

FIRST AMENDMENT TO AGREEMENT

August 6, 2008

THIS FIRST AMENDMENT TO THE AGREEMENT (the "Amendment") is made and entered into on August 6, 2008, between the City of Imperial, a California municipal corporation (the "City"), and Allied Waste Transportation, Inc., d/b/a Allied Waste Services of Imperial County, a Delaware corporation ("Contractor").

Witnesseth

WHEREAS, on December 15, 2004, the City and Contractor entered into that certain Agreement for Contractor to provide services for the collection and disposal of solid waste generated in the City (the "Franchise Agreement"); and

WHEREAS, City and Contractor desire to amend certain provisions of the Agreement and extend the Agreement by eight (8) years pursuant to the terms of this Amendment including a five (5) year extension option.

Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the City and Contractor agree as follows:

1. Amendment to Section 1 – Scope of Services. The following provision shall be inserted into Section 1 of the Agreement:

(a) The following shall be added as the third sentence of Section 1(a) of the Agreement:

"If the City should decide to annex any current unincorporated areas of Imperial County into its city limits, Contractor shall have 120 days following the approval by the Local Agency Formation Committee (LAFCO) and notification by the City to provide the containers required in the Agreement."

2. Amendment to Section 1 – Scope of Services. The parties agree to amend Section 1 of the Agreement as follows:

(a) The fourth sentence of Section 1(b) of the Agreement is amended in its entirety to read as follows:

"For residential service, Contractor shall provide "three-cart" service whereby a blue cart shall be used for recyclable material, a green cart shall be provided for green waste and a black cart shall be provided for household waste. Each resident shall receive a blue cart beginning July 2009 and such blue cart distribution shall be concluded no later than August 31, 2009. The size of each cart shall be 96-gallons.

(b) The following shall be added as the fifth sentence of Section 1 (b) of the Agreement:

“Upon request, each residence will receive one (1) additional blue recycling container or green waste container at no charge.”

(c) The fifth sentence of Section 1(b) of the Agreement is amended in its entirety to read as follows:

“Contractor shall collect, recycle and dispose of bulky items and special wastes from residential premises as set forth in Exhibit 2.”

(d) The following sentence shall be added to Section 1(b) of the Agreement:

“Contractor shall collect, dispose and recycle Construction and Demolition debris as outlined in Exhibit 4.”

3. Amendment to Section 1 – Scope of Services. The following provision shall be inserted into Section 1 of the Agreement:

(a) The following shall be added as the third sentence of Section 1(f) of the Agreement:

“Contractor shall remove graffiti from containers no later than two (2) business days after notification by City or customer.”

(b) The following shall be added as the fourth sentence of Section 1(f) of the Agreement:

“If the City should decide to annex any current unincorporated areas of Imperial County into its city limits, Contractor shall have 120 days following the approval by the Local Agency Formation Committee (LAFCO) and notification by the City to provide the containers required in the Agreement.”

4. Amendment of Section 2 – Term. Section 2 of the Agreement shall be amended in its entirety to read as follows:

“The term of this Agreement shall be extended for a period of eight (8) years commencing on September 1, 2008 and shall expire on August 31, 2016. Said term may be extended for an additional five (5) year period provided the City Manager determines that Contractor is in general compliance with the terms and conditions of the Agreement and on such terms as may be agreed upon by the parties. If the terms of the five-year extension are not reduced to writing and signed by both parties by February 1, 2016, this Agreement shall terminate on August 31, 2016.”

5. Section 4 – Solid Waste Receptacles and Containers. The following provision shall be inserted as (a) in Section 4:

(a). "Commercial Bin Colors: All commercial bins used for solid waste collection shall be Imperial Adobe. All commercial bins used for recycling shall be blue and shall be clearly identified as for recycling only in English and Spanish."

(b). "Industrial Bin Colors: All industrial bins (roll-offs) shall be blue. Industrial bins used for recycling only shall be clearly identified as for recycling only in English and Spanish."

6. Section 7 - Disposal Site. Section 7 of the Agreement shall be amended in its entirety to read as follows:

"Contractor shall dispose of all solid waste collected in City in a lined subtitle D Landfill which has all the necessary licenses and entitlements from any governmental agencies having jurisdiction over the same.

The City hereby approves the following disposal sites for disposal of its solid waste:

Allied Imperial Landfill
Copper Mountain in Arizona
Mesquite Regional Landfill in Imperial County

At its sole discretion, Contractor reserves the right to utilize any or all of the above named landfills for disposal of City solid waste. Any changes in disposal site other than the above named sites will be brought to the attention of the City prior to any change in disposal locations. Change in said disposal location, except the three referenced above, will be approved by both the City and Contractor. Changes in disposal site will not increase contract rates unless adjusted for extraordinary costs and approved by the City Council.

Should the Imperial Landfill expansion not take place, Contractor agrees to move forward within 60 days with a separate application to site a large-scale Construction and Demolition (C&D) Facility at the Imperial Landfill property to serve the C&D needs of the City during the term of this Agreement.

7. Section 10 - Spring Clean-Up/Christmas Tree Collection. Section 10 of the Agreement shall be amended in its entirety to read as follows:

10A. "At no additional cost to City, Contractor shall support two (2) community clean up events per year, said community clean up events shall be determined by City and Contractor. Additionally, Contractor, at no cost to the City, shall provide Christmas tree collection from December 26 through January 31. City and Contractor shall agree upon the location for drop off of trees and times for collection."

