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CITY OF MILLBRAE
PW/ENGINEERING DIV.

FRANCHISE AGREEMENT
BETWEEN
SOUTH SAN FRANCISCO SCAVENGER CO., INC.
AND THE
CITY OF MILLBRAE
FOR THE COLLECTION AND DISPOSAL
OF SOLID WASTE

This Franchise Agreement ("Agreement") is entered into this 10th day of November, 2009, by and between the City of Millbrae ("City") and South San Francisco Scavenger Co., Inc., ("Company"), for the collection and disposal of solid waste in the City.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS

The terms set out below shall have the meanings specified when used throughout this Agreement irrespective of whether the terms are used with initial capital letters or not.

1. **AB939**

"AB939" shall mean the California Integrated Waste Management Act of 1989, as it may be amended or expanded from time to time, and shall include any new or updated legislative requirements related to Solid Waste and Recycling collection and diversion to the landfill.

2. **City**

"City" means the City of Millbrae.

3. **Collect/Collection**

"Collect" or "Collection" means the collection, transportation, and removal of Solid Waste within and from the City.

4. **Commercial and Industrial Property**

"Commercial and Industrial Property" means property upon which business activity is conducted, including but not limited to hotels, motels, retail sales, services, wholesale operations, manufacturing and industrial operations, but excluding businesses conducted upon residential property which are permitted under applicable zoning regulations and are not the primary use of the property.

5. **Construction Debris**

"Construction Debris" means used or discarded construction materials generated during the construction or renovation of a residential, commercial and industrial or institutional property.

6. **Containers**

"Containers" means any and all types of receptacles for Solid Waste used for services provided by Company pursuant to this Agreement.

7. **Customer**

"Customer" means a person, as defined in Public Resources Code Section 40191, who procures collection services from Company.

8. Demolition Debris

"Demolition Debris" means used or discarded construction materials generated during the razing or renovation of Residential, Commercial and Industrial, or Institutional Property.

9. Disposal Site(s)

"Disposal Site(s)" mean the Solid Waste handling facility or facilities designated by Company for the ultimate disposal of Solid Waste collected by the Company.

10. Effective Date

"Effective Date" means the date upon which this Agreement commences.

11. Environmental Laws

"Environmental Laws" means all federal and state statutes and county and city ordinances concerning public health, safety and the environment.

12. Gross Receipts

"Gross Receipts" means the total revenue paid to Company by customers for the services provided under this Agreement.

13. Gross Recyclable Revenue

"Gross Recyclable Revenue" means all proceeds derived from the sale of any and all Recyclable Materials, except for Construction Debris and Demolition Debris, collected from customers.

14. Hazardous Waste

"Hazardous Waste" means all substances defined as hazardous waste, acutely hazardous waste or extremely hazardous waste by the State of California, or identified as hazardous waste by the U.S. Environmental Protection Agency, under applicable laws or regulations.

15. Household Hazardous Waste

"Household Hazardous Waste" means hazardous household waste generated at Residential Properties within the City.

16. Institutional Property

"Institutional Property" means any location operated by a governmental entity, including City, County, State and/or Federal buildings, public schools, colleges, and public recreational sites.

17. Maximum Service Rates

"Maximum Service Rates" means those rates set forth in the Schedule of Maximum Rates and represent the maximum rates the Company may charge for each category of service.

18. Recyclable Materials

"Recyclable Materials" means Solid Waste which may be reused or processed into a form suitable for reuse through reprocessing or remanufacture consistent with the requirements of AB 939, including, without limitation, paper, newsprint, printed matter, pasteboard, paper containers, cardboard, glass, aluminum, PET, HDPE, and other plastics, beverage containers, compostable materials (including yard waste), and wood, brick and stone in reusable size and condition. Recyclable Materials may include those items of Construction Debris and Demolition Debris which are described herein.

19. Residential Property

"Residential Property" means property used for residential purposes, irrespective of whether such dwelling units are rental units or are owner-occupied.

20. Schedule of Maximum Rates

"Schedule of Maximum Rates" means the schedule determined in accordance with Article VIII of the Agreement and set forth in Exhibit G. This Schedule sets forth the Maximum Service Rates for each specified category of service.

21. Solid Waste

"Solid Waste" means all putrescible and nonputrescible residential refuse, commercial solid waste, institutional solid waste, garbage, Yard Waste and rubbish as defined in Public Resources Code Section 40191, including, without limitation, for the purposes of this Agreement Construction Debris, Demolition Debris, and Recyclable Materials, but excluding Hazardous Waste and Household Hazardous Waste.

22. Source Separation

"Source Separation" means the segregation into separate containers by the customer of individual components of Solid Waste, such as glass bottles, metal cans, newspapers, plastic containers, etc., for the sole purpose of recycling, to be picked up by Company.

23. Yard Waste

"Yard Waste" means tree trimmings, grass cuttings, dead plants, leaves, branches and dead trees (not more than six (6) inches in diameter) and similar materials generated at a Residential, Commercial and Industrial or Institutional Property.

ARTICLE II
TERM OF AGREEMENT

2.1 Effective Date

The Effective Date of this Agreement shall be November 1, 2009 ("Effective Date").

2.2 Term of Agreement

The term of this Agreement shall be for an eight year period commencing on the Effective Date. Unless notice is provided as set forth below, the Agreement shall automatically extend for two additional eight-year terms, provided that the Agreement may also be terminated at any time in accordance with Article XII. Either Party may opt out of either of the two automatic extension periods described above by providing the other party with notice of its intent to terminate the Agreement no less than 60 days prior to the end of each eight-year term. As of the Effective Date, the Parties' Agreement entered into on February 27, 1996, including all amendments thereto (the "Prior Agreement"), shall be of no further force or effect.

2.3 Condition Precedent

This Agreement is conditioned upon the execution by the Parties of that Settlement Agreement and Release of Claims, in the form attached as Exhibit A.

ARTICLE III

COMPANY'S REPRESENTATIONS AND WARRANTIES

Company represents and warrants the following as of the Effective Date:

3.1 Corporate Status

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

3.2 Company Authorization

Contractor has the authority to enter into and perform its obligations under this Agreement. The board of director of the Company has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise to authorize the execution of this Agreement. The person signing this Agreement on behalf of Company has authority to do so.

3.3 Financial Condition

Company has made available to City information on the Company's financial condition. Company recognizes that City has relied on this information in evaluating the sufficiency of Company's financial resources to perform this Agreement. To the best of Company's knowledge, this information is complete and accurate, does not contain any material misstatement of fact and does not omit any fact necessary to prevent the information provided from being materially misleading.

3.4 Insurance

Company shall obtain and maintain in full force and effect throughout the entire term of this Agreement all insurance coverages specified hereunder. On an annual basis Company shall

provide City with a Certificate(s) of Insurance evidencing such coverages, or at City's request, a copy of Company's policy(ies).

3.5 Expertise

Company has the expertise and professional and technical capability to perform all of its obligations under this Agreement. Company shall obtain and maintain throughout the term of this Agreement all permits, licenses and approvals necessary or required for Company to perform the work and services described herein. City shall cooperate with Company in connection with such permits, licenses and approvals, and shall renew all such permits, licenses and approvals issued by City, provided that Company is not in breach of this Agreement and provided Company shall have fulfilled all existing requirements for the renewal of such permits, licenses and approvals.

ARTICLE IV

GRANT AND ACCEPTANCE OF FRANCHISE

4.1 Grant and Acceptance of Franchise

City hereby grants to Company the exclusive franchise, right, and privilege to collect, remove, and dispose of Solid Waste which is generated within the City and placed by customers for collection by the Company, and in connection with said franchise to use the City streets for such purposes for the term and within the scope set forth in this Agreement and in a manner consistent with current laws, regulations and ordinances.

Company hereby accepts the franchise on the terms and conditions set forth in this Agreement.

4.2 Scope of Franchise

Except as provided in Section 4.3, the franchise granted to Company shall be exclusive for the services provided pursuant to this Agreement. City shall not permit any other person, firm or company, other than Company, to collect solid Waste, Recyclable Materials or Yard Waste in the City. City shall, to the extent of available resources, enforce the exclusivity of Company's rights granted herein.

4.3 Limitations to Scope

The franchise for the collection, removal and disposal of Solid Waste granted to Company shall be exclusive except as to the following:

1. Solid Waste hauled directly by a resident or business owner of the City who chooses not to use the services of Company, but instead desires to haul Solid Waste him/herself will obtain a permit to do so from the City in compliance with Chapter 6.15 of the Municipal Code. Permits are not required for those residents

or businesses who are garbage customers and periodically self-haul to the transfer station or landfill.

2. Recyclable Materials which are Source Separated by a customer and which are then donated, sold, or transported personally by the customer or his/her employee to a collection or processing facility;
3. Containers delivered for recycling under the California Beverage Container Recycling Litter Reduction Act, Section 14500, et seq. California Public Resources Code;
4. Yard Waste, Construction Debris and Demolition Debris and other types of Solid Waste which are generated as a result of a City project and which are collected and transported by the City;
5. Demolition Debris and Construction Debris removed by a licensed demolition or construction contractor using its own employees and equipment as an incidental part of a comprehensive service offered by that contractor rather than as a hauling service;
6. By-products of sewage treatment, including sludge, grit and screenings.

Nothing in this Agreement is intended to or shall be construed to excuse any person from obtaining any authorization from the City which is otherwise required by law.

4.4 City Right to Direct Changes

City may direct Company to perform additional Solid Waste services or modify the manner in which it performs existing services. Company shall promptly take direction from the City in responding, subject to agreement on the specific terms and conditions.

Pilot programs and innovative services which may entail new collection methods, different kinds of services, and/or new requirements for waste generators are included among the

kinds of changes which City may direct. Company acknowledges and agrees that City may permit other persons besides Company to perform additional Solid Waste services, if Company and City cannot agree in four (4) weeks from the date when the City first requests a proposal from the Company to perform such services on terms and conditions to provide such services. As the complexity of the changes may vary, City in its discretion may extend the four week period to reach agreement.

4.5 Ownership of Solid Waste

Once Solid Waste is placed in containers and properly presented for collection, ownership and the right to possession shall transfer directly from the customer to Company by operation of this Agreement. Subject to Company's objective to meet the source reduction and recycling goals which apply to City, Company is hereby granted the right to retain, recycle, dispose of, and otherwise use such Solid Waste, or any part thereof, in any lawful fashion or for any lawful purpose desired by Company. Subject to the provisions of this Agreement, Company shall have the right to retain any benefit resulting from its right to retain, compost, dispose of, or use the Solid Waste, , and which it collects. At no time does the City obtain any right of ownership or possession of Solid Waste placed for collection and nothing in this Agreement shall be construed as giving rise to any inference that City has such right.

ARTICLE V

COMPANY'S PAYMENTS TO CITY

5.1 Franchise Fee

In consideration of the exclusive Franchise provided in Article 4 of this Agreement, Company shall pay to City ten percent (10%) (or another amount as may be established pursuant to Section 5.5) of the total revenue paid to the Company by customers for the services provided customers under this Agreement ("Franchise Fee"). Such revenue is referred to as "Gross Receipts." Company may pass the Franchise Fee on to customers.

5.2 SRRE Fee

City has incurred expenses for preparing and adopting the Source Reduction and Recycling and Household Hazardous Waste Elements (SRR & HHWE, respectively) required by AB939. City has and will continue to incur expenses for implementing the programs to meet AB939 and other legislative requirements. In addition to the Franchise Fee set forth above, and also in consideration of the exclusive Franchise provided in Article 4 of this Agreement, Company shall pay to City 5% (or another amount as may be established pursuant to Section 5.5) of Gross Receipts ("SRRE Fee"). Company may pass the SRRE Fee on to customers.

5.3 Recyclable Materials Revenue

Company may sell Recyclable Materials collected from customers in the City as set forth in Section 6.3.3. Company shall pay to City 5% of the gross revenue derived from the sale of any and all Recyclable Materials, except for Construction Debris and Demolition Debris, collected from customers ("Gross Recyclable Revenue"). The City's share in the Gross Recycling Revenue is separate from and in addition to the Franchise Fee and the SRRE Fee, both of which the Company may pass on to customers. The City's 5% share in the Gross Recycling Revenue shall not be adjusted pursuant to Section 5.5. The City's share in the Gross Recycling Revenue may not be passed on to customers.

