COST SAVINGS SUMMARY: Actual Purchases for FY 02-03, FY 03-04; Projected for FY 04-05

Year	Existing Depreciation	Extended Depreciation	Existing Interest	Extended Interest	Cost Difference	Profit Difference	Total Savings	50% of Savings
FY 02-03	2,143,507	1,260,931	699,132	699,132	882,576	81,988	964,564	482,282
FY 03-04	2,146,597	1,368,651	622,981	622,981	777,946	72,268	850,214	425,107
FY 04-05	2,100,320	1,453,220	564,764	526,413	685,451	63,676	749,127	374,563
FY 05-06	2,006,169	1,422,382	479,877	447,809	615,855	57,211	673,066	336,533
FY 06-07	1,746,330	1,432,956	440,862	432,305	321,932	29,906	351,838	175,919
FY 07-08	1,691,329	1,485,809	330,064	477,907	57,677	5,358	63,035	31,517
FY 08-09	1,867,098	1,590,358	754,352	457,844	573,247	53,252	626,499	313,250
FY 09-10	2,037,541	1,698,897	762,970	478,010	623,603	57,930	681,533	340,767
FY 10-11	2,349,295	1,792,438	848,198	613,647	791,409	73,519	864,927	432,464
FY 11-12	2,800,411	1,958,820	939,804	1,217,278	564,118	52,404	616,523	308,261
FY 12-13	2,941,083	2,111,475	737,713	1,264,883	302,438	28,095	330,533	165,266
FY 13-14	2,896,435	2,159,381	605,744	1,139,506	203,292	18,885	222,177	111,088
FY 14-15	2,891,153	2,177,156	388,086	992,080	110,004	10,219	120,223	60,111
FY 15-16	2,705,108	2,191,503	814,298	852,366	475,537	44,176	519,713	259,857
FY 16-17	2,431,843	2,224,905	900,120	778,002	329,056	30,568	359,624	179,812
FY 17-18	2,417,073	2,283,161	791,019	789,707	135,225	12,562	147,786	73,893
Total	**37,171,292**	**28,612,042**	**10,679,985**	**11,789,870**	**7,449,365**	**692,018**	**8,141,383**	**4,070,691**

Each year, Contractor updates all equipment schedules, replacing projected costs with actual costs. The schedules are updated under both 5 / 7 year and 10 year life assumptions, and actual cost savings are calculated. If actual savings for the prior year were less than the amount paid to Contractor, the current Contractor payment will be reduced by the difference. If actual savings were greater, the current payment will be increased.

EXHIBIT 8.06B

ADJUSTMENTS FOR SPECIFIC CHANGES IN YEAR 15

Exhibit 8.06B: Projected Costs of Compliance with Newly Amplified Performance Specifications and Standards

Section	Item	Nature of Expense (Implementation Date)	Cost	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
5.11A	Property Damage	Purchase / install 12 monitoring cameras **(Nov '04)**	16,326							
		Depreciation			4,898	3,265	3,265	3,265	1,633	
		Interest			1,810	570	345	121		
5.15C	Clean, paint, label containers	Additional person in container shop, to operate a second exchange route, and help maintain containers **(Nov '04)** *Reimbursement through normal Contractor Payment process only*	On-going			61,808	93,935	96,753	99,655	102,645
5.16 F	Employee Conduct & Courtesy Training	Outside consultant: evaluate situation; write procedures, perform initial staff training **(Jul '05)**	7,500		***7,500***					
	Standard Route Stop Sequence	Outside consultant: analyze current routes; determine optimum stop sequence for each route; train route staff **(Jul '05)**	6,000		***6,000***					
6.05D	Telephone System	Upgrade system to handle higher call volumes; record hang-ups and holds; include education-on-hold **(July '05)**	18,000							
		Depreciation			1,800	3,600	3,600	3,600	3,600	1,800
		Interest			1,123	873	628	380	134	
6.05F	E-Mail Access	Maintain Company's website **(Jul '05)**	On-going		***2,000***	2,000	2,000	2,000	2,000	2,000
6.15	Audit City Billings	Additional person to perform on-going audits **(Jul '05)**	On-going		***67,086***	69,099	71,172	73,307	75,506	77,772
		Computer workstation & mobile phone	1,200							
		Depreciation			120	240	240	240	120	
		Interest			75	58	42	25	9	
				-	**92,412**	**141,513**	**175,227**	**179,692**	**182,658**	**184,217**

EXHIBIT 9.03

FAITHFUL PERFORMANCE BOND

AON

Aon Risk Services

January 5, 2004

Gail M. Bentley
Solid Waste Program Specialist
Dept of Public Works
P.O. Box 3707
Sunnyvale, CA. 94088-3707

RE: Bay Counties Waste Services, Inc.
Performance Bond #57BCSAC8132

Dear Ms. Bentley:

Enclosed please find the renewal Certificate effective February 1, 2004 through January 31, 2005 as required by the Franchise Agreement.

