

RESOLUTION NO. 2021 - 41

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING A MASTER TRANSPORTATION SERVICES AGREEMENT WITH REPUBLIC SERVICES OF SALINAS TO PROVIDE TRANSFER SERVICES FOR MATERIALS DESTINED FOR PROCESSING OR DISPOSAL AT THE JOHNSON CANYON STATION

WHEREAS, Republic Services of Salinas (Republic) purchased the Madison Lane Transfer Station located at 1120 Madison Lane in Salinas, California ("MLTS"), in November 2018. MLTS is a privately owned and operated solid waste transfer station and materials recovery facility. MLTS also has a solid waste collection vehicle yard, used for the parking and maintenance of waste collection vehicles.

WHEREAS, the Authority operates a solid waste facility located at 139 Sun Street in Salinas, California (the "Sun Street Transfer Station and Recycling Center or SSTSRC") that has been used for the receipt and transfer of municipal solid waste from members of the public and franchise collection vehicles. The facility also has a household hazardous waste collection facility and receives source separated recyclable materials from the public for processing and recycling.

WHEREAS, Republic and the Authority have been in discussions for the purpose of entering into agreements for cooperative activities involving both the Authority and Republic. The purpose of this Master Transportation Services Agreement (MTSA) is to provide for continuation and expansion of existing Authority run waste and material transfer services.

WHEREAS, in order for the Authority's rate to fully recover the cost of transportation services, a solid waste tipping fee reduction of \$3.75/ton for all Authority customers will be necessary to minimize the rate impacts to the City of Salinas.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for, and on behalf of the Salinas Valley Solid Waste Authority to negotiate and execute a Master Transportation Services Agreement with Republic Services of Salinas consistent with the material terms authorized by the Board of Directors and included in the Agreement attached hereto as Exhibit "A." Furthermore, the Chief Administration Officer has authority to make any necessary non-material changes or edits consistent with the materials terms approved by the Board of Directors, subject to approval as to legal form by the General Counsel.

BE IT FURTHER RESOLVED, that the Solid Waste Tipping Fees for all customers will be reduced from \$68.50 to \$64.75 during the FY 2022-23 Budget Cycle.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 16th day of September 2021 by the following vote:

AYES:


BOARD MEMBERS:

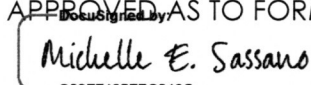
CRAIG, CROMEENES, CULLEN, JIMENEZ, LOPEZ,
PHILLIPS, ROCHA, SILVA, TIPTON

NOES:	BOARD MEMBERS:	None
ABSENT:	BOARD MEMBERS:	None
ABSTAIN:	BOARD MEMBERS:	None

DocuSigned by:

848DD3584778457...
Christopher M. Lopez, President

ATTEST:
DocuSigned by:

087ACDFB22A74F6...
Erika J. Trujillo, Clerk of the Board

APPROVED AS TO FORM:
DocuSigned by:

C08EE485EEC348C...
Michelle E. Sassano, Assistant Authority
General Counsel

MASTER TRANSPORTATION SERVICES AGREEMENT

THIS MASTER TRANSPORTATION SERVICES AGREEMENT (this "**Agreement**") is entered into as of October 6, 2021 between N Leasing Company, LLC, a Delaware Limited Liability Company ("**Republic**"), and Salinas Valley Solid Waste Authority (SVSWA), a Joint Powers Authority ("**Contractor**").

WHEREAS, Republic and Contractor intend to enter into Statement(s) of Work from time to time that will set forth the Services to be provided herein;

WHEREAS, Republic and Contractor intend that the provisions contained in this Agreement shall be incorporated and be made a part of each Statement of Work.

NOW, THEREFORE, in consideration of the parties' mutual promises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Republic and Contractor hereby agree as follows:

1. **Contract Documents, Schedules, and Exhibits**. The documents comprising this Agreement include this Agreement, any Statement of Work and the following Schedules, whose terms are incorporated herein by reference:

- 1.1 Schedule A: SVSWA Alcohol and Drug Free Workplace Policy (SVSWA to provide exhibit)
- 1.2 Schedule B: Safety Requirements
- 1.3 Schedule C: Invoicing Schedule
- 1.4 Schedule D: All Executed and Delivered Statements of Work executed and delivered between Republic and Contractor

In the event of a conflict between the terms of this Agreement and any Schedule or Exhibit, the terms of this Agreement shall control. Notwithstanding the foregoing, in the event of a conflict between the terms of this Agreement and any Statement of Work, the terms of the Statement of Work shall control.

2. **Definitions**.

2.1 "**Affiliates**" means as to any person or entity, (i) any person or entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such person or entity, or (ii) any person who is a director or officer (A) of such person or entity or (B) of any person or entity described in clause (i) above. For purposes of this definition, "control" shall include the ownership of 10% or more of the voting securities of such person or entity. Notwithstanding the foregoing, "Affiliates" shall mean, with respect to Republic, all of Republic's direct and indirect parent companies, subsidiaries and divisions.

2.2 "**Agreement**" means this Master Transportation Services Agreement and the Schedules identified in Section 1 above.

2.3 "**Applicable Laws**" means all applicable federal, state, and local statutes, laws, ordinances, regulations, rules, codes, governmental orders, requirements or rules of common law.

2.4 "**Construction & Demolition Debris**" means solid waste consisting of building materials, packaging and rubble resulting from construction, remodeling, repair, and demolition operations on pavement, residential, commercial or industrial premises, buildings, and other structures, and land clearing operations.

2.5 "**Contractor Indemnified Parties**" means Contractor and its Affiliates and each of their respective directors, officers, employees, shareholders, agents, representatives, successors and assigns.

2.6 "**Contractor-Owned Equipment**" means tractors, trailers, trucks, tarpaulins, tie downs, loading equipment, tippers, tarping stations, scales, tanks, pumps, hoses and any other equipment necessary to provide the Services that are owned and supplied by Contractor.

2.7 "**Destination Facility**" means the Johnson Canyon Landfill, which is owned and operated by Contractor, and no other destination facility, unless the Parties mutually agree in a written and fully executed Statement of Work on a substitute Destination Facility.

2.8 "**DOT Reportable Accident**" means, except as provided below, an occurrence involving a commercial motor vehicle operating on a highway in interstate or intrastate commerce which results in (i) a fatality, (ii) bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident, or (iii) one or more motor vehicles incurring disabling damage as a result of the accident, requiring the motor vehicles to be transported away from the scene by a tow truck or other motor vehicle. Notwithstanding the foregoing, the term "DOT Reportable Accident" does not include (i) an occurrence involving only boarding and alighting from a stationary motor vehicle, or (ii) an occurrence involving only the loading or unloading of cargo.

2.9 "**Equipment**" means Contractor-Owned Equipment and Republic-Owned Equipment.

2.10 "**Governmental Authority**" means any government or governmental or regulatory body thereof, or political subdivision thereof, whether foreign, federal, state, or local, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private).

2.11 "**Hazardous Waste**" means any waste defined or regulated as hazardous or toxic by any federal, state, provincial or local Applicable Law. Hazardous Waste shall include, but not be limited to, any amount of waste listed or characterized as hazardous by the United States Environmental Protection Agency or any state agency pursuant to the Resource Conservation and Recovery Act

of 1976, as amended, 42 U.S.C. 6901 et seq. ("**RCRA**") and including future amendments thereto, any state, provincial or local Applicable Law that is similar to or that implements RCRA, all regulations (whether federal or state) that implement RCRA (including, but not limited to, 40 C.F.R. Part 261), and any other Applicable Law.

2.12 "**Losses**" means claims, counterclaims, suits, demands, actions, causes of actions, setoffs, fines, attachments, judgments, debts, losses, liabilities, damages, costs, expenses or other liabilities (including attorneys' fees, expert witness fees, litigation expenses, and court or other costs incurred in any proceeding) of any nature whatsoever and whether arising prior to, or after the execution or termination of this Agreement.

2.13 "**Materials**" means (a) non-hazardous Solid Waste, including, but not limited to, garbage, trash, refuse and rubbish (i.e., "Black Can" waste), and excludes: (a) recyclables, including, but not limited to, cardboard, concrete, metal, plastic and fiber; that have been separated from Solid Waste; (b) Organic Waste; (c) Construction & Demolition Debris; (d) other materials stated as excluded from Solid Waste in a Statement of Work and (e) Hazardous Wastes.

2.14 "**Noncompetition Zone**" means the counties where the Origin Facility or Destination Facility are located as set forth in a Statement of Work.

2.15 "**Organic Waste**" means food waste, green waste, wood waste, and other organics, either separately or commingled with each other, that have been separated from Solid Waste.

2.16 "**Origin Facility**" or "**Facility**" means the Facility owned or operated by Republic or Republic's customer where Equipment will be loaded with Materials for transport to the Destination Facility set forth in a Statement of Work.

2.17 "**Republic Indemnified Parties**" means Republic and its Affiliates and each of their directors, officers, employees, shareholders, agents, representatives, successors and assigns.

2.18 "**Republic-Owned Equipment**" means any trailers/chassis, loading equipment, tarpaulins, tie downs and containers owned and supplied by Republic to Contractor for use in connection with the Services.