5.4 Time and Method of Payment

On or before the twentieth (20th) day of each month during the term of this Agreement, Company shall remit to the City a sum of money equal to the Franchise Fee and the SRRE Fee due and owing on the Gross Receipts derived by the Company during the preceding calendar month, as well as the City's 5% share of the Gross Recycling Revenues for the preceding calendar month. If such fees are not paid on or before the twentieth (20th) day of any month, Company shall pay to City a late payment fee in an amount equal to two percent (2%) of the amount owing for that month. Company shall pay an additional two percent (2%) owing on any unpaid balance for each subsequent thirty (30) day period that these fees remain unpaid.

Each monthly remittance to City shall be accompanied by a statement detailing Gross Receipts for the Franchise and SRRE Fees and Gross Recyclable Revenue for the period covered from all operations conducted or permitted pursuant to this Agreement. In addition, Company shall maintain copies of all billing, collection and sales of Recyclable Materials records for three (3) years following the date of billing for inspection and verification by City within fourteen (14) days following City's written request.

5.5 Adjustment to Franchise Fee or SRRE Fee

The City may adjust the amount of the Franchise Fee or the SRRE Fee from time to time by resolution of the City Council. Any such adjustment(s) shall be reflected in the rates that the Company is allowed to charge and collect from customers in accordance with Article VIII. The City shall provide notice to the Company prior to any proposed action by the City Council to adjust the Franchise Fee or the SRR Fee. Any such adjustment will take effect no less than two (2) weeks following City Council action.

ARTICLE VI

SERVICES AND OPERATIONS OF COMPANY

6.1 General

Company shall provide collection, sorting, transportation, and disposal of Solid Waste, Recyclable Materials, and Yard Waste. In addition Company shall provide On-Call Cleanup Service. Company shall also participate in and support the City's and County's Household Hazardous Waste program.

Company shall collect and remove Solid Waste, Recyclable Materials, and Yard Waste from any premises which has been missed or skipped on the regularly scheduled collection day if demand for collection by owner, tenant, lessee, other occupants, or City is subsequently, properly and timely presented within one business day (24 hours).

The Company's required services are set forth in further detail in Exhibit B, which is incorporated into this Agreement by this reference.

6.2 Solid Waste

Company shall collect and dispose of all Solid Waste (other than that which is covered by the exceptions to the franchise as outlined in Section 4.3 above) generated by customers within the City at least once each week, except Yard Waste which is collected and disposed of bi-weekly, on a regularly scheduled day in accordance with Exhibit B.

6.3 Recycling

6.3.1 General

Company shall collect and remove all Source Separated Recyclable Materials properly placed in or adjacent to recycling containers at the designated collection locations for customers on Residential, and Commercial and Industrial Property. As far as practicable, Company shall

keep all Recyclable Materials collected from the City residential curbside collection separate from materials generated commercially or industrially.

Collection of Recyclable Materials from Residential Property within the City shall be a minimum of once each week or as otherwise determined in accordance with Exhibit B.

Residential Recyclable Materials collection will be on the same day of the week as Solid Waste collection service. Collection of Recyclable Materials from commercial and Industrial Property shall occur upon a schedule established between Company and each commercial or industrial customer taking into account the need to achieve AB939 requirements. Company will notify customers as is done for regular service regarding holiday collection schedules.

It is acknowledged that recycling diversion goals may be updated or amended from time to time in new legislation or regulations. Goals by program are minimums and it is expected that achievements in existing programs will increase as a result of the plans and programs required by this Agreement. Company agrees to work diligently to promote and expand recycling to meet these goals, subject to any adjustments in the Schedule of Maximum Rates as determined in accordance with Article VIII. Company shall develop and distribute promotional materials describing recycling programs and encouraging recycling to all customers at least annually. Upon request, these materials shall be submitted to City for prior approval.

6.3.2 Warning Notice

Whenever a customer repeatedly fails to sort properly and set out Solid Waste, Recyclable Materials or Yard Waste in their proper containers, the Company shall issue warning notices to the customer. If after the issuance of reasonable warnings, the customer refuses to comply with the program requirements, the Company shall report the customer and the record of service issues and warnings to the City. The City may investigate and determine an appropriate remedy, which may include permitting the Company to refuse to collect Solid Waste,-Recyclable Materials or Yard Waste or to provide any receptacle or container to said customer.

6.3.3 Marketing and Sale of Recyclable Materials

The Company shall be responsible for marketing and sale of all Recyclable Materials collected pursuant to this Agreement. Company shall sell all Recyclable Materials at no less than the fair market value. Company shall document and keep records of all terms of sale, such as prices, weights, terms, and purchasers, and report same to the City as set forth in the Agreement.

6.4 Yard Waste Program

Company's obligations with regard to the collection and disposal of Yard Waste is set forth in Exhibit B.

6.5 On-Call Cleanups

The Company shall provide customers on Residential Property the opportunity to arrange by appointment for two (2) extra collections per calendar year at any time during the calendar year. The On-Call Cleanups shall be offered throughout the term of this Agreement in accordance with Exhibit B.

6.6 Household Hazardous Waste (HHW)

Company's obligations regarding the collection of Household Hazardous Waste are set forth in Exhibit B.

6.7 Diversion Programs

Company agrees to develop, implement, operate and participate (locally and regionally) in new programs and use its best efforts to achieve and exceed the diversion requirements applicable to the City and to coordinate with the cities of Brisbane and South San Francisco, San Mateo County, the State of California and other jurisdictions with similar common interests, subject to any adjustments in the maximum rate schedule as determined in Article VIII. In particular, Company agrees to use its best efforts to accomplish the programs set out in this

Agreement and to be aggressive in the pursuit of new opportunities to increase and improve diversion of material from the landfill.

6.8 Operations

6.8.1 Schedules

Company shall make collections of Solid Waste and Recyclable Materials between 5:00 A.M. and 5:00 P.M. Monday through Friday. Company shall notify customers in writing at least two (2) weeks before an alternate collection day is scheduled when the regularly scheduled collection day falls on Christmas Day or New Year's Day.

It is recognized that unusual circumstances such as extreme weather, natural disaster, or unusual equipment problems may necessitate collection hours at other times. In such instances, the Director of Public Works shall be notified and approve if he/she deems appropriate. Some commercial businesses may require more than weekly collection service. Accordingly, collection service shall be provided to these businesses as frequently as needed by the Company and customer.

Company shall be prepared to review its operations plan outlining the collection routes, intervals of collection and collection times for all materials collected under this Agreement with the Director of Public Works no more than once annually upon 30 day written notice requesting said review.

6.8.2 Equipment/Vehicles

Company shall use in connection with transportation of Solid Waste modern motor dump trucks with water tight bodies, sufficient in number and capacity to efficiently perform the work required by the Agreement. Vehicles are to have close-fitting covers to prevent refuse spilling, dropping or blowing. Vehicles used to collect or transport refuse shall be kept covered at all times except when such material is actually being loaded or unloaded or when the vehicles are moving along a collection route in the course of collection. Company shall maintain equipment

in clean and sanitary condition and neatly and uniformly painted. Trucks are to have a shovel, broom and an approved fire extinguisher aboard as well as any other required equipment or supplies required to safely and effectively carry out the Company's collection responsibilities under this Agreement. Each truck is to display recycling and Company logos. Company shall paint trucks as needed to maintain them in good and presentable condition. Vehicles which collect or transport Solid Waste will be washed and disinfected both inside and outside at least weekly, or more frequently, if necessary. Company shall make equipment available to City and or San Mateo County Health Department for inspection upon request.

Company equipment shall be registered with the California Department of Motor Vehicles. Company shall have an on-going duty to utilize collection equipment which incorporates noise control features throughout the entire vehicle. Noise levels of equipment used for collection shall not exceed 75db at 25 feet. Equipment shall comply with all federal, State, and local noise emission and air pollution regulations. Company shall store all equipment in safe and secure locations.

Company shall be responsible for any damage it causes to City's driving surfaces, whether or not paved, and associated curbs, gutters and traffic control devices, resulting from or directly attributable to negligent operation of its vehicles.

6.8.3 Personnel

Company shall furnish qualified drivers as well as mechanical, supervisory, clerical, management and other personnel as may be necessary to provide the services required by this Agreement in a satisfactory, safe, economical and efficient manner. All drivers shall be trained and qualified in the operation of vehicles they operate and must posses a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

Company also agrees to establish and vigorously enforce an educational program which will train Company's employees in the identification of Hazardous Waste. Company's employees

shall not knowingly place such Hazardous Wastes into the collection vehicles, nor knowingly dispose of such Hazardous Wastes at the disposal site.

Company shall train its employees in customer courtesy, shall prohibit the use of loud or profane language, and shall instruct collection crews to perform the work quietly. Company shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. If any employee is found to be discourteous or not to be performing services in the manner required by this Agreement, Company shall take all necessary corrective measures including, but not limited to, transfer, discipline or termination. If City has notified Company of a complaint related to a discourteous or improper behavior, Company will consider reassigning the employee to duties not entailing contact with the public while Company is pursuing its investigation and corrective action process.

Company shall train office staff on aspects of the recycling program including materials collected and available for drop-off and resources available for reusing household and commercial items.

Company shall provide suitable operations, health, and safety training for all of its employees who use or operate equipment or who are otherwise directly involved in collection or other related operations.

6.8.4 Litter Abatement

Company shall use due care to not spill or scatter Solid Waste or Recyclable Materials during collection. Company shall promptly clean up all spilled materials. Company shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure or damage to a vehicle and unless the equipment is specifically designed for this purpose. Company shall note and notify the City of any customer that is not maintaining a litter free collection point. City will evaluate the conditions giving rise to the notice of customer non-compliance and take appropriate action.

6.8.5 Identification Required

Company shall provide its employees with suitable identification and assure its sub-contractors and agents who may make personal contact with residents and businesses of the City have suitable identification. Company shall provide a list of current employees and other subcontractors and agents who may make contact with City residents and businesses on request of City. The City may require the Company to notify customers yearly of the form of said identification.

6.8.6 Fees and Gratuities

Company shall not, nor shall it permit any agent, employee, or sub-contractor employed by it to permit, request, solicit, demand, or accept, either directly or indirectly, any compensation or gratuity for bin roll off services or the collection, transportation, recycling, composting, and disposal of Solid Waste otherwise required under this Agreement (excluding C.O.D. terms for delivery of bins, for example, to contractors).

ARTICLE VII

OTHER SERVICES

7.1 Customer Service and Billing

7.1.1 Service

Ordinarily, Company will establish accounts with all residents and businesses in the City. Company's Franchise is an exclusive one and any resident or business not establishing service will be required to self-haul and may not contract with any other garbage hauling company or other person for this purpose. City will advise residents and businesses, as they request water service, of Company's exclusive Franchise and shall advise Company on a regular basis of each new water service request. Company shall use this information to establish service accounts. Company shall notify the Director of Public Works of any resident or business not establishing an account within four (4) weeks after water service has been requested and transmit copies of all written communications inviting resident or business to establish service to City with the notification.

Company shall regularly and routinely provide City printed materials detailing specifics relative to services provided by Company and how to establish service. Such materials shall include information concerning the need to reduce, reuse and recycle Solid Waste and methods to accomplish these. Proper disposal of Household Hazardous Waste shall also be addressed. City will provide these materials to customers requesting water service for the purpose of informing them of relevant Solid Waste matters.

Company shall periodically prepare and distribute, in cooperation with City, a notice to each owner or occupant of property entitled to service under this Agreement a listing of Company's collection rates, rates for other services, annual holiday schedule, and a general summary of services required to be provided hereunder and optional services which may be

furnished by Company. Such notice shall be in form subject to City's approval prior to its distribution and may be included with billings made by Company.

7.1.2 Billing

Company shall bill customers for services at rates no greater than the Maximum Service Rates set forth in Exhibit F to this Agreement. Company shall provide itemized bills, distinctly showing charges for all classifications of services and any other specific designations required by this Agreement. Billings may be made monthly for all commercial and all bin service customers, and may be made on a quarterly basis for residential customers.