After your review if you have any questions please do not hesitate to call.

Sincerely,

Anna Sweeten

Anna Sweeten
Senior Account Manager

WJP/as

enc.

cc: Bay Counties Waste Services

(A)

Aon Risk Services, Inc. of Northern California Insurance Services • License #0363334
99 Almaden Boulevard, Suite 400 • San Jose, California 95113 • tel: (408) 288-8000 • fax: (408) 289-9021

Continuation Certificate **The Hartford Insurance Group**

The Hartford Fire Insurance Company (hereinafter called the Company)

hereby continues in force its Bond No. 57BCSAC8132

in the sum of Three Million Dollars and 00/00

($3,000,000) Dollars,

on behalf of Bay Counties Waste Services, Inc.

in favor of City of Sunnyvale, a Municipal Corporation of the State of California

for the (extended) term beginning on February 1, 2004 and ending on January 31, 2005

subject to all the covenants and conditions of said Bond, said bond and this and all continuations thereof being one continuous contract.

This Continuation is executed upon the express condition that the Company's liability under said Bond and this and all continuations thereof shall not be cumulative and shall in no event exceed the sum of Three Million Dollars and 00/00

($3,000,000) Dollars.

IN WITNESS THEREOF, the Company has caused this instrument to be signed by its officers proper for the purpose and its corporate seal to be hereto affixed on December 31, 2003

By: Anna Sweeten

Anna Sweeten *Attorney in fact*

Attest:

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Santa Clara

On December 31, 2003 before me, Joyce M. Honerlah, Notary Public ,

personally appeared Anna Sweeten

☒ personally known to me- **OR** - ☐ proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

SRS1 JOYCE M. HONERLAH COMM. # 1338206 Notary Public - California SANTA CLARA COUNTY My Comm. Expires JAN. 8, 2006 SRS1

WITNESS my hand and official seal

SIGNATURE OF NOTARY

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

☐ PARTNER(S) ☐ LIMITED ☐ GENERAL

☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER:

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

SIGNER IS REPRESENTING
NAME OF PERSON(S) OR ENTITY(IES)

POWER OF ATTORNEY

THE HARTFORD
HARTFORD PLAZA
HARTFORD, CONNECTICUT 06115

[X]	Hartford Fire Insurance Company	Twin City Fire Insurance Company	[ ]
[X]	Hartford Casualty Insurance Company	Hartford Insurance Company of Illinois	[ ]
[X]	Hartford Accident and Indemnity Company	Hartford Insurance Company of the Midwest	[ ]
[ ]	Hartford Underwriters Insurance Company	Hartford Insurance Company of the Southeast	[ ]

KNOW ALL PERSONS BY THESE PRESENTS THAT the *Hartford Fire Insurance Company, Hartford Accident and Indemnity Company* and *Hartford Underwriters Insurance Company*, corporations duly organized under the laws of the State of Connecticut; *Hartford Insurance Company of Illinois*, a corporation duly organized under the laws of the State of Illinois; *Hartford Casualty Insurance Company, Twin City Fire Insurance Company* and *Hartford Insurance Company of the Midwest*, corporations duly organized under the laws of the State of Indiana; and *Hartford Insurance Company of the Southeast*, a corporation duly organized under the laws of the State of Florida; having their home office in Hartford, Connecticut, (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, ***up to the amount of unlimited:***

Rick F. Prentice, William J. Prentice, Anna Sweeten, Richard S. Svec, Suman K. Toor
of
San Jose, CA

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by ☒, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In **Witness Whereof**, and as authorized by a Resolution of the Board of Directors of the Companies on September 12th, 2000, the Companies have caused these presents to be signed by its Assistant Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.

Paul A. Bergenholtz, Assistant Secretary

John P. Hyland, Assistant Vice President

STATE OF CONNECTICUT
COUNTY OF HARTFORD } ss. Hartford

On this 19th day of September, 2000, before me personally came John P. Hyland, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Assistant Vice President of the Companies, the corporations described in and which executed the above instrument; that he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that he signed his name thereto by like authority.

CERTIFICATE

Jean H. Wozniak
Notary Public
My Commission Expires June 30, 2004

I, the undersigned, Assistant Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of 12/31/03

Signed and sealed at the City of Hartford.