2.19 "**Services**" means the loading of Materials at Origin Facility, and/or the transportation of Materials from Origin Facility to Destination Facility, and/or the unloading of such Materials at Destination Facility, as well as any other additional services to be provided by Contractor pursuant to a Statement of Work.

2.20 "**Ton**" or "**ton**" means 2,000 pounds.

3. **Services; Contractor Requirements.** Services provided by Contractor to Republic shall be governed by the terms and conditions of this Agreement and any Statements of Work entered into by and between the parties from time to time (including their respective Schedules and Exhibits attached hereto and thereto and made a part hereof and thereof). With respect to the Services, the parties agree as follows:

3.1 **Services.**

(a) Contractor shall commence providing Services under this Agreement commencing on July 1, 2022 (the "Effective Date"). Contractor shall perform the Services in a professional and workmanlike manner in compliance with all Applicable Laws and all procedures specified by Republic and/or the owner/operator of an Origin Facility or Destination Facility from or to which Contractor delivers Materials as stated herein.

(b) Contractor acknowledges that Materials received at an Origin Facility may vary in quantity from day to day, and that Contractor shall be responsible for coordinating and dispatching the Equipment necessary to perform its obligations under this Agreement.

(c) Contractor acknowledges and agrees that it is imperative that Materials be loaded at the Origin Facility, and transported to and unloaded at the Destination Facility, in a reasonable amount of time. If Contractor does not have sufficient Equipment or otherwise fails to transport all of the Materials from the Origin Facility within normal operating hours (as set forth in a Statement of Work) each day, then Republic may contract with a third party to cover the transportation of such Materials, and the costs of such transportation may be offset against any amounts owing to Contractor under this Agreement.

(d) Contractor shall be solely responsible for all aspects of the transportation of Materials from the Origin Facility to the Destination Facility, and agrees to operate the Equipment, and otherwise perform its obligations set forth in this Agreement or in any Statement of Work in the safest manner possible, according to generally accepted standards for the industry, under the direction and supervision of qualified, trained personnel, and in full compliance with the terms and conditions of this Agreement.

(e) Contractor shall be fully responsible for any and all Losses, including, without limitation, overweight penalties, injuries, damages, fines or other losses arising directly or indirectly from or connected in any manner with overloaded Equipment. Republic will load Contractor's trailers at the Origin Facility. Contractor shall be solely responsible for placing the Equipment at the loading areas designated at the Origin Facility by Republic or the owner/operator of the Origin Facility in order to load the Materials into the Equipment and agrees that all loads shall be enclosed. Contractor shall also (i) be solely responsible for tarping and untarping the trailers upon receipt and disposal of the Materials, (ii) comply with all Applicable Laws of any and all Governmental Authorities relating to or associated with the tarping and untarping of trailers or Equipment, and (iii) assume all risks related to or associated with and relating to the tarping and untarping of trailers or Equipment in accordance with Section 37 of this Agreement. Moreover, Contractor shall not allow any Materials to fall out of the Equipment during the transportation of Materials to the Destination Facility. Contractor shall take steps to ensure that vehicles hauling Materials to or from an Origin Facility are enclosed or

provided with a tarp or other means to properly secure the load in order to prevent the escape of any part of the load by blowing or spilling. Contractor shall be solely responsible for the clean-up or the cost of the clean-up of Materials removed from, or that fall or spill out of, the trailers or Equipment caused by Contractor's negligence, intentional acts or omissions. Except where expressly provided in a Statement of Work, Contractor, its Affiliates, subcontractors, employees, representatives and/or agents agree that it shall not request or accept assistance from Republic's employees or agents with respect to the tarping or untarping of any trailers or equipment. Notwithstanding anything to the contrary set forth in this Agreement or in any Statement of Work, Contractor agrees that Equipment while delivering Materials pursuant to this Agreement will only transport Materials that are loaded into such Equipment at the Facility. Contractor shall not commingle Materials loaded at the Facility and being transported by Contractor with other waste or materials from other sources.

3.2 Equipment. Except as otherwise provided in a Statement of Work, Contractor shall, at its own expense, provide sufficient Contractor-Owned Equipment necessary to secure and transport all Materials from the Origin Facility to the Destination Facility and to handle any increase or decrease in the volume of the Materials to be delivered to the Destination Facility, whether such increase is related to an increase in the daily permitted capacity of the Destination Facility or otherwise. Republic shall have no obligation to provide Contractor with Republic-Owned Equipment; provided, however, if Republic agrees to do so at any time on a temporary basis, Contractor shall be responsible for using and operating all such Republic-Owned Equipment as if it were Contractor-Owned Equipment and shall be responsible for any loss or damage to such equipment. Other than the Rates provided in the Exhibit A of a Statement of Work, and except as otherwise provided in this Agreement or any Statement of Work, Contractor agrees to bear the costs of performing the Services. Moreover, Contractor agrees that Contractor-Owned Equipment used in connection with the Services to be performed under this Agreement or in any Statement of Work shall at no time be more than fifteen (15) years old. Contractor shall provide Contractor-Owned Equipment that is in good, clean, sanitary condition, free of contaminants, and suitable for performing Contractor's obligations pursuant to this Agreement or in any Statement of Work. Contractor agrees that Contractor-Owned Equipment entering any Origin Facility or any Destination Facility shall display proper identification. The operator of a facility shall not be obligated to provide access to any Contractor-Owned Equipment not bearing proper identification. Contractor will provide twenty-four (24) hour emergency contact information to Republic and keep this information updated. Maintenance of the Contractor-Owned Equipment shall be in accordance with Exhibit C of a Statement of Work.

3.3 Permits. Contractor agrees to receive and maintain all permits, licenses and approvals required with respect to ownership and operation of Contractor-Owned Equipment and performance of the Services established within this Agreement, including any Statement of Work adopted pursuant to this Agreement, or any amendment hereto.

3.4 Transport to Destination Facility. Contractor shall haul Materials from the Origin Facility to the Destination Facility. Contractor shall not haul Materials to any other Destination Facility unless agreed on by the Parties in a fully executed Statement of Work which will provide the rates for such Services.

3.5 Disposal at Destination Facility. Contractor shall transport the Materials to the Destination Facility as directed by Republic as expeditiously as practical. Upon arrival, the driver will proceed to the scale area for check-in and weighing. Republic, or its designee, has the right, but not the obligation, to detain and inspect any Equipment which arrives at any Origin Facility or any Destination Facility. Such driver will provide the scale operator with a copy of the manifest obtained from the Origin Facility, and the driver will proceed to the unloading area of the Destination Facility at the direction of the scale operator. It is the responsibility of the Contractor to untarp or to uncover the Equipment. After unloading, the driver shall return to the scale area for weighing if no tare weights have been recorded for the Equipment; otherwise, the driver shall promptly leave the Destination Facility after unloading the Materials. Stored tare weights may also be used. If stored tare weights are used, Republic reserves the right to recheck tare weights once per quarter or spot-check at Republic's sole discretion.

3.6 Contractor Employees. Prior to assigning any personnel to work under this Agreement and under any Statement of Work, Contractor shall ensure, in a manner consistent with Applicable Laws, that (i) such personnel have passed, all Contractor pre-employment requirements including a drug screening, and (ii) Contractor has verified each person's social security number with the Social Security Administration. Contractor will not utilize any personnel under this Agreement or under any Statement of Work who did not successfully complete the drug screening process adopted by Contractor and/or whose social security number was not verified with the Social Security Administration. Republic reserves the right to ensure that Contractor's personnel performing Services for Republic do so free from the effects of alcohol and illegal drug use, and Republic maintains the right to require Contractor to reject or discontinue the use of any such personnel for Services under this Agreement.

3.7 Contractor Employee Training. Contractor shall ensure that personnel are adequately trained and fully qualified for the job/duties to be performed, including Solid Waste facility or Transfer Station associated safety training as required by Applicable Laws. Contractor warrants and agrees that all of its employees assigned to perform the Services will be competent, able, and authorized to work within the State of California. Contractor must adhere to all Motor Carrier Safety Regulations of the Department of Transportation as specified in Parts 390-399 of Title 49, Code of Federal Regulations. These conditions shall include a Department of Transportation Safety Rating of "Satisfactory" or no rating if Contractor has not been rated. All personnel employed by Contractor or assigned to perform the Services while at a Republic owned or operated Facility will adhere to and comply with all safety rules, policies and procedures of Republic for said Facility. In addition, Contractor agrees to comply with the requirements set forth in Schedule B attached hereto. Contractor will notify Republic as soon as reasonably possible following a DOT Reportable Accident, if it applies to the Services.

4. Term; Termination.

4.1 The Term of this Agreement shall extend until the earlier of: (a) fifteen (15) years commencing on the Effective Date hereof or (b) the date of termination of the currently proposed Franchise Agreement between the City of Salinas and Allied Services of North America, LLC ("Franchise Agreement"), and shall then terminate. For example, if the Franchise Agreement terminates on the seventh anniversary of the Effective Date of this Agreement, then this Agreement will terminate seven years after its Effective Date.

