

1       **Non-Exclusive Temporary Construction and**  
2       **Demolition Debris Collection Service Agreement**

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4                       **Executed Between the**  
5                       **City of Rohnert Park**  
6                       **And**

7                       Industrial Waste + Debris Box  
8                       Rentals, Inc. dba Industrial Carting  
9

10  
11                      **This 14<sup>th</sup> day of November 2017**  
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**TABLE OF CONTENTS****Non-Exclusive Temporary Construction and Demolition Debris  
Collection Service Agreement**

|    |                                                          |    |
|----|----------------------------------------------------------|----|
| 37 |                                                          |    |
| 38 |                                                          |    |
| 39 |                                                          |    |
| 40 | ARTICLE 1. DEFINITIONS .....                             | 6  |
| 41 | ARTICLE 2. TERM OF AGREEMENT .....                       | 10 |
| 42 | ARTICLE 3. SERVICES PROVIDED BY THE FRANCHISEE.....      | 10 |
| 43 | ARTICLE 4. RATES, BILLING AND PAYMENTS .....             | 15 |
| 44 | ARTICLE 5. MINIMUM DIVERSION REQUIREMENTS.....           | 16 |
| 45 | ARTICLE 6. COLLECTION EQUIPMENT .....                    | 17 |
| 46 | ARTICLE 7. FRANCHISEE'S OFFICE .....                     | 19 |
| 47 | ARTICLE 8. RECORD KEEPING & REPORTING REQUIREMENTS ..... | 19 |
| 48 | ARTICLE 9. NONDISCRIMINATION.....                        | 21 |
| 49 | ARTICLE 10. SERVICE INQUIRIES AND COMPLAINTS.....        | 21 |
| 50 | ARTICLE 11. QUALITY OF PERFORMANCE .....                 | 21 |
| 51 | ARTICLE 12. AGREEMENT COMPLIANCE .....                   | 25 |
| 52 | ARTICLE 13. PERFORMANCE BOND.....                        | 25 |
| 53 | ARTICLE 14. INSURANCE .....                              | 26 |
| 54 | ARTICLE 15. INDEMNIFICATION.....                         | 28 |
| 55 | ARTICLE 16. DEFAULT .....                                | 30 |
| 56 | ARTICLE 17. MODIFICATIONS TO THE AGREEMENT.....          | 32 |
| 57 | ARTICLE 18. LEGAL REPRESENTATION.....                    | 33 |
| 58 | ARTICLE 19. FINANCIAL INTEREST .....                     | 33 |
| 59 | ARTICLE 20. FRANCHISEE'S PERSONNEL.....                  | 33 |
| 60 | ARTICLE 21. INDEPENDENT FRANCHISEE.....                  | 34 |
| 61 | ARTICLE 22. LAWS TO GOVERN .....                         | 34 |
| 62 | ARTICLE 23. CONSENT TO JURISDICTION.....                 | 34 |
| 63 | ARTICLE 24. ASSIGNMENT .....                             | 34 |

64

65

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|    |                                                                |    |
|----|----------------------------------------------------------------|----|
| 66 | ARTICLE 25. COMPLIANCE WITH LAWS .....                         | 35 |
| 67 | ARTICLE 26. PERMITS AND LICENSES .....                         | 36 |
| 68 | ARTICLE 27. OWNERSHIP OF WRITTEN MATERIALS .....               | 36 |
| 69 | ARTICLE 28. WAIVER .....                                       | 36 |
| 70 | ARTICLE 29. PROHIBITION AGAINST GIFTS .....                    | 37 |
| 71 | ARTICLE 30. POINT OF CONTACT .....                             | 37 |
| 72 | ARTICLE 31. CONFLICT OF INTEREST .....                         | 37 |
| 73 | ARTICLE 32. NOTICES .....                                      | 37 |
| 74 | ARTICLE 33. FRANCHISEE'S RECORDS .....                         | 38 |
| 75 | ARTICLE 34. ENTIRE AGREEMENT .....                             | 38 |
| 76 | ARTICLE 35. SEVERABILITY .....                                 | 39 |
| 77 | ARTICLE 36. RIGHT TO REQUIRE PERFORMANCE .....                 | 39 |
| 78 | ARTICLE 37. ALL PRIOR AGREEMENTS SUPERSEDED .....              | 39 |
| 79 | ARTICLE 38. HEADINGS .....                                     | 39 |
| 80 | ARTICLE 39. REPRESENTATIONS AND WARRANTIES OF FRANCHISEE ..... | 39 |
| 81 | ARTICLE 40. EFFECTIVE DATE .....                               | 41 |
| 82 |                                                                |    |

## CITY OF ROHNERT PARK

This "AGREEMENT" is made and entered into this 14th day of November, 2017 ("Effective Date"), by and between the City of Rohnert Park, a California municipal corporation, (hereinafter referred to as "CITY") and Industrial Parting a California [corporation], (hereinafter referred to as "FRANCHISEE").

## RECITALS

**WHEREAS**, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("Act") and subsequent additions and amendments (codified at California Public Resources Code Section 40000 *et seq.*), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for Solid Waste Collection within their jurisdiction; and,

**WHEREAS**, the State of California (the "State") has found and declared that the amount of Solid Waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. The State has, through enactment of the Act, directed the responsible State agency, and all local agencies, to promote disposal site Diversion and to maximize the use of feasible Solid Waste reduction, re-use, recycling, and Composting options in order to reduce the amount of Solid Waste that must be disposed of in disposal sites; and,

**WHEREAS**, the CITY Council of the CITY (the "City Council") has determined through a competitive procurement process for Non-Exclusive Temporary Construction and Demolition Debris Collection Service that FRANCHISEE, by demonstrated experience, reputation and capacity, is qualified to provide for the Non-Exclusive Temporary Construction and Demolition Debris Collection Service within the corporate limits of the CITY, the transportation of such material to appropriate places for processing, recycling, Composting and/or disposal; and the processing of materials; and City Council desires that FRANCHISEE be engaged to perform such services on the basis set forth in this AGREEMENT; and

**WHEREAS**, the FRANCHISEE, through its proposal to the CITY, has proposed and represented that it has the ability and capacity to provide for the Non-Exclusive Temporary Construction and Demolition Debris Collection Service within the corporate limits of the CITY; the transportation of such material to appropriate places for processing, recycling, Composting and/or disposal; and the processing of materials; and

**WHEREAS**, this AGREEMENT has been developed by and is satisfactory to the CITY and the FRANCHISEE.

**NOW, THEREFORE**, in consideration of the mutual covenants, conditions, and consideration contained herein, the CITY and FRANCHISEE hereby agree as hereinafter set forth:

## ARTICLE 1. Definitions

For the purpose of this Collection Service Agreement, hereinafter referred to as "AGREEMENT," the definitions contained in this Article shall apply unless otherwise specifically stated. If a word or phrase is not defined in this Article, the definition of such word or phrase as contained the City Municipal Code shall control. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Use of the masculine gender shall include the feminine gender.

1.01 AB 939. The California Integrated Waste Management Act (California Public Resources Code Sections 40000 et al.) redefined solid waste management in an effort to reduce the volume and toxicity of solid waste that is landfilled and incinerated by requiring local governments to prepare and implement plans to improve the management of waste resources.

1.02 AGREEMENT. This written document and all amendments thereto, between the CITY and the FRANCHISEE, governing the provision of Non-Exclusive Temporary Construction and Demolition Debris Collection Service as provided herein.

1.03 Agreement Year. Each twelve (12) month period from January 1st to December 31st, beginning January 1, 2018.

1.04 Applicable Law. For purposes of this AGREEMENT, Applicable Laws includes without limitation, AB 341, AB 939, AB 1594, AB 1826, SB 1016 and all amendments and related subsequent legislation.

1.05 Bin. A metal container, with a capacity of one (1) to eight (8) cubic yards of Construction and Demolition Debris, designed or intended to be mechanically dumped into a loader packer type truck that is approved for such purpose by the CITY.

1.06 Biohazardous or Biomedical Waste. Any waste which may cause disease or reasonably be suspected of harboring pathogenic organisms; including waste resulting from the operation of medical clinics, hospitals, and other facilities processing wastes which may consist of, but not limited to, human and animal parts, contaminated bandages, pathological specimens, hypodermic needles, sharps, contaminated clothing and surgical gloves.

1.07 CalRecycle. California's Department of Resources Recycling and Recovery (CalRecycle) administers and provides oversight for all of California's state-managed waste handling and recycling programs.

1.08 Change in Law. Any change in (or any new) laws, ordinances, rules, regulations, orders, judgments, decrees, interpretations, decisions or permit requirements, of or by any federal, state or local governmental entity (collectively "Applicable Laws"), applicable on or after the Effective Date.

1.09 CITY. The City of Rohnert Park, California.

1.10 City Representative. That person, or their designee, designated by the CITY to administer and monitor the provisions of this AGREEMENT.

1.11 Collection Service. See Non-Exclusive Temporary Construction and Demolition Debris Collection Service.

1.12 Commercial Service Unit. Any combination of retail, professional, wholesale and industrial facilities, place of business and other commercial enterprises in the Service Area utilizing a common cart or Bin for the accumulation and set-out of Solid Waste.

1.13 Composting. The controlled biological decomposition of Organic Waste into a specific mixture of decayed organic matter meeting the definition of "compost" in Public Resources Code Section 40116.

1.14 Construction and Demolition Debris. Commonly used or discarded materials removed from construction, remodeling, repair, demolition, or renovation operations on any pavement, house, commercial building, or other structure, or from landscaping. Such materials include, but are not limited to, dirt, sand, rock, gravel, bricks, plaster, gypsum wallboard, aluminum, glass, asphalt material, plastic pipe, roofing material, carpeting, concrete, wood, masonry, rocks, trees, remnants of new materials, including paper, plastic, carpet scraps, wood scraps, scrap metal, building materials, packaging and rubble resulting from Construction, remodeling, renovation, repair and demolition operations on pavements, houses, commercial buildings and other structures. With the exception of soil, dirt, concrete, and asphalt, Construction and Demolition Debris does not include Garbage and Exempt Waste.

1.15 Container. A Bin or Roll-off Container provided by FRANCHISEE to Service Recipients for the collection of Construction and Demolition Debris.

1.16 County. Sonoma County, California

1.17 Disposal Facility. The Sonoma County Landfill/Transfer System owned by Sonoma County for the disposal of Garbage, Processing Residue, and other materials as appropriate.

1.18 Diversion. Activities that reduce or eliminate the amount of solid waste, garbage, green waste, and construction and demolition debris that is disposed of in a solid waste or other permitted landfill.

1.19 Dwelling Unit. Any individual living unit in a single-family dwelling (SFD) or multi-family dwelling (MFD) structure or building intended for, or capable of being utilized for, residential living other than a hotel or motel.

1.20 Effective Date. The date this AGREEMENT is executed.

1.21 Exempt Waste. Biohazardous or Biomedical Waste, Hazardous Waste, Sludge, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, any matter or materials which are not acceptable for disposal at a Solid Waste landfill as defined in the Act and those wastes under the control of the Nuclear Regulatory Commission.

1.22 Food Waste. Food scraps and trimmings and other putrescible waste that result from food production, preparation, cooking, storage, consumption or handling. Food Waste includes but is not limited to: meat, fish and dairy waste, fruit and vegetable waste and grain waste. Food Waste does not include Exempt Waste.

1.23 Franchise Fee. The payment made by FRANCHISEE to CITY for the privilege of providing Collection Services.

1.24 FRANCHISEE. The other party to this AGREEMENT.

1.25 Garbage. All putrescible and non-putrescible solid, semi-solid and associated liquid waste, as defined in California Public Resources Code Section 40191. Garbage does not include those items defined herein as Construction and Demolition Debris, Green Waste or Exempt Waste.

1.26 Gift. That which is defined, and not exempted, in California Government Code Section 82028 and the gift regulations of the Fair Political Practices Commission at 2 C.C. R Sec 18940 *et seq.*, as may be amended from time to time.

1.27 Green Waste. Any vegetative matter resulting from normal yard and landscaping maintenance that is not more than three (3) feet in its longest dimension or six (6) inches in diameter and fits in the Green Waste Cart utilized by the Service Recipient. Green Waste includes plant debris, such as palm, yucca and cactus, grass clippings, leaves, pruning, weeds, branches, brush, holiday trees, and other forms of vegetative waste and must be generated by and at the Service Unit wherein the Green Waste is collected. Green Waste does not include items herein defined as Garbage or Exempt Waste.

1.28 Gross Revenue. All revenue amounts collected by FRANCHISEE for the provision of Collection Services pursuant to this AGREEMENT, calculated in accordance with Generally Accepted Accounting Procedures (GAAP). The Gross Revenue, for purposes of this AGREEMENT, does not include any revenue generated from the sale of Recyclable Material or Organic Waste, or other receipts from state and local government accounts (e.g. grants, cash rewards and rebates) resulting from the performance of this AGREEMENT.

1.29 Hazardous Waste. Any material which is defined, regulated or listed as a "hazardous", "toxic", a "pollutant", or words of similar import waste under California or United States law or any regulations promulgated pursuant to such law, as such state or federal law or regulations may be amended from time to time; and "designated waste" as defined in California Water Code Section 13173.

1.30 Large Green Waste. Oversized Green Waste such as tree trunks and branches with a diameter of not less than six (6) inches and not more than two (2) feet and a length of not more than five (5) feet in its longest dimension, which are attributed to the normal activities of a SFD, or MFD Service Unit. Large Green Waste must be generated by and at the Service Unit wherein the Large Green Waste is collected.

1.31 Master Operating Agreement ("MOA"). The Agreement for Operation of The Central Landfill and County Transfer Stations Between County of Sonoma and Republic Services of Sonoma County, Inc., including Exhibit I thereto, the Agreement for Operations of Sonoma County Transfer Stations and Material Recovery Facility Between The Ratto Group of Companies, Inc. and Republic Services of Sonoma County, Inc.

1.32 MFD Service Unit. Any combination of Dwelling Units in the Service Area utilizing a common Bin or cart for the accumulation and set-out of Solid Waste.

1.33 Non-Collection Notice. A form developed and used by the FRANCHISEE, as approved by the CITY, to notify Service Recipients of the reason for non-collection of materials set out by the Service Recipient for collection by FRANCHISEE pursuant to this AGREEMENT.

1.34 Non-Exclusive Temporary Construction and Demolition Debris Collection Service (Collection Service(s)). Temporary collection and processing of non-putrescible Solid Waste by utilizing a Container for the temporary collection of Construction and Debris Materials by a person or company that holds a valid Non-Exclusive Temporary Construction and Demolition Debris Collection Service Agreement from the CITY and the delivery of that material to permitted and licensed Processing Facility.

1.35 Organic Waste. Those materials which are capable of being composted and which would otherwise be process as Recyclable Material or disposed of as Garbage. Organic Waste includes any vegetative matter resulting from normal yard and landscaping maintenance that is

not more than three (3) feet in its longest dimension or six (6) inches in diameter. Organic Waste includes plant debris, such as palm, yucca and cactus, grass clippings, leaves, pruning, weeds, branches, brush, holiday trees, and other forms of vegetative waste. Organic Waste also includes Food Waste, Stable Matter, and food packaging items such as pizza boxes, paper towels, waxed cardboard and food contaminated paper products. Organic Waste does not include items herein defined as Exempt Waste.