Colleen Mastroianni, Assistant Vice President

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SCW#20.2

CITY OF SUNNYVALE
DEPARTMENT OF PUBLIC WORKS
MEMORANDUM

January 29, 2003

To: Robert S. LaSala, City Manager

From: Marvin Rose, Director of Public Works MRP

Subject: Signature Needed for Correction of Performance Bond Number

---

Specialty Solid Waste & Recycling is required by the Franchise Agreement to carry a $3 million dollar performance bond, which they have secured. The bond number assigned was incorrect and will change effective February 1, 2003. All other conditions and terms of the bond remain as originally written.

AON Risk Services is asking for a signature from the City acknowledging acceptance of the correction of the bond number, as described in the attached letter. Please sign the attached copies, and return them to my office for mailing.

SW# 20.2

AON

Aon Risk Services

January 7, 2003

Mr. Mark Bowers
Solid Waste Program Manager
Dept of Public Works
P.O. Box 3707
Sunnyvale, CA. 94088-3707

JAN 0 9 '03

RE: Bay Counties Waste Services, Inc.
Performance Bond #57BSBBE4668

Dear Mr. Bower:

The Hartford Surety Company has advised us that we need to amend the bond number as the incorrect one was used. Enclosed please find the original rider for your files and a copy that we need you to sign your acceptance on. A return envelope is enclosed for your convenience.

If you have any questions please give me a call.

Sincerely,

Anna Sweeten

Anna Sweeten
Senior Account Manager

/as

enc.

cc: Bay Counties Waste Services

(h)

Aon Risk Services, Inc. of Northern CA Insurance Services
99 Almaden Boulevard, Suite 400 • San Jose, California 95113-1604 • License #0363334
tel: 408.288.8000 • fax: 408.289.9021 • www.aon.com

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Santa Clara

On December 30, 2002 before me, Suman K. Toor , Notary Public ,

personally appeared Anna Sweeten

☒ personally known to me- **OR** - ☐ proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

SUMAN K. TOOR
COMM.# 1360405
Notary Public - California
SANTA CLARA COUNTY
My Comm. Expires June 9, 2006

WITNESS my hand and official seal

Suman K. Toor

SIGNATURE OF NOTARY

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

☐ PARTNER(S) ☐ LIMITED ☐ GENERAL

☒ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER:

DESCRIPTION OF ATTACHED DOCUMENT

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SIGNER(S) OTHER THAN NAMED ABOVE

SIGNER IS REPRESENTING
NAME OF PERSON(S) OR ENTITY(IES)
Hartford Fire Insurance Company

POWER OF ATTORNEY

THE HARTFORD
HARTFORD PLAZA
HARTFORD, CONNECTICUT 06115

[X]	Hartford Fire Insurance Company	Twin City Fire Insurance Company	[ ]
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[X]	Hartford Accident and Indemnity Company	Hartford Insurance Company of the Midwest	[ ]
[ ]	Hartford Underwriters Insurance Company	Hartford Insurance Company of the Southeast	[ ]

KNOW ALL PERSONS BY THESE PRESENTS THAT the *Hartford Fire Insurance Company, Hartford Accident and Indemnity Company* and *Hartford Underwriters Insurance Company*, corporations duly organized under the laws of the State of Connecticut; *Hartford Insurance Company of Illinois*, a corporation duly organized under the laws of the State of Illinois; *Hartford Casualty Insurance Company, Twin City Fire Insurance Company* and *Hartford Insurance Company of the Midwest*, corporations duly organized under the laws of the State of Indiana; and *Hartford Insurance Company of the Southeast*, a corporation duly organized under the laws of the State of Florida; having their home office in Hartford, Connecticut, (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, ***up to the amount of unlimited:***

Rick F. Prentice, William J. Prentice, Anna Sweeten, Richard S. Svec, Suman K. Toor
of
San Jose, CA

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by ☒, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, and as authorized by a Resolution of the Board of Directors of the Companies on September 12th, 2000, the Companies have caused these presents to be signed by its Assistant Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.

Paul A. Bergenholtz, Assistant Secretary

John P. Hyland, Assistant Vice President

STATE OF CONNECTICUT
COUNTY OF HARTFORD } ss. Hartford

On this 19th day of September, 2000, before me personally came John P. Hyland, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Assistant Vice President of the Companies, the corporations described in and which executed the above instrument; that he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that he signed his name thereto by like authority.

CERTIFICATE

Jean H. Wozniak
Notary Public
My Commission Expires June 30, 2004

I, the undersigned, Assistant Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of DECEMBER 30, 2002.

Signed and sealed at the City of Hartford.