8. Section 10 – Vocational Scholarships. The following provision shall be inserted into the Agreement as Section 10B:

"Beginning March of 2009, and on an annual basis during the term of this Agreement, Contractor will award a seven-hundred and fifty (\$750.00) scholarship to each of two (2) residents of the City. Contractor and City shall establish the criteria for awarding such scholarships.

9. Section 11 - City Facilities and Events. Section 11 of the Agreement regarding solid waste and recycling collection for City facilities shall be amended as follows:

"Contractor shall provide City refuse and recycling collection for regular service to all City facilities including, but not limited to City Hall, City yard and City parks, as designated by the Director, at no cost to the City.

Once-per-week	2-yard bin	No charge
	3-yard bin	No charge
	4-yard bin	No charge
Upon request (limited to six (6) per month)	Roll-offs	No charge

10. Section 12 - Billing. Section 12 of the Agreement shall be amended in its entirety to read as follows:

"The parties agree that the rates for collection of solid waste, attached to this Amendment, and as referenced throughout this Agreement, which is made a part of the Agreement, shall replace the existing Ordinance 683 which establishes rates for collection and removal of solid waste.

Residential

The rate for residential customers will be \$18.00 per month for solid waste, recycling and green waste collection services beginning September 1, 2008. Each year thereafter, the residential rate shall be adjusted by the Consumer Price Index (CPI) as set forth in this Agreement. City will be responsible for billing and managing residential accounts.

City shall pay Contractor on a monthly basis the Contractor's share of the amount City collects for residential solid waste hauling service. Contractor will absorb City residential billing bad debt up to .50% of the total billed annually. City will annually pay Contractor an amount equal to the uncollected amount billed for residential solid waste services over .50% of annual amount billed.

City shall utilize both collection agency services and property tax roll placement to secure non-payment for services. City and Contractor will meet semi-annually to review bad debt and ongoing strategies to reduce and eliminate bad debt on all solid waste hauling services.

City and Contractor will perform a joint house count within forty-five (45) days of the effective date on the contract amendment to reconcile an agreed upon residential account base unit count. City will provide Contractor on a daily basis, via e-mail or fax, a list of residential accounts that started or stopped utility service with the City. All residential unit stops and starts, (new and closed accounts), received and entered from the 20th of the previous month to the 20th of the current month will be used to determine monthly residential accounts billable from Contractor to City.

Commercial

The rates, attached as Ordinance 683, for commercial customers shall be adjusted by 20% beginning on September 1, 2008 and an additional 20% on July 1, of 2009. Rates in July of 2010 will be adjusted according to the rate matrix in the attachment for Ordinance 683. The CPI shall not apply to commercial customers in the first three years of this Agreement, but the rates beginning in July of 2011 shall be subjected to the CPI.

Contractor will bill and manage commercial and industrial billings directly and will provide the City with a summary of AB 939 and franchise fees on a monthly basis. Contractor will pay fees to City on a monthly basis by the fifth working day of the month.

Additionally, the City may establish a fee in order to fund environmental charges mandated by federal and state law associated with landfill operation and closure requirements.

Industrial Roll-Off

Contractor shall charge City \$209 per pull for construction and demolition material. Mixed construction and demolition (C&D) loads shall be charged the rate of \$47 per ton, clean green waste and wood loads shall be charged \$39 per ton, clean cardboard loads shall be charged \$10 per ton and clean concrete loads shall be charged per ton based on current market conditions. Roll-off, construction and demolition rates will also be subjected to the annual CPI adjustment.

11. Section 13 – Franchise Fee. Section 13 of the Agreement shall be amended as follows:

“Ninety-one percent (91%) of amounts billed for base residential service shall be retained by Contractor. Nine-percent (9%) shall be remitted to City as a franchise fee to cover the City’s costs for billing and administrative services. The Franchise Fee shall also apply to commercial accounts and shall be accounted for and remitted monthly by Contractor. Additional fees, including fee charged pursuant to Section 39 shall be added to the base rate and retained by the City.”

12. Section 13 - Franchise Fee. The following provision shall be inserted into Section 13 of the Agreement:

Formula for Changes in Compensation. The compensation paid to Contractor shall be adjusted annually, effective July 1 of each calendar year hereafter during the term hereof, pursuant to the "Adjustment Formula" set forth below. In the event that circumstances beyond the control of Contractor impose or generate additional costs in the performance of this Agreement, Contractor, on July 1 of each year, may petition City Council to determine if an adjustment in compensation is warranted to avoid undue financial hardship or if Contractor shall incur any extraordinary costs of doing business such as fuel costs outside of the CPI calculation on Contractor or material impairment of Contractor’s ability to provide the level and quality of service herein specified.

Contractor agrees to furnish all such accounts and records as are needed in the judgment of the City to substantiate any requests for increased payments from City or increased rates to customers. The decision of City Council shall be final.

Rate Adjustment Formula.

City and Contractor agree to meet during the month of January to calculate any rate adjustment.

Rate adjustment shall be based upon the Consumer Price Index for all Urban Consumers in the Los Angeles, Orange County and Riverside areas as published by the US Department of Labor, Bureau of Labor Statistics for the previous twelve-month period ending in December of each year, for which statistics are available and shall not exceed five (5) percent.

13. Section 14 – Amount of Solid Waste. Section 14 of the Agreement shall be amended with the third sentence to read as follows:

For purposes of this paragraph, “regularly” is defined as more than two (2) consecutive pickups.