4.2 The term of the Services to be provided by the Contractor for each Origin Facility and/or Destination Facility shall be as provided in each Statement of Work, as such may be entered upon and amended between the parties from time to time.

4.3 Notwithstanding anything to the contrary contained herein or anywhere else, Republic shall have the right to inspect and review Contractor's performance under this Agreement and under any Statement of Work. If Republic determines that the Contractor's performance is not in compliance with this Agreement or any Statement of Work, or if Contractor is in breach of any representation, warranty, covenant or agreement set forth in this Agreement or any Statement of Work, Republic may (but shall not be obligated to) give written notice of such non-compliance or breach to Contractor, and if Republic provides such written notice, then Contractor shall have five (5) days following Republic's provision of such notice to cure such non-compliance or breach. If Contractor does not cure such non-compliance or breach within such five (5) day period, Republic shall have the right, in its discretion to perform the Services itself, engage other suppliers to perform the Services at Contractor's expense, terminate this Agreement, terminate the applicable Statement of Work, and/or terminate the portion of the Services with respect to the Origin Facility and/or the Destination Facility where such deficiency or breach was not cured. Each Statement of Work entered into between the parties hereto shall automatically terminate without any further notice thereof upon the termination or expiration of this Agreement.

4.4 Notwithstanding anything to the contrary herein, Republic shall have the right to terminate this Agreement and any Statement of Work at any time upon written notice to Contractor (i) if Contractor becomes insolvent, files a petition for bankruptcy protection or has bankruptcy or receivership proceedings commenced against it or is the subject of an assignment for the benefit of creditors, (ii) pursuant to Section 3.4 of this Agreement, (iii) pursuant to Section 4.6 below, or (iv) upon Contractor's breach of the terms of this Agreement or a Statement of Work and provided that Contractor fails to cure a non-compliance or breach in accordance with Section 4.3 above.

4.5 If Republic terminates this Agreement, any Statement of Work, or a portion of the Services, as a result of Contractor's breach of this Agreement and failure to cure any breach, Contractor agrees to reimburse Republic for all of its costs and expenses above the amount Republic has contracted to pay Contractor to perform the Services, and Republic also may pursue such other remedies against Contractor as are available at law or in equity.

4.6 In addition, commencing on the seventh year anniversary of this Agreement, Republic or SVSWA may terminate this Agreement, any Statement of Work, or a portion of the Services with respect to an Origin Facility and/or a Destination Facility, for convenience upon 12 months (365 days) advance written notice to Contractor. If Republic terminates for convenience as provided in the immediately preceding sentence, Republic shall pay Contractor only for Services completely performed prior to the termination date and shall have no liability for any further charges from Contractor.

5. **Title.**

5.1 Title to the Materials shall transfer to Contractor as soon as Contractor's Equipment leaves premises of the Origin Facility. Title to the Materials shall remain with Contractor during the period from when such Materials are loaded in the Equipment until such Materials are unloaded at the Destination Facility. The foregoing shall not limit Contractor's liability with respect to the Materials during the period when the Materials are in Contractor's possession, including, without limitation, Contractor's liability under Section 30 of this Agreement.

6. **Pricing.**

6.1 Pricing for the Services and adjustments thereto are set forth in a Statement of Work. Except as specifically described in this Agreement or a Statement of Work, no additional costs, fees and/or charges will be owed or paid by Republic without Republic's prior written approval. The initial rate per Ton commencing on the Effective Date of this Agreement will be \$15.55 per ton¹. This initial rate shall be adjusted annually thereafter by 100% of the percentage change in the Water Sewer Trash Index (WST) as published by the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index series CUUR0000SEHG CPI-U Water and sewer and trash collection services, US City Average, seasonally adjusted, for the twelve (12) months immediately preceding the applicable anniversary of the Commencement Date. Notwithstanding anything to the contrary set forth in these terms, such adjustment shall never exceed four (4%) percent, and shall in no event be negative.

7. **Payment.**

7.1 Contractor shall invoice Republic pursuant to a format agreed to by Republic, including, without limitation, the requirements set forth in Schedule C attached hereto. Republic shall pay the amount due within forty-five (45) days after receipt of an original invoice; provided, however, if there is a dispute as to the amount due, Republic shall pay the undisputed portion of the invoice and the parties shall cooperate in good faith to promptly resolve the dispute with respect to the unpaid amount. Republic may set off against any payment due to Contractor under this Agreement or any Statement of Work, or any other agreement between the Republic Indemnified Parties and Contractor and its Affiliates, any amounts that Republic spends or Losses Republic incurs as a result of Contractor's failure to perform the Services in accordance with the terms of this Agreement or any Statement of Work or as a result of the breach by Contractor of any of representations, warranties, covenants and agreements of Contractor under this Agreement, under any Statement of Work, or any other agreement with Republic. Payments may be made by ACH, credit card or check.

¹ This initial rate per ton is conditioned on the SVSWA setting the total disposal rate or "tip fee" per ton for disposal of solid waste at the Johnson Canyon Landfill, inclusive of all fees, surcharges and taxes, on all Materials transported by Contractor under this Agreement, at \$64.75 per ton for the period from July 1, 2022 to June 30, 2023. If the "tip fee" per ton is not set by the SVSWA Board at \$64.75 per ton by April 30, 2022, Republic may terminate this Agreement upon written notice to the Authority at any time prior to June 1, 2022.

7.2 Any invoices from Contractor's contractors, subcontractor(s) or other third parties will not be paid by Republic, and Contractor shall be responsible for and reimburse Republic for any charges associated with the transmittal and rejection of such invoices. Contractor shall be responsible for, and indemnify and hold Republic harmless from, any Losses with respect to Contractor's contractors, agents, or subcontractor(s) utilized in the performance of the Services.

7.3 Contractor's invoices must conform to all specifications and contain all information required by Republic, including, without limitation, the requirements set forth in **Schedule C** attached hereto. Contractor shall also provide to Republic any tickets or other documentation received from the Origin Facility and the Destination Facility.

8. **Books and Records; Audit Rights.**

8.1 During the term of this Agreement and for a period of five (5) years following expiration or termination of this Agreement, Contractor will maintain appropriate books and records of Contractor's compliance with the terms of this Agreement, any Statement of Work and Applicable Laws and all transactions conducted in the performance of the Services under this Agreement or any Statement of Work, including but not limited to, all expenses, invoices, receipts, fees paid or received, tickets as well as records of required licenses and permits, insurance, safety and accident procedures, compliance with the terms of this Agreement and Applicable Laws, and drug and alcohol policy compliance. Upon reasonable notice, Republic shall have the right to review and audit such records and to request additional information from Contractor from time to time to insure compliance with all Applicable Laws and this Agreement. Contractor shall permit Republic to undertake such audit of Contractor's records upon five (5) days advance notice and shall provide a correct and complete response to all such information requests within five (5) days following Contractor's receipt of such requests; provided that such timeframes shall not apply in the event of Republic's compliance with Applicable Laws and/or any contractual obligation of Republic that requires a shorter period of time.

9. **No Purchase Requirement.**

9.1 Unless expressly provided in Exhibit A of any Statement of Work, nothing in this Agreement, in any Statement of Work or otherwise shall be construed to require Republic to purchase from or provide to Contractor any minimum quantity or volume of Materials or Services. This Agreement and any Statement of Work hereunder will apply solely and exclusively to the transportation of Materials from the Origin Facility to the Johnson Canyon Landfill (the Destination Facility). Republic may at its sole discretion elect to purchase Services from other service providers for any other purpose, including but not limited to the transportation of Materials from the Origin Facility to any other destination facility or location.

10. **Representations, Warranties and Covenants by Contractor.**

10.1 Contractor represents, warrants and covenants that, as of the Effective Date of this Agreement and on an ongoing and continuous basis throughout the term of this Agreement, it is in the transportation business and has sufficient Contractor-Owned Equipment and the necessary experience, permits and licenses to perform the Services as set forth in this Agreement or any Statement of Work. Contractor represents and warrants to Republic that the Services shall: (a) be free from defects in design, workmanship and materials; (b) be suitable and fit for their intended purposes and conform to any warranty, description or sample provided to Republic; (c) be in compliance with Applicable Laws and industry standards; (d) not infringe or encroach upon any other party's personal, contractual or proprietary rights, including patents, trademarks, trade names, copyrights, rights of privacy, trade secrets and other intellectual property rights; and (e) conform to all of Republic's specifications provided to Contractor, and to any data, drawings, representations, specifications and documentation Contractor provided to Republic.

10.2 Contractor represents, warrants and covenants that as of the Effective Date of this Agreement and on an ongoing and continuous basis throughout the term of this Agreement (a) it has secured all applicable licenses, permits and approvals of all types as required by any Applicable Law to perform its obligations under this Agreement, and (b) there are no proceedings which have been instituted or threatened or are anticipated seeking the suspension, termination, modification, revocation, alteration or amendment of any such licenses or permits, or to declare any of them invalid in any respect, and Contractor does not know of any reason for any such revocation.