Company shall include with each statement or billing a notice reading substantially as follows: "If you believe your bill is incorrect or you have a question regarding our Company's service and have not been able to resolve the problem with South San Francisco Scavenger Co., Inc., you should write to the Director of Public Works, City of Millbrae, 621 Magnolia Avenue, Millbrae CA 94030 stating the problem and specifying the corrective action you consider appropriate."

7.1.3 Review of Billings

Company shall review its billings to customers under Section 7.1.2. The purpose of the review is to determine that the amount which the Company is billing each customer is correct in terms of the level of service (i.e., frequency of collection, size of container, location of container) being provided to such customer by Company. The frequency of this review is at the discretion of the Company.

7.2 Customer Service

7.2.1 Local Office

Company shall maintain a local office in the City of South San Francisco or the City of Millbrae. Office hours shall be, at a minimum, from 8:00 A.M. to 5:00 P.M., Monday through

Friday, exclusive of holidays. A responsible and qualified representative of Company shall be available during office hours for communication with the public at the local office. Company telephone numbers used for customer service during normal office hours shall either be a local or toll free call. The Company's telephone system shall be adequate to handle the volume of calls typically experienced on the busiest days. The Company shall also maintain a local or toll free telephone number for use during other than normal business hours. Company shall have a representative, answering or message providing/receiving (voice-mail) service available at said after-hours telephone number.

7.2.2 Customer Comments

All customer comments, complaints, service requests and inquiries shall be directed to Company. Procedures for monitoring and resolving complaints are set forth in Sections 7.2.3 and 7.2.4 below. Daily logs of comments concerning collection of Solid Waste shall be retained for a minimum of twenty-four months and shall be available to City at all times.

7.2.3 Complaints and Comments

Company shall log all comments, complaints, service requests and inquiries received by telephone and said log shall include the date and time the complaint, service request or inquiry was received, name, address and telephone number of caller, description of complaint, service request or inquiry, recording employee, and the action taken by Company to respond to and remedy the complaint. All comments, complaints, service requests and inquiries received shall be responded to within two (2) business days of receipt. If appropriate, written communication of the Company's response shall be made to the caller within five (5) business days of receipt of the complaint, service request or inquiry.

All customer service records and logs kept by Company shall be available to City upon request and at no cost to City. City shall, at any time during regular Company business hours, and upon seventy-two hour notice, have access to Company's customer service department for

purposes that may include monitoring the quality of customer service or researching customer complaints.

The number of complaints whether written or verbal shall be reported to the City at a minimum as part of the Company's quarterly report to the City described in Section 10.3.

7.2.4 Resolution of Customer Complaints

The Company shall notify customers of complaint procedures at the time customers apply for or are provided service, and subsequently, upon request by any customer.

A customer dissatisfied with Company's decision regarding a complaint may ask the City to review the complaint. To obtain this review, the customer must request City review, in writing, within 30 days of receipt of Company's response to the Complaint, or within 45 days of submitting the complaint to the Company if the Company has failed to respond to the complaint. The City may extend the time to request its review for good cause.

Before reviewing a complaint, the City Manager shall refer it to the Company. If the Company fails to cure the complaint within ten (10) business days, the City Manager shall review the customer's complaint and determine if further action is warranted. The City Manager may request written statements from the Company and customer, and/or oral presentations.

The City Manager shall determine if the customer's complaint is justified, and if so, what remedy, if any, shall be provided. The remedy under this Section may constitute a rebate of customer charges related to the period of breach of any of the terms of this Agreement or may result in the imposition of liquidated damages as specified in Section 12.5.2.

The City Manager may delegate these duties to a designee. The decision of the City Manager or his/her designee shall be final on all complaints.

7.3 Education and Public Awareness

Company acknowledges and agrees that education and public awareness are critical, key and essential elements of any efforts to achieve and exceed AB939 requirements or other new legislation. Accordingly, Company agrees to take initiatives to exploit opportunities to expand public and customer knowledge concerning needs and methods to reduce, reuse and recycle Solid Waste and to cooperate fully with City and regional work programs in this same regard. Specific planned programs for which Company shall anticipate potential involvement are contained in the City's Source Reduction and Recycling Element and Household Hazardous Waste Element, and annual plans as developed by the City's Recycling Program.

Company shall maintain its own program of providing information relevant to billing and Solid Waste services, issues and needs with its bills. Company shall also include in customer bills additional information as directed by the City. City shall normally bear the expense of reproduction and distribution of such additional information only to the extent it is clearly in excess of Company's normal billing costs.

Company agrees to cooperate with City requests to participate in additional outreach and educational efforts, including but not limited to providing school tours, preparation of educational materials, and participation in media or community events.

ARTICLE VIII

COMPENSATION

8.1 Establishment of Rates

The Schedule of Maximum Rates shall be determined each year and shall be subject to review and revision as set forth in this Article VIII. Company shall not charge any customer any amount in excess of the maximum rates specified in the applicable Schedule established under this Agreement. In approving a Schedule of Maximum Rates, the City Council shall act in a regulatory fashion and exercise its regulatory authority set forth in Section 6.15.190 of the Millbrae Municipal Code, and shall neither set nor prescribe the actual rates Company may charge customers but only confirm that the Schedule of Maximum Rates that governs the Company's charges is established in accordance with the terms and requirements of this Article. Company will not charge a customer for a particular service at a rate that exceeds the Maximum Rate for said service set forth in the Schedule.

8.2 Modification Based on Consumer Price Index

The Maximum Service Rates specified under this Agreement shall be adjusted July 1st every year (beginning in 2010, but excluding the year 2012 and every third year thereafter) by an amount equal to eighty percent (80%) of the percentage change, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers, as published and maintained by the United States Bureau of Labor Statistics for the San Francisco-Oakland Metropolitan Area (1982-84=100), for the prior year, using the Index most recently published before March 31st of such year and before March 31st of the prior year. The procedure for rate adjustments under this Section shall be as follows.

(a) Not later than March 31st each year that is subject to a maximum rate increase under this Section, Company shall file with City a written Notice of Intention to adjust each of the then current rates effective as of July 1st of the same year by eighty percent (80%) of the

percentage increase in the Index for the applicable period as specified above and include the proposed new schedule of maximum rates.

(b) Within thirty (30) days of the filing of the Notice of Intention, the City Manager shall review the proposed new schedule of maximum rates, and confirm either that the proposed rates are within the limit of Section 8.2 (a) above or establish by mutual agreement with Company any necessary changes to the proposed new schedule of maximum rates.

(c) The City Manager shall inform the City Council in writing of the new maximum rates determined in accordance with this Section and, not later than June 30th of the year of the Notice of Intention, the City Council shall act upon the new schedule of maximum rates as appropriate, with any new maximum rates to become effective on July 1st of the same year.

(d) In the event that the Consumer Price Index described above shall be discontinued or materially modified during the term of the Agreement, the parties shall use their best efforts to substitute a replacement index and/or otherwise modify this Section so as to replicate, as nearly as possible, the mutual intention of the parties to rely on the results of the Consumer Price Index described in this Section as in effect on the date hereof.

8.3 Modification Based on Neighboring Cities' Rates.

Irrespective of any adjustments to maximum rates pursuant to Sections 8.2 and/or 8.4, the Maximum Service Rates in the schedule shall be adjusted effective as of July 1 in each of the years 2012 and every third year thereafter (i) in the case of each of the service categories set forth in Exhibit C attached to this Agreement, not to exceed ninety-five percent (95%) of the average of the most current rates for such service category charged in the jurisdictions set forth in Exhibit D and (ii) in the case of every other service category not set forth on Exhibit C, to equal an amount reasonably arrived at by extrapolating from the new rates determined in accordance with Subsection (i) above. Notwithstanding the preceding sentence, in order to account for different characteristics in the solid waste service provided in Millbrae under this Agreement, including level of fees paid to the City and the relatively small number of commercial accounts, each of the

Maximum Service Rates calculated in accordance with the foregoing sentence shall be multiplied by 1.08 (this multiplier assumes that the 95% of the average surveyed rates includes an average 7% Franchise Fee; future changes in Millbrae's Franchise Fee or SRRE will result in an adjustment, up or down, in this multiplier). The most current rate charged in each jurisdiction listed in Exhibit D for a service category listed in Exhibit C shall mean the actual published rate in effect on March 31st of that year. The average of the most current rates for a particular service category listed on Exhibit C shall be determined by adding all the most current rates for such service category, and dividing by the number of jurisdictions set forth in Exhibit D.

The procedure for rate adjustments under this Section shall be as follows:

(a) Not later than March 31st of each year that is subject to a rate adjustment under this Section, Company shall file with City the proposed new schedule of maximum rates to be effective as of July 1st of the same year.

(i) An example of such calculation for an Exhibit C service category and for a related service category not listed in Exhibit C is as follows: if the total of the most current rates in the applicable jurisdictions, which number thirty-two (32), for weekly 2-yard commercial front end loader service per month as of March 31, 2012 were \$4,800, Scavenger Company's Notice of Intention for July 1, 2012 would specify \$153 [\$4,800 divided by 32 multiplied by .95 multiplied by 1.08] as the new maximum rate for such service category, and could specify \$324 for weekly 4-yard commercial front end loader service per month.

(ii) While most rate adjustments can be extrapolated to other sizes of containers the parties recognize that this methodology is not always appropriate. In some cases, rates must be adjusted based upon the percentage change in rates. It is the parties' intent that the manner in which rates were adjusted in Exhibit F will be continued. The City desires to continue frequency charges of 2% per pickup with such charges to be cumulative. Frequency charges are contained in Exhibit F.

(b) Not later than April 30th, the City Manager shall review the proposed new Schedule of Maximum Rates and either confirm that the proposed Maximum Service Rates conform with this Section 8.3, or meet with Company to establish by mutual agreement any necessary changes to the proposed Schedule of Maximum Rates.

(c) The City Manager shall inform the City Council in writing of the proposed new maximum rates determined in accordance with this Section and, not later than June 30th, the City Council shall act upon the proposed new maximum rates as appropriate, with any new Schedule of Maximum Service Rates to become effective on July 1st of the same year.

(d) From time to time during the term of the Franchise, but at least every seven (7) years after the beginning of such term, City and Company shall meet to review the list of jurisdictions set forth in Exhibit D for the purpose of assuring that the services and rate structures in such jurisdictions are comparable to those of Company in City. Such comparison shall take into account such factors as each party reasonably believes to be relevant, including those set forth in Exhibit D attached to this Agreement. Any change to the jurisdictions set forth in Exhibit D shall require the consent of each party, which consent shall not be unreasonably withheld.

8.4 Extraordinary Items.

In addition to adjustments under Sections 5.5, 8.2 and 8.3 above, the parties recognize that the maximum rates hereunder may need to be further adjusted as a result of extraordinary increases or decreases in Company's costs of providing services hereunder that make it impractical or impossible for Company to perform within the then applicable schedule of maximum rates. In the event that such extraordinary increases or decreases in Company's cost occur, the parties shall meet and confer to determine the appropriate manner in which to address the extraordinary increases or decreases.

8.5 Maximum Rate Schedule for 2010.

As a result of applying the methodology set forth in section 8.4 to the maximum rates for Residential Property (for purposes of this section hereafter referred to as "Residential Rates") in effect immediately prior to the Effective Date, the City has agreed to an increase in the maximum Residential Rates in the amount of 10.77%. The new maximum Residential Rates shall be applied in two phases. As of the Effective Date, maximum Residential Rates shall be as specified in Exhibit F. This rate schedule represents a 5% increase over the maximum Residential Rates in effect immediately prior to the Effective Date. As of July 1, 2010, and in conjunction with any adjustment required by section 8.2, the maximum Residential Rates shall be increased by the amount necessary such that the maximum Residential Rates in effect on July 1, 2010, shall represent an increase of 10.77% over the maximum Residential Rates in effect immediately prior to the Effective Date, adjusted as necessary to comply with the methodology set forth in section 8.2. Commercial rate adjustments are also included in Exhibit G.

ARTICLE IX

REVIEW OF SERVICES AND PERFORMANCE

9.1 System and Services and Performance Review

At City's sole option, City may review with the Company its services and performance. In the event of a serious system, service or performance problem, as determined by City, City can call for this review at any time. The purpose of the review is to ensure services are being provided with adequate quality, effectiveness and economy. The review may also provide for a discussion and review of technological, economic, and regulatory changes in waste stream collection, source reduction and recycling to promote competition in the refuse and recycling industry; to achieve a continuing, advanced refuse collection, source reduction and recycling system.