1.36 Processing Facility. The licensed and permitted facility designated by the FRANCHISEE and approved by the CITY, for the processing of Construction and Demolition Debris, and other materials as appropriate.

1.37 Recyclable Materials. Those materials which are capable of being recycled and which would otherwise be processed as Organic Waste or disposed of as Garbage. Recyclable Materials include newsprint (including inserts); mixed paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, brown bags and paper, paperboard, paper egg cartons, office ledger paper, and telephone books); glass containers; aluminum beverage containers; scrap and cast aluminum (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); steel including "tin" cans, aerosol cans (empty, non-toxic products) and small scrap (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); bimetal containers; plastic bottles (#1-7); aluminum foil and pans; concrete; used motor oil and filters; dry cell household batteries when contained in a sealed heavy-duty plastic bag; and those materials added by the FRANCHISEE from time to time.

1.38 Residuals. Those materials that are a result of Recyclable Material or Organic Waste processing, such as from the operations at a Processing Facility, that cannot be diverted from landfill disposal.

1.39 Roll-off Container. A metal container with a capacity to hold up to forty (40) cubic yards of Construction and Demolition Debris that is normally loaded onto a motor vehicle and transported to an appropriate facility.

1.40 Service Area. That area within the corporate limits of the City of Rohnert Park, California.

1.41 Service Recipient. An individual or company receiving Non-Exclusive Temporary Construction and Demolition Debris Collection Service.

1.42 Service Recipient Rate. The dollar amount charged by FRANCHISEE to Service Recipients to receive Collection Service.

1.43 Service Unit. SFD Service Units, MFD Service Units, and Commercial Service Units.

1.44 SFD Service Unit. Any Dwelling Unit in the Service Area utilizing a cart, or any combination of Dwelling Units sharing carts, for the accumulation and set out of Solid Waste.

1.45 Sludge. The accumulated solids, residues, and precipitates generated as a result of waste treatment or processing, including wastewater treatment, water supply treatment, or operation of an air pollution control facility, and mixed liquids and solids pumped from septic tanks, grease traps, privies, or similar disposal appurtenances or any other such waste having similar characteristics or effects.

1.46 Solid Waste. Garbage, Recyclable Materials and Organic Waste resulting from the normal activities of a Service Unit. Solid Waste must be generated by and at the Service Unit wherein the Solid Waste is collected and does not include items defined herein as Exempt Waste.

- 293 1.47 SCWMA. The Sonoma County Waste Management Agency.
- 294 1.48 Stable Matter. Manure and other waste matter normally accumulated in stables or
- 295 in livestock or poultry enclosures.
- 296 1.49 Waste Delivery Agreement ("WDA"). That certain agreement between the CITY
- 297 and Republic Services of Sonoma County dated October 23, 2014.
- 298 1.50 Work Day. Any day, Monday through Saturday.

## 299 ARTICLE 2. Term of AGREEMENT

300 2.01 Term. The term of this AGREEMENT is a seven (7)-year period beginning

301 January 1, 2018 and terminating on December 31, 2024.

302 2.02 Extensions. -The FRANCHISEE or CITY may request one (1) three (3)-year term

303 extension to this original AGREEMENT and, at CITY's sole option, CITY may grant

304 FRANCHISEE's request to so extend the term. Under no circumstances shall CITY be obligated

305 to extend the term, and under no circumstances shall CITY be obligated to grant the full three (3)

306 years of extension (i.e., an extension for a shorter time period may instead be granted by the

307 CITY if it chooses). FRANCHISEE or CITY must request the three (3) year extension by July 1,

308 2023. In addition, a term extension shall only be granted in the event that at least two (2)

309 Franchisees are eligible for an extension. However, this requirement will not be the sole

310 determinant of whether or not the CITY grants the extension.

311 2.02.1 Notification of Eligibility. Beginning on or about July 1, 2022, provided

312 the City Manager determines that the FRANCHISEE has met all the requirements of the

313 AGREEMENT, including but not limited to the Diversion Requirements set forth in Article 5, the

314 Record Keeping and Reporting Requirements set forth in Article 8, and the Contract Compliance

315 Review per Article 12, the CITY may offer the FRANCHISEE in writing one (1) or more extensions

316 to the term of this AGREEMENT for an amount of time to be determined by the CITY, but for no

317 more than an additional three (3) years total. FRANCHISEE shall provide written notice to the

318 CITY as to whether FRANCHISEE accepts or rejects the CITY's offer within twenty (20) Work

319 Days of the date of the offer. If the FRANCHISEE accepts the offer, the FRANCHISEE shall also

320 submit the Extension Administration Fee payment described in Section 2.02.2 below within twenty

321 (20) Work Days of the offer. If FRANCHISEE fails to provide either the written notice or the

322 payment to the CITY within twenty (20) Work Days, the CITY's offer of an extension shall be

323 deemed withdrawn.

324 2.02.2 Extension Administration Fee. If FRANCHISEE accepts the CITY's

325 offer of extension, the FRANCHISEE shall make a payment to the CITY to cover the CITY's actual

326 administrative costs incurred in extending the AGREEMENT. This payment shall be due to the

327 CITY with the FRANCHISEE's written notice of acceptance described in Section 2.02.1. The total

328 payment amount to the CITY shall not exceed a total of \$5,000 per extension period per

329 FRANCHISEE.

330 2.03 Maximum Term. The maximum term of the AGREEMENT, including all extensions,

331 shall not extend beyond December 31, 2027.

## 332 ARTICLE 3. Services Provided by the FRANCHISEE

333 3.01 Award of AGREEMENT. Except as otherwise provided in this AGREEMENT, the

334 FRANCHISEE is herein granted a non-exclusive franchise to provide Temporary Construction

and Demolition Debris Collection Service within the Service Area. No other Solid Waste or recycling service shall be provided by the FRANCHISEE.

3.02 Limitations to Scope of Non-Exclusive Franchise.

3.02.1 No Collection of Garbage, Recyclable Materials or Organic Waste Carts or Bins from any Service Unit covered under the Collection Service Agreement between the City of Rohnert Park and Sonoma County Resource Recovery, LLC, or any successor arrangement entered into by the CITY for such service.

3.02.2 No large items removed from a premise by a property cleanup or maintenance company as an incidental part of the total cleanup or maintenance service offered by the company rather than as a hauling service;

3.02.3 No agricultural waste, stable matter, manure and any other animal by product for use as tallow

3.02.4 No by-products of sewage treatment, including Sludge, ash, grit and screenings;

3.02.5 No Hazardous Waste, regardless of its source;

3.03 FRANCHISEE acknowledges and agrees that the CITY may permit other persons besides the FRANCHISEE to collect any and all types of materials excluded from the scope of this AGREEMENT, as set forth above, without seeking or obtaining approval of FRANCHISEE. If FRANCHISEE can produce evidence that other persons are servicing Garbage, Recyclable Materials, or Organic Waste carts or Bins, or large items in a manner that is not consistent with the CITY's Municipal Code or this AGREEMENT, it shall report the location, the name and phone number of the person or company to the CITY along with FRANCHISEE'S evidence of the violation of the exclusiveness of this AGREEMENT and CITY shall determine and take appropriate action to enforce the Code and this AGREEMENT.

3.03.1 The scope of this AGREEMENT shall be interpreted to be consistent with Applicable Law, now and during the term of the AGREEMENT. If future judicial interpretations of current law, or new laws, regulations, or judicial interpretations, limit the ability of the CITY to lawfully provide for the scope of services as specifically set forth herein, FRANCHISEE agrees that the scope of the AGREEMENT will be limited to Temporary Construction and Demolition Debris collection services and materials which may be lawfully provided and that the CITY shall not be responsible for any lost profits or losses claimed by FRANCHISEE to arise out of limitations of the scope of the AGREEMENT set forth herein. In such an event, it shall be the responsibility of FRANCHISEE to minimize the financial impact of such future judicial interpretations or new or amended laws.

3.04 Service Standards. FRANCHISEE shall perform Collection Services under this AGREEMENT in a thorough and professional manner. Collection Services described in this AGREEMENT shall be performed regardless of weather conditions or difficulty of Collection.

3.05 Hours and Days of Collection.

3.05.1 Collection Services shall be provided, commencing no earlier than 7:00 a.m. and terminating no later than 6:00 p.m., Monday through Friday, and commencing no earlier than 8:00 a.m. and terminating no later than 5:00 p.m. on Saturday, with no service on Sundays. The hours, days, or both of Collection Service may be extended due to extraordinary circumstances or conditions with the prior written consent of the City Representative.

3.05.2 The CITY may direct FRANCHISEE to reduce the Collection Service hours in areas around schools to 3:00 p.m., and in high traffic areas during peak commute hours. When the CITY is conducting road overlay or slurry projects, the CITY reserves the right to temporarily redirect or restrict FRANCHISEE from collection in the affected areas or temporarily change the Collection Service hours if needed. The hours of Collection Service may be extended due to extraordinary circumstances or conditions with the prior written consent of the City Representative. If Commercial Service Units are within one hundred (100) feet of SFD or if the CITY or FRANCHISEE receives repeated noise complaints from residents, the hours of Collection Service for Commercial Service Units may be revisited between the parties in good faith.

3.06 Manner of Collection Service. The FRANCHISEE shall provide Collection Services with as little disturbance as possible and shall leave any Container in an upright position at the same point it was collected without obstructing alleys, roadways, driveways, sidewalks, or mail boxes unless the FRANCHISEE or Service Recipient applies for and the CITY issues an encroachment permit.

3.07 Temporary Construction and Demolition Debris Containers.

3.07.1 Ownership. Ownership of Containers distributed by the FRANCHISEE shall rest with the FRANCHISEE except in the case of the termination of the AGREEMENT prior to the expiration of the initial term or optional extension term due to the default of the FRANCHISEE. Under such circumstances, the CITY shall have the right to take possession of the Containers and shall retain such possession until satisfactory arrangements can be made to provide Collection Service using other equipment. Such time of possession, the CITY shall not be limited, and regardless of the time of possession, there shall be no monies owing to the FRANCHISEE from the CITY for the use of the equipment. Upon the receipt of written notice from the CITY, FRANCHISEE shall submit to the City Representative an inventory of Containers, including their locations.

3.07.2 Inspection and Cleaning. FRANCHISEE shall inspect all Containers prior to delivery. Containers shall be in safe, clean and sanitary, and in operable condition with working doors, hinges, locking devices, safety devices, floors and side walls without holes, free of material or material build up, and without broken wheels, welds, or ladders that could cause street damage or harm to users.

3.07.3 Graffiti Removal. FRANCHISEE shall remove any and all graffiti within two (2) Work Days of FRANCHISEE being notified by the City Representative or public. FRANCHISEE shall not deliver a Container without FRANCHISEE information visible or with any graffiti appearing on the Container.

3.08 Labor and Equipment. FRANCHISEE shall provide and maintain all labor, equipment, tools, facility(ies), and personnel supervision required for the performance of FRANCHISEE'S obligations under this AGREEMENT. FRANCHISEE shall at all times have sufficient backup equipment and labor to fulfill FRANCHISEE'S obligations under this AGREEMENT. No compensation for FRANCHISEE'S services or for FRANCHISEE'S supply of labor, equipment, tools, facilities or supervision shall be provided or paid to FRANCHISEE by the CITY or by any Service Recipient except as expressly provided by this AGREEMENT.

3.09 Transfer, Recycling, and Processing Facilities.

3.09.1 Transfer, Recycling, and Processing Facilities. FRANCHISEE shall select the transfer, and Processing Facilities. Material collected under this AGREEMENT shall be

delivered to permitted and licensed facilities that comply with the CalRecycle regulations under Title 14, Chapter 3, Minimum Standards for Solid Waste Handling and Disposal (Article 5.9 – Sections 17380-17386). Except as set forth below, all material collected as a result of performing Collection Services shall be transported to, and delivered on the same day as collection, to a properly permitted and licensed Disposal, transfer, recycling, or Processing Facility. All material collected will be weighed and documented through a weight ticket using certified scales located at the receiving facility. In the event the recycling, or Processing Facility is closed on a Work Day, the FRANCHISEE shall transport the material at such other legally permitted and licensed facility. FRANCHISEE must assure that all transfer, recycling, and Processing Facilities are properly permitted and licensed to receive material collected under this AGREEMENT. Failure to comply with this provision shall result in the levy of Liquidated Damages as specified in Article 11 of this AGREEMENT and may result in the FRANCHISEE being in default under this AGREEMENT.

3.09.2 FRANCHISEE shall deliver all Residuals from processed Construction and Demolition Debris Collected by FRANCHISEE to the Disposal Facility for the term of the Waste Delivery Agreement.

3.09.3 Permitted and Licensed Facilities. FRANCHISEE must assure that all disposal, transfer, recycling, or processing facilities selected by FRANCHISEE shall possess all existing permits and approvals by local enforcement agencies for the disposal, transfer, recycling, or processing site to be in full compliance with all regulatory agencies to conduct all operations at the approved location. FRANCHISEE, upon written request from the CITY, shall arrange for the facilities selected by the FRANCHISEE to provide copies of facility permits, notices of violations, inspection areas or concerns, or administrative action to correct deficiencies related to the operation. Failure to provide facility information shall result in the levy of Liquidated Damages as specified in Article 11 of this AGREEMENT and may result in the FRANCHISEE being in default under this AGREEMENT.

3.09.4 Processing and Disposal. FRANCHISEE shall process and dispose of all material collected from Service Units pursuant to this AGREEMENT in accordance with the following hierarchy:

- Reuse
- Disassemble for reuse or recycling
- Recycle
- Disposal

3.09.5 FRANCHISEE shall not landfill such collected material unless the material cannot be reused or recycled.

3.09.6 CITY Direction of Collected Material. CITY reserves the right to direct FRANCHISEE to take collected material pursuant to this AGREEMENT to a designated site or sites for the purpose of permitting persons who will reuse or recycle such material obtain the collected material at no cost. FRANCHISEE shall have no obligation to dispose of the collected material or material residue remaining at the directed site or sites after reusers and recyclers have removed reusable or recyclable items; however, this is subject to, and does not supersede, the requirements of Section 3.09.2 that FRANCHISEE deliver all Residuals from processed Construction and Demolition Debris Collected to the Disposal Facility for the term of the WDA and any extension thereof, or any other similar CITY waste delivery commitment.

3.10 Inspections. The CITY shall have the right to inspect the FRANCHISEE'S facilities or collection vehicles and their contents at any time while operating inside or outside the CITY.