10.3 Contractor represents, warrants and covenants to Republic that, as of the Effective Date of this Agreement and on an ongoing and continuous basis throughout the term of this Agreement: (a) this Agreement and any Statement of Work has been validly executed and delivered and constitutes a legal, valid and binding obligation enforceable against Contractor in accordance with its terms; (b) Contractor has the requisite capacity and authority to enter into this Agreement and any Statement of Work; (c) no consent of any other person or entity is necessary for Contractor to enter into and fully perform this Agreement and any Statement of Work; and (d) all information, invoices and documents provided to Republic by Contractor are and will be true, complete and accurate.

10.4 The foregoing representations, warranties and covenants are in addition to all warranties implied by Applicable Law. All representations, warranties and covenants shall survive delivery of the Services and shall not be deemed waived, terminated or merged by Republic upon acceptance of or payment for the Services.

11. **Indemnification.**

11.1 **General Indemnity.** Contractor Indemnified Parties agree to indemnify, defend and hold harmless Republic Indemnified Parties from and against any and all Losses, in any way caused by or arising from the (i) negligence of, (ii) willful misconduct of, and/or (iii) breach of any representation, warranty, covenant or agreement under and pursuant to this Agreement and any Statement of Work by any Contractor Indemnified Parties. Contractor Indemnified Parties also agree to indemnify, defend and hold harmless Republic Indemnified Parties from and against any and all Losses arising from the failure by any Contractor Indemnified Parties to abide by the rules and procedures of any of Republic Indemnified Parties, with respect to the operation, use, tarping, tipping, loading, unloading, storage, movement or any services or activities involving any tractors, trailers, tarpaulins, coverings, tie downs, loading equipment, tippers, scales and any other equipment utilized by any of Contractor Indemnified Parties.

11.2 Indemnification for Contractor's Employees and Property. To the maximum extent permitted by Applicable Laws, Contractor Indemnified Parties agree to indemnify, defend and hold harmless Republic Indemnified Parties from and against any and all Losses to Contractor's property or employees, in any manner caused by or resulting or arising from the work performed by Contractor Indemnified Parties in relation to this Agreement and any Statement of Work, excluding the portion of such those Losses to the extent caused by Republic's negligence or intentional misconduct..

12. Insurance.

12.1 Minimum Coverages and Limits. Contractor shall at all times during this Agreement maintain in full force and effect the following minimum insurance policies and limits, provided by insurers authorized to do business in the relevant jurisdictions and with an A.M. Best rating of at least "A-" and a financial size category of at least VIII:

- | | | |
|----|--|--|
| a. | Worker's Compensation and
Employers Liability

Coverage A – Workers' Compensation
Coverage B – Employers' Liability and
Umbrella/Excess Liability | Statutory with limits of not less than:

Statutory
\$1,000,000 each Bodily Injury by Accident
\$1,000,000 policy limit Bodily Injury by Disease
\$1,000,000 each employee Bodily Injury by Disease |
| b. | Automobile Liability and Umbrella/
Excess Liability
Bodily Injury/Property Damage
Combined – Single Limit | With limits of not less than:
\$2,000,000 each accident
Coverage is to apply to all owned, non-owned, hired
and leased vehicles

Pollution liability coverage at least as broad as that provided under the ISO pollution liability – broadened coverage for covered autos endorsement (CA 99 48) shall be provided, and the Motor Carrier Act endorsement (MSC 90) shall be attached. |
| c. | Commercial General Liability and
Umbrella/Excess Liability | With limits of not less than:
\$2,000,000 each occurrence
\$2,000,000 general aggregate
\$2,000,000 products/completed operation aggregate
\$2,000,000 personal & advertising injury, any one
person or organization |
| d. | Umbrella/Excess Liability may be utilized in combination with any of the above policies to obtain the required total. | |

12.2 General Insurance Terms. The premiums, deductibles, and other costs for all coverage shall be paid for by Contractor. All such insurance policies will be primary without the right of contribution from any other insurance coverage or self-insurance maintained by Republic. The fact that insurance is obtained by Contractor shall not release or diminish the liability of Contractor, including liability under the indemnity provisions of this Agreement. If the Contractor maintains higher limits than the minimums shown above, Republic requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to Republic. The Commercial General Liability, Automobile Liability and the Umbrella/Excess Liability policies must be written on an "occurrence form". Umbrella/Excess Liability coverage must apply in excess of all required underlying liability insurance (Commercial General Liability, Automobile Liability and Employer's Liability) and must be at least as broad as the underlying coverage. Umbrella/Excess Liability policy dates of coverage must be concurrent with the dates of coverage of the underlying liability insurance (Commercial General Liability, Automobile Liability and Employer's Liability). Any insurance, self-insurance, deductible, retention maintained by Republic or its Affiliates shall be excess of and shall not contribute with the Contractor's insurance whether primary, excess, contingent or other basis, unless applicable to cover any costs incurred as a result of Republic's liability including but not limited to findings of contributory negligence. Any deductibles and/or self-insurance retentions are the sole responsibility of Contractor and Republic shall not contribute any monies toward their payment, unless applicable to cover any costs incurred as a result of Republic's liability including but not limited to findings of contributory negligence.

12.3 Additional Insured. Republic and its Affiliates shall be shown as an additional insured on all policies except Worker's Compensation.

12.4 Waiver of Subrogation. Contractor agrees to waive any and all rights of subrogation it may have against Republic or its Affiliates and obtain a waiver of subrogation in favor of Republic on all policies. This provision shall not apply to any insurance coverage proceeds which cover any costs incurred as a result of Republic's liability including but not limited to findings of contributory negligence

12.5 Certificates of Insurance. Insurance certificates (Acord form) evidencing the above requirements shall be furnished by Contractor to Republic before commencing Services (annually thereafter) Contractor shall provide prompt notice of any cancellation and secure new policies which comply with the requirements of this Agreement. In addition, the following requirements apply: (i) the Commercial General Liability (including the Umbrella/Excess policy) policy must include Contractual Liability coverage specifically covering Contractor's indemnification of Republic, and (ii) any liability policy shall also contain a Cross Liability/Severability of Interests provision assuring that the acts of one insured do not affect the applicability of coverage to another insured. If Contractor fails to provide the certificate(s) of insurance required pursuant to this Agreement, such failure shall be deemed a material breach and Republic may terminate this Agreement after providing five (5) days' prior written notice and Contractor does not provide such required certificate(s) during such 5 day period.

12.6 Subcontractors. Insurance similar to that required for Contractor shall be required by Contractor of any subcontractors to cover their operations performed under this Agreement. Contractor shall be held legally responsible for ensuring that any and all subcontractors meet all of the insurance, indemnification and other obligations contained in this Agreement. Contractor shall be held responsible for any modifications in these insurance, indemnification and other requirements as they apply to subcontractors, unless such modifications are approved by Republic in writing.

13. **Compliance with Laws.**

13.1 Compliance with Laws. Contractor shall comply with all Applicable Laws, including, without limitation, those regarding non-discrimination on terms and conditions of employment, roadway regulations, payment of minimum wage and living wages and legally mandated employee benefits and compliance with mandated work hours. Contractor agrees to abide by all of the rules and regulations of Republic and/or the owner or operator of an Origin Facility and/or Destination Facility while on such premises or performing Services, including, but not limited to, safety, health and rules prohibiting misconduct on Republic's premises such as physical aggression against persons or property, harassment and theft.

13.2 Hazardous Waste. It is Republic's intent that the Materials to be transported by Contractor shall not be Hazardous Waste. In the event Contractor determines that the Materials are Hazardous Waste, it shall notify Republic immediately in order to permit Republic to verify Contractor's conclusion, and if Republic verifies Contractor's conclusion, Contractor shall not be obligated to transport such Materials and shall not transport such Materials. Any Losses incurred by Contractor as a result of Hazardous Waste that Contractor inadvertently and unknowingly transports shall be submitted to Republic, and Contractor agrees to assist Republic in pursuing any claims against third parties for such Losses. Republic's liability to pay Contractor for such Losses shall arise only following thirty (30) days after Republic's receipt of payment for such Losses from such third parties. If Contractor knowingly or negligently transports Hazardous Waste, Republic shall not have any liability to Contractor or its Affiliates as a result thereof.

13.3 Contractor Pass-Through Costs. Upon thirty (30) days advance written notice from Contractor, Republic may pay Contractor additional amounts to account solely for material increases in cost to Contractor due to changes in (a) Applicable Laws, or (b) governmental charges, fees, or tolls, with respect to the Services, occurring after the effective date of a Statement of Work; provided, that, any such increase in cost must apply to any competitor of Contractor in the event such competitor performed the Services. Contractor shall provide written notice for each cost increase, including evidence of previous charges, clear, substantiating documents and/or evidence of payment. Contractor shall use all reasonable efforts to mitigate and/or reduce such cost increase. Contractor cannot use this Section 13.3 to recover costs that were existing prior to the effective date of a Statement of Work but were not incorporated into the rates for the Services as defined in the Exhibit A of a Statement of Work.