Sixty (60) days after receiving notice from the City of a System and Services Review, Company shall at a minimum submit a report to City indicating the following:

- (1) All refuse collection and recycling services reported in refuse collection, and recycling industry trade journals that are being commonly provided on an operational basis, excluding tests and demonstrations, to communities in the United States with comparable populations, that are not provided to City.
- (2) Changes recommended and/or new services to improve the City's ability to meet the goals of AB939 and to contain costs and minimize impacts on rates.
- (3) Any specific plans for provision of changed or new services by the Company, or a justification indicating why Company believes that services or methods used elsewhere in the industry are not feasible under this Agreement.

The reports required by this Section 7.2.3 regarding customer complaints shall be used as one basis for review. Company may submit other relevant performance information and reports

for consideration. City may request Company to submit specific information for the review. In addition, any customer may submit written comments or complaints which shall be considered during the review.

Topics for discussion and review at the System and Services and Performance Review shall include, but shall not be limited to, services provided, practicability of providing new services, application of new technologies, customer complaints, rights of privacy, amendments to this Agreement, developments in the law, new initiatives for meeting or exceeding AB939's goals, regulatory constraints and Company performance. City and Company may each select additional topics for discussion at any Systems and Services and Performance Review Hearing.

Not later than sixty (60) days after the conclusion of each System and Service and Performance Review, City may issue a report. As a result of the review City may require Company to provide expanded or new service within a reasonable time with the potential impact on rates to be assessed and negotiated by the City and the Company and City may direct or take corrective actions for any performance inadequacies.

9.2 Route Monitoring

Company will be required to allow a representative of the City and/or the City's Solid Waste Coordinator to ride with the Solid Waste collection or recycling vehicle(s) on any route or routes. City will inform Company at least one (1) week prior to date(s) of route monitoring. City will provide appropriate releases Company may request, including proof of insurance to assist in protecting or indemnifying Company from any claim that may be asserted against Company as a result of any injury that may occur to the City's representatives.

ARTICLE X

RECORDS, REPORTS AND INFORMATION REQUIREMENTS

10.1 General

Company shall keep and maintain accurate books and records clearly showing all revenues and expenses in connection with the operations provided for in this Agreement. Company agrees that it shall maintain such records for a period of at least three (3) years beyond the fiscal year in which the transaction or the event described occurred. Company agrees that any and all such records shall be provided or made available to City and its official representatives during normal business hours.

Company shall keep and maintain all financial records, as well as all records relating to customer service and billing for the services contemplated by this Agreement. In addition, Company shall keep all records demonstrating the revenues derived from the sale of Recyclable Materials.

10.2 Reports

At the City's request, Company shall provide reports to allow the City to monitor performance, determine the need for any adjustment to programs, and to acknowledge any accomplishments.

10.3 Quarterly Reports

Every three (3) months during the period from the commencement of the Franchise through the date which applies for purposes of measuring compliance with the diversion requirements of AB 939, Company shall supply City with a written report setting forth Company's best estimate of the diversion rate as of the end of the most recent month Company shall also supply City with such related information as City may reasonably request and as Company possesses concerning such estimate. This report shall be in the same format as

provided to City as of September 30, 2009, under the immediately preceding franchise agreement between the parties. The format can only be modified if approved by the City.

10.3.1 Annual Report

The Company shall maintain such accounting, statistical and other records related to its performance under this Agreement as shall be necessary to develop the financial statements and other reports required by the City in accordance with this Agreement,

Each fiscal year of Company, commencing with fiscal year 2009, Company shall provide City, within one hundred twenty (120) days of Company's fiscal year-end, a copy of its annual audited financial statements and management letter for that fiscal year to the City Manager who may grant an extension of thirty (30) days. Such financial statements shall include a supplemental combining schedule showing Company's results of operations by franchise area, including the specific revenues and expenses in connection with the operations provided for in this Agreement and others included in such financial statements. These financial statements and supplemental schedule shall be prepared in accordance with generally accepted accounting principles (GAAP) and audited, in accordance with generally accepted auditing standards (GAAS), by a certified public accountant (CPA) licensed (in good standing) to practice public accounting in the State of California as determined by the State of California Department of Consumer Affairs Board of Accountancy. The CPA's opinion on Company's annual financial statements and supplemental schedule shall be unqualified, except as to uncertainties for which the ultimate outcome cannot be determined by the date of the CPA's opinion.

City's review of the Company's Scavenger or Blue Line Transfer financial statements will be accomplished by the means of a personal inspection of such statements by Councilmembers or authorized City employees at Contractor's place of business at a mutually acceptable time. Such financial statements are to remain confidential. City agrees not to make copies of these statements and not to make any public disclosure of the contents of said statements.

Company shall make available to City such of its additional records, information or reports, as reasonably requested by City from time-to-time upon reasonable notice by City.

10.3.2 Waste Generation Report and Characterization Study

Company acknowledges that City may from time to time be required to perform Solid Waste Generation and Disposal Characterization Studies periodically to comply with applicable laws. Company agrees to provide all necessary studies, collection of data and reports and provide City with Solid Waste Generation and Disposal studies to satisfy AB939 and any subsequent requirements when requested by the City.

ARTICLE XI

CITY'S RIGHT TO PERFORM SERVICES

11.1 General

Should Company, for any reason whatsoever fail, refuse or be unable to provide services under this Agreement, for a period of more than forty-eight (48) hours, and if as a result of any failure to provide services Solid Waste should accumulate in the City to such an extent, in such manner, or for such time that the County Health Officer or City Manager should find that such accumulation endangers or menaces the public health, safety or welfare, then City shall have the right, but not the obligation, upon notice to Company, (1) to perform, or cause to be performed, such services itself with its own or other personnel without liability to Company and /or (2) to take possession of and to use for its intended purpose any or all land, equipment and other property of Company, whether owned, leased, or rented by the Company, necessary to provide services. Company agrees that in such event it will take direction from the City to effect such a transfer of possession of said property for City's use. Notice of the City's intent to take possession may be given orally by telephone to Company and shall be effective immediately. Written confirmation of such oral notification shall be sent to Company within twenty-four (24) hours of the oral notification.

11.2 Temporary Possession for Service; Compensation

If the City exercises its rights under Section 11.1 to take possession of company's property above for any reason, City shall pay to Company the reasonable rental value of the equipment and facilities, less (1) all costs and expenses incurred by City in taking over Company's service and (2) any revenues received by Company from customers during the period of the City's possession of such equipment and facilities, but the City is excused from any other obligation to pay Company monies under this Agreement for such period.

11.3 Transfer and Maintenance of Vehicles and Equipment

Company further agrees that, Company shall fully cooperate with City to effect the transfer of possession of property to City for City's use and, if City so requests, keep in good repair and condition and service all of said property and provide all motor vehicles with fuel, oil and other services as may be necessary to maintain said property in operational condition.

11.4 City's Right to Engage Company Personnel

Company further agrees that in such events as described above, City, if it so desires, may immediately engage any or all personnel necessary for the collection, recycling, composting and transportation of Solid Waste produced, kept or accumulated in the City, and that said employees or personnel may include, if City so desires, employees or personnel previously or currently employed by Company.

11.5 Billing and Compensation to City During City Possession

During such time that City is providing Solid Waste services, as above provided, Company shall bill and collect payment from all users of the above-mentioned services. City shall be entitled to an offset of all amounts collected for the period that City operates the service against the amount to be paid by City under Section 11.2. Company shall provide an accounting of all such amounts received within ten (10) business days of a demand therefor by City. City shall pay to Company the actual costs incurred by Company in providing the collection and billing services in addition to the amounts owed by City under Section 11.2 above.

11.6 City Right to Relinquish Possession

It is further mutually agreed that City may at any time at its discretion, relinquish possession of any or all of the above-mentioned property to Company and thereupon demand that Company resume the Solid Waste services as provided in this Agreement, whereupon Company shall be bound to resume the same.

11.7 City Possession Not A Taking

The City's exercise of its rights under this Article XI, (1) does not constitute a taking of private property for which compensation must be paid, (2) will not create any liability on the part of the City to Company, and (3) does not exempt Company from any of the indemnity provisions of this Agreement, which are meant to extend to circumstances arising under this Section.

11.8 Duration of City's Possession

City's right pursuant to this Article XI to retain temporary possession of Company's facilities and equipment, and to render collection services, shall terminate when City determines that such services can be resumed by Company, or when City no longer reasonably requires such facilities or equipment. In any case, City has no obligation to maintain possession of Company's property and/or continue its use for any period of time and may at any time, in its sole discretion relinquish possession to Company.

ARTICLE XII

DEFAULT, TERMINATION, REMEDIES AND LIQUIDATED DAMAGES

12.1 Events of Default

An Event of Default shall include, but not be limited to, the following:

12.1.1 Fraud or Deceit

If Company practices, or attempts to practice, any fraud or deceit upon the City.

12.1.2 Insolvency or Bankruptcy

If Company becomes insolvent, files a petition in bankruptcy, or is the subject of an involuntary bankruptcy petition that is not dismissed within 90 days, assigns its assets for the benefit of creditors, or upon listing of an order for relief in favor of the other party in a bankruptcy proceeding.

12.1.3 Failure to Maintain Coverage

If the Company fails to provide or maintain in full force and effect, the insurance coverages required by this Agreement.

12.1.4 Violations of Regulation

If Company is determined by any person with appropriate jurisdiction to have violated any orders or rulings of any regulatory body having jurisdiction over Company relative to this Agreement, provided that Company may contest any such order or ruling by appropriate proceedings conducted in good faith, and if the Company is successful in reversing the order or ruling, no Event of Default shall be deemed to have occurred.

12.1.5 Failure to Perform

If Company ceases to provide services as required under this Agreement over all or a substantial portion of City for a period of two (2) days or more for any reason within the control of the Company.

12.1.6 Failure to Pay

If Company fails to make any payment required under this Agreement and/or refuses to provide City with required information, reports, and/or records in a timely manner as provided for in the Agreement and fails to cure such failure within ten (10) days' written notice from City.

12.1.7 Acts or Omissions

Any other act or omission by Company which violates any material term, condition, or requirement of this Agreement, or violates the California Integrated Waste Management Act of 1989, as it may be amended from time to time, or any order, directive, rule, regulation or law issued thereunder or in relation thereto and which is not corrected or remedied within the time set in the written notice of the violation or, in the event the Company cannot reasonably correct or remedy the breach within the time set forth in such notice, the Company should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

12.1.8 Attachment

There is a seizure or attachment of, or levy on, the operating equipment of Company, including without limitation its vehicles, maintenance or office facilities, or any part thereof.

12.1.9 Failure to Provide Assurance of Performance

Company fails to provide reasonable assurances of performance as required under Section 12.7.

12.2 Termination At The Expiration of an Eight Year Term

Either party may terminate this Agreement at its convenience, by providing the other party with 60 days' written notice in advance of the expiration of an eight-year period, as set forth in Article II.

12.3 Right to Terminate Upon Default

Upon an Event of Default, City shall have the right to terminate this Agreement upon ten (10) days' written notice if the public health or safety is threatened, or otherwise thirty (30) days' written notice, but without the need for any hearing, suit or legal action. This right of termination is in addition to any other rights of City upon a failure of Company to perform its obligations under this Agreement.

12.4 Possession of Company's Property

In the event of termination as provided in this Article XII, the City shall have the right to take temporary possession of any and all of Company's land, equipment, and other property used or useful in the collection, recycling and/or transportation of Solid Waste and to use such property to collect, recycle and transport any Solid Waste generated within the City in accordance with the provisions of this Article. The City shall have the right to retain the possession of such property until other suitable arrangements can be made for the provision of Solid Waste collection services, which may include the grant of a franchise to another waste hauling company. The Company shall be entitled to the reasonable rental value of such property, which shall be offset against any damages due the City as a result of the termination. The City may also seek to engage any and all Company personnel needed to provide services. Company shall furnish the City with immediate access to all of its business records related to billing of accounts for service.