3.11 Spillage and Litter. The FRANCHISEE shall not litter premises in the process of providing Collection Service or while its vehicles are on the road. The FRANCHISEE shall transport all materials collected under the terms of this AGREEMENT in such a manner as to prevent the spilling or blowing of such materials from the FRANCHISEE'S collection vehicle. The FRANCHISEE shall exercise all reasonable care and diligence in providing Collection Service so as to prevent spilling or dropping of material and shall immediately, at the time of occurrence, clean up such spilled or dropped materials. All Containers will be tarped or covered transporting on CITY streets.

3.11.1 The FRANCHISEE shall not be responsible for cleaning up sanitary conditions caused by the carelessness of the Service Recipient; however, the FRANCHISEE shall clean up any material or residue that is spilled or scattered by the FRANCHISEE or its employees.

3.11.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from the FRANCHISEE'S operations or equipment repair shall be covered immediately with an absorptive material and removed from the street surface to comply with all local, state, and federal agency rules and regulations. The CITY must be notified of any liquid spill greater than an eighth (1/8) of a cup within two (2) hours upon incident. When necessary, FRANCHISEE shall apply a suitable cleaning agent to the street surface to provide adequate cleaning. To facilitate such cleanup, FRANCHISEE'S vehicles shall at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

3.11.3 The above paragraphs notwithstanding, FRANCHISEE shall clean up any spillage or litter caused by FRANCHISEE within two (2) hours upon notice from the CITY or public.

3.11.4 In the event damage to CITY streets is caused by a hydraulic oil spill, FRANCHISEE shall be responsible for all repairs to return the street to the same condition prior to the spill. FRANCHISEE shall also be responsible for all clean-up activities related to the spill. Repairs and clean-up shall be performed in a manner satisfactory to the City Representative and at no cost to the CITY.

### 3.12 Ownership of Materials.

3.12.1 Title to Construction and Demolition Debris material shall pass to FRANCHISEE at such time as said materials are placed in the FRANCHISEE'S collection vehicle.

3.12.2 Title to material collected as part of the City Requested- Clean-up Service or Special Collection Service shall pass to FRANCHISEE at the time the material is placed in the Container or other collection vehicle or container approved for use at the event.

### 3.13 Hazardous Waste.

3.13.1 Under no circumstances shall FRANCHISEE'S employees knowingly collect Hazardous Waste, or remove unsafe or poorly containerized Hazardous Waste, from a collection Container. If FRANCHISEE determines that material placed in any Container for collection is Hazardous Waste, or other material that may not legally be accepted at the Disposal Facility or one of the Processing Facilities, or presents a hazard to FRANCHISEE'S employees, the FRANCHISEE shall have the right to refuse to accept such material. The generator shall be contacted by the FRANCHISEE and requested to arrange for proper disposal service. If the generator cannot be reached immediately, the FRANCHISEE shall, before leaving the premises, leave a Non-Collection Notice, which indicates the reason for refusing to collect the material.

3.13.2 If Hazardous Waste is found in a collection Container that poses an imminent danger to people or property, the FRANCHISEE shall immediately notify the Rohnert Park Department of Public Safety. The FRANCHISEE shall immediately notify the CITY of any Hazardous Waste that has been identified.

3.13.3 If Hazardous Waste is identified at the time of delivery to the Disposal Facility, or one of the processing facilities and the generator cannot be identified, FRANCHISEE shall be solely responsible for handling and arranging transport and disposition of the Hazardous Waste.

3.14 Regulations and Record Keeping. FRANCHISEE shall comply with emergency notification procedures required by Applicable Laws and regulatory requirements. All records required by regulations shall be maintained at the FRANCHISEE'S facility. These records shall include waste manifests, waste inventories, waste characterization records, inspection records, incident reports, and training records.

## ARTICLE 4. Rates, Billing and Payments

4.01 Billing and Collection of Payment. The FRANCHISEE shall be responsible for the billing and collection of payments for all Non-Exclusive Temporary Construction and Demolition Debris Collection Service.

4.02 Production of Invoices. The FRANCHISEE shall produce an invoice, in a form and format that is approved by the City Representative, for services received under this AGREEMENT. The FRANCHISEE'S invoice shall be remitted to the Service Recipient and will include at a minimum; date of service, material collected, weight collected, and total amount charged.

4.03 Methods of Payment. FRANCHISEE shall provide the means for customers to pay bills through one or more of the following methods: cash, checks, credit cards, internet payment service or automatic withdrawal from bank account.

4.04 FRANCHISEE'S Payments to CITY. FRANCHISEE shall make payment to the CITY of such fees as may be specified in this Section.

4.04.1 Franchise Fee. To reimburse CITY for costs associated with administration of the AGREEMENT and the impacts of the operations on CITY facilities and resources, and in consideration of the franchise granted to FRANCHISEE by the AGREEMENT, FRANCHISEE shall make the following Franchise Fee payments to the City:

4.04.1.1 Quarterly Franchise Fee Payments. FRANCHISEE shall pay CITY a quarterly Franchise Fee payment ("Quarterly Franchise Fee Payment") equal to fifteen percent (15%) of all gross receipts paid by customers and collected under the terms of the AGREEMENT. Payment to CITY shall be due by 5:00 p.m. PT on the fifteenth (15<sup>th</sup>) day of the month following the quarter the revenues are collected. If the 15<sup>th</sup> day of the month falls on a day that CITY is closed or a holiday, then the Franchise Fee Payment shall be due on the next business day. Each such payment shall be accompanied by an accounting, which sets forth FRANCHISEE'S gross receipts collected during the preceding month. Gross receipts shall specifically include revenue received by the FRANCHISEE from any entity, including Federal, State, County, or other local facilities within the Service Area for the provision of Collection Services by the FRANCHISEE. Gross receipts shall specifically exclude any revenue from the sale from Recyclable Materials and from grant funding. Failure to pay the correct amount or fees within the required timeline will result in liquidated damages per Article 11.

4.04.2 Reimbursement for the Cost of Procurement. The CITY requires the Franchisee(s) to reimburse the CITY up to **Seventy-Five Thousand (\$75,000)** for the cost of this procurement, divided evenly amongst all Franchisee(s) as determined prior to AGREEMENT execution.

4.04.3 The reimbursement will be made to the CITY in two (2) equal payments. The first payment shall be submitted to the City no later than January 15, 2018 and the second payment shall be submitted to the City no later than January 15, 2019. This amount will be shared equally between all Franchisees that are awarded Agreements.

| <u>No. of Agreements Awarded</u> | <u>Amount to be paid by each Franchisee</u> |
|----------------------------------|---------------------------------------------|
| 1                                | \$75,000                                    |
| 2                                | \$37,500                                    |
| 3                                | \$25,000                                    |
| 4                                | \$18,750                                    |
| 5                                | \$15,000                                    |
| 6                                | \$12,500                                    |
| 7                                | \$10,715                                    |

4.04.4 Penalty for Late Payments. Any payments described in this Section 4.04 or elsewhere in the AGREEMENT that are received by the CITY after the due date will be assessed a late penalty equal to twenty-five percent (25%) of the original amount due. Failure by FRANCHISEE to pay both the original payment amount and the late penalty within thirty (30) days of written notice of the delinquency by the CITY will be considered an event of default, and the CITY may terminate the AGREEMENT immediately.

4.05 No acceptance by CITY of any payment shall be construed as an accord that the amount is in-fact the correct amount, nor shall such acceptance of payment be construed as a release of any claim CITY may have against FRANCHISEE for any additional sums payable under the provisions of this AGREEMENT. All amounts paid shall be subject to independent audit and recompilation by CITY. If, after the audit, such recompilation indicates an underpayment FRANCHISEE shall pay to CITY the amount of the underpayment and shall reimburse CITY for all reasonable costs and expenses incurred in connection with the audit and recompilation within ten (10) Work Days of receipt of written notice from CITY that such is the case. If, after audit, such recompilation indicates an overpayment, CITY shall notify the FRANCHISEE in writing of the amount of the overpayment, less costs and expenses incurred in connection with the audit and recompilation. FRANCHISEE may offset the amounts next due following receipt of such written notice by the amount specified therein.

## ARTICLE 5. Minimum Diversion Requirements

5.01 Tonnage Data. On or before April 15, 2018 and quarterly thereafter during the term of this AGREEMENT, FRANCHISEE shall deliver to CITY a quarterly report as specified in Section 8.02.1 listing the actual tonnage delivered by the FRANCHISEE to the Disposal or

Processing Facility, the tonnage of material discarded or landfilled including residue, the tonnage of material recycled or composted by material type (metal, wood, concrete, Green Waste, etc.) for the preceding quarter, and the number of Service Recipients collected.

5.02 Minimum Diversion Requirements. The FRANCHISEE guarantees delivery of all materials collected during the term of this AGREEMENT to a permitted and licensed Processing Facility, recycler or re-user, for processing.

5.03 In the event that the SCWMA or authorized jurisdiction within Sonoma County, certifies a Processing Facility(ies) during the term of the AGREEMENT, if directed by the CITY, the FRANCHISEE guarantees delivery of all materials collected for the remainder of the term of this AGREEMENT to be delivered to a certified Processing Facility.

## ARTICLE 6. Collection Equipment

### 6.01 Equipment Specifications.

6.01.1 General Provisions. All equipment used by FRANCHISEE in the performance of services under this AGREEMENT shall be of a high quality. The collection vehicles shall be designed and operated so as to prevent collected materials from escaping from the vehicles. All collection Containers while driving on CITY streets shall be tarped, covered, or enclosed with screening material to prevent collected materials from leaking, blowing, or falling from the vehicles. All collection vehicles and Containers shall be watertight and shall be operated so that liquids do not spill during collection or in transit.

6.01.2 Clean Air Vehicles. During the term of this AGREEMENT, to the extent required by law, FRANCHISEE shall provide its collection vehicles to be in full compliance with current local, State and federal clean air requirements that were adopted and any other applicable air pollution control laws.

6.01.3 Safety Markings. All Collection equipment used by FRANCHISEE shall have appropriate safety markings including, but not limited to, highway lighting, flashing and warning lights, clearance lights, and warning flags. All such safety markings shall be subject to the approval of the CITY and shall be in accordance with the requirements of the California Vehicle Code, as may be amended from time to time.

6.01.4 Collection Vehicle Signage and Painting. Collection vehicles, except reserve equipment used on a temporary basis, shall be painted and numbered consecutively without repetition and shall have the FRANCHISEE'S name, FRANCHISEE'S customer service telephone number, and the number of the vehicle painted in letters of contrasting color, at least three (3) inches high, on each side of each vehicle. No advertising shall be permitted other than the name of the FRANCHISEE. FRANCHISEE shall repaint or discontinue the use of a collection vehicle at the request of the City Representative to maintain a positive public image as reasonably determined by the City Representative. Collection vehicle signage may be applied using stickers instead of paint, but only so long as the stickers are designed for permanent use and are appropriately maintained to ensure a clean appearance.

6.01.5 Signage, Painting, and Cleaning. Containers shall be painted and numbered consecutively without repetition and shall have the FRANCHISEE'S name, FRANCHISEE'S customer service telephone number, and the number of the Container painted in letters of contrasting color, at least three (3) inches high, on at least two (2) sides of each Container. No advertising shall be permitted other than the name of the FRANCHISEE. Such Containers as are provided by the FRANCHISEE shall be steam cleaned by the FRANCHISEE

as frequently as necessary so as to maintain sanitary conditions. FRANCHISEE shall repaint or discontinue the use of a Container at the request of the City Representative to maintain a positive public image as reasonably determined by the City Representative. Container signage may be applied using stickers instead of paint, but only so long as the stickers are designed for permanent use and are appropriately maintained to ensure a clean appearance.

6.01.6 Collection Vehicle Noise Level. All collection vehicle operations shall be conducted as quietly as possible and must comply with U.S. EPA noise emission regulations currently codified at 40 CFR Part 205, and other applicable State County and CITY noise control regulations.

6.01.7 Collection Vehicle Size Limitations. Collection vehicles must not exceed a maximum gross vehicle weight of 56,000 pounds (includes both the truck and load weight), no more than 3 axles, and a total load capacity of 40 yards.

6.02 Collection Vehicle Registration, Licensing and Inspection. On or before December 1, 2017, or as soon as practical, and annually thereafter on December 1, during the term of this AGREEMENT, FRANCHISEE shall submit documentation to the City Representative to verify that each of the FRANCHISEE'S collection vehicles are in compliance with all registration, licensing and inspection requirements of the California Highway Patrol, the California Department of Motor Vehicles, local permitting agency, and any other Applicable Laws or regulations. FRANCHISEE shall not use any vehicle to perform collection services that is not in compliance with applicable registration, licensing, and inspection requirements.

6.03 Equipment and Collection Vehicle Maintenance. FRANCHISEE shall maintain Collection equipment and vehicles in a clean condition and in good repair at all times. All parts and systems of the collection equipment and collection vehicle shall operate properly and be maintained in a condition satisfactory to CITY. FRANCHISEE shall wash all collection equipment and collection vehicles at least once a month or more frequently as the CITY may require. However, in times of drought conditions, upon Franchisee or City notification, washing of collection equipment and vehicles may be suspended.

6.04 Maintenance Log. FRANCHISEE shall maintain a maintenance log for all collection vehicles. The log shall at all times be accessible to CITY by physical inspection upon request of City Representative, and shall show, at a minimum, each collection vehicle's FRANCHISEE assigned identification number, date purchased or initial lease, dates of performance of routine maintenance, dates of performance of any additional maintenance, a copy of the most recent BIT inspection report, and description of additional maintenance performed.

6.04.1 Equipment and Vehicle Inventory. As of the Effective Date, and annually thereafter as specified in Section 8.02.2, during the term of this AGREEMENT, FRANCHISEE shall provide to CITY an inventory of collection vehicles and major collection equipment used by FRANCHISEE for Collection or transportation and performance of services under this AGREEMENT. The inventory shall indicate each collection vehicle by FRANCHISEE assigned identification number, DMV license number, the most recent BIT inspection report, the age of the chassis and body, type of fuel used, the type and capacity of each vehicle, the number of collection vehicles by type, the date of acquisition, the decibel rating and the maintenance status. FRANCHISEE shall submit to the City Representative, either mail or e-mail, an updated inventory annually to the CITY or more often at the request of the City Representative.

6.04.2 Reserve Collection Equipment and Collection Vehicles. The FRANCHISEE shall have available to it, at all times, reserve collection equipment and collection vehicles which can be put into service and operation within one (1) hour of any breakdown. Such reserve

collection equipment and collection vehicles shall correspond in size and capacity to the collection equipment used by the FRANCHISEE to perform the contractual duties.

## ARTICLE 7. FRANCHISEE'S Office

**7.01 FRANCHISEE'S Office.** The FRANCHISEE shall maintain an office within Sonoma County that provides a toll-free telephone access to residents and businesses of the CITY and is staffed by trained and experienced Customer Service Representatives ("CSR's"). Such office shall be equipped with sufficient telephones that all Collection Service related calls received during normal business hours are answered by an employee within five (5) rings, and shall have responsible persons in charge during Collection hours and shall be open during such normal business hours, 8:00 a.m. to 5:00 p.m. on all Work Days. The FRANCHISEE shall provide either a telephone answering service or mechanical device to receive Service Recipient inquiries during those times when the office is closed. Calls received after normal business hours shall be returned and addressed the next Work Day morning.