14. Section 17 – Use of Contractor’s Site. Section 17 of the Agreement shall be amended in its entirety to read as follows:

“Residents of the City will receive four (4) free landfill passes per year to the Allied Imperial Landfill, one per each calendar quarter beginning in October 2008. Residents must show proof of residency when redeeming landfill passes at the Allied Imperial Landfill and may dispose up to one-ton of solid waste per pass. Commercial business use of disposal site shall be charged the gate rate when using the Allied Imperial Landfill.”

“Should the Imperial Landfill close prior to the termination of this Agreement, Contractor will continue to honor landfill passes at a facility owned by Contractor and mutually agreed upon by City and Contractor. Such facility shall be located within five miles from the City.”

15. Section 18 – Holidays. The third and fourth sentences of Section 18 of the Agreement shall be amended in their entirety as follows:

“For example, a Monday holiday residential and commercial trash service will be performed on Tuesday. Regular Tuesday service will occur on Wednesday and each subsequent day of the week collection will move to the next calendar day.”

16. Section 20 – Waste Diversion. The fifth sentence of Section 20 of the Agreement, (b) Contractor Waste Diversion Responsibility, shall be amended in its entirety as follows:

“Beginning in October 2008, City and Contractor will agree on the current diversion percentage and establish such percentage as a baseline for Contractor’s diversion responsibilities based on the annual diversion report as provided by the California Integrated Waste Management Board. Annually, thereafter, until the end of the Agreement, Contractor must show improvement in City diversion by an annual average of 9% per year over the prior year or City will receive a landfill royalty of \$1.00 per ton on all City waste disposed at the Imperial Landfill. When City diversion rate reaches the greater of 50% or the rate mandated by the California Integrated Waste Management Board, Contractor shall no longer be required to meet this threshold or pay any landfill royalty fees for the next 12 months or until the diversion rate falls below the mandated rate.”

17. Section 24 – Indemnity. Section 24 of the Agreement shall be amended in its entirety to read as follows:

“The parties agree that Section 24 shall not require Contractor to indemnify the City for the City’s sole negligence.”

18. Section 28 – Insurance. The parties agree that the first paragraph of Section 28(a) shall be amended in its entirety to read as follows:

“Liability. The Contractor shall file with the City and maintain on file throughout the term of this Agreement a Certificate of Insurance issued by a company duly authorized to do business in the State of California, insuring both the City, as an additional insured, and Contractor with respect to the work performed by Contractor under the terms of this Agreement. The City shall be shown as an additional insured on the Contractor’s policy and the policy shall contain an appropriate Severability of Interest Clause and Cross Liability Endorsement.

A Certificate of Insurance showing the City as an additional insured shall be furnished for approval by the City Manager on each policy. The City shall be notified by the insurer a minimum of thirty (30) days prior to the effective date of any cancellation of the above insurance. The acceptance of insurance, or any subsequent modification, is subject to the reasonable approval of the City Manager.”

19. Section 30 - Notices. Section 30(b) of the Agreement shall be amended in its entirety to read as follows:

“Allied Waste Services of Imperial Valley
3354 Dogwood Road
Imperial, CA 92251
attention, Bart Browning
copy to District Office,
8364 Clairemont Mesa Blvd, San Diego, CA 92111
attention, Johnnie Perkins”

20. The parties agree to add the following as Section 35 - Capitalized Terms.

Capitalized terms used but not otherwise defined in this Amendment shall have the meanings assigned to them in Exhibit 1 of this Agreement.

21. The parties agree to add the following as Section 36 - Continuing Effect.

Except as expressly modified or amended by this Amendment, all terms and provisions of the Agreement shall remain in full force and effect.

22. The parties agree to add the following as Section 37 - Execution in Counterparts.

This Amendment may be executed in any number of counterparts, each of which shall be deemed an original.

23. The parties agree that Section 38 is now known as the Entire Agreement.

24. The parties agree to add the following as Section 39 – AB939 Fee:

Pursuant to California Public Resources Code 41902, the City may directly assess a fee or may, by agreement, arrange for the fee to be collected by the Contractor under this Agreement. The Contractor agrees to pay or collect, as the case may be, an AB939 Administrative Fee of 7.45% on all commercial and industrial waste collection services as established in this Agreement and from time to time amended hereafter.

25. The parties agree to add the following as Section 40 – Liquidated Damages:

City may assess liquidated damages against Contractor for unsatisfactory performance under the terms and conditions of this Agreement (except where such failure is excused by an Uncontrollable Circumstance as described below) and the description of said actions and omissions which result in damages of monetary amounts are listed herein as liquidated damages schedule.

City will provide Contractor within five (5) business days written notice of any proposed assessment. Contractor shall have the right to appeal City's assessment to the City Manager, but the City Manager's decision will be final.

Uncontrollable Circumstances:

Except as otherwise specifically provided in this Agreement, neither City nor Contractor shall be in breach of this Agreement for any temporary failure or delay in the performance of any obligation under this Agreement (other than any payment at the time due and owing) to the extent such failure or delay is due to the occurrence of an Uncontrollable Circumstance.

An Uncontrollable Circumstance means any of the following acts, events or conditions, if such act, event or condition is beyond the reasonable control and is not also the result of the willful or negligent act, error or omission or failure to exercise reasonable diligence on the part of the party relying thereon as a justification for not performing an obligation or complying with any condition required by such party under this Agreement:

- a. an act of God (but not including reasonably anticipated weather conditions for the geographic area of the City), hurricane, landslide, lighting, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of public enemy, extortion, war, blockade or insurrection, riot or civil disturbance.
- b. strikes or work stoppages occurring with respect to any activity performed or to be performed under this Agreement.
- c. pre-exemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain.