The right to terminate this Agreement is not exclusive, and termination of this Agreement shall not constitute an election of remedies. Instead, an election to terminate this Agreement

shall be in addition to any and all other legal and equitable rights and remedies which the parties may have.

By virtue of the nature of this Agreement, the urgency of timely, continuous and high quality service, the lead time required to effect alternative service, and the rights granted by City to the Company, the remedy of damages for a breach hereof by Company is inadequate and City shall be entitled to seek injunctive relief.

12.5 Liquidated Damages

12.5.1 General

The City finds, and Company agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by the City as a result of a breach by Company of its obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that services might be available at substantially lower costs than alternative services, and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

12.5.2 Service Performance Standards; Liquidated Damages for Failure to Meet Standards

The parties further acknowledge that consistent, reliable Solid Waste collection service are of utmost importance to City and that City has considered and relied on Company's representations as to its quality of service commitment in awarding the franchise to it. 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 Company fails to achieve the performance standards, or fails to submit required documents in a timely manner, the City will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which the City will suffer. Therefore, without prejudice to the City's right to treat such non-performance as an Event of Default under this Article XII, the parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or inconvenient. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Company
Initial Here DB

City
Initial Here RGG

Company agrees to pay (as liquidated damages and not as a penalty) the amounts set forth below:

Collection Reliability

- For each failure over five (5) annually to commence service to a new customer account within seven (7) days after order: \$200.00
- For each failure to collect Solid Waste, which has been properly and timely presented for collection, from an established customer account on the scheduled collection day: \$200.00
- For each failure to collect Solid Waste, which has been properly and timely presented for collection, from the same customer on two (2) consecutive scheduled pickup days: \$200.00

Collection Quality

- For each documented occurrence over five (5) annually of damage to private property of \$500.00 each occurrence: \$1,000.00
- For each occurrence over ten (10) annually of failure to properly return emptied containers to avoid pedestrian or vehicular traffic impediments or to place cans upright with lids secured: \$300.00
- For each occurrence of excessive noise: \$250.00
- For each occurrence of discourteous behavior: \$250.00
- For each failure over ten (10) annually to clean up Solid Waste spilled from Solid Waste containers: \$300.00
- For each occurrence over five (5) annually of collecting waste during unauthorized hours: \$250.00

Customer Responsiveness

- For each failure to respond to a customer complaint within specified response time: \$100.00

- For each failure to process customer complaints to City as required by Article VII. \$500.00

Timeliness of Submissions to City

REPORTS: Any report shall be considered late until such time as a correct and complete report is received by the City. For each calendar day a report is late, the daily assessment shall be: \$100.00 per day

Recycling Program Participation Rate and Expansion

- For each failure to prepare or update and submit a survey, plan, program or other matter or materials as specified at the specified time: \$1,000.00
- For each calendar day a required submission is late additional liquidated damages shall be assessed: \$100.00
- For each failure to carry out and execute planned activities as planned and scheduled where City has not approved a variance in advance in writing: \$1000.00
- For each calendar day a planned activity is not executed on schedule additional liquidated damages shall be assessed: \$100.00 per day
- For each occurrence of failing to segregate, record and/or report Recyclable Materials as specified: \$500.00
- For each day Company is late submitting information required for System and Service and Performance Review: \$500 per day
- For each failure to participate in Education and Public Awareness as specified: \$1000.00
- For each failure or refusal to provide City information required to conduct compensation adjustment request analyses. Liquidated damages to

be assessed for each calendar day information is not submitted in proper and complete form after the day required.	\$500.00 per day
• For each failure to maintain records as required by this Agreement:	\$5000.00
• For failure to correct any records to meet specified requirements after notice of a reasonable time to correct, liquidated damages shall be assessed for each day correction is late after the required date:	\$100 per day
• For each day Company refuses to allow inspection of records as specified:	\$1000 per day
• For each day Company fails to perform its obligations in the event City takes possession of facilities, equipment or personnel under this Agreement:	\$2000 per day
• For failure to provide proper waste site disposal records of all Solid Waste collected in City as specified.	\$500,000.00

The City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of customer complaints.

Prior to assessing liquidated damages, City shall give Company notice of its intention to do so. The notice will include a brief description of the incident(s)/non performance. Company may review (and make copies at its own expense) all information in the possession of the City relating to incident(s)/non performance. Company may, within ten (10) days after receiving the notice request a meeting with the City. If a meeting is requested, it shall be held by the City

Manager or his/her designee. The Company may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non performance. The City Manager or designee will provide Company with a written explanation of his or her determination on each incident(s)/non performance prior to authorizing the assessment of liquidated damages. The decision of the City Manager or designee shall be final.

12.5.3 Amount

The City Manager or his/her designee may, in his or her discretion, assess liquidated damages for each calendar day or event, as appropriate, that Company is determined to be liable in accordance with this Agreement.

12.5.4 Timing of Payment

The Company shall pay any liquidated damages assessed by the City within thirty (30) days after they are assessed. If they are not paid within the thirty (30) day period, the City may terminate this Agreement.

12.6 Excuse from Performance

The parties shall be excused from performing their respective obligations hereunder in the event they are prevented from so performing by reason of floods, earthquakes, other "acts of God", war, civil insurrection, riots, acts of any government (including judicial action), and other similar catastrophic events which are beyond the control of and not the fault of the party claiming excuse from performance hereunder. Labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action is not an excuse from performance and Company shall immediately confer with the City regarding the manner in which service will be provided notwithstanding the occurrence of any or all of such events.

The party claiming excuse from performance shall, within two (2) days after such party has notice of such cause, give the other party notice of the facts constituting such cause and asserting its claim to excuse under this Section.

The interruption or discontinuance of Company's services caused by one or more of the events excused shall not constitute a default by Company under this Agreement.

Notwithstanding the foregoing, however, if Company is excused from performing its obligations hereunder for any of the causes listed in this Section for a period of -forty-eight (48) hours or more, the City shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) days notice, in which case the provisions relative to taking possession of Company's land, equipment and other property and engaging Company personnel in this Article XII will apply.

12.7 Assurance of Performance

Either party may, at its option and in addition to all other remedies it may have, request from the other party reasonable assurances of timely and proper performance of this Agreement. If the other party fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by requesting party, such failure or refusal shall be an Event of Default.

ARTICLE XIII

INDEMNIFICATION, INSURANCE AND BOND

13.1 General Indemnification

Company shall indemnify and hold harmless the City, its officers, Councilmembers, employees, and agents (collectively, "indemnitees"), from and against any and all loss, liability, penalty, forfeiture, claim, demand, action proceeding or suit, of any and 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 and in any way connected with, and to the extent caused by (1) the negligence or willful misconduct of Company, its officers, employees, agents and/or subcontractors in performing services under

this Agreement; (2) the failure of the Company, its officers, employees, agents and/or subcontractors to comply in all respects with the provisions of this Agreement, applicable laws (including, without limitation, the Environmental Laws) and regulations, and/or applicable permits and licenses; (3) the acts of the Company, its officers, employees, agents and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law (including, without limitation, the Environmental Laws). With the exception of any loss, injury, or damage caused by the sole negligence of any indemnitee, the foregoing indemnity shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of the indemnitees negligence. Company further agrees to and shall, upon demand of City, at Company's sole cost and expense, defend (with attorneys acceptable to the City) City, its officers, Councilmembers, employees, and agents against any claims, actions, suits or other proceedings, whether judicial, quasi-judicial or administrative in nature, arising or resulting from any events described in the immediately preceding paragraph, and shall at its own expense pay all charges of attorneys and all costs and other expense arising therefrom or incurred in connection therewith; and if any judgment shall be rendered against the City in any such action, the Company shall at its own expense satisfy and discharge the same.

The Company's duty to indemnify and defend shall survive the expiration or earlier termination of this Agreement.

13.2 Hazardous Substances Indemnification

Company shall indemnify, defend with Counsel selected by City, protect and hold harmless the City, its officers, Councilmembers, employees, and agents (collectively, Indemnities) from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages), injuries, costs, (including without limit any and all response, remediation and removal costs), losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, and expenses (including without limit attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity),

(collectively, "Damages"), of any kind whatsoever paid, incurred or suffered by, or asserted against, Indemnities arising from or attributable to the acts or omissions of Company, its officers, directors, employees, contractors or agents, whether or not negligent or otherwise culpable, in connection with or related to the performance of this Agreement, including without limitation damages arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Substance, Hazardous Waste, and/or Household Hazardous Waste (collectively, "Waste") in the City at any places where Company transports, processes, stores or disposes of municipal Solid Waste, and/or including Construction Debris and Demolition Debris, or other waste. The foregoing indemnity is intended to operate as an agreement pursuant to §107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, "CERCLA," 42 U.S.C. §9607(e) and California Health and Safety Code §25364, to defend, protect, hold harmless, and indemnify City from liability. This provision is in addition to all other provisions in this Agreement and shall survive expiration or earlier termination of this Agreement.

13.3 AB939 Indemnification

Company agrees to indemnify and hold harmless the City, its officers, Councilmembers, employees, and agents from and against all fines and/or penalties that are imposed by any agency or board with jurisdiction to do so related to the source reduction and recycling goals or any other requirement of AB939 or some subsequent law which are not met by City with respect to the waste stream collected under this Agreement and such failure to meet is due to the failure of the Company to meet any of its obligations under this Agreement and for delays in providing information that prevent the City from submitting reports required by AB939 in a timely manner.

13.4 Workers' Compensation Insurance

Company shall obtain and maintain in full force and effect throughout the entire term of this Agreement full workers' compensation insurance in accord with the provisions and requirements of the Labor Code of the State of California. Company shall also maintain

Employer's Liability Insurance in an amount not less than One Million Dollars (\$1,000,000.00). Endorsements that implement the required coverage shall be filed and maintained with the City Clerk throughout the term of this Agreement. The policy providing coverage shall be amended to provide that the insurance shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to City. The policy shall also be amended to waive all rights of subrogation against the City, its elected or appointed officials, employees, or agents for losses which arise from work performed by the named insured for the City.

13.5 Comprehensive General Liability Insurance (and Automobile Liability)

Company shall obtain and maintain in full force and effect throughout the entire term of this Agreement a Broad Form Comprehensive General Liability (occurrence) policy with a minimum limit of Ten Million Dollars (\$10,000,000.00) per occurrence for bodily injury and property damage, with any self-insured retention not exceeding \$5,000.00 per occurrence. Said insurance shall protect Company and City from any claim for damages for bodily injury, including accidental death, as well as from any claim for property damage which may arise from Company's performance of its obligations under this Agreement. Said insurance shall also include coverage for:

- Premises operations;
- Products and completed operations;
- Personal injury liability with employment exclusion deleted;
- Broad Form Blanket Contract with no exclusions for bodily injury, personal injury or property damage and include coverage for indemnity obligations contained herein;
- Owned, non-owned and hired motor vehicles;
- Broad Form Property Damage.

Copies of the policies or endorsements evidencing the above required insurance coverage shall be filed with the City Clerk. All of the following endorsements are required to be made a part of the insurance policies required by this Section:

(1) The City, its Councilmembers, employees, agents and officers are hereby added as insureds as respects liability arising out of activities performed by or on behalf of Company.

(2) This policy shall be considered primary insurance as respects any other valid and collectible insurance the City may possess including any self-insured retention the City may have, and any other insurance the City does possess shall be considered excess insurance and shall not contribute with it.

(3) This insurance shall act for each insured, as though a separate policy had been written for each. This, however, shall not act to increase the limit of liability of the insuring company.

The limits of such insurance coverage, and companies, shall be subject to review and approval by the City Manager every year and may be increased at that time.

13.6 Pollution Liability

Company shall maintain Company's pollution liability insurance with limits in an amount of not less than One Million Dollars (\$1,000,000.00) per accidental release or occurrence and annual aggregate covering claims for on-site, under-site, or off-site bodily injury and property damage as a result of pollution conditions arising out of its operations under this contract.

13.7 Hazardous Materials Storage and Transport

Company shall maintain insurance coverage of not less than One Million Dollars (\$1,000,000.00) for personal injury, bodily injury and property damage arising out of the sudden and accidental release of any hazardous materials or wastes during storage at the Materials Diversion Facility or transport of such materials by vehicles owned, operated or controlled by Company in the performance of the services required under this Contract.