**7.01.1 Emergency Contact.** The FRANCHISEE shall provide the City Representative with an emergency phone number where the FRANCHISEE can be reached outside of the required office hours.

**7.01.2 Multilingual/TDD Service.** FRANCHISEE shall at all times maintain the capability of responding to telephone calls in English and one (1) other language (Spanish) as the CITY may direct. FRANCHISEE shall at all times maintain the capability or responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services.

**7.01.3 Service Recipient Calls.** During office hours, FRANCHISEE shall maintain a telephone answering system capable of accepting at least five (5) incoming calls at one (1) time. FRANCHISEE shall record all calls including any inquiries, service requests, and complaints into a customer service log.

**7.01.4 Incoming Calls.** All incoming calls will be answered within five (5) rings. Any call "on-hold" in excess of one and one-half (1.5) minutes shall have the option to remain "on-hold" or to be switched to a message center where Service Recipient can leave a message. FRANCHISEE'S CSR shall return Service Recipient calls.

## ARTICLE 8. Record Keeping & Reporting Requirements

### 8.01 Record Keeping.

**8.01.1 Accounting Records.** FRANCHISEE shall maintain full, complete and separate financial, statistical and accounting records, pertaining to cash, billing, and provisions of all Collection Services provided under this AGREEMENT, prepared on an accrual basis in accordance with generally accepted accounting principles. Such records shall be subject to audit, copy, and inspection. FRANCHISEE shall report Gross Revenues received from provision of the Collection Services. FRANCHISEE shall maintain and preserve all cash, billing and disposal records for a period of not less than five (5) years following the close of each of the FRANCHISEE'S fiscal years.

**8.01.2 AGREEMENT Materials Records.** FRANCHISEE shall maintain records of the quantities of Construction and Demolition Debris Collected from provisions of this AGREEMENT and disposed under the terms of this AGREEMENT, and (ii) Recyclable Materials, by type, collected, processed, sold, donated or given for no compensation, and residue disposed.

731 8.01.3 Other Records. FRANCHISEE shall maintain all other records reasonably  
732 related to provision of Collection Services, whether or not specified in this Article 8 or elsewhere  
733 in the AGREEMENT.

734 8.02 Reporting Requirements. Quarterly reports shall be submitted no later than 5:00  
735 p.m. PT thirty (30) calendar days after the end of the reporting quarter and annual reports shall  
736 be submitted no later than 5:00 p.m. PT thirty (30) calendar days after the end of each Agreement  
737 Year. If the 15<sup>th</sup> day of the month falls on a day that CITY is closed or a holiday, then the report  
738 shall be due the on the next business day. Quarterly and annual reports shall be submitted  
739 electronically via e-mail to the CITY and its designated representative on a CITY approved  
740 reporting form.

741 8.02.1 Quarterly Reports. Quarterly reports to the CITY shall include:

742 8.02.1.1 Material Collected Data. A listing of the tonnage collected from all  
743 Collection Services, diverted and disposed by the FRANCHISEE at the Disposal and  
744 Processing Facility for the preceding quarter, including the number of pulls.

745 8.02.1.2 Recycling Data. The number of gross tons collected, processed,  
746 and sold or delivered to a recycler (other than Processing Facility) by material type for the  
747 preceding quarter. Indicate, by material type (and grade where appropriate), quarterly total of  
748 Recyclable Materials processed and sold including facility name and location. Indicate any  
749 quantities, by material type, donated or otherwise disbursed without compensation. Indicate  
750 quarterly totals and location for Residue disposed.

751 8.02.1.3 Collection Services. Indicate the number of Service Recipients  
752 served within the given period of time

753 8.02.1.4 Diversion. The diversion figures shall be calculated as the tons of  
754 materials collected by FRANCHISEE from the provision of Collection Services in the CITY that  
755 are delivered to the Processing Facility approved by CITY, or that are otherwise handled in a  
756 manner that counts as diversion under applicable CalRecycle regulations (in each case, net of all  
757 residue from processing), divided by the total tons of materials collected in the Service Area by  
758 FRANCHISEE from the provision of Collection Services for the preceding quarter.

759 8.02.1.5 Franchise Fee Payments. Indicate the revenue collected and total  
760 franchise fees paid to CITY for the preceding quarter.

761 8.02.1.6 Operational Problems and Actions Taken. Indicate instances of  
762 property damage or injuries, overweight vehicles, and any loads rejected, reason for rejection  
763 and disposition of load after rejection.

764 8.02.2 Annual Reports. The annual report to the CITY shall include all quarterly  
765 reports in Sections 8.2.1 through 8.2.1.3 summarized by quarter and totaled for the year. The  
766 FRANCHISEE shall include a historical comparison of the last Agreement Year and prior years  
767 with a brief explanation on any increases or decreases in tonnage and Diversion figures of all  
768 Agreement Years. Annual reports to the CITY shall also include:

769 8.02.2.1 A summary of all prior year's Gross Revenue received and  
770 Franchise Fees paid.

771 8.02.2.2 Updated complete inventory of collection vehicles, Containers and  
772 major collection/processing equipment, including stationary, rolling stock and Containers by type  
773 and size. See Section 6.04.1 for additional inventory reporting requirements.

774 8.02.2.3 A copy of existing permits and approvals by local enforcement  
775 agencies for the Disposal, transfer, recycling or Processing Facilities selected by FRANCHISEE.

776 8.03 Additional Reporting. The FRANCHISEE shall furnish the CITY with any additional  
777 reports as may reasonably be required by CITY, such reports to be prepared within thirty (30)  
778 days following the reporting period or written notice.

## 779 **ARTICLE 9. Nondiscrimination**

780 9.01 Nondiscrimination. In the performance of all work and services under this  
781 AGREEMENT, FRANCHISEE shall not discriminate against any person on the basis of such  
782 person's race, sex, color, national origin, religion, marital status, age, disability, or sexual  
783 orientation. FRANCHISEE shall comply with all applicable local, state, and federal laws and  
784 regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

## 785 **ARTICLE 10. Service Inquiries and Complaints**

786 10.01 FRANCHISEE'S Customer Service. All service inquiries and complaints shall be  
787 directed to the FRANCHISEE. A representative of the FRANCHISEE shall be available to receive  
788 the complaints during normal business hours, as specified in Section 7.01. All service complaints  
789 will be handled by the FRANCHISEE in a prompt and efficient manner. In the case of a dispute  
790 between the FRANCHISEE and a Service Recipient cannot be resolved accordingly, the matter  
791 will be reviewed and a decision made by the City Representative.

792 10.01.1 The FRANCHISEE will utilize the Customer Service Log to maintain  
793 a record of all inquiries and complaints in a manner prescribed by the CITY.

## 794 **ARTICLE 11. Quality of Performance**

795 11.01 Intent. FRANCHISEE acknowledges and agrees that one of CITY's primary goals  
796 in entering into this AGREEMENT is to ensure that the Collection Services are of the highest  
797 caliber, that Service Recipient satisfaction remains at the highest level, that the minimum  
798 Diversion levels are achieved, and that materials collected are put to the highest and best use to  
799 the extent feasible.

800 11.02 Service Supervisor. As of the Effective Date and annually thereafter during the  
801 term of this AGREEMENT, FRANCHISEE shall provide the CITY with the name and contact  
802 information of the supervisor to be in charge of the Collection Service within the Service Area. At  
803 least thirty (30) calendar days prior to replacing the designated supervisor, FRANCHISEE shall  
804 notify CITY in writing of the name and qualifications of the new service supervisor. FRANCHISEE  
805 shall insure that such replacement is an individual with like qualifications and experience. The  
806 supervisor shall be available to the City Representative through the use of telecommunication  
807 equipment at all times that, FRANCHISEE is providing Collection Services. In the event the  
808 supervisor is unavailable due to illness or vacation, FRANCHISEE shall designate an acceptable  
809 substitute who shall be available and who has the authority to act in the same capacity as the  
810 supervisor. The service supervisor shall provide the CITY with an emergency phone number  
811 where the supervisor can be reached outside of normal business hours.

812 11.03 Liquidated Damages. The parties further acknowledge that consistent and reliable  
813 Collection Service is of utmost importance to CITY and that CITY has considered and relied on  
814 FRANCHISEE's representations as to its quality of service commitment in awarding the  
815 AGREEMENT to the FRANCHISEE. The parties further recognize that some quantified standards

of performance are necessary and appropriate to ensure consistent and reliable service and performance. The parties further recognize that if FRANCHISEE fails to achieve the performance standards, or fails to submit required documents in a timely manner, CITY, and CITY's residents and businesses will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages. Therefore, without prejudice to CITY's right to treat such non-performance as an event of default under Article 16, the parties agree that the Liquidated Damages amount defined in this Article 11 represent reasonable estimates of the amount of such damages considering all of the circumstances existing on the Effective Date of this AGREEMENT, including the relationship of the sums to the range of harm to CITY, customers and the community as a whole that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the Liquidated Damages provisions at the time that the AGREEMENT was executed.

FRANCHISEE Initial Here *[Signature]*

FRANCHISEE agrees to pay (as Liquidated Damages and not as penalty) the following amounts:

| Liquidated Damages |                                                                                                                                                                                           |                                                                                               |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Item               |                                                                                                                                                                                           | Amount                                                                                        |
| a.                 | Failure to notify the CITY within two (2) hours of an incident related to Section 3.11 Spillage and Litter.                                                                               | \$100.00 per incident per Service Recipient.                                                  |
| b.                 | Failure or neglect to make a good faith effort to completely resolve each complaint within 90 days of receiving the complaint from a Service Recipient or CITY.                           | \$100.00 per incident per Service Recipient.                                                  |
| c.                 | Failure to clean up or compensate for spillage or litter caused by FRANCHISEE within 90 Work Days of being notified of the incident.                                                      | \$300.00 per incident per location.                                                           |
| d.                 | Failure to repair damage or compensate for damage to customer property caused by FRANCHISEE or its personnel within 90 Work Days of being notified of the incident.                       | \$500.00 per incident per location.                                                           |
| e.                 | Failure to repair damage or compensate for damage to CITY property caused by FRANCHISEE or its personnel within 90 Work Days of being notified of the incident.                           | \$1,500.00 per incident.                                                                      |
| f.                 | Failure to compensate for damage to CITY streets, not within normal wear and tear, caused by FRANCHISEE or equipment of FRANCHISEE within 90 Work Days of being notified of the incident. | \$3,000.00 per incident and the actual cost of repair to CITY's satisfaction—no cost to CITY. |
| g.                 | Failure to maintain collection equipment in a clean, safe, and sanitary manner.                                                                                                           | \$500.00 per incident per day.                                                                |

| Liquidated Damages |                                                                                                                                                                                                                |                                                                                                                      |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Item               |                                                                                                                                                                                                                | Amount                                                                                                               |
| h.                 | Failure to have a collection vehicle operator properly licensed.                                                                                                                                               | \$2,500.00 per incident per day.                                                                                     |
| i.                 | Failure to maintain office hours as required by this AGREEMENT.                                                                                                                                                | \$500.00 per incident per day.                                                                                       |
| j.                 | Failure to maintain or submit as specified in the AGREEMENT to CITY, all documents and reports required under the provisions of this AGREEMENT.                                                                | \$250.00 per incident per day.                                                                                       |
| k.                 | Failure to properly cover materials in collection vehicles.                                                                                                                                                    | \$500.00 per incident.                                                                                               |
| l.                 | Failure to display FRANCHISEE'S name and customer service phone number on collection vehicles and Containers.                                                                                                  | \$500.00 per incident per day.                                                                                       |
| m.                 | Failure to comply with the hours of operation as required by this AGREEMENT.                                                                                                                                   | \$1,000.00 per incident per day.                                                                                     |
| n.                 | Failure to remove graffiti within two (2) Work Days or delivering a debris box with graffiti on it to a customer.                                                                                              | \$500.00 per incident.                                                                                               |
| o.                 | Failure to have FRANCHISEE personnel in proper uniform.                                                                                                                                                        | \$250.00 per incident per day.                                                                                       |
| p.                 | Collection vehicles that exceed 56,000 lbs. GVW, 3 axles, or load capacity of greater than 40 yards.                                                                                                           | \$500.00 per incident                                                                                                |
| q.                 | Failure to deliver and process collected materials at Processing Facility prior to delivering Solid Waste to Disposal Facility.                                                                                | Current Tipping Fee at Sonoma County Landfill System/ton Disposed                                                    |
| r.                 | Failure to deliver any collected materials to a properly permitted and licensed Disposal Facility, transfer, or Processing Facility, as appropriate, except as otherwise expressly provided in this AGREEMENT. | \$2,500.00 first failure<br>\$5,000.00 second failure.<br>30 day notice of Termination for third subsequent failure. |
| s.                 | Failure to meet collection vehicle noise requirements.                                                                                                                                                         | \$250.00 per incident per day.                                                                                       |
| t.                 | Failure to provide facility information requested by the CITY within five (5) work days                                                                                                                        | \$250.00 per incident per day                                                                                        |
| u.                 | Failure to pay correct value of Franchise Fee or failure to pay Quarterly Franchise Fee by required due date.                                                                                                  | 25% of amount due.                                                                                                   |

| Liquidated Damages |                                                                                                                |                                                        |
|--------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Item               |                                                                                                                | Amount                                                 |
| v.                 | Failure to pay penalty for incorrectly calculated or late Franchise Fee.                                       | Immediate termination.                                 |
| w.                 | Disposal of Residuals at a facility except for Disposal Facility.                                              | Immediate termination.                                 |
| x.                 | Failure to maintain or provide required insurance certificates during the term of the Agreement.               | Immediate termination.                                 |
| y.                 | Failure to cooperate or provide the requested documents for a Performance Review within thirty (30) Work Days. | FRANCHISEE will be considered in Default of AGREEMENT. |

11.4. Procedure for Review of Liquidated Damages. The City Representative may assess Liquidated Damages pursuant to this Article 11 on a monthly basis. At the end of each month during the term of this AGREEMENT, the City Representative shall issue a written notice to FRANCHISEE ("Notice of Assessment") of the liquidated damages assessed and the basis for each assessment.

11.4.1. The assessment shall become final unless, within ten (10) calendar days of the date of the notice of assessment, FRANCHISEE provides a written request for a meeting with the City Manager and City Representative to present evidence that the assessment should not be made.

11.4.2. The City Representative shall schedule a meeting between FRANCHISEE and the City Manager or the Manager's designee as soon as reasonably possible after timely receipt of FRANCHISEE'S request for the same.

11.4.3. The City Manager or the Manager's designee shall review FRANCHISEE'S evidence and render a decision sustaining or reversing the liquidated damages as soon as reasonably possible after the meeting. Written notice of the decision shall be provided to FRANCHISEE.

11.4.4. In the event FRANCHISEE does not submit a written request for a meeting within ten (10) calendar days of the date of the Notice of Assessment, the City Representative's determination shall be final and FRANCHISEE shall submit payment to CITY no later than that tenth (10th) day.