It is specifically understood that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

- a. general economic conditions, interest or inflation rates, currency fluctuations or changes in the cost or availability of commodities, supplies or equipment.
- b. changes in the financial condition of the City or Contractor affecting their ability to perform their obligations.
- c. consequences of errors, neglect or omission by City or Contractor.
- d. equipment failure.
- e. any impact of minimum wage law, prevailing wage law, customs or practices on City's or Contractor's operating costs.

Liquidated Damages Schedule:

The City and Contractor agree that the following liquated damages schedule shall reflect liquidated damages that shall be payable to the City in accordance with the terms hereof:

1.	Failure to collect missed pick-up by the end of the next business day following notification by City of resident	\$25.00
	Each additional business day following receipt of notification by City or resident	\$35.00
2.	Failure to make a good faith effort to clean up spillage or litter within 24 hours after notification by the City or Customer	\$15.00
3.	Failure to remit fees to City by 22 nd of each month (fees shall be deemed remitted to the City the day they are deposited in the US mail and postmarked)	1.5% of late payment

- | | | |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 4. | Penalty for not providing all reports by the 22 nd of each month (reports shall be deemed provided to the City the day they are deposited in the US mail and postmarked) | \$100.00 |
| | Each additional day late | \$15.00 |
| 5. | Failure to resolve a billing complaint within 4 business days | \$20.00 |
| 6. | Failure to replace or repair inoperable containers/bins within three (3) business days of request | \$25.00 |
| 7. | Failure to deliver additional blue recycling or green waste container within three (3) business days of request | \$25.00 |
| 8. | Failure to remove graffiti from bins/containers within two (2) business days after notification | \$25.00 |
| 9. | Failure to respond in writing to a damage claim within 10 days of receipt and initiate a process to resolve | \$75.00 |
| 10. | 35 or more violations per calendar quarter will result in an additional payment of a percentage of all fines levied in that quarter | \$15% of fines |
26. The parties agree to amend the second sentence in Exhibit 1 regarding Compostable Materials as follows:
- “Compostable materials” does not include stumps or branches in a bundle exceeding eighteen (18) inches in diameter or four (4) feet in length.”
27. The parties agree to add the following definition to Exhibit 1:
- Base Rate - the charge for solid waste and recycling collection services charged by Contractor before franchise, AB939 or any other regulatory fees.
28. The parties agree to eliminate the following from Exhibit 3 “Recycle Imperial:”
- C. Additional Containers and Bins

29. The parties agree to insert the following into Exhibit 3 "Recycle Imperial."

F. Recycling Ranger: To assist the City meet its state mandated recycling program, Contractor will, on a regular basis, audit residential, commercial and industrial recycling containers to assess the waste stream being diverted. A recycling ranger employed by Contractor will work in conjunction with City to identify residential, commercial and industrial customers not in compliance with the City recycling goals.

City and Contractor shall develop method by which customers are notified or informed of the City recycling diversion program. A plan will be submitted within 30 days of contract signing by Contractor outlining the joint program to achieve City's recycling goals.

30. The parties agree to insert the following into Exhibit 3 "Recycle Imperial."

G. Recycling Awards Challenge

Introduction: The City of Imperial and Allied Waste Services are joining forces to create a "Recycling Awards Challenge" whereby residents and businesses will be able to compete for the annual "Recycler of the Year."

There will be three categories for the Recycling Awards Program: single-family residential, multi-family residential and commercial/industrial. Each quarter a recycling star will be awarded in each category with the "Recycler of the Year" award to be announced at the end of the year. Participants can also receive the recycling badge for outstanding efforts in recycling each month.

Requirements: To be eligible to receive any of the recycling awards residents and businesses must utilize either the blue container or bin provided to them by Contractor. Both City staff and Contractor's Recycling Ranger will conduct spot inspections throughout each month to identify the top recyclers.

Recycling congratulations notes will be left on each bin or container by Recycle Rosie for those who show a strong recycling effort. For those who have mixed non-recyclables with their recyclables, Rosie will leave a note reminding each participant to recycle.

Education: Prior to program implementation, residential, commercial and industrial customers will receive information on the program and what recyclables can be placed in the blue containers and bins. The city website and Imperialite will maintain information on the program.

Awards: The awards category will be as follows:

Recycler of the Year (trophy presentation at city council with \$100 gift card and recognition on city website and Imperialite)

Recycling Star (certificate along with \$20 gift card for area business)

Recycling Badge (\$10 gift card from area business)

The City and Contractor will work jointly to develop the criteria for selection of each award recipient. Awards will be distributed on a quarterly basis with a review following each six months to determine the effectiveness and progress of the program. The Recycler of the Year award will be presented annually before the city council.

31. Amendment to Sections 31 and 32 – Assignments/Transfer of Stock or Interest.
Sections 31 and 32 of the Agreement shall be amended in their entirety to read as follows:

Contractor shall not assign its rights, nor delegate, subcontract or otherwise transfer its obligations under this Agreement (collectively referred to as an “Assignment”) to any other person or entity without the prior written consent of City. Any such assignment made without the consent of City shall be void and the attempted assignment shall constitute a material breach of this Agreement.

For purposes of this section the term “assignment” shall be given the broadest possible interpretation, and shall include, but not be limited to (i) a sale, exchange or other transfer of substantially all of Contractor’s assets dedicated to service under this Agreement to a third party, (ii) a sale, exchange or other transfer of outstanding common stock of Contractor to a third party provided said sale, exchange or transfer may result in a change of control of Contractor; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of ownership or control of Contractor; (iv) any assignment by operation of law, including those resulting from mergers or acquisitions by or of Contractor of any of its Affiliates, insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor’s property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the

foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership, or change of control of Contractor.