13.8 Acceptability of Insurance Carriers

The insurance policies required by this Section shall be issued by an insurance company or companies admitted to do business in the State of California, subject to the jurisdiction of the California Insurance Commissioner, and with a rating in the most recent edition of Best's Insurance Reports of size category VII or larger and a rating classification of A+ or better.

13.9 Delivery of Proof of Insurance

Prior to the Effective Date, Company shall furnish City one or more certificates of insurance on a standard ACORD form substantiating that each of the coverages required hereunder are in force, in form and substance satisfactory to City. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall be accompanied by all required endorsements. If City requests, copies of each policy, together with all endorsements, they shall also be promptly delivered to City.

At least annually, Company shall furnish updated or renewal certificates to City to demonstrate maintenance of the required coverages throughout the term of this Agreement.

ARTICLE XIV

OTHER AGREEMENTS OF THE PARTIES

14.1 Amendment or Modification

This Agreement may not be modified or amended in any respect except by a writing signed by both of the parties.

14.2 Assignment

Except as provided in Section 11.1, neither party shall assign its rights nor delegate or otherwise transfer its obligations under this Agreement to any other person without the prior written consent of the other party. Any such assignment made without the consent of the other party shall be void and the attempted assignment shall constitute a material breach of this Agreement.

For purposes of this Section, "assignment" shall include, but not be limited to, (i) a sale, exchange or other transfer of substantially all of Company's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of 50% or more of the outstanding common stock of Company to a person other than the shareholder(s) disclosed to the City at the time of the signing of the Agreement.

Company acknowledges that this Agreement involves rendering a vital service to City's residents and businesses, and that City has selected Company to perform the services specified herein based on (1) Company's experience, skill and reputation for conducting its Solid Waste management operations in a safe, economical, effective and responsible fashion, at all times in keeping with applicable waste management laws, regulations and good waste management practices, and (2) Company'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 Company to perform the services to be rendered by Company under this Agreement.

If Company requests City's consideration of and consent to an assignment, City may deny or approve such request in its complete discretion. Under no circumstances shall any proposed assignment be approved by City if Company is in default at any time during the period of consideration.

14.3 Binding on Successors

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

14.4 Compliance with Municipal Code

Company shall comply with those provisions of the Millbrae Municipal Code which are applicable, and with any and all amendments to such applicable provisions during the term of this Agreement, provided that no such amendment shall change any of the provisions of this agreement without Company's prior written consent.

14.5 Compliance with Law

In providing the services required under this Agreement, Company shall at all times, at its sole cost, comply with all applicable laws of the United States, the State of California and the City and with all applicable regulations promulgated by federal, state, regional or local administrative and regulatory agencies, now in force as they may be enacted, issued or amended during the term of this Agreement.

14.6 Condemnation

Company acknowledges that this Agreement implements the grant of a franchise pursuant to the Millbrae Municipal Code. The City fully reserves the rights to acquire the Company's property utilized in the performance of this Agreement, by purchase or through the exercise of the right of eminent domain. Company agrees that in fixing the price to be paid, the court shall value the property to be acquired at its fair market value, except that no allowance shall be made for franchise value, good will, going concern, earning power, or increased value of right of way.

14.7 Interpretation

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

14.8 Jurisdiction

The law of the State of California shall govern this Franchise Agreement as applied to contracts that are made and performed entirely in California. In the event of arbitration or litigation between the parties, venue shall lie exclusively in the County of San Mateo.

14.9 Notices

All notices required or permitted to be given under this franchise shall be in writing and shall be personally delivered or sent via United States certified mail, postage prepaid, return receipt requested, and addressed as follows:

To City: **City Manager
City of Millbrae
621 Magnolia Avenue
Millbrae, CA 94030**

To Company: **South San Francisco Scavenger Co., Inc.
P. O. Box 348
South San Francisco, CA 94080**

or to such other address as either party may from time to time designate by notice to the other given in accordance with this Section. Notice shall be deemed given on the date personally served or, if mailed, three (3) business days from the date such notice is deposited in the United States registered or certified mail, postage prepaid, addressed to parties as provided herein.

14.10 Parties in Interest

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

14.11 Privacy

The parties shall strictly observe and protect the rights of privacy of customers. Information identifying individual customers or the composition or contents of a customer's waste stream shall not be revealed to any person, governmental unit, private agency, or company, unless upon the authority of a court of law, by statute, or upon valid authorization of the customer. This provision shall not be construed to preclude either party from preparing, participating in, or assisting in the preparation of waste characterization studies or waste stream analyses which may be required by AB939.

The parties shall not market or distribute, outside the normal course of its business, mailing lists with the names and addresses of customers. The rights accorded customers pursuant to this Section shall be in addition to any other privacy right accorded customers pursuant to Federal or State law.

14.12 Relationship of the Parties/Independent Contractor

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

14.13 Representatives of the Parties

References in this Agreement to the "City" shall mean the City Council and all actions to be taken by the City shall be taken by the City Council except as provided below. The City Council may delegate authority to the City Manager, the Director of the Department of Public Works and/or to other City officials and may permit such officials, in turn, to delegate some or all of such authority to subordinate officers. The Company may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them. The parties shall designate in writing a responsible officer who shall serve as the representative of the party in all matters related to this Agreement and shall inform the other party in writing of such designation and of any limitations upon his or her authority to bind the party. Each party may rely upon action taken by such designated representative as actions of the other unless they are outside the scope of the authority delegated to him/her and as communicated in writing.

14.14 Severability

If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the validity and enforceability of any of the remaining provisions of this Agreement which shall remain in full force and effect in all other respects.

14.15 Section Headings

The section and sub-section headings in this Agreement are for convenience and reference only and are not intended to be used in the construction of this Agreement, nor to alter or affect any of its provisions.

14.16 Subcontracting

Company shall not engage any sub-contractors for refuse collection without the prior written consent of the City.

14.17 Transfer of Franchise

In the event this Agreement is terminated for any reason, or if upon the end of the term hereof, Company is not awarded an Agreement to continue to provide the franchised services, then Company shall take direction from the City and subsequent company(ies) to assure a smooth transition. Such cooperation shall include, but not be limited to the following:

- (a) Customer billing information (providing computer records in disk form of all accounts); and
- (b) Accounts payables and receivables information to the extent the new company is to pay or collect; and
- (c) Service to all customers (both equipment and staffing requirements) during the transition period as required.

Additionally, if Company is unable to provide certain new services and an additional company is needed to provide the required new services, Company shall provide the above information to the new Company as appropriate.

14.18 Waiver

The waiver by a party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by a party of any benefit which become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other of any provision of this Agreement.

14.19 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior or contemporaneous oral or written understanding

of the parties on the same subject, the parties intending this Agreement to be a fully integrated Agreement.

14.20 No Reliance on Representations

Each party further acknowledges that in executing this Agreement it has not relied on any inducements, promises, or representations made by the other party and/or the other party's representatives.

14.21 Dual Negotiation

This Agreement is the product of negotiation and preparation by and among each party hereto and its attorneys. Therefore, the parties acknowledge and agree that this Agreement shall not be deemed to have been prepared or drafted by one party or the other, and that it shall be construed accordingly.

14.22 Voluntary: Legally Binding

Each party acknowledges and warrants that its execution of this Agreement is free and voluntary and with the intent to be legally bound.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the year and date specified in the first paragraph hereof.

CITY OF MILLBRAE

Robert G. Gottschalk
Mayor

SOUTH SAN FRANCISCO
SCAVENGER CO., INC.

By: _____
Title: President

ATTEST:

Deborah Kalal
City Clerk

EXHIBIT A

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

PARTIES

This Settlement Agreement and Release of Claims ("Settlement Agreement") is made and entered into on Nov 1, 2009 (the "Effective Date") by and between the City of Millbrae (the "City"), and the South San Francisco Scavenger Co., Inc (the "Company").

RECITALS

WHEREAS, the City and the Company are parties to a franchise agreement, dated February 29, 1996, as amended periodically through 2006 (hereafter collectively referred to as the Prior Agreement); and

WHEREAS, the City contends the Company owes the City monies derived from Company's sale of recyclable materials collected by Company ("Claim") under the Prior Agreement, and Company disputes this Claim; and

WHEREAS, as part of the negotiations over the terms of a new franchise agreement, the Company has agreed to pay the amount designated below in full settlement of the Claim by City.

NOW THEREFORE, for and in consideration of the mutual promises herein contained, the parties agree as follows:

RELEASE

1. **Payment.** On or before executing the new Franchise Agreement with the City, the Company shall pay to the City the total sum of \$118,984.99.

2. **Mutual Release.** Upon full payment of the amount specified in Section 1 above, Company, on behalf of itself and its predecessors, affiliates, parents, subsidiaries, related companies, shareholders, partners, officers, directors, alter egos, agents, employees, attorneys and assigns, and City on behalf of itself and its council members, officers, employees, agents and attorneys, past and present hereby fully and forever mutually release and discharge each

other from any and all claims, demands, agreements, damages, debts, expenses, causes of action, attorneys' fees and liabilities, of whatever kind or nature, in law, equity or otherwise, whether now known or unknown, vested or contingent, suspected or unsuspected, and whether or not concealed or hidden, which have existed or may have existed or which do exist prior to or as of December 1, 2009, which relate to or arise from, in whole or in part, the Claim under the Prior Agreement.

3. No Admissions of Liability. Neither this Settlement Agreement, the performance of any act referenced in this Settlement Agreement, the payment of any money, nor any settlement offer, counter-offer, acceptance, or any other circumstance regarding this Settlement Agreement, shall be considered an admission of liability, an admission of the existence of any negligence, or an admission of any allegations made in any claim or litigation, it being understood that the parties entered into this Settlement Agreement solely to compromise disputed claims regarding monies due the City for the sale of recyclable materials under the Prior Agreement.

4. Applies to Known and Unknown Claims. The Parties understand and agree that this Settlement Agreement can never be rescinded or set aside, nor can any later action be brought against the persons or entities being released by this Settlement Agreement, even if facts or representations related to this matter turn out to be different from what is presently believed. This Settlement Agreement shall apply to and cover any and all claims as stated herein, whether known, unknown, foreseen or unforeseen, including any injury now unknown or the consequences thereof. The Parties expressly waive all rights under section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor."

5. No Assignment of Claim. The Parties agree, warrant and represent that they have not assigned any claim released herein and they will not do so in the future.

6. No Pending Claim. The Parties agree, warrant and represent that no legal action, suit or claim is pending by a Party which arises from or relates to the Claim released in this Settlement Agreement, and that any right to bring such claim is forever barred.

7. Representation by Counsel. This Settlement Agreement shall be deemed to have been drafted jointly by the parties, who have had the advice and representation of the counsel of their choosing, and any uncertainty or ambiguity shall not be construed for or against either party based on attribution of drafting to any party.

8. Entire Release and Satisfaction /Modifications. This document contains the sole and entire Settlement Agreement among the parties, and correctly sets forth all rights, remedies and obligations of the parties and beneficiaries concerning the subject matter covered herein. This Settlement Agreement may not be modified except in a writing duly executed by the parties.

9. Binding Effective. This Settlement Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective parent and affiliated corporations and entities, owners, Councilmembers, directors, officers, employees, agents, shareholders, alter egos, predecessors, insurers, underwriters, heirs, representatives, successors and assigns.

10. Governing Law. This Settlement Agreement, and all rights, remedies and obligations thereunder, shall be governed by the laws of the State of California:

11. Counterparts, Faxed Signatures. This Settlement Agreement may be executed in any number of counterparts, all of which together shall constitute one instrument. This Settlement Agreement will be considered executed by a party when the signature of the party is delivered by facsimile transmission or other means. A facsimile signature shall be treated in all respects as having the same effect as an original signature.

IN WITNESS WHEREOF, each of the undersigned has executed this Settlement Agreement and Release of Claims in his or her capacity as set forth below.

CITY OF MILLBRAE

Robert G. Gottschall
Mayor

ATTEST:

Deborah Konkel
City Clerk

SOUTH SAN FRANCISCO
SCAVENGER CO., INC.