14. **Confidentiality.**

14.1 Contractor acknowledges and agrees that as a result of its dealings with Republic, Republic may provide Contractor with copies of or access to confidential and proprietary information of Republic. Republic shall mark or designate any such information that Republic considers to be confidential and proprietary as "Confidential." Contractor shall maintain any such information marked or designated as "Confidential" as confidential information of Republic and shall not disclose this information to the public except in accordance with the provisions of the California Public Records Act, including section 6254(k) of the Government Code; provided, however, that Republic shall not mark as "Confidential" any information that Republic provides to Contractor that Contractor is required to report to any state or federal government agency, including the volume, weight or composition of Materials transported by Contractor under this Agreement. Republic agrees to maintain information and disclose information in compliance with all applicable statutes and regulations established by the State of California and/or the federal government.

14.2 Nothing in this Agreement or in any Statement of Work shall constitute, or be deemed to constitute, an agreement or license by Republic to permit Contractor to use Republic's name or logo or any other trademark of Republic in any manner whatsoever, it being understood that any such usage is hereby expressly prohibited.

15. **Notices.**

15.1 Except as set forth in Sections 26 and 27, all notices or other communications required or permitted under this Agreement shall be in writing and addressed to (1) Republic Services General Manager, at 271 Rianda Street, Salinas, California 93901-3725 with a copy to Republic's General Counsel at 18500 North Allied Way, Phoenix, Arizona 85054, and (2) Contractor's General Manager/CAO at 128 Sun Street, Suite 101, Salinas, CA 93901.

15.2 Notices may be given by depositing the same in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, by overnight courier, or by delivering the same in person to such party at the address for such party shown above.

15.3 Notice shall be deemed given and effective on the day personally delivered or delivered by courier, subject to signature verification, or ten (10) days after deposit in the United States mail. Any party may change the address for notice by notifying

the other parties of such change in accordance with this Section.

16. **No Assignment or Subcontracting.**

16.1 Contractor may not assign (whether by operation of law or otherwise), in whole or in part, its rights or delegate its duties pursuant to this Agreement or any Statement of Work without Republic's prior written consent, which Republic may grant or withhold in its sole and absolute discretion. Contractor may not subcontract, in whole or in part, its rights or delegate its duties pursuant to this Agreement or any Statement of Work without Republic's prior written consent, which Republic shall not unreasonably withhold; provided, however, in the event that Republic consents to such subcontracting, Contractor shall (a) cause any and all subcontractors to be bound by all the terms and conditions set forth in this Agreement and any Statement of Work (and provide evidence of such to Republic), and (b) remain liable to Republic for any breaches of, and obligations set forth in, this Agreement and any Statement of Work. Any assignment or delegation in violation of this Agreement shall be null and void and of no force or effect. This Agreement and any Statement of Work shall inure to the benefit of and be binding on the parties and their respective permitted successors and assigns. Any Affiliate of Republic that purchases any Service from Contractor pursuant to this Agreement or any Statement of Work is hereby specifically made a third-party beneficiary.

17. **Severability.**

17.1 If any provision of this Agreement or any Statement of Work is held to be invalid or unenforceable for any reason, the remaining provisions hereof or thereof shall continue in full force and effect without being impaired or invalidated in any way. The parties agree to replace any invalid provision with a valid provision that most closely approximates the intent and economic effect of the invalid provision.

18. **Construction.**

18.1 The headings in this Agreement are inserted for convenience only and shall not constitute a part of this Agreement or be used to construe or interpret any of its provisions. If a question of interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement. Any reference to any statute shall be deemed to refer to the statute, as amended, and to all rules and regulations promulgated thereunder, as amended, unless the context requires otherwise. The word "include" or "including" means include or including, without limitation.

19. **Waiver.**

19.1 No delay or omission by a party in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by a party on any occasion is effective only in that instance and shall not be construed as a bar to or waiver of any right on any other occasion.

20. **Disputes.**

20.1 Any dispute not resolved by negotiation between the parties shall be submitted to private mediation before a neutral agreed on by the Parties. Any dispute not resolved by negotiation or mediation may, at the option of either Party, be submitted to the jurisdiction of the federal and/or state courts in Monterey County, California. Both parties agree that such courts shall be a proper place for venue in connection with any litigation initiated hereunder.

20.2 By execution and delivery of this Agreement, each of the parties also knowingly, voluntarily and irrevocably: (a) waives any right to trial by jury; (b) agrees that any dispute arising out of this Agreement or any Statement of Work shall be decided by court trial without a jury; and (c) agrees that the other party to this Agreement or any Statement of Work may file an original counterpart or a copy of this Agreement or any Statement of Work, as applicable, with any court as written evidence of the consents, waivers and agreements of the parties set forth in herein.

21. **Attorney Fees.**

21.1 Should any action be commenced under this Agreement or any Statement of Work, the successful party in such action shall be entitled to recover, in addition to such other relief as the court may award, its reasonable attorneys' fees, expert witness fees, action related expenses, and court or other costs incurred in such proceeding. For purposes of this clause, the term "successful party" means the net winner of the dispute, taking into account the claims pursued, the claims on which the pursuing party was successful, the amount of money sought, the amount of money awarded, and offsets or counterclaims pursued (successfully or unsuccessfully) by the other party.

22. **Remedies.**

22.1 Contractor acknowledges and agrees that if it breaches any of the Sections governing Confidentiality (Section 14) or Noncompetition/Nonsolicitation (Section 38), such breach would cause irreparable harm to Republic and, in the event of such breach, Republic shall be entitled, in addition to monetary damages and to any other remedies available to Republic under this Agreement and at law, to equitable relief, including injunctive relief.

23. **Governing Law.**

23.1 This Agreement shall be governed by and construed in accordance with the internal laws of the State of California, without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of California.

24. **Entire Agreement; Amendments.**

24.1 The terms and conditions of this Agreement constitute the complete and final written agreement between Republic and Contractor and supersede all other agreements and understandings between the parties regarding the subject matter of this Agreement. Any waiver or modification of the terms of this Agreement is binding only if done in writing and signed by the parties in the same manner as this Agreement.

25. **Counterparts; Third Party Beneficiaries.**

25.1 This Agreement may be executed in two or more original, facsimile or pdf counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. This Agreement is intended to be solely for the benefit of the parties hereto and their successors and permitted assignees and is not intended to and shall not confer any rights or benefits on any other third party not a signatory hereto, except as provided in Sections 11 and 16.1 of, or expressly provided in, this Agreement.

26. **Acceptance of Transmission.**

26.1 Following the execution and delivery of this Agreement, each party may send purchase orders, invoices or other administrative documentation ("Ancillary Documentation") electronically through means such as the Ariba Contractor Network, e-mail, or fax as indicated by the parties as the preferred ordering method. Ancillary Documentation shall be deemed as accepted upon the sender's receipt of a corresponding electronic acknowledgment, or the commencement of work, or delivery of goods or services, whichever occurs first. In the event of a conflict between the terms of any Ancillary Documentation and this Agreement or any Schedule or Exhibit, the terms of this Agreement and any Schedule or Exhibit shall control.

26.2 Each party shall treat any Ancillary Documentation received as being properly authorized or endorsed by the sending party. The presence of a signature or other endorsement within the Ancillary Documentation is not required for it to be valid. If any Ancillary Documentation is received in an unintelligible form, the receiving party shall notify the originating party within twenty-four (24) hours.

27. **Validity and Enforceability.**

27.1 All Ancillary Documentation sent between the parties shall be considered to be "in writing", and shall be deemed to have been properly endorsed by the sending party. Furthermore, any Ancillary Documentation, when printed from electronic files shall be considered as an original commercial document. The parties agree not to contest the validity or enforceability of any Ancillary Documentation or whether certain agreements are to be in writing and signed by the party to be bound thereby. Ancillary Documentation, if introduced as evidence on paper in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in paper.

28. **Time of the Essence.**

28.1 Time is of the essence in this Agreement and in each Statement of Work.

29. **Survival.**

29.1 The parties agree that the sections of this Agreement entitled "Books and Records; Audit Rights", "Confidentiality", "Indemnification", "Noncompetition" / "Non-solicitation" and all such similar terms which, by their substantive intent are intended to survive the expiration or earlier termination of this Agreement, shall survive the expiration or earlier termination of this Agreement.

30. **Liability for Spillage of Materials.**

30.1 Contractor warrants and agrees that it shall be responsible for the property damages, clean up and disposal costs of all Materials (including materials used in the clean-up) resulting from any spillage of Materials that occurs following the loading of Materials into Equipment and the acceptance of the load by Contractor thereafter until the Materials are unloaded from Equipment at the Destination Facility. Contractor shall notify Republic if Contractor objects to the manner in which any of Contractor's Equipment has been loaded by Republic before Contractor's Equipment departs the Facility, and Contractor's Equipment shall not depart the Facility until Contractor's objection is resolved to the mutual satisfaction of the Parties. Contractor shall be deemed to have accepted a load once Contractor's Equipment departs the Facility.

30.2 Contractor agrees that it will be solely responsible for all costs associated with the cleanup of such spillage, remediation of any property affected by such spillage, and other property damage or personal injuries sustained as a result of any such spillage. The parties intend for the term "spillage" of Materials to be interpreted broadly so as to include, but not be limited to, situations in which there is leakage from the Equipment, Materials falling, escaping or blowing out from the top, sides, bottom or any other part of the Equipment, and accidents in which the Equipment needs to be unloaded at any location other than the Destination Facility. The clean-up shall restore the premises to as good and clean a condition as existed prior to the spill and shall be in accordance with all Applicable Laws.