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

If Contractor requests City's consideration of and consent to an assignment, City may deny or approve such request in its sole and absolute discretion. Any request for an assignment shall be made in a manner to be prescribed by the City Manager, and no request by Contractor for consent to an assignment need be considered by City unless and until Contractor has met (or with respect to matters that would only occur upon completion of the assignment if approved, made reasonable assurances that it will meet) to following requirements:

- (a) Contractor shall pay City its reasonable expenses for attorney's fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment. An advance payment towards expenses may be requested by City prior to City consideration of any assignment request and Contractor shall be responsible to pay all costs incurred by City in considering a request for assignment, including those in excess of the aforesaid deposit amount, regardless of whether City consents to the assignment.

- (b) Contractor shall furnish City with audited financial statements for itself, and the proposed assignee's operations for the immediately preceding three (3) operating years.
- (c) Contractor shall furnish City with satisfactory proof: (i) that the proposed assignee has at least five (5) years of Solid Waste management experience on a scale equal to or exceeding the scale of operations conducted by Contractor under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any significant citations or other censure from any federal, state or local agency having jurisdiction over its Solid Waste management operations due to any significant failure to comply with state, federal or local Environmental Laws and that the assignee has provided City with a complete list of any such citations and censures; (iii) that the proposed assignee conducts its Solid Waste management practices in accordance with sound Solid Waste management practices in full compliance with all federal, state and local laws regulating the Collection and Disposal of Solid Waste including Hazardous Substances; and, (iv) of any other information reasonably required by City to ensure the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner.

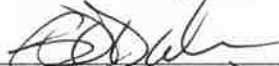
Under no circumstances shall City be obligated to consider any proposed assignment by City if Contractor is in default at any time during the period of consideration. Should City consent to any assignment request, such assignment shall not take effect until all considerations relating to City's approval have been met.

[16]


[Signatures on following page]

IN WITNESS WHEREOF, the City and Contractor have executed this Amendment as of the date first written above.

The City of Imperial,
a California municipal corporation

By: 
Name: GEOFF DALE
Its: MAYOR

Allied Waste Transportation, Inc.
a Delaware corporation

By: 
Name: Jeff Andrews 8/21/08
Its: Vice President

IN WITNESS WHEREOF, the City and Contractor have executed this Amendment as of the date first written above.

The City of Imperial,
a California municipal corporation

By: _____
Name: _____
Its: _____

Allied Waste Transportation, Inc.
a Delaware corporation

By: Jeff Andrews
Name: Jeff Andrews 8/21/08
Its: Vice President

JOB, that

JOB, that

EXHIBIT 1

DEFINITIONS

1. "AB 939" means the California Integrated Waste Management Act of 1989, (California Public Resources Code §40000 et seq.) as it may be amended from time-to-time, and as implemented by the regulations of the California Integrated Waste Management Board (hereafter "Board").

2. "AB 939 Administrative fee" means the fee or assessment set by the City which is intended to offset the City's expenses in administering this Agreement and to compensate City for the costs associated with compliance with AB 939. Any fees or assessments imposed under this Agreement shall be those, which the City Council may from time to time hereafter approve by resolution.

3. "Base Rate" means the charge for solid waste and recycling collection services by Contractor before franchise, AB939 or any other regulatory fees.

4. "Bin" means those receptacles provided by Contractor for commercial, industrial, and construction premises uses. Bins shall include receptacles which are picked up by refuse trucks by means of front-loading apparatus as well as "roll-off boxes" and other, similar receptacles.

5. "Bulky goods" means discarded furniture, furnishings or appliances, including white goods, carpets (rolled so as not to exceed eighteen (18) inches in diameter or four (4) feet in length), mattresses, and branches and limbs of trees not exceeding eighteen (18) inches in diameter or four (4) feet in length.

6. "California Integrated Waste Management Act of 1989" or "AB 939" means the State law as found in the California Public Resources Code §40000 et seq.

7. "CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601.

8. "City" or "the City" shall mean the City of Imperial, California, a municipal corporation. As the context requires, the term may refer to something established and/or promulgated by the City Council or by or through the authority of the City; e.g. a "City ordinance" or a "City resolution" or "City permit."

9. "City Council" shall refer to the City Council of the City of Imperial. The City Council is the governing body of the City.

10. "City limits" means the current boundaries of the City together with all subsequent changes thereto, which boundaries are shown by maps incorporated herein by reference and which are on file in the Office of the City Clerk.

11. "City Manager" shall mean the City Manager of City, or his or her designee.

12. "Commercial subscriber" or "Commercial customer" means a customer of Contractor for solid waste collection and disposal and recycling and/or green waste services (if subscribed to) who occupies any commercial or industrial premises, any mobile home park, trailer park, any hotel or motel, any apartment buildings containing more than four (4) apartments, condominium buildings containing more than four (4) condominiums, or any building in which a combination of residential, commercial and/or industrial uses exist.

13. "Commercial wastes" includes all types of solid wastes generated by commercial customers, businesses, governmental institutions, industries, hotels, motels, apartment buildings containing more than four (4) units, and condominium buildings containing more than four (4) condominiums.