11.4.5. If monies are owed to FRANCHISEE, CITY with notification to FRANCHISEE, will deduct the liquidated damages from amounts otherwise due to FRANCHISEE.

11.4.6. CITY'S assessment or collection of liquidated damages shall not prevent CITY from exercising any other right or remedy, including the right to terminate this AGREEMENT, for FRANCHISEE'S failure to perform the work and services in the manner set forth in this AGREEMENT.

## ARTICLE 12. AGREEMENT Compliance

12.01 Selection and Cost. The CITY may conduct a "Compliance Review" of the FRANCHISEE'S performance and compliance with the requirements of this AGREEMENT during the term of this AGREEMENT, including prior to an extension. At the discretion of the CITY, Compliance Reviews may occur every two (2) years, or as deemed necessary. The Compliance Reviews will be performed by a qualified firm under contract to the CITY. The CITY shall have the final responsibility for the selection of the firm but shall seek and accept comments and recommendations from the FRANCHISEE. The FRANCHISEE shall be responsible for the cost of the Compliance Review, up to a maximum of **Ten Thousand Dollars (\$10,000.00)** per Compliance Review. CONTRACTOR will reimburse CITY thirty (30) days from CITY submitting invoice or request to CONTRACTOR for reimbursement.

12.02 Purpose. The Compliance Review shall be designed to meet the following objectives:

12.02.1 Verify that Franchise Fees, and other fees required under this AGREEMENT, have been properly calculated and paid to the CITY.

12.02.2 Verify FRANCHISEE'S compliance with the reporting requirements and performance standards of this AGREEMENT.

12.03 FRANCHISEE'S Cooperation. FRANCHISEE shall cooperate fully with the review and provide all requested data, including operational data, financial data, and other data requested by the CITY within thirty (30) Work Days. Failure of the FRANCHISEE to cooperate or provide the requested documents in the required time shall be considered an event of default.

12.04 AGREEMENT Actions. Whenever action and/or approval by the CITY is required under this AGREEMENT, the City Manager or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Manager determines in his or her discretion that such action or approval requires referral to the City Council for consideration.

## ARTICLE 13. Performance Bond

13.01 Performance Bond. The AGREEMENT must be executed and a performance bond must be furnished by the FRANCHISEE within ten (10) calendar days from the date CITY awards and executes the Agreement; otherwise, the bid bond shall be forfeited to the CITY. The FRANCHISEE shall furnish to the CITY, and keep current, a performance bond in a form that is acceptable to the CITY, for the faithful performance of this AGREEMENT and all obligations arising hereunder in the amount of **Ten Thousand Dollars (\$10,000.00)**.

13.01.1 The performance bond shall be executed by a surety company that is acceptable to the CITY, and is included on the list of surety companies approved by the Treasurer of the United States.

13.02 Letter of Credit. As an alternative to the performance bond required by Section 13.01, at CITY's option, FRANCHISEE may deposit with CITY an irrevocable letter of credit in an amount as set forth in Article 13.01, acceptable to the CITY in form and content and issued by an FDIC insured banking institution chartered to business in the state of California, in the CITY's name, and callable at the discretion of the CITY. Nothing in this Article 13 shall in any way obligate the CITY to accept a letter of credit in lieu of the performance bond.

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## ARTICLE 14. Insurance

14.01 Insurance Policies. FRANCHISEE shall secure and maintain throughout the term of this AGREEMENT insurance against claims for injuries to persons or damages to property which may arise from or in connection with FRANCHISEE'S performance of work or services under this AGREEMENT. FRANCHISEE'S performance of work or services shall include performance by FRANCHISEE'S employees, agents, representatives and subcontractors.

14.01.1 Minimum Scope of Insurance. Insurance coverage shall be at least this broad:

14.01.1.1 Insurance Services Office Form No. G0 0002 or, if approved by CITY, its equivalent, covering Comprehensive General Liability and Insurance Services Office Form No. GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001).

14.01.1.2 Insurance Services Office Form No. CA 0001 covering Automobile Liability, code 1 "any auto", or code 2 "owned autos" and endorsement CA 0025. Coverage shall also include code 8, "hired autos" and code 9 "non-owned autos."

14.01.2 Workers' Compensation Insurance as required by the California Labor Code and Employers Liability Insurance and/or Errors and Omissions.

14.01.3 Hazardous Waste and Environmental Impairment Liability Insurance.

14.01.4 Employee Blanket Fidelity Bond.

14.02 Minimum Limits of Insurance. FRANCHISEE shall maintain insurance limits no less than:

14.02.1 Comprehensive General Liability: **Ten Million Dollars (\$10,000,000.00)** combined single limit per occurrence for bodily injury, personal injury, and property damage.

14.02.2 Automobile Liability: **Ten Million Dollars (\$10,000,000.00)** combined single limit per accident for bodily injury and property damage.

14.02.3 Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of **Three Million Dollars (\$3,000,000.00)** per accident.

14.02.4 Employee Blanket Fidelity Bond. Employee Blanket Fidelity Bond in the amount of **Five Hundred Thousand Dollars (\$500,000.00)** per employee, covering dishonesty, forgery, alteration, theft, disappearance, destruction (inside or outside).

14.02.5 Hazardous Waste and Environmental Impairment Liability: **Three Million Dollars (\$3,000,000.00) each occurrence/Ten Million Dollars (\$10,000,000.00)** policy aggregate covering liability arising from the release of waste materials and/or irritants, contaminants or pollutants. Such coverage shall, if commercially available without involvement of CITY, automatically broaden in its form of coverage to include legislated changes in the definition of waste material and/or irritants, contaminants or pollutants. This policy shall stipulate this insurance is primary and no other insurance carried by CITY will be called upon to contribute to the loss suffered by the FRANCHISEE hereunder and waive subrogation against the CITY and other additional insured's.

14.03 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention must be declared to, and approved by, CITY.

14.04 Endorsements. The policies are to contain, or be endorsed to contain, the following provisions:

14.04.1 The CITY, its officers, employees, agents and volunteers are to be covered as additional insured with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of FRANCHISEE; products and completed operations of FRANCHISEE; and with respect to liability arising from work or operations performed by or on behalf of the FRANCHISEE including material parts or equipment furnished in connection with such work or operations; Pollution and/or Asbestos Pollution.

14.04.2 FRANCHISEE'S insurance coverage shall be primary insurance as respects CITY, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents, or volunteers shall be excess of the FRANCHISEE'S insurance and shall not contribute with it.

14.04.3 Each insurance policy required by this clause shall be occurrence-based, or an alternative form as approved by the CITY and shall be endorsed to state that coverage shall not be cancelled by the Insurer except after thirty (30) days prior written notice has been given to the CITY.

14.04.4 The FRANCHISEE'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

14.04.5 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 /or other endorsements required by federal or state authorities.

14.04.6 Worker's Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the CITY, its officers, officials, employees, and volunteers for losses arising from work performed by the Grantee for the CITY.

14.04.7 All Coverage. Each insurance policy required by this clause shall be occurrence-based or an alternate form as approved by the CITY and endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the CITY.

14.04.7.1 Any failure to comply with reporting provisions of the policies shall not affect FRANCHISEE'S obligations to CITY, its officers, officials, employees, agents, or volunteers.

14.04.7.2 The CITY, its officers, officials, agents, employees and volunteers shall be named as additional insured on all policies.

14.05 Acceptability of Insurers. Insurance is to be placed with insurers acceptable to the CITY.

14.06 Verification of Coverage. FRANCHISEE shall furnish CITY with original certificates and with amendatory endorsements effecting coverage required by this clause. The endorsements are to be signed by a persons authorized by the Insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the CITY, unless the insurer will not use the CITY's forms. All endorsements are to be received and approved by the CITY before work

commences. As an alternative to the CITY's forms, the Franchisee's insurer may provide complete copies of all required insurance policies, including endorsements effecting coverage required by these specifications.

14.07 Subcontractors. FRANCHISEE shall include all subcontractors as insured under its policies or shall obtain separate certificates and endorsements for each subcontractor.

14.07.1 Proof of insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the CITY.

City of Rohnert Park  
Risk Management  
130 Avram Avenue  
Rohnert Park, CA 94928

14.08 Modification of Insurance Requirements. The insurance requirements provided in this AGREEMENT may be modified or waived by the CITY, in writing, upon the request of FRANCHISEE if the CITY determines such modification or waiver is in the best interest of CITY considering all relevant factors, including exposure to CITY.

14.09 Rights of Subrogation. All required insurance policies shall preclude any underwriter's rights of recovery or subrogation against CITY, its officers, officials, employees, and volunteers for losses arising from work performed by FRANCHISEE for the CITY under this AGREEMENT, with the express intention of the parties being that the required insurance coverage protects both parties as the primary coverage for any and all losses covered by the above-described insurance. FRANCHISEE shall ensure that any companies issuing insurance to cover the requirements contained in this AGREEMENT agree that they shall have no recourse against CITY for payment or assessments in any form on any policy of insurance. The clauses 'Other Insurance Provisions' and 'Insured Duties in the Event of an Occurrence, Claim or Suit' as it appears in any policy of insurance in which CITY is named as an additional insured shall not apply to CITY.

## ARTICLE 15. Indemnification

15.01 Indemnification of the CITY. FRANCHISEE shall defend, indemnify and hold harmless, to the fullest extent allowed by law, CITY, its officers, officials, employees, volunteers agents and assignees (indemnities), from and against any and all loss, liability, penalties, forfeitures, claims, demands, actions, proceedings or suits, in law or in equity, of every kind and description, (including, but not limited to, injury to and death of any person and damage to property, or for contribution or indemnity claimed by third parties) arising or resulting from or in any way connected with: (i) the operation of the FRANCHISEE, its agents, employees, FRANCHISEES, and/or subcontractors, in exercising the privileges granted to it by this AGREEMENT; (ii) the failure of the FRANCHISEE, its agents, employees, FRANCHISEES, and/or subcontractors to comply in all respects with the provisions and requirements of this AGREEMENT, Applicable Laws, ordinances and regulations, and/or applicable permits and licenses; and (iii) the acts of FRANCHISEE, its agents, employees, FRANCHISEES, and/or subcontractors in performing services under this AGREEMENT for which strict liability is imposed by law. The foregoing indemnity shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, action, suite injury, death, or damage is also caused in part by any of the indemnitees' negligence. FRANCHISEE's indemnity obligations under all sections of this Article 15 shall survive the expiration or earlier termination of this AGREEMENT.

15.02 The FRANCHISEE'S obligation to defend, hold harmless, and indemnify shall not be excused because of the FRANCHISEE'S inability to evaluate liability or because the FRANCHISEE evaluates liability and determines that the FRANCHISEE is not liable the claimant. The FRANCHISEE must respond within thirty (30) days to the tender of a claim for defense and indemnity by the CITY, unless this time has been extended by the CITY. If the FRANCHISEE fails to accept or reject a tender of defense and indemnity within thirty (30) days, in addition to any other remedy authorized by law, so much of the money due the FRANCHISEE under the by virtue of this AGREEMENT as shall reasonably be considered necessary by the CITY, may be retained by the CITY until disposition has been made or the claim or suit for damages, or until the FRANCHISEE accepts or ejects the tender of defense, whichever occurs first. With respect to third party claims against the FRANCHISEE, the FRANCHISEE waives any and all rights of any type to express or implied indemnity against the indemnities.

15.03 Hazardous Substances Indemnification. The FRANCHISEE shall indemnify, hold harmless, defend with counsel acceptable to the CITY, protect and hold harmless the CITY, its officers, officials, employees, agents, assigns and any successor or successors to the CITY's interest from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages) injuries, response mediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, attorney's fees for the adverse party and expenses (including but not limited to attorney's and expert witness fees and costs incurred in connection with defending against any of the forgoing or enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against CITY or is officers, officials, employees, agents, assigns, or contactors arising from or attributable to acts or omissions including but not limited to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertake due to governmental action) concerning any hazardous substance or Hazardous Wastes at any place where FRANCHISEE transports, stores, or disposes of Solid Waste pursuant to this AGREEMENT. The foregoing indemnity is intended to operate as an AGREEMENT pursuant to Section 107(e) of CERCLA, 42 U.S.C. sections 9607(c) and California Health and Safety Code Section 25364, to defend insure, protect, hold harmless and indemnify the CITY from liability.

15.04 FRANCHISEE agrees to protect, indemnify, hold harmless, and defend CITY with counsel selected by FRANCHISEE and approved by CITY, to pay all attorneys' fees, and to indemnify and hold CITY harmless from and against all fines or penalties imposed by CalRecycle if the Diversion goals specified in California Public Resources Code Section 41780 as of the date hereof and hereafter throughout are not met by the CITY with respect to the materials collected by FRANCHISEE and if the lack in meeting such goals are attributable to the failure of the FRANCHISEE to implement and operate the recycling or Diversion programs or undertake the related activities required by this AGREEMENT.

15.05 FRANCHISEE shall defend, hold harmless, and indemnify CITY, its officers, officials, employees, volunteers, agents and assignees (indemnitees) from and against any loss, liability, penalties, forfeiture, claims, damages, demands, actions, proceedings or suits, in law or equity, of every kind and description, arising from the CITY's setting of maximum Service Rates for Collection Service under this AGREEMENT and/or in connection with the application of Article XIIC and Article XIID of the California Constitution to the imposition, payment, or collection of Service Rates and fees for services provided by FRANCHISEE under this AGREEMENT, and/or in connection with the imposition or payment of Franchise Fees under this AGREEMENT.

15.06 Consideration. It is specifically understood and agreed that the consideration inuring to the FRANCHISEE for the execution of this AGREEMENT consists of the promises, payments, covenants, rights, and responsibilities contained in this AGREEMENT.

15.07 Obligation. The execution of this AGREEMENT by the FRANCHISEE shall obligate the FRANCHISEE to comply with the foregoing indemnification provision; however, the collateral obligation of providing insurance must also be complied with as set forth in Article 14 above.

15.08 Subcontractors. The FRANCHISEE shall require all subcontractors to enter into an AGREEMENT containing the provisions set forth in the preceding subsection in which AGREEMENT the subcontractor fully indemnifies the CITY in accordance with this AGREEMENT.

15.09 Exception. Notwithstanding Sections 15.01, 15.02 and 15.03 of this AGREEMENT, FRANCHISEE'S obligation to indemnify, hold harmless and defend CITY, its officers and employees shall not extend to any loss, liability, penalty, plain, damage, action or suit arising or resulting from acts or omissions constituting willful misconduct or sole negligence on the part of the CITY its officers or employees.

15.10 Damage by FRANCHISEE. If FRANCHISEE'S employees or subcontractors cause any injury, damage, or loss to CITY property, including but not limited to CITY streets or curbs, FRANCHISEE shall reimburse CITY for CITY's cost of repairing such injury, damage, or loss. Such reimbursement is not in derogation of any right of CITY to be indemnified by FRANCHISEE for any such injury, damage, or loss. With the prior written approval of CITY, FRANCHISEE may repair the damage at FRANCHISEE'S sole cost and expense. Damage to CITY streets shall not include normal wear and tear caused by collection vehicles.