30.3 Republic retains the right to perform necessary spill cleanup or specify that the cleanup and restoration be performed by a third party, all at Contractor's expense, if, in Republic's reasonable opinion, Contractor or Contractor's insurance designee is not prosecuting such cleanup and remediation efforts properly, completely or in a timely fashion. Contractor will create and maintain, and Republic retains the right to review and audit, safety and accident procedures as well as spill plans from time to time to insure compliance with all Applicable Laws.

31. **Force Majeure.**

31.1 Any failure or delay in performance due to contingencies beyond a party's reasonable control, including, but not

limited to, pandemic, riots, terrorist acts, compliance with Applicable Law, fires, the loss, suspension, revocation or non-renewal of any permit, license or approval with respect to an Origin Facility or a Destination Facility and/or acts of God ("**Force Majeure**"), shall not constitute a breach of this Agreement or any Statement of Work, but shall entitle the affected party to be relieved of performance during the term of such event and for a reasonable time thereafter. Notwithstanding the foregoing, strikes or other labor disputes are not to be deemed a Force Majeure. Republic's failure to secure or properly maintain all required permitting, licensing and/or legal or regulatory authorizations shall not constitute a Force Majeure event releasing Republic from its duties and obligations as set forth within this Agreement, any amendment to this Agreement, and any document incorporated by reference into this Agreement.

32. **Unauthorized Acts.**

32.1 Contractor shall not make any disbursement or other payment of any kind or character out of the compensation paid to Contractor under this Agreement, any Statement of Work, or otherwise, or take or authorize the taking of any other action, which contravenes any Applicable Laws or the requirements of this Agreement or any Statement of Work. Contractor shall indemnify, defend and hold Republic Indemnified Parties harmless from and against any and all Losses resulting from or in any way related to any unauthorized or unlawful acts of Contractor (or from any violations by Contractor of any Applicable Laws or the requirements of this Agreement, whether willful or not).

33. **Disclosure.**

33.1 Contractor agrees that full disclosure of the existence and terms of this Agreement or any Statement of Work, including the compensation provisions, may be made by Republic and/or the Contractor at any time and for any reason to whomever they determine have a legitimate need to know such terms, including any Governmental Authority.

34. **Protecting Republic's Interests.**

34.1 Contractor agrees that, in performing its obligations under the terms of this Agreement, Contractor and its personnel will act at all times in the best interests of Republic and will not commit any act or make any statement, oral or written, that would injure Republic's business, interests or reputation.

35. **Financial Condition.**

35.1 Contractor has, and shall maintain, a financial condition commensurate with its obligations under this Agreement and sufficient to allow it to readily and successfully fulfill all such obligations, in accordance with this Agreement. In the event the financial condition of Contractor changes during the term of this Agreement in such a manner as to adversely affect Contractor, Contractor shall promptly notify Republic in writing, reasonably describing the nature and extent of such change.

36. **Pending Litigation.**

36.1 As of the Effective Date and upon execution of any Statement of Work, there is no outstanding litigation, arbitrated matter or other dispute to which Contractor is a party that, if decided unfavorably to Contractor, would reasonably be expected to have a potential or actual materially adverse effect on Contractor's ability to fulfill its obligations hereunder. The Parties shall promptly notify each other in writing of any such litigation, matter or dispute which arises following the Effective Date.

37. **Assumption of Common Risks.**

37.1 Contractor represents and warrants that it has substantial experience in the transportation of the Materials that it will transport under this Agreement and any Statement of Work. As such, Contractor recognizes (i) that such Material may require special handling, may be or be regulated as inherently dangerous, hazardous, toxic, or combustible, and that proper care must be taken to ensure that the Materials transported by Contractor do not combust or actually catch on fire; (ii) that the loading and unloading operations at the Origin Facilities and Destination Facilities may result in minor damage to Contractor-Owned Equipment as Contractor performs the work covered by this Agreement or any Statement of Work; and (iii) the tarping or untarping of the trailers or Equipment at the Origin Facilities and/or Destination Facilities involve risk and must be performed with appropriate practices and due care.

37.2 In recognition of these risks, Contractor agrees as follows: (a) Contractor recognizes these risks, assumes full responsibility for such risks, and, waives and releases all claims against Republic or its personnel for damages to Contractor's personnel, property, and equipment that might arise as a result of these recognized waste industry risks; (b) Contractor shall have the sole and exclusive responsibility and liability for the care, custody, and control of Materials from the time the Materials are loaded into the Equipment at the Origin Facility, until the Materials are discharged from Equipment at the Destination Facility; (c) Contractor recognizes that it may purchase, at its sole cost, "All Risk" insurance coverage for the full replacement cost of its trucks and trailers to address some or all of the risks it is assuming under subsections (a) and (b) above; and (d) the assumptions of risks, releases and waivers of claims by Contractor in subsections (a) and (b) above shall not apply in the event Contractor can demonstrate by clear and convincing evidence that such damages were caused by the negligence or willful misconduct of Republic's agents or employees and with respect to subsection (a) above, Contractor has reported any damage to Contractor's equipment prior to leaving the Origin Facility or Destination Facility to Republic.

38. **Captions.**

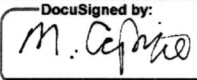
39.1 The captions contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement.

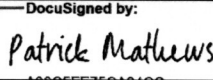
[Signature page follows]

IN WITNESS WHEREOF, the undersigned have entered this Agreement as of the day and year first above written.

N Leasing Company, LLC

[Contractor]

By: 
DocuSigned by:
64176DC89B094E7...
Name: Mike Caprio
Its: Vice President
Date: 10/6/2021

By: 
DocuSigned by:
A86C5FE75CA346C...
Name: R. Patrick Mathews
Its: General Manager/CAO
Date: 9/28/2021

[End of Signature Page]

Schedule A
SVSWA Alcohol and Drug Free Workplace Policy

PURPOSE

The Authority recognizes that the use of alcohol, drugs and controlled substances in the workplace is not conducive to safe working conditions. In order to promote a safe, healthy, and productive work environment for all employees and the public, it is the Authority's objective to have a work force who is free from the influence of substance abuse.

This policy also is intended to comply with all applicable federal regulations governing workplace anti-drug programs and safety-sensitive employees. The federal Drug-Free workplace Act of 1988 and similarly, the California Drug-Free Workplace Act of 1990 requires the establishment of drug free workplace policies and the reporting of certain drug-related offenses to the federal Department of Transportation (DOT). Also, the Federal Highway Administration (FHWA) (whose alcohol and drug testing rules are not enforced by the recently-created Federal Motor Carrier Safety Administration (FMSCA) of the DOT has enacted regulations that mandate urine drug testing and breathalyzer alcohol testing for safety-sensitive positions and prevent performance of safety-sensitive functions where there is a positive test result. The DOT also has set standards for the collection and testing of urine and breath specimens.

Employees shall be asked to sign a statement certifying that he/she has received a copy of this policy and understands its contents. Any questions regarding rights and obligations under this policy shall be referred to the employee's supervisor, Department head or Administrative Manager.

PERSONNEL AFFECTED

The prohibition against substance abuse in the workplace applies to all Authority employees when they are on Authority property or when performing any Authority related business, or when driving a motor vehicle on private roads and serious injury results. If you are a safety-sensitive employee covered by this policy, you must familiarize yourself with this policy's provisions because compliance with this policy is a condition of your employment.

Safety-sensitive employee is an employee who meets any of the criteria below and as designated by the Authority in its sole discretion:

A. One in any position that the respective Authority department has designated as requiring the use of a Class "A" or Class "B" commercial driver's license, including:

1. Equipment Operator/Driver/Loader
2. Diversion Driver

B. One who performs safety-sensitive functions, the performance of which may affect the public safety, including:

1. Driving the controls of a commercial motor vehicle;
2. Spending time in a commercial motor vehicle;
3. Loading or unloading a commercial motor vehicle, supervising or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or giving or receiving receipts for shipments loaded or unloads;
4. Repairing, obtaining assistance, inspecting, maintaining, or attending to a commercial motor vehicle;
5. Use of a firearm for security purposes; or
6. Use of heavy equipment

A safety sensitive employee is considered to be performing a safety-sensitive function during any period in which that employee is actually performing, ready to perform, or immediately available to perform any safety-sensitive function, including off-site lunch periods and breaks.

POLICY

A. Prohibited Substances

1. Alcohol

This policy address the use of alcoholic beverages or substances, including any medication or food containing alcohol such that it is present in the body at the level in excel of that stated in the guidelines by the Department of Transportation as amended, and currently set at a breath-alcohol concentration of .02 liters or as otherwise noted in this Policy. Alcohol is defined as the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weights alcohols, including methyl or isopropyl alcohol.

