooner termination of this Agreement, Contractor shall defend and indemnify Agency and County from all liability and expense resulting from the delay or failure to surrender, including, without limitation, claims made by any succeeding Contractor based on or resulting from Contractor's failure to surrender.

15. AGENCY'S RIGHT TO INSPECTIONS

Agency shall have the right to enter the HHW Facility and the Mobile Program Sites at any and all reasonable times during the normal business day throughout the term of this Agreement for the purpose of inspecting the same and Contractor's performance hereunder.

16. ATTORNEYS' FEES.

If either party brings any claim, suit, action or proceeding against the other to enforce, protect, or establish any right or remedy arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees.

17. NOTICES.

All notices, bills and payments shall be made in writing and may be given by personal delivery, by U.S. mail, confirmed fax, or courier. Notices, bills and payments sent by mail shall be addressed as follows:

Agency: Sonoma County Waste Management Agency
Attention: Lisa Steinman, HHW Program Manager
2300 County Center Dr., Suite B 100
Santa Rosa, CA 95403
Phone: (707) 565-3687
Fax: (707) 565-3701

Contractor: Name:
Address:
Phone:
Fax :

and when so addressed, shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving notice pursuant to this Section 17.

18. GENERAL PROVISIONS.

18.1 Assignment.

18.1.1 Assignment by Contractor. The experience and expertise of Contractor are material considerations for this Agreement. Contractor shall not assign or transfer, whether voluntarily, involuntarily, or by operation of law, its interest in this Agreement or any part thereof without the prior written approval of Agency. No such assignment or transfer for which Agency's prior written consent is required shall be valid or binding without said prior written approval, and then only upon the condition as such assignee or other successor in interest shall agree in writing to be bound by each and all of the covenants, conditions and restrictions of the Agreement. An attempted assignment or transfer not in compliance with the provisions of this Section 18.1 shall be grounds for Agency's termination of the Agreement. Consent to any assignment or transfer shall not be deemed a waiver of this requirement as to any subsequent assignment or transfer. As used in this Section, the term "assignment" shall include a "more than 25% change in ownership of Contractor." A "more than 25% change in ownership of Contractor" shall mean, the transfer of the right to share in more than 25% of the profits of the general partnership or corporation.

18.1.2 Assignment by Agency. In the event that the Members of the Agency desire to dissolve the Agency, or the Agency otherwise ceases to exist, the County shall have the right, but not the obligation, to assume Agency's rights and obligations under this Agreement.

18.2 Amendments. Only the Members of the Agency, by a majority vote, and the County Board of Supervisors may authorize extra or changed work or amend this Agreement. The parties expressly recognize that Agency and County personnel are without authorization to order extra or changed work or waive contract requirements. Failure of Contractor to secure Agency authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the

compensation due to such unauthorized work and thereafter Contractor shall be entitled to no compensation whatsoever for the performance of such work. Contractor further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without the express and prior written authorization of the Agency and County. Notwithstanding the above, the Agency Director has the delegated authority of County and Agency to approve changes in the hours of operation of the HHW Facility. And such changes are inoperative unless memorialized in a writing executed by the Contractor and the Agency Director.

18.3 Nondiscrimination. Contractor shall comply with all applicable federal, state and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated by this reference.

18.4 No Waiver of Breach. The waiver by Agency of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

18.5 Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Contractor and Agency acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Contractor and Agency further acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

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

18.7 Applicable Law and Forum. This Agreement shall be construed and interpreted according to California law and any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in the County of Sonoma.

18.8 Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

18.9 Merger. This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

18.10 Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.

19. Natural Disaster Field Response. This Section addresses field work in response to natural disasters and is not intended to conflict with or duplicate Section 2.9 or any other provision of this Agreement.

19.1 Collect, Package, Transport & Dispose of Hazardous Waste. For services rendered under this Section, CONTRACTOR shall collect, package, transport and dispose of Hazardous Waste in accordance with the instructions of the COUNTY Director of Transportation and Public Works and in compliance with all applicable laws and regulations and provisions of this Agreement.

19.2 Consolidation at Household Toxics Facility. CONTRACTOR may use the Household Toxics Facility as a consolidation point for natural disaster-related Hazardous Waste.

19.3 Track and Maintain Separate Records. CONTRACTOR shall track and maintain records, including, but not limited to initial shipping papers and timesheets, for all work and waste related to natural disaster cleanup. Such records shall be maintained separate from records of other services provided under this Agreement.

19.4 Comply with Administrative Procedures. CONTRACTOR shall comply with any and all administrative procedures established by the Director of Transportation and Public Works related to implementing natural disaster services and record keeping.

19.5 Compensation for Natural Disaster Services. For services rendered under this Section, COUNTY shall pay CONTRACTOR an hourly rate for labor as follows: Project Manager \$44; Chemist \$32; Technician \$24; and \$200 per truck per service day for transportation. All other costs will conform to those set forth in Section 5, Exhibit A-1 and Exhibit A-2 of this Agreement.”

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of all parties.

“Agency”: SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: _____
Chairperson, SCWMA Board of Directors

“Contractor”:

By: _____

APPROVED AS TO FORM FOR AGENCY:

Agency Counsel

APPROVED AS TO SUBSTANCE FOR AGENCY:

Agency Executive Director