14. "Compostable materials" or "green waste" means leaves, grass clippings, brush, branches and other forms of organic waste generated from landscapes or gardens, separated from other solid waste. "Compostable materials" does not include stumps or branches in a bundle exceeding eighteen (18) inches in diameter or four (4) feet in length.

15. "Construction and demolition waste" means the waste building materials, packaging, plaster, drywall, cement and rubble resulting from construction, remodeling, repair and demolition operations on pavements, buildings and other structures (except asbestos-containing materials).

16. "Container(s)" means those receptacles provided for the collection of solid waste, recycle material and green waste by Contractor for residential use as approved by City.

17. "Curbside" means the parkway or, if none, the area immediately adjacent to the travel lane of the street along the frontage of the residential unit where Contractor will pick up and remove municipal solid waste as prescribed herein.

18. "Director" means the City's Director of Finance, or his or her designee.

19. "Force Majeure" means an act of God such as earthquake, hurricane, tornado, an act of public enemy or war, which could not have been avoided through the exercise of reasonable care and prudence and the effects of which precludes performance.

20. "Hazardous waste" means any waste material(s) or mixture of waste(s) defined as such pursuant to RCRA, 42 U.S.C. § 6901, et seq., CERCLA, 42 U.S.C. § 9601, et seq., and all future amendments to either of them, or as defined by the Environmental Protection Agency or the California Integrated Waste Management Board (hereafter the "Board), or either of them, and shall include household hazardous waste and medical waste. Where there is a conflict in the definitions employed by two (2) or more agencies having jurisdictions over hazardous or solid waste, the term "hazardous waste" shall be construed to have the broader, more encompassing definition.

21. "Municipal solid waste" means all solid waste generated within the City, which is designated for collection under this Agreement.

22. "Putrescible waste" means material capable of being decomposed by micro organisms with sufficient rapidity as to cause nuisances because of odors, gases or other offensive conditions, and include materials such as food wastes, and offal. (See definition of "solid waste").

23. "RCRA" means the Resource Conservation and Recovery Act, 42 U.S.C.6901.

24. "Recyclable material" means material which has been source separated or commingled with other similar material and can be reused or processed into a form suitable for reuse through reprocessing or remanufacture and includes paper, newsprint, printed matter, pasteboard, paper containers, cardboard, glass, aluminum, polyethylene terephthalates (PET), and other plastics, beverage containers, compostable materials, and such other materials designated as recyclables by the City, Contractor, or other agency with jurisdiction, and which are collected by Contractor pursuant to this Agreement.

25. "Residential customer" means a customer of Contractor for solid waste collection and disposal and recycling and/or green waste services who occupies a residential unit.

26. "Residential unit" means each place used for residential purposes, including the following, but not restricted to: single-family dwellings, apartments and/or condominiums containing four (4) or fewer units, and town houses whether or not using dumpster-type bins, and not including: hospitals, convalescent homes, hotels and motels.

27. "Solid waste" means putrescible and non-putrescible material including every accumulation of animal waste, vegetable or other matter which results from the processing, consumption, decay or decomposition of meats, fish, fowl, birds, fruits, grains or other animal or vegetable matter" normally resulting from domestic, institutional, commercial, industrial, agricultural, and other community activities, including, but not by way of limitation, used nonrecyclable food containers, and other waste likely to attract flies or rodents, but excluding materials set out for recycling, composting, and/or any hazardous waste.

EXHIBIT 2

FREE BULKY PICK-UP POLICY FOR RESIDENTS

- Each City residence shall receive one (1) free bulky item pick up per month twelve (12) annually.
- Bulky items shall be picked up on their regular service day provided the customer calls 72 hours in advance to request service.
- Bulky items shall be placed by the resident and collected by Contractor at the curb. The weight of bulky items must be a weight that can reasonably be lifted and collected by Contractor collector and equipment.
- Bulky items per pick up shall not exceed four (4) items.
- Bulky items shall include such things as a sofa, chair, mattress, lawn furniture, barbecue, or appliances that can be easily and safely moved by hand or hand truck.
- Free bulky item collection does not include construction and demolition debris.

SPECIAL WASTE COLLECTION POLICY FOR RESIDENTS

- Special Waste shall mean any solid waste generated in the City which does not fit the collection criteria and specifications as described in the Agreement.
- Special Waste shall be collected, disposed of and charged by Contractor in the same manner as commercial collection and disposal service.
- The City acknowledges that the exclusive franchise is granted only with respect to those services described in the Agreement and does not include the collection, transportation, processing or disposal of hazardous waste and medical waste.

EXHIBIT 3

"RECYCLE IMPERIAL"

"Recycle Imperial" shall be an integral part of the services to be provided by Contractor to the City. The goals of "Recycle Imperial" shall be to illustrate a commitment to waste reduction, reuse and recycling in order to meet California's recycling requirements as set forth in Assembly Bill 939. Specifications for "Recycle Imperial" are as follows and may change from time to time as specified by the City Manager and Contractor:

A. **Programs.** Programs shall include, but not be limited to, residential curbside collection of commingled, recyclable materials, residential curbside collection of green waste, commercial waste recycling by means of source separated recyclable collection and commingled solid waste processing at a materials recovery facility. Collection of materials will be at a minimum of one time per week for residential and commercial customers.

B. **Containers and Bins.** Containers and bins shall be supplied to residents and commercial subscribers by Contractor and meet the specification of the City Manager. Containers and Bins shall be supplied and maintained by Contractor during the term of this Agreement. Containers and bins, which are broken or damaged due to normal wear and tear, shall be replaced, if needed, one time per year free of charge. Containers or Bins which are broken, damaged, lost or stolen due to customer neglect or require replacement more frequently than one time per year will be replaced at a charge to the customer or subscriber.