## ARTICLE 16. Default

16.01 Termination. The CITY may terminate this AGREEMENT, except as otherwise provided below in this Article, by giving the FRANCHISEE thirty (30) calendar days advance written notice, to be served as provided in Article 33, upon the determination of any one of the following events:

16.01.1 The FRANCHISEE shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or is the subject of a voluntary or involuntary petition in a bankruptcy court seeking an arrangement for its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any other law or statute of the United States or any state thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

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

16.01.3 The FRANCHISEE has defaulted, by failing or refusing to pay in a timely manner the Liquidated Damages or other monies due the CITY and said default is not cured within thirty (30) calendar days of receipt of written notice by CITY to do so; or

16.01.4 The FRANCHISEE has defaulted by allowing any final judgment for the payment of money to stand against it unsatisfied and said default is not cured within thirty (30) calendar days of receipt of written notice by CITY to do so; or

16.01.5 In the event that the monies due the CITY under Article 4 or any unpaid Liquidated Damages owed to the CITY under Article 11 are the subject of a judicial proceeding, the CITY may, at its option, call the Performance Bond, or hold the FRANCHISEE in default of this AGREEMENT. All bonds shall be in the form acceptable to the City Attorney; or

16.01.6 The FRANCHISEE has defaulted, by failing or refusing to perform or observe the terms, conditions or covenants in this AGREEMENT, including but not limited to satisfactory conformance with the requirements of Article 3 and Article 11 hereof, the service levels prescribed herein, or any of the rules and regulations promulgated by the CITY pursuant hereto, or by wrongfully failing or refusing to comply with the instructions of the City Representative relative thereto; provided that said default is not cured within thirty (30) calendar days of receipt of written notice by the CITY to do so, or if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by the FRANCHISEE of written demand from the CITY to do so, the FRANCHISEE fails to commence the remedy of such default within said thirty (30) calendar days following such written notice or having so commenced shall fail thereafter to continue with diligence the curing thereof. In any dispute concerning failure to remedy or diligence in pursuing a cure, the FRANCHISEE shall have the burden of proof to demonstrate (a) that the default cannot be cured within thirty (30) calendar days, and (b) that it is proceeding with diligence to cure said default, and such default will be cured within a reasonable period of time. However, notwithstanding anything contained herein to the contrary, for the failure of the FRANCHISEE to provide Collection Services for a period of three (3) consecutive Work Days, on the fourth (4th) Work Day the CITY may secure the FRANCHISEE'S equipment, records and other property used or useful in providing Collection Services under this AGREEMENT in order to provide interim Collection Services until such time as the matter is resolved and the FRANCHISEE is again able to perform pursuant to this AGREEMENT; provided, however, if the FRANCHISEE is unable for any reason or cause to resume performance at the end of thirty (30) calendar days all liability of the CITY under this AGREEMENT to the FRANCHISEE shall cease and this AGREEMENT may be deemed terminated by the CITY, and the CITY shall retain equipment, records and other property used in providing Collection Services on an interim basis until the CITY has made other suitable arrangements for the provision of Collection Services, which may include award of the AGREEMENT to another FRANCHISEE.

16.01.7 In the event that the AGREEMENT is terminated, FRANCHISEE shall furnish the CITY with immediate access to all of its business records related to its customer and billing accounts for collection services.

16.02 Violations. Notwithstanding the foregoing and as supplemental and additional means of termination of this AGREEMENT under this Article, in the event that FRANCHISEE'S record of performance shows that FRANCHISEE has frequently, regularly or repetitively defaulted in providing Collection Services, and, after written default notices from CITY, has not timely cured such defaults within the applicable cure periods set forth in Section 16.01.6, CITY in its sole discretion may determine that FRANCHISEE is a "habitual violator", in which case FRANCHISEE shall be deemed to have waived the right to any further notice or grace period to correct any subsequent default.

16.02.1 CITY shall thereupon issue FRANCHISEE a final warning citing the circumstances for such determination, and any single default by FRANCHISEE of whatever nature, subsequent to FRANCHISEE's receipt of such warning, shall be grounds for immediate termination of the AGREEMENT.

1166 16.02.2 In the event of any such subsequent default, CITY may terminate  
1167 this AGREEMENT upon giving of final written notice to FRANCHISEE, such termination to be  
1168 effective upon the date specified in CITY's written notice to FRANCHISEE, and all contractual  
1169 fees due hereunder plus any and all charges and interest shall be payable to said date, and  
1170 FRANCHISEE shall have no further rights hereunder.

1171 16.02.3 Immediately upon the specified date in such final notice  
1172 CONTRACTOR shall proceed to cease any further performance under this Agreement.

1173 16.03 Effective Date. In the event of the aforesaid events specified above, and except as  
1174 otherwise provided in said subsections, termination shall be effective upon the date specified in  
1175 the CITY's written notice to the FRANCHISEE and upon said date this AGREEMENT shall be  
1176 deemed immediately terminated and upon such termination all liability of the CITY under this  
1177 AGREEMENT to the FRANCHISEE shall cease, and the CITY shall have the right to call the  
1178 performance bond and shall be free to negotiate with other Franchisees for the operation of the  
1179 herein specified services. The FRANCHISEE's AGREEMENT terminated due to failure to  
1180 perform shall reimburse the CITY all direct and indirect costs of providing interim Collection  
1181 Services until a new appointed Franchisee is determined.

1182 16.04 Immediate Termination. CITY may terminate this AGREEMENT immediately upon  
1183 written notice to FRANCHISEE in the event FRANCHISEE fails to provide and maintain the  
1184 performance bond as required by this AGREEMENT, FRANCHISEE fails to obtain or maintain  
1185 insurance policies endorsements as required by this AGREEMENT, FRANCHISEE fails to  
1186 provide the proof of insurance as required by this AGREEMENT, FRANCHISEE offers or gives  
1187 any Gift prohibited by CITY administrative policy, or Disposal of Residuals at a facility except for  
1188 Disposal Facility.

1189 16.05 Termination – Delivery of material to a facility that is not properly permitted or  
1190 licensed to accept material. The CITY may terminate this AGREEMENT with thirty (30) days  
1191 written notice in the event the FRANCHISEE delivers material collected under this AGREEMENT  
1192 to a facility that is not properly permitted or licensed to accept the material collected under this  
1193 AGREEMENT.

1194 16.06 Termination Cumulative. CITY's right to terminate this AGREEMENT is cumulative  
1195 to any other rights and remedies provided by law or by this AGREEMENT.

1196 16.07 Reinstatement after Termination. Should this AGREEMENT be terminated by the  
1197 CITY, the FRANCHISEE or any company acquired by, or sold to the FRANCHISEE shall not be  
1198 eligible to re-apply for reinstatement to provide Collection Services until after the term of all  
1199 awarded agreements have expired.

## 1200 **ARTICLE 17. Modifications to the Agreement**

1201 17.01 AGREEMENT Modifications and Changes in Law. The CITY and the  
1202 FRANCHISEE understand and agree that the California Legislature has the authority to make  
1203 comprehensive changes in Solid Waste Management legislation and that these and other  
1204 changes in law in the future which mandate certain actions or programs for counties or  
1205 municipalities may require changes or modifications in some of the terms, conditions or  
1206 obligations under this AGREEMENT. The FRANCHISEE agrees that the terms and provisions  
1207 of the Municipal Code, as it now exists or as it may be amended in the future, shall apply to all  
1208 of the provisions of this AGREEMENT and the Service Recipients of the FRANCHISEE located  
1209 within the Service Area. In the event any future Change in Law, modifications to the Municipal  
1210 Code, or directed changes by the CITY materially alters the obligations of the FRANCHISEE,

then the affected compensation as established under this AGREEMENT shall be adjusted. Nothing contained in this AGREEMENT shall require any party to perform any act or function contrary to law. The CITY and FRANCHISEE agree to enter into good faith negotiations regarding modifications to this AGREEMENT which may be required in order to implement changes in the interest of the public welfare or due to Change in Law. When such modifications are made to this AGREEMENT, the CITY and the FRANCHISEE shall negotiate in good faith, a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of the FRANCHISEE due to any modification in the AGREEMENT under this Article. The CITY and the FRANCHISEE shall not unreasonably withhold AGREEMENT to such compensation adjustment.

17.01.1 FRANCHISEE acknowledges and agrees that CITY may permit other Franchisees, contractors or companies besides FRANCHISEE to provide additional Collection Services.

## ARTICLE 18. Legal Representation

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

## ARTICLE 19. Financial Interest

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

## ARTICLE 20. Franchisee's Personnel

20.01 Personnel Requirements. The FRANCHISEE shall employ and assign qualified personnel to perform all services set forth herein. The FRANCHISEE shall be responsible for ensuring that its employees comply with all Applicable Laws and regulations and meet all Federal, State, and local requirements related to their employment and position.

20.01.1 The CITY may request the transfer of any employee of the FRANCHISEE who materially violates any provision hereof, or who is wanton, negligent, or discourteous in the performance of his duties.

20.01.2 FRANCHISEE'S field operations personnel shall be required to wear a clean uniform shirt bearing the FRANCHISEE'S name. FRANCHISEE'S employees, who normally come into direct contact with the public, including drivers, shall bear some means of individual photographic identification such as a name tag or identification card.

1253 20.01.3 Each driver of a collection vehicle shall at all times carry a valid  
1254 California driver's license and all other required licenses for the type of collection vehicle that is  
1255 being operated.

1256 20.01.4 Each driver of a collection vehicle shall at all times comply with all  
1257 applicable state and federal laws, regulations, and requirements.

1258 20.01.5 FRANCHISEE'S employees, officers, and agents shall at no time  
1259 be allowed to identify themselves or in any way represent themselves as being employees of the  
1260 CITY.

1261 20.01.6 The FRANCHISEE'S name and the customer service telephone  
1262 number shall be properly displayed on all collection vehicles.

## 1263 ARTICLE 21. Independent Franchisee

1264 21.01 In the performance of services pursuant to this AGREEMENT, FRANCHISEE shall  
1265 be an independent FRANCHISEE and not an officer, agent, servant or employee of CITY.  
1266 FRANCHISEE shall have exclusive control of the details of the services and work performed and  
1267 over all persons performing such services and work. FRANCHISEE shall be solely responsible  
1268 for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if  
1269 any. Neither FRANCHISEE nor its officers, employees, agents, contractors, or subcontractors  
1270 shall obtain any right to retirement benefits, Workers' Compensation benefits, or any other  
1271 benefits which accrued to CITY employees and FRANCHISEE expressly waives any claim it may  
1272 have or acquire to such benefits.

## 1273 ARTICLE 22. Laws to Govern

1274 22.01 The law of the State of California shall govern the rights, obligations, duties, and  
1275 liabilities of CITY and FRANCHISEE under this AGREEMENT and shall govern the interpretation  
1276 of this AGREEMENT.

## 1277 ARTICLE 23. Consent to Jurisdiction

1278 23.01 The parties agree that any litigation between CITY and FRANCHISEE concerning  
1279 or arising out of this AGREEMENT shall be filed and maintained exclusively in the Superior Court  
1280 of Sonoma County, State of California, or in the United States District Court for the Northern  
1281 District of California, as applicable pursuant to their respective jurisdiction. Each party consents  
1282 to service of process in any manner authorized by California law.

## 1283 ARTICLE 24. Assignment

1284 24.01 No assignment of this AGREEMENT or any right occurring under this  
1285 AGREEMENT shall be made in whole or in part by the FRANCHISEE without the express written  
1286 consent of the CITY. The CITY shall have full discretion to approve or deny, with or without cause,  
1287 any proposed or actual assignment by the FRANCHISEE. Any assignment of this AGREEMENT  
1288 made by the FRANCHISEE without the express written consent of the CITY shall be null and void  
1289 and shall be grounds for the CITY to declare a default of this AGREEMENT and immediately  
1290 terminate this AGREEMENT by giving written notice to the FRANCHISEE, and upon the date of  
1291 such notice this AGREEMENT shall be deemed immediately terminated, and upon such  
1292 termination all liability of the CITY under this AGREEMENT to the FRANCHISEE shall cease, and

the CITY shall have the right to call the performance bond and shall be free to negotiate with other contractors, the FRANCHISEES, or any other person or company for the service which is the subject of this AGREEMENT. In the event of any assignment, the assignee shall fully assume all the liabilities of the FRANCHISEE.

24.02 The use of a subcontractor to perform services under this AGREEMENT shall not constitute delegation of FRANCHISEE'S duties provided that FRANCHISEE has received prior written authorization from the City Representative to subcontract such services and the City Representative has approved a subcontractor who will perform such services. FRANCHISEE shall be responsible for directing the work of FRANCHISEE'S subcontractors and any compensation due or payable to FRANCHISEE'S subcontractor shall be the sole responsibility of FRANCHISEE. The City Representative shall have the right to require the removal of any approved subcontractor for reasonable cause.

24.03 For purposes of this Article when used in reference to FRANCHISEE, "assignment" shall include, but not be limited to (i) a sale, exchange or other transfer of at least fifty-one percent (51%) of FRANCHISEE'S assets dedicated to service under this AGREEMENT to a third party; (ii) a sale, exchange or other transfer of outstanding common stock of FRANCHISEE to a third party provided said sale, exchange or transfer results in a change of control of FRANCHISEE (with control being defined as ownership of more than fifty percent (50%) of FRANCHISEE'S voting securities); (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling AGREEMENT, escrow arrangement, liquidation, subcontracting or lease-back payments, or other transaction which results in a change of control of FRANCHISEE; (iv) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this AGREEMENT, appointment of a receiver taking possession of FRANCHISEE'S property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of control of FRANCHISEE.

24.04 FRANCHISEE acknowledges that this AGREEMENT involves rendering a vital service to CITY's residents and businesses, and that CITY has selected FRANCHISEE to perform the services specified herein based on (i) FRANCHISEE'S experience, skill and reputation for conducting and management of operations in a safe, effective, and lawful fashion, at all times in keeping with applicable environmental laws, regulations and best management practices as governed by Federal, State, and local governments, and (ii) FRANCHISEE'S financial resources to maintain the required equipment and to support its indemnity obligations to CITY under this AGREEMENT. CITY has relied on each of these factors, among others, in choosing FRANCHISEE to perform the services to be rendered by FRANCHISEE under this AGREEMENT.

## ARTICLE 25. Compliance with Laws

25.01 In the performance of this AGREEMENT, FRANCHISEE shall comply with all Applicable Laws, regulations, ordinances, and codes of the Federal, State, and local governments, including without limitation the Municipal Code of the City of Rohnert Park.

25.02 CITY shall provide written notice to FRANCHISEE of any planned amendment to the Municipal Code that would substantially affect the performance of FRANCHISEE'S services

1335 pursuant to this AGREEMENT. Such notice shall be provided at least thirty (30) calendar days  
1336 prior to the City Council's approval of such an amendment.