By: D. L. B.
Title: President

EXHIBIT B
SCOPE OF SERVICES

I. SOLID WASTE COLLECTION

Company shall collect Solid Waste and Recyclable Materials at least weekly. Yard Waste shall be collected bi-weekly. After emptying, all containers used by the Customer for the temporary storage of Solid Waste, Recyclable Materials or Yard Waste shall be returned to locations that do not impede pedestrian or vehicular traffic or otherwise present safety problems. It is recognized that occasionally it may not be entirely clear as to the optimum location to return a container. In such cases, the Director of Public Works will so determine.

Residential - Single Family Dwelling Unit

Company shall collect Solid Waste from authorized containers at the curbside, except as specified below. Handicapped or temporarily disabled residents shall have the option, upon proof of their disability, of placing their containers near their dwelling, visible from curbside, or in their backyard, and Company will pick-up waste at this location and return container to same location. Company will notify residents annually, beginning within ninety (90) days of execution of this Agreement, of this collection option and submit, for approval, a draft notification to the Director of Public Works, prior to distribution to customers.

Commercial, Industrial, and Multi-Family Dwelling Units

Company shall collect Solid Waste from authorized containers or bins of a size and shape acceptable to Company. Special consideration shall be given when determining the pick-up area for Commercial and Industrial and/or Multi-Family accounts to ensure that the flow of traffic is not impeded and that it does not result in aesthetic degradation of an area. The designated pick-up area, if disputed by customer or Company, shall be determined by the Director of Public Works. Additionally, if in his/her opinion the

location of an existing pick-up area is inappropriate, he/she shall cause the customer or Company to relocate the pick-up area.

Roll-off Service

Company shall provide roll-off service to customers for the purpose of collecting non-hazardous Solid Waste. Company shall deliver and collect roll-off containers at the direction of the customer. Bins so delivered shall, conspicuously and appropriately, have reflecting tape applied and be free of graffiti and in good repair. Bins must be clearly marked and identifiable as belonging to Company.

City Facilities

Company shall collect Solid Waste at all City Facilities. The location of containers, frequency of collection and container size may change from time to time; therefore, City shall provide Company with a written list of locations and container size requirements. As needs change, but not more frequently than twice annually, City shall up-date the collection location/container size list and Company shall commence collection within thirty (30) days of receipt of written list.

Company's collection from City facilities shall include both Solid Waste and Recyclable Materials and shall include, but not be limited to, the following:

- a) Collection of Solid Waste and Recyclable Materials from all public sidewalk litter and recycling containers including Downtown and Millbrae Library;
- b) Collection of all Solid Waste and Recyclable Materials from City facilities and City Parks;
- c) Collection of Solid Waste and Recyclable Materials from City-sponsored special events; and
- d) Bin Roll-Off services to City.

Collection services that are provided to the City without charge as of the day before the Effective Date shall continue to be provided without charge.

II. ON-CALL CLEAN-UP

Each Single-Family Residential customer shall be entitled to two (2) on-call clean-up collections per calendar year. These extra collections will normally take place on one of the Single-Family Dwelling Unit's regularly scheduled Solid Waste collection days. The Company and customer can arrange pickups on other days as needed to pick up large items, such as appliances. The Company shall encourage clean-up customers to reuse and recycle. Customer clean-up opportunities which have not been used prior to the end of the calendar year will not be carried over to future years. At the discretion of the Company in order to accommodate workload scheduling, the Company may schedule a customer pickup request made in one calendar year in the following calendar year.

Company shall pick up authorized Solid Waste and Recyclable Materials from all Single Family Dwelling Units at the curbside without charge to City or customers. Set outs can include one large item as approved by Company and specified number of bags of trash or placed in regular trash containers. Branches or prunings shall be tied into bundles not exceeding 4 foot long, and 24 inches in diameter and should be set out on yard waste collection days.

Company shall provide up to one 14 yard bin at each of the Corporation Yard, City Hall, and the Recreation Center at the direction of the Director of Public Works for on-call clean-up collection once each calendar year for City use. Service is to be provided without charge to City or customers.

Company shall include advertising of the Single-Family on-call clean-up program in Company newsletters and brochures at least quarterly. City will assist Company with advertising the on-call clean-up program.

Company shall record by class and weight (in tons), the appliances, furniture, and other bulky goods collected during these on-call clean-ups. Company shall also record the

kinds and weights (in tons) of other Recyclable Materials diverted during these clean-ups from the landfill through recycling, reuse, transformation or other means of diversion.

Company will separately report complaints about the on-call program from other complaints reported to either the City or the Company as part of the Company's quarterly reporting obligation.

III. RECYCLING

Program Participation Rates and Expansion

The Existing Single Family Dwelling Unit and Multiple Family Dwelling Unit recycling program includes, but is not limited to:

Newspapers, mixed paper, cardboard, aluminum cans, aluminum foil, tin and steel cans, glass bottles and containers, plastic bottles and containers (PET, HPDE, other), household batteries and used motor oil and filters, cell phones and chargers and yard trimmings.

The Existing Commercial and Industrial Recycling program includes, but is not limited to:

Newspapers, mixed paper, cardboard, aluminum foil and cans, tin and steel cans, plastic bottles and containers (PET, HDPE, other), glass bottles and containers and yard trimmings.

Company will not be required to collect Recyclable Materials from authorized containers that are contaminated with non-allowable materials.

Mixed waste processing/sorting shall include but is not limited to the recyclables included in the Single Family curbside program, Multi-Family and commercial and industrial recycling collection programs and in addition, metal and construction, demolition and other identified construction recyclables.

Company shall prepare and submit to City for review and comment, when requested by the City, the current status and plans for conducting outreach to new accounts and increasing recycling participation rates for existing programs. The minimum elements of this plan shall include:

- (a) A data base that identifies all Multi-Family Dwelling Units and Commercial/Industrial accounts and the status of each account (whether said account recycles or not). The data base shall provide relevant information and data fields for tracking account activities in recycling including planning activities.
- (b) The Company shall develop a program to work with those Multi-Family Dwelling Units and commercial/industrial accounts which do not recycle to begin recycling. A schedule shall be submitted to the City for providing information to and conducting outreach to the Multi-Family Dwelling Units and Commercial/Industrial accounts not recycling to sign them up.
- (c) Company shall submit to City information and recommendations as to actions City may take to promote progress in recycling program and supplement Company's efforts as part of their annual plan.
- (d) Company shall maintain an aggressive information campaign with Single-Family Dwelling Unit, Multi-Family Dwelling Units and commercial/industrial accounts to promote and encourage recycling. A plan for this Company shall be submitted to City by as part of the annual recycling plan of each year for review.
- (e). Company shall include in its outreach plan for commercial businesses, newsletters, messages on bills and other outreach materials.

City is committed to be an active participant with Company to do what it can to promote recycling but it is expected and required that Company take a leading role and full initiative to encourage, promote, assist and effect recycling by all accounts without limitation except where recycling is not appropriate for good reason.

The City recognizes that the Company has no enforcement power that can compel customers to participate in recycling programs, and that the Company cannot compel other entities or jurisdictions to cooperate with the execution of its plans.

Notwithstanding this, Company agrees to use its best efforts to accomplish these programs.

Company shall take the initiative and use its best efforts to coordinate the planning, development and execution of all recycling programs, including expanding programs with the Cities of So. San Francisco and Brisbane and with programs in operation or being planned throughout San Mateo County. It is the agreed intention that all programs shall take advantage of economies of scale that may be possible from such coordinated efforts. Company shall take the initiative to contact other entities. The results of this coordination shall be reflected in plans. Expanded program plan submissions shall also indicate the level of coordination and contacts accomplished.

IV. YARD WASTE

Curbside Yard Waste Collection

Company shall collect and remove all Yard Waste properly placed in authorized Yard Waste containers at the designated collection locations for Single-Family Dwelling Units. Company shall also collect Christmas trees from Single-Family Dwelling Units once per year.

Yard Waste collection from Single-Family Dwelling Units shall be a minimum of once every other week or as otherwise determined in accordance with Section 6.3, and will be on the same day of the week as Solid Waste collection service.

Company will provide no-charge special pick-up services to Yard Waste customers on a pre-arranged basis in the case of hardship, illness, or other extenuating circumstances as determined by Company. Additionally, Company in its own discretion and determination will collect extra seasonal generated Yard Waste from such customers on any agreed reasonable conditions with a customer at no additional cost.

Company will not be required to collect material from Yard Waste containers that are contaminated with non-allowable materials. Company's public education program shall provide in an effective manner information concerning allowable materials to new and existing customers with yard waste collection information and handouts including an annual collection schedule. Company may take actions to refuse service to customers that continue to put out contaminated Yard Waste that would affect the acceptability of the Yard Waste for its planned recycling use. At least two weeks prior to such refusal, Company shall notify the City's Designated Representative as appointed by the City Administrator in writing with customer information and the nature of the problem.

Nothing herein will prevent a Customer from having a landscape service dispose of Yard Waste as an ancillary part of its services or from disposing of the Yard Waste itself.

Limitations (hours of operations, noise levels, etc.), standards (including those for customer related services and the requirements of Company personnel), and procedures for handling Yard Waste services shall be the same as the corresponding limitations, standards and procedures for handling Solid Waste and Recyclable Materials contained in this Agreement.

End Uses for Yard Waste and Compostables

Company shall provide or contract for the operation, development and implementation of plans and programs to divert materials collected through the curbside Yard Waste program from landfill disposal. The need and goal are end uses for Yard Waste that are eligible as a diversion credit for the City according to regulations established by the California Integrated Waste Management Board or other State regulatory agency with a priority of composting materials whenever possible. To the extent Company is not effecting such diversion, Company shall use its best efforts to develop, in coordination with City and the Cities of South San Francisco and Brisbane, marketing plans and programs that will achieve same.

Backyard Composting

Company shall promote to Millbrae residents and educate on backyard composting as required in City's Source Reduction & Recycling Element. Company agrees to provide other direct assistance such as preparing educational and publicity materials, purchasing and providing composting materials and supplies, and other resources as may be identified. Company shall help promote San Mateo County's Home Composting Program including availability of bins and workshops.

V. 'HOUSEHOLD HAZARDOUS WASTE (HHW)

General

The parties acknowledge that the County of San Mateo operates a Hazardous Waste collection program to serve Residential Property and small businesses, including such property with the City. If, during the terms of this Agreement, such program should cease and not be replaced by said County or any other agency, City may institute another program. In the event that City institutes a Hazardous Waste collection program to serve Residential Property, the City may give written notice thereof to Company whereupon Company shall negotiate in good faith, the development and implementation of a Company operated Hazardous Waste collection program to meet existing needs. Notwithstanding the provisions of this section, nothing herein shall be deemed to grant an exclusive right to Company to provide Household Hazardous Waste services in the City.

Used Motor Oil and Filters, Household Batteries, Cell Phones and Chargers

Company shall continue to provide collection of used motor oil, oil filters, household batteries, cell phones and chargers from the curbside. Company shall use care to avoid spillage of any of the specified materials during collection or transport.

Drop-off Program for HHW

Company shall continue to operate a drop-off program responsive to the City's Household Hazardous Waste Element. This drop-off program shall accept, as a minimum, used motor oil, oil filters, household batteries, latex paint, anti-freeze and lead acid batteries, needle/sharp containers, and compact fluorescent lights and bulbs at a convenient drop-off point which is to be provided by the Company. Company shall maintain all required permits and prepare the necessary reports to operate a facility to accept, store, transport, dispose and provide recycling of HHW in accordance with environmental regulations and requirements, including AB 939 project Negative Declaration. Drop off area shall be open at least one day each week or more frequently as need determines. Company shall use the form required by the California Integrated

Waste Management Board or other State regulatory agency to record collected materials at the drop-off facility.

The intention of this program is to supplement the County operated program by providing a drop-off point that is available on a routine and frequent basis for those who would desire to dispose of Household Hazardous Waste

Release or Spillage

If a release or spill occurs of any HHW, Company shall provide reports as required by San Mateo Environmental Health and any other competent authority with jurisdiction and clean up the release or spill using approved techniques. Company shall file an amended hazardous materials business plan with San Mateo County Environmental Health if required.