2. Drugs or Controlled Substances

This policy address any substance which, in the opinion of competent medical professionals, causes or may cause significant impairment of job performance or which causes or may cause behavior that is a threat to the safety of the

affected employee or others. All substances listed in any federal, state or local controlled substance acts or regulations, including, but not limited to, marijuana, amphetamines, opiates, phencyclidine (PCP) and cocaine, and those substances listed in Schedules I through V of the Section 202 of the federal Controlled Substances Act, are covered by this policy.

3. Prescription Drugs

No prescription drug shall be possessed or used by an employee other than the employee for whom the drug is prescribed by a licensed medical practitioner. A prescription drug shall be used only in the manner, combination, and quantity prescribed. An employee must advise his/her supervisor of the use or influence of any prescription drug prior to beginning work, when taking the medication or drug could interfere with the safe and effective performance of duties, or the operation of an Authority vehicle or heavy machinery, such as that the employee poses a direct threat to the health and safety of himself/herself or others.

An employee's failure to provide this notice in a timely manner can result in discipline, up to and including termination. In the event there is a questions regarding an employee's ability to safely and effectively perform assigned duties while using such medications or drugs, clearance from a qualified physician may be required.

B. Prohibited Conduct

The Authority prohibits the following acts:

1. Being under the influence of, or in possession of alcohol, drugs, or controlled substances when reporting work;
2. Ingesting, injecting or otherwise using alcohol, drugs, or controlled substances while performing job duties, except in accordance with above Section A.3 regarding prescription drugs where applicable.
3. Being under the influence of alcohol, drugs, or any controlled substances while subject to being called to duty, including stand-by time;
4. Performing a safety sensitive function within four hours of using alcohol or while using alcohol;
5. Directly or through a third party, manufacturing, selling, distributing, dispensing, otherwise attempting to manufacture, sell, or distribute alcohol, drugs, or controlled substances during work hours, including rest breaks or while on Authority premises;
6. Use of Authority property or premises to manufacture, sell, or distribute alcohol, drugs, or controlled substances;
7. Absence or tardiness as a result of having been under the influence of alcohol, drugs, or controlled substances during non-work time; and
8. Refusing to submit immediately to any alcohol, drug, or controlled substances test required by this Policy when directed by the Authority. Refusal includes but is not limited to:
 - a. A refusal to provide a urine sample for a drug test;
 - b. An inability to provide a urine sample without a valid medical explanation;

- c. A refusal to complete and sign a testing authorization form;
 - d. An inability to provide breath or to provide an adequate amount of breath without a valid medical explanation;
 - e. Tampering with or attempting to adulterate or substitute the urine specimen;
 - f. Not reporting to the collection site in the time allotted by the supervisor or manager who directs the employee to be tested;
 - g. Obstructing the collection procedure or testing process in any way; or
 - h. Leaving the scene of an accident without a valid reason as to why authorization from a supervisor or manager was not obtained.
9. Consuming alcohol, drugs, or controlled substances during the eight hours immediately following an accident in which the employee was involved, or until the employee undergoes a post-accident alcohol or drug test, whichever comes first.
10. Refusal to submit to a search of personal properties when directed by the Authority, upon reasonable suspicion and in accordance with Section 3309 of the Public Safety Officers Procedural Bill of Rights, where applicable.

C. Notifying the Authority of Any Criminal Drug Statute Conviction

In accordance with the Drug-Free Workplace Act of 1988, an employee must immediately notify the Authority of any criminal drug statute conviction of a violation that occurred in the workplace no later than five days after such conviction. Any employee who fails to provide this notice will be subject to discipline, up to and including termination.

D. Consequences for violation of this policy

1. Discipline

Any violation of this Policy may result in discipline, up to and including termination. Discipline May be imposed regardless of whether or not an employee is convicted of any related to any violation of this Policy.

Any violation of this Policy that may constitute criminal conduct or violation of the DOT regulations may be reported to the appropriate law enforcement agencies and/or subject the employee to civil penalties.

2. Removal from the Work Site

Employee reasonably believed to be under the influence of alcohol, drugs, or controlled substances shall be immediately prevented from engaging in further work and shall be detained for a reasonable time until they can be safely transported from the work site.

3. Removal of Safety-Sensitive Functions

Any employee whose alcohol test indicates an alcohol concentration level between .02 and .04 will be removed from his/her safety-sensitive position for at least 24 hours. An employee whose alcohol test indicates an alcohol concentration level greater than .04 will be removed from his or her safety-sensitive position for a period to be determined by the Administrative Manager.

If any employee tests positive for drug or controlled substances, the employee may not perform safety-sensitive functions until satisfying the following requirements.

- a. The employee must be retested and receive a verified negative result; and
- b. When referred to a Substance Abuse Professional, the employee must complete any course of rehabilitation and submit to a return-to-duty test, as developed with the assistance of the Substance Abuse Professional. The Authority is not required to pay for this type of treatment.

A Substance Abuse Professional is a licensed physician, psychologist, social worker, or addiction counselor with knowledge of and clinical experience in the diagnosis and treatment of alcohol, drug, and controlled substances abuse disorders.

4. Termination for Inability to Perform Essential Functions

After the Authority has complied with any legal obligation to reasonably accommodate an employee's protected disability, the Authority may terminate an employee who is unable to perform the essential functions of the job.

E. Alcohol and Drug Testing

1. Pre-employment Testing

Prior to the start of employment, the Authority may require all applicants to submit to a test for alcohol and illegal drug use as a condition of employment. Any applicant who refuses to provide consent for this test, or who receives a verified positive result will be disqualified from Authority employment.

a. Requirement for Records Check

As required by the Department of Transportation (DOT) regulations, an applicant to a safety-sensitive position will be asked to provide, by written consent, alcohol and drug testing records from prior employers regulated by the DOT for the two-year period prior to the date of application. These records shall include any alcohol test result of .04 or higher alcohol concentration; refusal to be tested; verified positive drug tests; and documentation of the successful completion of return-to-duty requirements by the Department of Transportation.

b. Requirements for Direct Inquiry

The applicant also must provide information regarding whether he/she has tested positive or has refused to test on any pre-employment drug or alcohol test for any safety-sensitive job applied for but obtained during the prior two years, as required by the Department of Transportation regulations.

2. Reasonable Suspicion Testing and Search

If a supervisor reasonably suspects that an employee is under the influence of alcohol, drugs, or controlled substances while performing job duties or operating Authority equipment and, upon prior approval by the Administrative Manager, the supervisor may require the employee to submit to an alcohol and/or drug test. An employee's refusal to submit to such a test is cause for discipline, up to and including termination.

Moreover, the Authority reserves the authority to search, without employee consent and subject to Section 3309 of the Public Safety Officers Procedural Bill of Rights where applicable, all areas of Authority property which the Authority maintains control or joint control with the employee.

Examples of indicators which can form a reasonable suspicion that an employee is under the influence of alcohol, drugs, or controlled substances include but are limited to direct observation of the following:

- a. Slurred speech;
- b. Glassy or bloodshot eyes;
- c. Odor of alcohol;
- d. Unsteady walking and movement;
- e. An accident involving Authority property, employee or client;
- f. A near accident or other safety violation;
- g. Physical or verbal altercation;

- h. Possession of alcohol, drugs, controlled substances, or drug paraphernalia;
- i. Sleeping on the job;
- j. Pattern of abnormal or erratic behavior;
- k. Information either provided by reliable and credible sources or independently corroborated;
- l. Conviction for a drug-related offense; and
- m. Tampering with previous drug test.

3. Post-Accident Testing

Unless the Authority determines that the employee's performance was not a contributing factor, any employee involved in a reportable accident may be subject to an alcohol test within two hours following the accident and to a drug test within 32 hours following the accident. Not only may the operator of the vehicle be tested, but so may any other employee whose performance may have contributed to the accident, such as the employee who maintains the vehicle or work-site where the accident occurred.

An accident is considered reportable if it occurs while in an Authority commercial motor vehicle on Authority property, or when operating a commercial motor vehicle on a public road in commerce and involves any of the following: 1) while performing safety-sensitive functions with respect to the vehicle, the accident involved a fatality; or 2) the issuance of a citation by law enforcement to the employee for a moving traffic violation arising from the accident and a) bodily injury demanding immediate medical treatment away from the scene of the accident or b) vehicular damage so that the vehicle must be towed away from the scene of the accident, even after simple repairs on the scene. The operator of the vehicle must immediately report this accident to the appropriate authorities, as well as the Authority, so that the relevant drug/alcohol tests may be conducted.

4. Transfers to Safety-Sensitive Positions

a. Requirement for the Records Check

As required by the department of Transportation regulations, employees who transfer to a safety-sensitive job will be asked to provide, by written consent, alcohol and drug testing records for the two-year period prior to the date of application. These records shall include any alcohol test results of .04 or higher alcohol concentration of return-or-duty requirements by the Department of Transportation.

b. Requirements for Direct Inquiry

Transferred employees also must provide information regarding whether he/she has tested positive or has refused to test on any pre-employment drug or alcohol test for any safety-sensitive job applied for but not obtained during the prior two years, as required by the Department of Transportation regulations.