## 1337 **ARTICLE 26. Permits and Licenses**

1338 26.01 FRANCHISEE shall obtain, at its own expense, all permits and licenses required  
1339 by law or ordinance and maintain same in full force and effect throughout the term of this  
1340 AGREEMENT. FRANCHISEE shall provide proof of such permits, licenses, or approvals and shall  
1341 demonstrate compliance with the terms and conditions of such permits, licenses and approvals  
1342 upon the request of the City Representative.

1343 26.02 FRANCHISEE shall ensure that all facilities selected by the FRANCHISEE obtain,  
1344 at their own expense, all permits and licenses required by law or ordinance and maintain same in  
1345 full force and effect throughout the term of this AGREEMENT. FRANCHISEE shall ensure that  
1346 facilities used by the FRANCHISEE provide proof of such permits, licenses, or approvals and  
1347 shall demonstrate compliance with the terms and conditions of such permits, licenses, and  
1348 approvals upon the request of the City Representative.

## 1349 **ARTICLE 27. Ownership of Written Materials**

1350 27.01 All reports, documents, brochures, public education materials, and other written,  
1351 printed, electronic or photographic materials developed by FRANCHISEE that are expressly  
1352 required by this AGREEMENT or produced by FRANCHISEE at the request of the CITY for use  
1353 under this AGREEMENT, whether developed directly or indirectly by CITY or FRANCHISEE shall  
1354 be and shall remain the property of CITY without limitation or restrictions on the use of such  
1355 materials by CITY. FRANCHISEE shall not use such materials in connection with any project not  
1356 connected with this AGREEMENT without the prior written consent of the City Representative.  
1357 This Article 28 does not apply to ideas or concepts described in such materials and does not apply  
1358 to the format of such materials.

## 1359 **ARTICLE 28. Waiver**

1360 28.01 Waiver by CITY or FRANCHISEE of any breach for violation of any term covenant  
1361 or condition of this AGREEMENT shall not be deemed to be a waiver of any other term, covenant  
1362 or condition or any subsequent breach or violation of the same or of any other term, covenant, or  
1363 condition. The subsequent acceptance by CITY of any fee, tax, or any other monies which may

1364 become due from FRANCHISEE to CITY shall not be deemed to be a waiver by CITY of any  
1365 breach for violation of any term, covenant, or condition of this AGREEMENT.

1366 **ARTICLE 29. Prohibition Against Gifts**

1367 29.01 FRANCHISEE represents that FRANCHISEE is familiar with CITY's prohibition  
1368 against the acceptance of any Gift by a CITY officer or designated employee. FRANCHISEE shall  
1369 not offer any CITY officer or designated employee any Gifts prohibited by the CITY.

1370 **ARTICLE 30. Point of Contact**

1371 30.01 The day-to-day dealings between the FRANCHISEE and the CITY shall be  
1372 between the FRANCHISEE and the City Representative.

1373 **ARTICLE 31. Conflict of Interest**

1374 31.01 FRANCHISEE shall comply with CITY requirements for conflict of interest and will  
1375 file all required disclosure statements.

1376 **ARTICLE 32. Notices**

1377 32.01 Except as provided herein, whenever either party desires to give notice to the  
1378 other, it must be given by written notice addressed to the party for whom it is intended, at the  
1379 place last specified and to the place for giving of notice in compliance with the provisions of this  
1380 paragraph. For the present, the parties designate the following as the respective persons and  
1381 places for giving of notice:

1382 As to the CITY:

1383 Don Schwartz  
1384 Assistant City Manager  
1385 City of Rohnert Park  
1386 Rohnert Park City Hall  
1387 130 Avram Avenue  
1388 Rohnert Park, CA 94928  
1389 Phone: (707) 588-2200  
1390 Email: dschwartz@rpcity.org  
1391

1392 As to the FRANCHISEE:

|      |                       |                                                                                       |
|------|-----------------------|---------------------------------------------------------------------------------------|
| 1393 | Name                  | <u>Curtis Michelini, Sr.</u>                                                          |
| 1394 | D.B.A (if applicable) |                                                                                       |
| 1395 | Title                 | <u>President</u>                                                                      |
| 1396 | Company               | <u>Industrial Waste + Debris Box Rentals, Inc., dba</u>                               |
| 1397 | Address               | <u>P.O. Box 21638</u>                                                                 |
| 1398 | TOWN, State, Zip Code | <u>Rohnert Park, CA 94927</u>                                                         |
| 1399 | Phone                 | <u>(707) 585-0511</u>                                                                 |
| 1400 | Fax:                  | <u>(707) 585-8868</u>                                                                 |
| 1401 | E-Mail:               | <u>lisa.hardin@globalmaterialrecovery.com or</u><br><u>curt@industrialcarting.net</u> |

1403 32.02 Notices shall be effective when received at the address as specified above.  
1404 Changes in the respective address to which such notice is to be directed may be made by written  
1405 notice.

1406 32.03 Notice by CITY to FRANCHISEE of a collection or other Service Recipient problem  
1407 or complaint may be given to FRANCHISEE orally by telephone at FRANCHISEE'S local office  
1408 with confirmation sent as required above by the end of the Work Day.

## 1409 ARTICLE 33. Franchisee's Records

1410 33.01 FRANCHISEE shall maintain any and all letters, books of account, invoices,  
1411 vouchers, canceled checks, and other records or documents evidencing or relating to charges for  
1412 services or expenditures and disbursements charged to Service Recipients for a minimum period  
1413 of five (5) years, or for any longer period required by law, from the date of final payment to  
1414 FRANCHISEE pursuant to this AGREEMENT.

1415 33.02 FRANCHISEE shall maintain all documents and records which demonstrate  
1416 performance under this AGREEMENT for a minimum period of five (5) years, or for any longer  
1417 period required by law, from the date of termination or completion of this AGREEMENT.

1418 33.03 Any records or documents required to be maintained pursuant to this  
1419 AGREEMENT shall be made available for inspection or audit, at any time during regular business  
1420 hours, upon written request by the City Representative, the City Attorney, City Auditor, City  
1421 Manager, or a designated representative of any of these officers. Copies of such documents shall  
1422 be provided to CITY for inspection at the CITY offices when it is practical to do so. Otherwise,  
1423 unless an alternative site is mutually agreed upon, the records shall be available at  
1424 FRANCHISEE'S address indicated for receipt of notices in this AGREEMENT.

1425 33.04 Where CITY has reason to believe that such records or documents may be lost or  
1426 discarded due to the dissolution, disbandment or termination of FRANCHISEE'S business, CITY  
1427 may, by written request or demand of any of the above named officers, require that custody of  
1428 the records be given to CITY and that the records and documents be maintained in City Hall.  
1429 Access to such records and documents shall be granted to any party authorized by  
1430 FRANCHISEE, FRANCHISEE'S representatives, or FRANCHISEE'S successor-in-interest.

## 1431 ARTICLE 34. Entire Agreement

1432 34.01 This AGREEMENT and the Exhibits attached hereto constitute the entire  
1433 AGREEMENT and understanding between the parties hereto, and it shall not be considered

1434 modified, altered, changed, or amended in any respect unless in writing and signed by the parties  
1435 hereto.

### 1436 **ARTICLE 35. Severability**

1437 35.01 If any provision of this AGREEMENT or the application of it to any person or  
1438 situation shall to any extent be held invalid or unenforceable, the remainder of this AGREEMENT  
1439 and the application of such provisions to persons or situations other than those as to which it shall  
1440 have been held invalid or unenforceable, shall not be affected, shall continue in full force and  
1441 effect, and shall be enforced to the fullest extent permitted by law.

### 1442 **ARTICLE 36. Right to Require Performance**

1443 36.01 The failure of the CITY at any time to require performance by the FRANCHISEE  
1444 of any provision hereof shall in no way affect the right of the CITY thereafter to enforce same. Nor  
1445 shall waiver by the CITY of any breach of any provision hereof be taken or held to be a waiver of  
1446 any succeeding breach of such provision or as a waiver of any provision itself.

### 1447 **ARTICLE 37. All Prior Agreements Superseded**

1448 37.01 This document incorporates and includes all prior negotiations, correspondence,  
1449 conversations, agreements, contracts and understandings applicable to the matters contained in  
1450 this AGREEMENT and the parties agree that there are no commitments, agreements, contracts  
1451 or understandings concerning the subject matter of this AGREEMENT that are not contained in  
1452 this document. Accordingly, it is agreed that no deviation from the terms of this AGREEMENT  
1453 shall be predicated upon any prior representations, agreements, or contracts, whether oral or  
1454 written.

### 1455 **ARTICLE 38. Headings**

1456 38.01 Headings in this document are for convenience of reference only and are not to be  
1457 considered in any interpretation of this AGREEMENT.

### 1458 **ARTICLE 39. Representations and Warranties of** 1459 **FRANCHISEE**

1460 The FRANCHISEE, by acceptance of this AGREEMENT, represents and warrants the  
1461 conditions presented in this Article 39.

1462 39.01 Corporate Status. The FRANCHISEE is a {corporation} duly organized, validly  
1463 existing and in good standing under the laws of the State of California ("State"). It is qualified to  
1464 transact business in the State and has the power to own its properties and to carry on its business  
1465 as now owned and operated and as required by this AGREEMENT.

1466 39.02 Corporate Authorization. FRANCHISEE (via its Board of Directors,  
1467 shareholders, and/or members, as applicable) has taken all necessary action required by law,  
1468 and under its articles of incorporation, operating agreement, and/or its bylaws, to authorize the  
1469 execution of the AGREEMENT. The Person signing this AGREEMENT on behalf of

1470 FRANCHISEE represents and warrants that they have the authority to do so. This AGREEMENT  
1471 constitutes the legal, valid, and binding obligation of the FRANCHISEE.

1472 39.03 AGREEMENT Will Not Cause Breach. To the best of FRANCHISEE'S  
1473 knowledge after responsible investigation, the execution or delivery of this AGREEMENT or the  
1474 performance by FRANCHISEE of its obligations hereunder does not conflict with, violate, or result  
1475 in a beach: (i) of any law or governmental regulation applicable to FRANCHISEE; or (ii) any term  
1476 or condition of any judgment, order, decree, of any court, administrative agency, or other  
1477 governmental authority, or any AGREEMENT or instrument to which FRANCHISEE is a party or  
1478 by which FRANCHISEE or any of its properties or assets are bound, or constitutes a default  
1479 hereunder.

1480 39.04 No Litigation. To the best of FRANCHISEE'S knowledge after responsible  
1481 investigation, there is no action, suite, proceeding or investigation, at law or in equity, before or  
1482 by any court or governmental authority, commission, board, agency or instrumentality decided,  
1483 pending or threatened against FRANCHISEE wherein an unfavorable decision, ruling or finding,  
1484 in any single case or in the aggregate would:

1485 39.04.1 Materially adversely affect the performance by FRANCHISEE of its  
1486 obligations hereunder;

1487 39.04.2 Adversely affect the validity or enforceability of this AGREEMENT;  
1488 or

1489 39.04.3 Have a material adverse effect on the financial conditions of  
1490 FRANCHISEE, or any surety or entity guaranteeing FRANCHISEE'S performance under this  
1491 AGREEMENT.

1492 39.05 No Adverse Judicial Decisions. To the best of FRANCHISEE'S knowledge  
1493 after responsible investigation, there is no judicial decision that would prohibit this AGREEMENT  
1494 or subject this AGREEMENT to legal challenge.

1495 39.06 No Legal Prohibition. To the best of FRANCHISEE'S knowledge after reasonable  
1496 investigation, there is no Applicable Law in effect on the date FRANCHISEE signed this  
1497 AGREEMENT that would prohibit the FRANCHISEE'S performance of its obligations under this  
1498 AGREEMENT and the transactions contemplated hereby.

1499 39.07 FRANCHISEEs Statements. The FRANCHISEEs proposal and other  
1500 supplemental information submitted to the CITY, which the CITY has relied on in awarding and  
1501 entering this AGREEMENT, do not: (i) contain any untrue statement of a material fact, or (ii) omit  
1502 to state a material fact that is necessary in order to make the statements made, in light of the  
1503 circumstances in which they were made, not misleading.

1504 39.08 FRANCHISEE'S Investigation. FRANCHISEE has made an independent  
1505 investigation (satisfactory to it) of the conditions and circumstances surrounding the  
1506 AGREEMENT and the work to be performed hereunder. FRANCHISEE has taken such matters  
1507 into consideration in entering this AGREEMENT to provide services in exchange for the  
1508 compensation provided for under the terms of this AGREEMENT.

1509 39.09 Ability to Perform. FRANCHISEE possesses the business, professional, and  
1510 technical expertise to Collect, Transport, and Process the Construction and Demolition Debris

1511 material generated in the CITY. FRANCHISEE possesses the ability to secure equipment,  
1512 facility(ies), and employee resources required to perform its obligations under this AGREEMENT.

1513 39.10 Voluntary Use of Disposal Location. The FRANCHISEE, without constraint and as  
1514 a free-market business decision in accepting this AGREEMENT, agrees to use the Disposal  
1515 Facility for the purposes of disposing of all Residuals Collected in the CITY. Such decision by  
1516 FRANCHISEE in no way constitutes a restraint of trade notwithstanding any Change in Law  
1517 regarding flow control limitations or any definition thereof.

## 1518 **ARTICLE 40. Effective Date**

1519 This AGREEMENT shall become effective as of the Effective Date, having been properly  
1520 executed by the CITY and the FRANCHISEE and the FRANCHISEE shall begin Non-Exclusive  
1521 Temporary Construction and Demolition Debris Collection Service, as covered herein, as of  
1522 January 1, 2018.

1523 IN WITNESS WHEREOF, the CITY and the FRANCHISEE have executed this AGREEMENT on  
1524 the day and year first written above.

1525

1526

1527 CITY OF ROHNERT PARK

Company Name

1528

Industrial Carting

1529

1530

1531

1532

Darrin Jenkins

Company Representative/Title

1534 City Manager

Curtis Michelini, Sr., President

1535

1536

1537

1538

Rohnert Park Business

License No. 58853

1539 Don Schwartz

1540 Assistant City Manager

1541

1542

1543

1544

1545

1546 The foregoing AGREEMENT has been reviewed and approval is recommended:

1547

1548

1549

1550 Resolution No. 2017 - 128

1551 Approved by City Council

1552

1553

1554

1555 Approved as to Form:

1556

1557

1558 (Name)

Date

1559 City Attorney

1560

1561

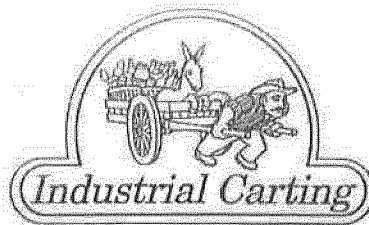
Attest

Deputy

Caitlin Saldana

Clerk

Caitlin Saldana



November 12, 2017

Mr. Don Schwartz  
Assistant City Manager  
City of Rohnert Park  
130 Avram Avenue  
Rohnert Park, CA 94928

**RE: PERFORMANCE BOND AND CERTIFICATE OF INSURANCE**

Dear Mr. Schwartz:

Please find enclosed the performance bond and certificate of insurance pursuant to the City of Rohnert Park's Non-Exclusive Temporary Debris Box and Roll Off Collection Services Agreement.