C. **Public Education.** Contractor shall, at its own expense, provide an ongoing public education program to inform participants as to the proper use and placement of containers, proper materials to be placed inside the various types of containers and other program instructional information as may be necessary to insure successfully meeting the goals of the program. Contractor shall conduct public meetings, send mailings and otherwise provide information to the participants of the programs as to the actual program itself, and its long-term environmental benefits. City shall approve of all literature and material that Contractor plans to distribute to participants prior to distribution. City shall provide assistance with public education, news media, advertising and other such press releases that will become necessary from time to time and provide information and advertising in City publications about the "Recycle Imperial" program.

D. **Marketing of Recyclable Materials:** Contractor shall be responsible for all marketing activities in the secondary materials market and secure to the best of its ability purchase commitments from recyclable product purchasers. Contractor shall use its best efforts to investigate, research, develop and maintain markets for recyclables and green waste byproducts. Contractor will take all reasonable steps to minimize downgrades and rejections of recovered materials and disposal of recyclable materials in the residue from the processing facility.

E. **Revenue from the Program:** Five (\$5.00) dollars per ton of materials collected from residential Recyclable Materials shall be paid to City by Contractor on a monthly basis in arrears.

F. **Recycling Ranger:** To assist the City meet its state mandated recycling program, Contractor will, on a regular basis, audit residential, commercial and industrial recycling containers to assess the waste stream being diverted. A recycling ranger employed by Contractor will work in conjunction with City to identify residential, commercial and industrial customers not in compliance with the City recycling goals.

City and Contractor shall develop method by which customers are notified or informed of the City recycling diversion program. A plan will be submitted within 30 days of contract signing by Contractor outlining the joint program to achieve City's recycling goals.

G. **Recycling Awards Challenge:** The City of Imperial and Allied Waste Services are joining forces to create a "Recycling Awards Challenge" whereby residents and businesses will be able to compete for the annual "Recycler of the Year."

Residential customers will be split into two categories, single-family and multi-family and commercial/industrial customers will compete in a single category. Each quarter a recycling star will be awarded in each category with the "Recycler of the Year" award to be announced at the end of the year. Participants can also receive the recycling badge for outstanding efforts in recycling each month.

Requirements: To be eligible to receive any of the recycling awards residents and businesses must utilize either the blue container or bin provided to them by Contractor. Both City staff and Contractor's Recycling Ranger will conduct spot inspections throughout each month to identify the top recyclers.

Recycling congratulations notes will be left on each bin or container by Recycle Rosie for those who show a strong recycling effort. For those who have mixed non-recyclables with their recyclables, Rosie will leave a note reminding each participant to recycle.

Education: Prior to program implementation, residential, commercial and industrial customers will receive information on the program and what recyclables can be placed in the blue containers and bins. The city website and Imperialite will maintain information on the program.

Awards: The awards category will be as follows:

Recycler of the Year (trophy presentation at city council with \$100 gift card and recognition on city website and Imperialite)

Recycling Star (certificate along with \$20 gift card for area business)

Recycling Badge (\$10 gift card from area business)

The City and Contractor will work jointly to develop the criteria for selection of each award recipient. Awards will be distributed on a quarterly basis with a review following each six months to determine the effectiveness and progress of the program. The Recycler of the Year award will be presented annually before the city council.

EXHIBIT 4

CONSTRUCTION, DEMOLITION AND INERT DEBRIS PROCESSING

In order to serve the needs of local citizens, businesses, road builders, and housing developers, as well as to assist the City of Imperial in meeting its AB 939 recycling goals, the Allied Imperial Landfill has been permitted to conduct processing of construction and demolition debris up to 25 tons per day. Combined, these materials are commonly referred to as CDI debris, or simply CDI. Upon approval of the expansion of the Allied Imperial Landfill by the California Integrated Waste Management Board, the landfill plans to pursue permitting at higher levels, most likely in the neighborhood of 200 tons per day, or greater.

CDI processing activities will take place in the same general area currently used for green waste processing and recycling operations. This area is located far enough away from the landfill's boundaries to minimize impact to nearby residences, and is fenced to control wind-born litter migration.

The CDI operation will begin in September 2008. Large-scale CDI processing operations will be incorporated into the landfill's five-year permit review process, which will be submitted for regulatory review by the first of 2009, and approval to conduct the operations is anticipated in the second or third quarter of 2009.

The landfill will accept CDI as formally defined under California regulation, and generally considered to be non-hazardous materials resulting from construction work. This includes, but may not be limited to, primarily the following materials:

- lumber and wood
- gypsum wallboard
- metal
- roofing material
- tile
- plastic pipe
- concrete
- asphalt (cured)
- heating, ventilating, and air conditioning systems and their components
- lighting fixtures
- equipment, furnishing and fixtures
- tools and building materials consumed in the course of the construction work
- cardboard and other packaging materials derived from the construction project
- plant materials resulting from construction work

Generally, CDI materials will be brought to the site by truck, unloaded, sorted, stockpiled, then transported offsite for reuse or recycling, or in some cases, used beneficially on site for things such as landfill daily cover material, road base, etc. Generally, small scale CDI processing will occur in the following manner:

1. Private and commercial vehicles hauling CDI materials will enter the facility at the main gate at the southeast corner of the site.
2. Vehicles will then proceed to the scalehouse in the central portion of the site, where they will be weighed.
3. Each vehicle will be visually inspected by facility staff to ensure that materials meet the requirements of what is construction and demolition debris as outlined above.
4. The vehicle will then proceed to the CDI processing area, and the CDI material will be unloaded and spread out onto an earthen pad using a loader.
5. The CDI material will then be sorted by landfill personnel into roll-off boxes. Sorting will be conducted both using a loader and by hand, depending on the types and quantities of materials in any given load. General categories of sorted CDI are anticipated to include the following:
 - Concrete and asphalt for offsite transport for further processing and/or reuse, or for on-site use as clean fill and/or road base material.
 - Recyclables, including materials such as soda cans, plastic bottles, glass bottles, newspaper, cardboard, metals, gypsum, etc. These recyclables will then be transported offsite to an appropriate facility, such as the Allied Waste Services MRF.
 - Woody debris for further processing at the landfill's greenwaste facility prior to being recycled.
 - Green material for further processing at the landfill's greenwaste facility prior to being recycled.
 - Grassy green material for direct use as landfill alternative daily cover (ADC).
 - Dirt, soil, and fines for direct use as landfill ADC, or as clean fill.
 - Small, residual amounts of solid waste, which will be disposed of in the landfill.

6. Once the transport vehicle has unloaded, it will exit the facility through the main gate located at the southwest corner of the site.

Future large scale CDI operations will be based on experience gained through the small-scale operations discussed above. At this time, it is anticipated these large scale operations will include the activities discussed above, as well as the differences and additions described below:

1. Larger, dedicated equipment will be employed in order to efficiently process higher quantities of CDI. This equipment is likely to include a loader, an excavator, a conveyor processing and picking line, and possibly a grinder for wood, concrete, asphalt, and similar materials.
2. Each vehicle will be visually inspected by facility staff to ensure that materials meet the requirements of what is construction and demolition debris as outlined above.
3. The CDI will be unloaded onto a concrete or asphalt deck where the excavator will remove large bulky items and place them in the appropriate roll off boxes. This could include items such as metal, mattresses, white goods, carpet, etc. that cannot easily go across the processing and picking line.
4. The smaller CDI material would then be loaded onto the processing line and pass over a screen or into a trommel to remove fines. The remainder of the CDI would then be hand-separated by material type and end-use categories as it moves across the processing line.
5. Larger-sized wood, concrete, asphalt would be ground and/or chipped for use as biomass, landscaping material, aggregate, clean fill, or similar useful materials.

The site is permitted to conduct landfill operations from 6:30 AM to 4:00 PM Monday through Friday and 8:00 a.m. – 12:00 p.m. on Saturday. At this time, the landfill plans to conduct CDI operations during the following times and days:

Commercial Haulers: 6:30 AM to 4:00 PM Monday through Friday

Private Haulers: 8:00 AM to 4:00 PM Monday through Friday

Allied Waste Services will conduct an extensive public education program to educate residential, industrial and commercial customers on diversion of materials including recyclables and the types of construction, demolition and inert materials that may be recycled.

[27]

The education program will include a dedicated staff person who will promote recycling in the community through communication with civic groups, schools, builders and others whose businesses produce a high volume of recyclable and construction, demolition and inert materials.

ORDINANCE 683

City of Imperial 2008 Solid Waste Rates						
MSW- SINGLE CART SYSTEM						
MONTHLY SOLID WASTE RATES						
	2 YD	3 YD	4 YD	5 YD	6 YD	8 YD
1 X WK	\$65.45	\$75.54	\$94.20	\$105.74	\$130.90	\$136.39
2 X WK	\$74.84	\$118.33	\$146.04	\$171.23	\$236.66	\$272.39
3 X WK	\$118.33	\$158.62	\$201.43	\$241.73	\$317.26	\$409.18
4 X WK	\$146.04	\$201.43	\$254.28	\$312.22	\$402.86	\$545.57
5 X WK	\$171.23	\$241.73	\$312.22	\$377.66	\$483.44	\$681.97
6 X WK	\$198.89	\$284.52	\$365.08	\$440.62	\$569.03	\$878.90
X DUMP	\$25.39	\$29.34	\$36.53	\$41.01	\$47.26	\$64.74

Recycle Containers Rates	
Any size Commercial Container for Recycle Is:	\$25.00

Residential Service Rate	
1 refuse can	\$18.00
1 recycle can	
1 green waste can	
	Additional refuse can \$9.50
	Each Unit Up to 4 Units
	\$17.25

ROLL-OFF & COMPACTOR / TRANSFER 40YD 30YD 20YD			
Roll-Off's	\$209.00 Per Pull	\$47.00	Per Ton
Compactor	\$290.00 Per Pull	\$47.00	Per Ton
Compactor	\$345.00 a Month Rental		
(Customers must sign an agreement acknowledging the monthly minimum charges (either by fax or coming to the office))			

Clean up bins (minimum of one dump every 30 Days)			
3 YD	\$68.34 Per Dump	6 YD	\$121.28 Per Dump
(Customers must sign an agreement acknowledging the monthly minimum charges (either by fax or coming to the office))			

Miscellaneous	
Install Wheel / Clean Dumpster	\$55.00 One Free per Year
Replace Damage or Burned cont.	\$150.00
Burned / Stolen Cart	\$82.69
Roll Out / Lock Charge	\$5.51 Each Time
Automatic Lock Bar	\$5.51 Per Month
Cart Exchange Fee	\$50.00 Per Exchange
Pressure Wash Compactor Units	\$130.00 Per Wash
Rates include AB939 recycling and franchise fees	