5. Random Testing

Safety-sensitive employees will be random alcohol and drug testing as required by the Department of Transportation guidelines. Depending on the random selection, some employees may be tested more than once in a year, while other are not tested at all. Testing will take place just prior to the employee performing a safety-sensitive function, while the employee is performing a safety-sensitive function, or just after the employee has stopped performing a safety-sensitive function.

a. Alcohol Test

Unless otherwise amended by the Department of Transporting guidelines, the Authority will randomly test 25% of the total number of safety-sensitive employees in the consortium pool per year for alcohol.



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b. Drug Test

Unless otherwise amended by the Department of Transportation guidelines, the Authority will randomly test at least 50% of the total number of safety-sensitive employees in the consortium pool per year for drugs.

6. Return-to-Duty Testing

An employee who has violated this Policy may be subject to a return-to-duty test, and up to six unannounced drug/alcohol tests during the first twelve months back to a safety-sensitive position. The results must indicate an alcohol concentration of less than .02, or in cases of a drug test, must indicate a verified negative result. This testing is separate from any random testing obligation.

F. Testing Procedures

The procedures regarding alcohol and drugs testing will be provided upon request to the Administrative Manager. Analytical urine controlled substance testing and breath testing for alcohol will be conducted as required under the Department of Transportation guidelines.

G. Records Keeping and Confidentiality

The Authority is obligated to maintain records of the administration, including violations, of this Policy for a period of five years. Through the consortium pool, an annual report summarizing this information will be issued.

Any laboratory reports and test results shall not appear in an employee's general personnel folder but will be contained in a separate, confidential medical folder that will be securely kept under the control of the Administrative Manager and HR Technician. The report or tests results may be disclosed to Authority management on a strictly need-to-know basis and to the tested employee upon request. Disclosures, without patient consent, may also occur under the following situations:

1. When the information is compelled by law or by judicial or administrative process;
2. When the information has been placed at issue in a formal dispute between the employer and employee;
3. When the information is to be used in administering an employee benefit plan; or
4. When the information is needed by the medical personnel for the diagnosis or treatment of the patient who is unable to authorize disclosure.
5. When requested by the Department of Transportation or any local officials with regulatory over the Authority or any of its safety-sensitive employees.

H. Rehabilitation

The Authority encourages employees to use Authority-sponsored employee's assistance programs voluntarily to assist them in resolving any alcohol, drug, or controlled substance abuse problems. Employees should contact their supervisor, Department head, or Administrative Manager for additional information, including further information concerning the dangerous effects of alcohol misuse and drug use on an employee's health, work, and personal life. The Authority is committed to providing reasonable accommodation to those employees whose alcohol or drug abuse problem classifies them as disabled under federal and/or state law.

While the Authority will be supportive of those who seek help voluntarily, the Authority will be firm in identifying and disciplining those who continue to be substance abusers and who do not seek help or continue substance abuse even while enrolled in counseling or rehabilitation programs. Therefore, the Authority may require employees to use employee assistance programs, and in addition to mandatory referrals to a Substance Abuse Professional where applicable.



Schedule B
Safety Requirements

Safety: During the term of this Agreement, Contractor and its employees must (i) comply with all Applicable Laws, Department of Transportation regulations, as well as those standards set forth by Republic, the owner/operator of any Origin Facility or Destination Facility and the American National Standards Institute ("ANSI"), (ii) provide a safe work environment that is free from recognized hazards, and (iii) implement proactive measures to prevent accidents that cause bodily injury or property damage to employees, customers and the general public.

Timely submission, review and compliance with any documentation promulgated by Republic with respect to contractor safety requirements. Minimum requirements include, but are not limited to the following: Experience Modification Rate of 1.0 or less, Total Recordable Injury Rate of 5.0 or less and acceptable review.

Operational Requirements:

- a) Only the truck driver may be out of the cab on the active face of a landfill or on the tipping area of a transfer station or recycle facility. Helpers must stay in the cab or wait in a designated safe area.
- b) Drivers must remain in close proximity to their truck while at the active face of the Destination Facility or on the tipping area of the Origin Facility.
- c) Drivers should never walk under a raised tailgate.
- d) Spotters and drivers must allow for a distance of at least 10 feet between vehicles at the active face of the Destination Facility or tipping area of the Origin Facility.
- e) At no time will a spotter walk immediately behind or in front of a moving vehicle or equipment. The vehicle or equipment must be completely stopped and both operation and spotter must effectively communicate intentions. This may be done verbally or by commonly used hand signals.
- f) All recycle Facility and transfer stations must have a site specific traffic control plan in place which will designate safe areas/walkways to keep pedestrians/employees clear of all traffic.
- g) Employees must receive documented training for all required PPE. PPE must be properly maintained and utilize designated areas at all times.
- h) Equipment operators must maintain a minimum 10 feet clearance from pedestrian traffic and must never enter designated walkways.
- i) All company personnel outside vehicles must wear proper personal protective equipment including company approved ANSI Class II high-visibility lime-yellow outermost vest or garment, company approved hardhats and gloves appropriate for the duties they are performing. Spotters are required to wear company approved ANSI Class III high-visibility lime-yellow outermost vest or garment.
- j) Scavenging is prohibited.

[End of Safety Requirements]



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Schedule C **Invoicing**

Republic Services may require preferred suppliers to participate in its Purchase-to-Pay (P2P) eProcurement initiative utilizing the Ariba Supplier Network (Ariba SN). Ariba SN is a business-to-business e-commerce application that allows Republic Services to automate and streamline its overall procurement process with its Contractors.

Purchase orders will be transmitted to Contractor via the Ariba Contractor Network (Ariba SN). Contractor will receive the POs from the Network, based on the method you selected when setting up your account (Fax, e-Mail, Online or Integrated via cXML/EDI).

Contractor will be required to use the Ariba SN to submit your invoices back to Republic. Note: Paper invoices will no longer be submitted to Republic. Contractor can use the Ariba SN to follow the progress of submitted invoices and see when invoices have been approved for payment. Or Contractor can request early payment on approved invoices via your Ariba Network Inbox. Any requests for earlier payment options must be made via the standing and dynamic discounting options available on Ariba's network.

To start, send your billing contact information to republic.aribahelp@republicservices.com (include name, phone, company and address). The Contractor Enablement Team will contact you and guide you through the set-up process. Review the training on the Contractor Education Portal at: https://alive.ariba.com/Republic_Services after you receive your login information.

- Republic Account Management and Configuration — Review this guide to learn how to configure and manage your Ariba SN account.
- Republic Purchase Order Management Guide — Review this guide for Republic specific instructions and requirements regarding POs and Order Status updates.
- Republic Invoicing Requirements Guide — Review this guide for Republic specific instructions and requirements regarding invoicing.

Engage appropriate contacts in your organization to make them aware of the new process that will be coming (i.e., Order Receiving Department/Sales, Accounts Receivable, Technical, Finance, etc.)

If you have any questions or concerns, contact the Republic Services, Inc. Contractor Enablement team at: republic.aribahelp@republicservices.com

What follow are the terms, conditions and processes for invoicing Republic. The following is construed in strict accordance with the terms and conditions of the Agreement.

- a. Weekly, but no later than seven-days (7-days) after completion of the Services, Contractor will invoice Republic. Invoices received after the ninetieth-day (90th-day) period may be accepted or rejected at the sole discretion of Republic.
- b. Invoices will be deemed validated and accepted and Republic will recognize the payment obligation only when Republic's Accounts Payable ("**AP**") group receives an invoice that meets the requirements of this **Schedule C**.
- c. Contractor may be asked to provide back-up when submitting e-invoicing which, at a minimum, includes the following:
- d. Header information
 - i. Contractor name and address
 - ii. Invoice date
 - iii. Unique alphabetic, numeric or alpha-numeric invoice number
 - iv. Republic Purchase Document number (if applicable)
 - v. Delivery address
 - vi. Payment address
- e. Line item detail including
 - i. Date of Shipment(s)
 - ii. Accurate count of volume shipped
 - iii. Unit price(s)
 - iv. Extended price(s)
 - v. Invoice total
 - vi. Any and all applicable weight slips.



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- f. Non-conforming invoices may be rejected and returned to Contractor with instructions for revision. Returned invoices will not be deemed validated until corrected, resubmitted and received by Republic Accounts Payable.
- g. Contractor must submit invoices electronically.
- h. For invoices exceeding \$50,000, Republic may request hard copy of both invoice and backup documentation (shipping data, weight slips, etc.).
- i. Contractor shall provide additional invoicing data upon reasonable request.
- j. Should Republic dispute an invoice, in whole or in part, Republic will notify Contractor within a reasonable time. If the invoice is submitted in accordance with this **Schedule C** and is being disputed it in part, then the undisputed balance will be processed for payment in accordance with the Agreement's payment terms. Following receipt of a dispute notice, Contractor will have forty-five (45) days to investigate. If the dispute is found to be valid, Contractor will provide proof of invoice adjustment. If the dispute is believed to be invalid, Contractor will provide written justification with appropriate back up. Republic will review both justification and any backup and will notify Contractor within a reasonable time as to its acceptance or denial. Should the justification and backup be denied, both Contractor and Republic agree to work collectively to resolve the dispute. Neither Republic nor Contractor shall unreasonably delay the dispute process.

[End of Invoicing]