If you have any questions regarding this information, please contact me at (707) 585-0511 or email [lisa.hardin@globalmaterialsrecovery.com](mailto:lisa.hardin@globalmaterialsrecovery.com).

Sincerely,

  
Lisa Hardin  
Business Manager

Enclosures



## CONTINUATION CERTIFICATE

Premium Amount: \$210.00

In consideration of the premium charged, Developers Surety and Indemnity Company, as surety, hereby continues in force Bond No. 723978P dated January 1, 2012, in the amount of Ten Thousand Dollars and No/100 (\$10,000.00) on behalf of Industrial Carting, as Principal, in favor of the City of Rohnert Park as Obligee for the period January 1, 2018 and ending January 1, 2019 subject to all terms and conditions of the said bond:

**PROVIDED** that the liability of Developers Surety and Indemnity Company, as surety, shall not exceed in the aggregate the amount above written, whether the loss shall have occurred during the term of said bond or during any continuation or continuations thereof, or partly during said term and partly during any continuation or continuations thereof.

Signed and Sealed this 23rd, Day of October, 2017.

Developers Surety and Indemnity Company  
Surety

By: 

Natalie Ann Horder, Attorney-in-Fact

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

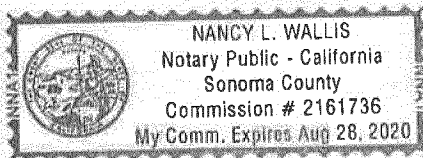
STATE OF CALIFORNIA

County of Sonoma

On October 23, 2017 before me, Nancy L. Wallis, Notary Public,  
Date Insert Name of Notary exactly as it appears on the official seal

personally appeared Natalie Ann Horder

Name(s) of Signer(s)



Place Notary Seal Above

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature

Signature of Notary Public

Nancy L. Wallis

### OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of the form to another document.

#### Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

#### Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER

Top of thumb here

Signer's Name: \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER

Top of thumb here

**POWER OF ATTORNEY FOR  
DEVELOPERS SURETY AND INDEMNITY COMPANY  
INDEMNITY COMPANY OF CALIFORNIA  
PO Box 19726, IRVINE, CA 92623 (949) 263-3300**

KNOW ALL BY THESE PRESENTS that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, do each hereby make, constitute and appoint:

**\*\*\*Catherine A. Plnney, Stacy M. Clinton, K. Dixon Wright, Nancy L. Wallis, Kandace L. Reeves, Natalie Ann Horder, Michael Landucci, Loretta Lange, jointly or severally\*\*\***

as their true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporations, as sureties, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said corporations could do, but reserving to each of said corporations full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolutions adopted by the respective Boards of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, effective as of January 1st, 2008.

RESOLVED, that a combination of any two of the Chairman of the Board, the President, Executive Vice-President, Senior Vice-President or any Vice President of the corporations be, and that each of them hereby is, authorized to execute this Power of Attorney, qualifying the attorney(s) named in the Power of Attorney to execute, on behalf of the corporations, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of either of the corporations be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney;

RESOLVED, FURTHER, that the signatures of such officers may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures shall be valid and binding upon the corporations when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA have severally caused these presents to be signed by their respective officers and attested by their respective Secretary or Assistant Secretary this 6th day of February, 2017.

By: *Daniel Young*  
Daniel Young, Senior Vice-President

By: *Mark Lansdon*  
Mark Lansdon, Vice-President



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Orange

On February 6, 2017 before me,  
Date

Lucille Raymond, Notary Public  
Here Insert Name and Title of the Officer

personally appeared

Daniel Young and Mark Lansdon  
Name(s) of Signer(s)

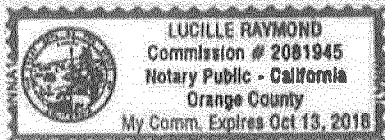
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

*Lucille Raymond*  
Lucille Raymond, Notary Public



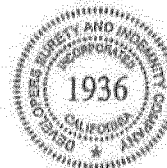
Place Notary Seal Above

**CERTIFICATE**

The undersigned, as Secretary or Assistant Secretary of DEVELOPERS SURETY AND INDEMNITY COMPANY or INDEMNITY COMPANY OF CALIFORNIA, does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked and, furthermore, that the provisions of the resolutions of the respective Boards of Directors of said corporations set forth in the Power of Attorney are in force as of the date of this Certificate.

This Certificate is executed in the City of Irvine, California, this 23rd day of October, 2017.

By: *Cassie J. Benisford*  
Cassie J. Benisford, Assistant Secretary





# CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)  
 9/15/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

**PRODUCER**  
 Commercial Lines - 707-769-2900  
 Wells Fargo Insurance Services USA, Inc. - CA Lic#: 0D08408  
 1039 A N. McDowell Blvd  
 Petaluma, CA 94954

**CONTACT NAME:** Michelle McGuire  
**PHONE (A/C, No, Ext):** 707-773-1842 **FAX (A/C, No):** 707-773-1868  
**E-MAIL ADDRESS:** michelle.mcguire1@wellsfargo.com

**INSURED**  
 Industrial Waste & Debris Box Rentals, Inc.  
 P.O. Box 2638

| INSURER(S) AFFORDING COVERAGE                           | NAIC # |
|---------------------------------------------------------|--------|
| INSURER A: Indemnity Insurance Company of North America | 43575  |
| INSURER B: ACE Fire Underwriters Ins. Co.               | 20702  |
| INSURER C: RSUI Indemnity Company                       | 22314  |
| INSURER D: Cypress Insurance Company                    | 10855  |
| INSURER E: Liberty Surplus Insurance Corporation        | 10725  |
| INSURER F:                                              |        |

Rohnert Park CA 94927

## COVERAGES

**CERTIFICATE NUMBER:** 12233524

**REVISION NUMBER:** See below

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE                                                                                                                                                                                                                                                                         | ADDL SUBR INSD WVD | POLICY NUMBER                      | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS                                                                                                                                                                                                                                  |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------|-------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A        | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br>CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC<br>OTHER:     | X                  | OGLG24968698                       | 08/14/2017              | 08/14/2018              | EACH OCCURRENCE \$ 1,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000<br>MED EXP (Any one person) \$ 5,000<br>PERSONAL & ADV INJURY \$ 1,000,000<br>GENERAL AGGREGATE \$ 2,000,000<br>PRODUCTS - COM/OP AGG \$ 2,000,000 |
| B        | <input checked="" type="checkbox"/> AUTOMOBILE LIABILITY<br><input checked="" type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY | X                  | CALH08789332<br>\$5,000 Deductible | 08/14/2017              | 08/14/2018              | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$                                                                               |
| C        | <input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR<br><input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE<br>DED <input type="checkbox"/> RETENTION \$                                                                     |                    | NHA243150                          | 08/14/2017              | 08/14/2018              | EACH OCCURRENCE \$ 9,000,000<br>AGGREGATE \$ 9,000,000                                                                                                                                                                                  |
| D        | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                                                                                    | Y/N<br>N           | INWC702902                         | 10/01/2016              | 10/01/2017              | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER<br>E.L. EACH ACCIDENT \$ 1,000,000<br>E.L. DISEASE - EA EMPLOYEE \$ 1,000,000<br>E.L. DISEASE - POLICY LIMIT \$ 1,000,000                                |
| B        | Auto Pollution<br>Upset & Overturn                                                                                                                                                                                                                                                        |                    | CALH08789332                       | 08/14/2017              | 08/14/2018              | Incl. In Auto Limits                                                                                                                                                                                                                    |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LSIC-E-UB-9(6/02), LSIC-E-UB-48(10/12), LD-16422(04/04), LD-20287(06/06), DA-6Z04a(06/14) RE: Multiple Provider Exclusive Temporary Debris Box and Roll-off Collection Service Agreement  
 City of Rohnert Park, its officers, officials, employees and volunteers are named as additional insured under the general liability and automobile liability per the attached endorsements referenced above. Primary insurance on General Liability is per attached endorsement. Separation of insured's is included per policy. Additional Insured and Waiver of subrogation applies under the contractors pollution are per attached endorsements referenced above.

Excess policy does not go over pollution policy.

## CERTIFICATE HOLDER

City of Rohnert Park/Director of Administrative Services  
 Rohnert Park City Clerk  
 130 Avram Avenue  
 Rohnert Park, CA 94928

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*James Brada*

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ACORD 25 (2016/03)

(FORM CANCELS/ISSUES/ENDORSES 12/11/14/01/15/04/06/07/09/12)

**Certificate of Insurance (Con't)****OTHER Coverage**

| INSR<br>LTR | TYPE OF INSURANCE            | ADDL<br>INSR | WVD<br>SUBR | POLICY NUMBER    | EFFECTIVE DATE<br>(MM/DD/YY) | EXPIRATION DATE<br>(MM/DD/YY) | LIMIT                                       |
|-------------|------------------------------|--------------|-------------|------------------|------------------------------|-------------------------------|---------------------------------------------|
| E           | Contractor's Pollution Liabi |              |             | UBE-LA-104159117 | 08/14/2017                   | 08/14/2018                    | \$3,000,000/\$10,000,000 Ea<br>Incident/Agg |

## Contractors Pollution Liability Occurrence Policy



Liberty  
Surplus Insurance  
Corporation

### LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

#### ADDITIONAL INSUREDS

|                 |                                                                     |                  |                 |
|-----------------|---------------------------------------------------------------------|------------------|-----------------|
| Effective Date: | August 14, 2017                                                     | Expiration Date: | August 14, 2018 |
| Policy Number:  | UBFLA104159117                                                      | Endorsement No.  | 8               |
| Issued To:      | Industrial Waste & Debris Box Rentals, Inc. dba: Industrial Carting |                  |                 |

It is agreed that the following entities are included as Additional Insureds, but solely with respect to liability arising out of "covered operations" performed by any "insured" on behalf of any such Additional Insured.

No Additional Insured is covered for liability arising out of their own negligence or liability arising from "covered operations" rendered by such Additional Insured.

#### ADDITIONAL INSURED(S)

As required by written contract.

All other terms and conditions remain unchanged.



LSIC-UB-9 (6/02)

## Contractors Pollution Liability Occurrence Policy



Liberty  
Surplus Insurance  
Corporation

### LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

#### WAIVER OF SUBROGATION ENDORSEMENT

|                 |                                                                     |                  |                 |
|-----------------|---------------------------------------------------------------------|------------------|-----------------|
| Effective Date: | August 14, 2017                                                     | Expiration Date: | August 14, 2018 |
| Policy Number:  | UBFLA104159117                                                      | Endorsement No.  | 13              |
| Issued To:      | Industrial Waste & Debris Box Rentals, Inc. dba: Industrial Carting |                  |                 |

It is hereby agreed that **SECTION V. CONDITIONS, paragraph 18. Transfer of Rights of Recovery Against Others to Us**, is deleted in its entirety and replaced with the following:

#### **18. Transfer of Rights of Recovery Against Others to Us**

In the event of any payment under this policy, we shall be subrogated to all of your rights of recovery therefore against any person or organization and you shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights including without limitation, assignment of your rights against any person or organization on account of which we made any payment under this Policy. You shall do nothing to prejudice our rights under this paragraph. Any recovery as a result of subrogation proceedings arising out of the payment of "loss" covered under this Policy shall accrue first to you to the extent of any payments in excess of the Limits of Insurance; then to us to the extent of our payment under the Policy; and then to you to the extent of your Deductible. Expenses incurred in such subrogation proceedings shall be apportioned among the interested parties in the recovery in the proportion that each interested party's share in the recovery bears to the total recovery.

This provision shall not apply to any person or organization where you have waived such rights against the person or organization with respect to the "covered operations", but only to such extent you, prior to any "loss", were contractually obligated to waive such right under a written contract.

All other terms and conditions remain unchanged.



LSIC-E-UB-48 (10/12)

POLICY NUMBER: OGLG24968698

**ADDITIONAL INSURED -- WHERE REQUIRED UNDER CONTRACT OR AGREEMENT**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Section II -- Who is an Insured, 1., is amended to add as an additional insured:

(f) Any person or organization to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of your operations or premises owned by or rented by you. However, the insurance provided will not exceed the lessor:

1. The coverage and/or limits of this policy, or
2. The coverage and/or limits required by said contract or agreement.

  
Authorized Agent

POLICY NUMBER: OGLG24968698

**NON-CONTRIBUTORY ENDORSEMENT FOR ADDITIONAL INSURED**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**COMMERCIAL GENERAL LIABILITY COVERAGE**

Schedule

Organization

Where required by written contract or written agreement

Additional Insured Endorsement

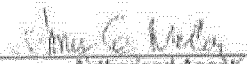
LD-16422 04/04

CG 20 37 04/13

*(If no information is filled in, the schedule shall read: "All persons or entities added as additional insureds through an endorsement with the term "Additional Insured" in the title")*

For organizations that are listed in the Schedule above that are also an Additional Insured under an endorsement attached to this policy, the following is added to Section IV.4.a:

If other insurance is available to an Insured we cover under any of the endorsements listed or described above (the "Additional Insured") for a loss we cover under this policy, this insurance will apply to such loss on a primary basis and we will not seek contribution from the other insurance available to the Additional Insured.

  
Authorized Agent

## AUTOMATIC ADDITIONAL INSURED ENDORSEMENT

|                                                                                        |                            |                                           |                                             |
|----------------------------------------------------------------------------------------|----------------------------|-------------------------------------------|---------------------------------------------|
| Named Insured Industrial Waste and Debris Box Rentals,<br>Inc. dba: Industrial Carting |                            |                                           | Endorsement Number                          |
| Policy Symbol<br>CAL                                                                   | Policy Number<br>H08789332 | Policy Period<br>08/14/2017 TO 08/14/2018 | Effective Date of Endorsement<br>08/14/2017 |
| Issued By (Name of Insurance Company)<br>ACE Fire Underwriters Insurance Company       |                            |                                           |                                             |

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM**

**SECTION II - LIABILITY COVERAGE, WHO IS AN INSURED** is amended to include as an "insured" any person or organization you are required in a written contract or agreement to name as an Additional Insured on your policy but only for "bodily injury" or "property damage" to which this insurance applies if the "accident" is caused by:

1. You, while using a covered "auto" or
2. Any other person, while using a covered "auto" with your permission.

The insurance provided by this endorsement shall be subject to the following additional condition:

1. The Limit of Insurance provided for the Additional Insured shall not be greater than those required by contract and, in no event, shall the policy Limits of Insurance be increased by the contract.
2. All insuring agreements, exclusions, terms and conditions of the policy shall apply to the coverage (s) provided to the Additional Insured, and such coverage shall not be enlarged or expanded by reason of the contract.
3. Coverage provided by this endorsement shall be excess over any other valid and collectible insurance available to the Additional Insured (s) whether primary, excess, contingent or on any other basis unless the contract specifically requires that this insurance be primary or you request that it apply on a primary basis prior to loss.

  
\_\_\_\_\_  
Authorized Representative