VI. CONTAINERS

Refuse Containers

Company has furnished existing customers and shall furnish all new customers appropriate containers to collect solid waste at Multi-Family Dwelling Unit, Commercial and Industrial, and other premises upon customer request. Containers with a capacity of one cubic yard or more shall be available in standard sizes. The kind, size and number of containers furnished to particular customers shall be as determined mutually by the customer and Company. Containers which are front loading bins shall have lids. All containers with a capacity of one cubic yard or more shall meet applicable local, state and federal regulations for refuse bins safety and shall have reflectorized markings, when located in public right-of-way, parking lots, and other places where vehicles operate, and shall be maintained in good repair with neatly and uniformly painted surfaces and shall prominently display the name and telephone number of Company.

Twenty (20) gallon, thirty-two (32) gallon, sixty-four (64) gallon or ninety-six (96) gallon carts have been furnished to existing Single-Family Dwelling Unit customers and shall continue to be provided by Company to new Single-Family Dwelling Unit customers that

request one. Customers will be permitted to choose the container size they want to use. City-Wide standard size container for this service is 32 gallon, with the City permitting multiple container use for service exceeding 64 gallons. Company shall always encourage the use of the 32 or 20 gallon containers or carts and provide advice and information concerning how to manage Solid Waste so that these sized carts are adequate.

New customers shall be offered recycling collection bins and services when signed up for garbage services.

Recycling Containers

Company has furnished existing customers and shall continue to provide and distribute to new customers one 64-gallon split cart (one side for paper; the other side for all other recyclable containers) at no cost in addition to the monthly rates to each Single-Family Dwelling Unit in the City. Each side of the containers shall be identified with contrasting lettering appropriately denoting: "paper" and "bottles and cans." If the recycling program is expanded, Company shall provide additional, appropriate containers as required.

Company has furnished existing customers and shall continue to provide and distribute to new customers appropriate recycling containers for Multi-Family Dwelling Units, Commercial and Industrial and Institutional Entities as required. A sufficient number of exterior containers of appropriate kinds and sizes shall be provided to accommodate Recyclable Materials.

Yard Waste Containers

Company has furnished existing customers and shall continue to provide and distribute to new customers one ninety-six (96) gallon container for each Single-Family Dwelling Unit for use in Yard Waste collection, with additional containers available only upon request subject to the terms and conditions set forth herein. Additional Yard Waste containers may be provided to customers for a fee.

Customers participating in the Yard Waste program, but unable to physically handle a 96-gallon container, will be provided a 32-gallon container by the Company. Customers will be discouraged from using their own container because private containers limit the Company's ability to provide automated service. Residents using a 32-gallon container for Yard Waste, or on a rare occasions a private container (which must be appropriately labeled, have handles and be no larger than 32 gallons), will not be offered a discounted rate.

Ownership, Replacement of Containers

Distribution of all containers shall be the responsibility of the Company, and the ownership of such containers shall remain in the Company. It is not the intent to provide containers except for those approved for collection by automated trucks.

City and Company acknowledge that from time to time a customer may damage or destroy a container supplied by Company. Company agrees that it will encourage the customer to replace the damaged container at the expense of the customer. To this end, Company shall make sets of containers available for purchase by any customer at a price not to exceed the prevailing cost to Company.

City and Company also acknowledge that from time to time containers may be lost or stolen from the curb or may be damaged by Company operations. When notified of such occurrence, Company shall replace the lost or stolen container(s), at no charge to the customer, not more than one (1) time within a year. In the event City requests Company to provide additional containers, the cost of the containers and the distribution thereof shall be borne by Company.

Containers need not be provided for cardboard. Cardboard will be bundled as prescribed by the Company for ease of pickup and will be collected on customer regular pickup day.

As programs evolve, and needs and services change, it may be appropriate to make changes in container sizes, container construction, colors, and markings. Any significant change in the number or types of containers to be provided by Company shall be subject to agreement on reimbursement between Company and City.

EXHIBIT C
SERVICE CATEGORIES TO BE BENCHMARKED

Residential Can Service:
32 Gallons

Commercial and Institutional Can Service:
32 Gallons

Commercial and Institutional Compactor Service:
Per Cubic Yard

Debris Box Service:
14 Yard

Commercial and Institutional Bin Service-Regular Pick-Up:
2 – Yard (Front End Loader Bin)

EXHIBIT D
BENCHMARKING JURISDICTIONS

Alameda
Burlingame
Campbell
Castro Valley
Cupertino
Daly City
El Cerrito
El Sobrante
Fremont
Gilroy
Hayward
Hercules
Los Altos
Los Gatos
Martinez
Menlo Park
Monte Sereno
Morgan Hill
Palo Alto
Piedmont
Pinole
Pittsburg
Richmond
San Bruno
San Leandro
San Mateo
San Pablo
Saratoga
South San Francisco
Sunnyvale
Union City
Woodside

EXHIBIT E
NON-EXCLUSIVE FACTORS AFFECTING CHOICE OF
JURISDICTIONS

Container size
Franchise fees
Disposal fees
Haul distance to the disposal site
Billing/Collection
Franchise exclusivity
Level of service provided (eg., materials collected)
Frequency of collection
Location of containers
Provision of containers
Recycling programs-frequency and commodities
Recycling programs-separate rates of charges
Topography and geography
Nature of streets and ease of access
Potential for commercial subsidy
Demographic information
Revenue information

EXHIBIT F
CITY OF MILLBRAE
MAXIMUM GARBAGE RATE SCHEDULE

Effective November 1, 2009

	<u>Current Rates</u>	<u>Proposed Rates</u>
	<u>Effective</u>	<u>Based On Survey</u>
	<u>1/1/2009</u>	

RESIDENTIAL RATES

20 GALLON (LIFELINE)	11.74	12.33
20 GALLON (ANYONE)	14.68	15.41
32 GALLON		
1 CAN	23.49	24.66
2 CANS	46.98	49.32
3 CANS	70.47	73.98
64 GALLON		
1 CAN	46.98	49.32
2 CANS	93.96	98.64
3 CANS	140.94	147.96

APARTMENT RATES

1 Collection Per Week		
30 GALLON	22.02	23.12
32 GALLON	23.49	24.66
40 GALLON	29.36	30.83
45 GALLON	33.03	34.68
55 GALLON	40.37	42.38
96 GALLON	70.47	73.98
2 Collections Per Week		
30 GALLON	44.92	47.16
32 GALLON	47.92	50.31
40 GALLON	59.89	62.89
45 GALLON	67.38	70.75
55 GALLON	82.35	86.46
96 GALLON	143.76	150.92
3 Collections Per Week		
30 GALLON	68.73	72.15
32 GALLON	73.32	76.97
40 GALLON	91.63	96.22
45 GALLON	103.09	108.25
55 GALLON	126.00	132.28
96 GALLON	219.95	230.91

EXHIBIT F
CITY OF MILLBRAE
MAXIMUM GARBAGE RATE SCHEDULE

Effective November 1, 2009

	<u>Current Rates</u>	<u>Proposed Rates</u>
	<u>Effective</u>	<u>Based On</u>
	<u>1/1/2009</u>	<u>Survey</u>

COMMERCIAL CAN SERVICE

1 Collection Per Week

30 GALLON	22.44	23.25
32 GALLON	23.94	24.80
40 GALLON	29.93	31.00
45 GALLON	33.67	34.88
55 GALLON	41.15	42.63
96 GALLON	71.82	74.40

2 Collections Per Week

30 GALLON	45.78	47.43
32 GALLON	48.84	50.59
40 GALLON	61.06	63.24
45 GALLON	68.69	71.16
55 GALLON	83.95	86.97
96 GALLON	146.51	151.78

3 Collections Per Week

30 GALLON	70.04	72.57
32 GALLON	74.73	77.40
40 GALLON	93.42	96.76
45 GALLON	105.10	108.87
55 GALLON	128.44	133.06
96 GALLON	224.16	232.22

4 Collections Per Week

30 GALLON	95.25	98.70
32 GALLON	101.63	105.26
40 GALLON	127.05	131.59
45 GALLON	142.94	148.06
55 GALLON	174.68	180.96
96 GALLON	304.86	315.82

5 Collections Per Week

30 GALLON	121.44	125.84
32 GALLON	129.58	134.21
40 GALLON	161.99	167.78
45 GALLON	182.25	188.78
55 GALLON	222.72	230.72
96 GALLON	388.7	402.67

EXHIBIT F
CITY OF MILLBRAE
MAXIMUM GARBAGE RATE SCHEDULE

Effective November 1, 2009

<u>Current Rates Effective 1/1/2009</u>	<u>Proposed Rates Based On Survey</u>
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CONTAINERS

1 Cubic Yard

1 x per week	190.11	195.09
2 x per week	384.02	394.08
3 x per week	581.81	597.05
4 x per week	783.56	804.08
5 x per week	989.34	1,015.25
6 x per week	1,199.24	1,230.65
7 x per week	1,413.33	1,450.35

2 Cubic Yards

1 x per week	233.54	239.66
2 x per week	471.75	484.11
3 x per week	714.73	733.45
4 x per week	962.56	987.78
5 x per week	1,215.35	1,247.20
6 x per week	1,473.20	1,511.80
7 x per week	1,736.20	1,781.70

3 Cubic Yards

1 x per week	350.31	359.49
2 x per week	707.63	726.17
3 x per week	1,072.09	1,100.18
4 x per week	1,443.84	1,481.67
5 x per week	1,823.03	1,870.79
6 x per week	2,209.80	2,267.70
7 x per week	2,604.31	2,672.54

4 Cubic Yards

1 x per week	467.08	479.32
2 x per week	943.50	968.23
3 x per week	1,429.45	1,466.91
4 x per week	1,925.12	1,975.57
5 x per week	2,430.70	2,494.40
6 x per week	2,946.39	3,023.61
7 x per week	3,472.40	3,563.40

5 Cubic Yards

1 x per week	583.85	599.15
2 x per week	1,179.38	1,210.28
3 x per week	1,786.82	1,833.64
4 x per week	2,406.41	2,469.46
5 x per week	3,038.39	3,118.00
6 x per week	3,683.01	3,779.51
7 x per week	4,340.52	4,454.25

EXHIBIT F
CITY OF MILLBRAE
MAXIMUM GARBAGE RATE SCHEDULE

Effective November 1, 2009

Current	Proposed
Rates	Rates
Effective	Based On
1/1/2009	Survey

CONTAINERS, (continued)

6 Cubic Yards

1 x per week	700.62	718.98
2 x per week	1,415.25	1,452.34
3 x per week	2,144.18	2,200.37
4 x per week	2,887.68	2,963.36
5 x per week	3,646.05	3,741.61
6 x per week	4,419.59	4,535.42
7 x per week	5,208.60	5,345.11

COMPACTED YARDS, PER YARD 59.48 49.76

DEFINITION: This rate applies to the largest customers who use a compactor, like Mervyns, the Westin, In/Out Burger, Orchard

DEBRIS BOX

MISC. / TEMPORARY

5 Mini Box	\$230.37	\$233.18
7 Dirt Box	\$502.88	\$509.01
14 yard	\$502.88	\$509.01
20 yard	\$684.79	\$693.14
25 yard	\$836.26	\$846.46
30 yard	\$987.68	\$999.73
40 yard	\$1,290.57	\$1,306.31
EXTRA DAYS	\$20.60	\$20.85

PERMANENT

7 Dirt Box	\$423.88	\$429.05
14 yard	\$423.88	\$429.05
20 yard	\$605.52	\$612.91
25 yard	\$756.89	\$766.12
30 yard	\$908.26	\$919.34
40 yard	\$1,211.03	\$1,225.80

OVERWEIGHT, PER TON \$119.15 \$120.60

DEFINITION: This is the charge for debris boxes whose content weight exceeds the maximum allowable. Each size box has a different weight limit. For example, a 14 yd box has a 3 ton limit. If a user fills it up with particularly heavy items, like certain roofing materials, or dirt, it can weigh twice the limit or more. In these cases, there will be an additional charge for the extra weight.

EXTRA DAYS \$20.60 \$20.90

Debris Box Tonnages above which excess charges apply:

5 Yard 1 Ton

7 Yard No limit. This box is for dirt, rock and concrete, which is typically 7 to 10 tons per load.

14 Yard 3 Tons

11 Yard 9 Tons
20 Yard 4 Tons

20 Yard 4 Tons
30 Yard 6 Tons