Colleen Mastroianni, Assistant Vice President

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Hartford Plaza, Hartford, CT. 06115

RIDER

Attached to and forming part of Bond # 57BSBBE4668, effective February 1, 2003

on behalf of Bay Counties Waste Services, Inc.

in favor of City of Sunnyvale

and in the amount of Three Million and 00/100ths Dollars ($ 3,000,000.00)

It is understood and agreed that effective February 1, 2003 the Bond Number is being changed

From : 57BSBBE4668

To : **57BCSAC8132**

Keep this copy

All other conditions and terms remain as originally written.

Signed, Sealed, and Dated December 30, 2002

Hartford Fire Insurance Company

By: Anna Sweeten

Anna Sweeten , Attorney - in - Fact

The above rider is hereby agreed to and accepted:

By: Robert A. LaPala

Obligee

Please Sign Here

(R)

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EXHIBIT 10.01

LEASE AGREEMENT PROVIDING FOR CONTRACTOR'S LEASE TO CITY OF VEHICLES FOR COLLECTION AND DISPOSAL SERVICES

DUPLICATE ORIGINAL

LEASE AGREEMENT

This LEASE is made and entered into as of the 16th day of December 1997, by and between the City of Sunnyvale, a municipal corporation of the State of California (hereinafter the "City") and Bay Counties Waste Services, Inc., a California corporation formerly named Specialty Solid Waste and Recycling, Inc., and Specialty Garbage and Refuse Service, Inc., (hereinafter "Contractor").

RECITALS

This LEASE is entered into with reference to the following facts and circumstances which are agreed to by the parties:

1. The parties hereto are parties to a Restated Agreement between the City of Sunnyvale and Bay Counties Waste Services, Inc. for Collection of Solid Waste ("Franchise") whereby the Contractor is granted a franchise for the collection of solid waste within the City.

2. The provision of adequate, reliable and continuous solid waste collection services is essential to the health, safety and well-being of residents of the City.

3. It is in the public interest for the City to continue to provide solid waste collection services in the event that Contractor is unable or unwilling to provide said services under the terms of the Franchise.

4. To ensure continuity of solid waste collection services in the City in the event of interruption of Contractor's services for any reason, the Contractor has agreed pursuant to Section 10 of the Franchise, to lease to the City any and all vehicles necessary to carry out the solid waste collection services described in the Franchise.

5. This Lease Agreement is a restatement and continuation of a similar Lease Agreement dated as of July 24, 1990 that was entered into between the City and Specialty Garbage and Refuse Service, Inc., as predecessor of Contractor under the Restated Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and premises as hereinafter set forth, it is mutually agreed as follows:

1. **Lease of Vehicles.** Contractor hereby agrees to lease to the City for the purpose of providing solid waste collection and disposal services the vehicles described in the List of Vehicles attached hereto and incorporated herein as Exhibit A, as such exhibit is amended by the parties from time to time. If new vehicles are purchased as additions or replacements, Contractor

(1)

agrees to lease them to City on the same terms and Exhibit A will be amended to incorporate such new vehicles.

2. **Operation.** The City, during the term of this LEASE and while the vehicles described herein are in its possession, shall have the absolute and exclusive control of such vehicles in the same manner as though the City were the absolute owner. It is understood that the City may operate the equipment described herein by its own forces or by separate arrangement with a third party.

3. **Maintenance and Repairs.** The City shall maintain said vehicles in the same condition as they were in when the term commenced at all times during the term of this LEASE and shall, upon termination of this LEASE, return said vehicles to Contractor in the same condition as received, normal wear and tear excepted. The insurance provided by Contractor under the Franchise shall remain in full force and effect during the term of this LEASE.

4. **Warranties.** Contractor warrants that the vehicles shall be furnished to the City in fully operable condition, meeting the requirements of Section 5.14 of the Franchise.

5. **Indemnity.** The indemnities provided by Contractor under the Franchise shall cover any damage or harm suffered in connection with the City's operation of the vehicles due to a breach of the Franchise by Contractor and shall not be diminished or otherwise affected by this LEASE or the City's operation of the vehicles, provided that the limitation on Contractor's contractual indemnity obligation contained in Section 10.03 of the Franchise is applicable to the LEASE.

6. **Term.** The term of this LEASE shall commence when the City takes possession of the vehicles pursuant to a written finding by the City, delivered to Contractor in accordance with Section 8, that the Contractor is unable to provide service, pursuant to Article 10 and/or Article 11 of the Franchise, and shall continue in effect until one of the following events occur:

a. The Contractor demonstrates to the satisfaction of City that it is able to satisfactorily perform the services called for in the Franchise;

b. Alternative arrangements satisfactory to the City have been made for the provision of suitable vehicles to the City:

c. The City awards the franchise to another party; or

d. Upon the expiration of six months from the date of commencement of this LEASE.

7. **Rental.** The rental to be paid under the terms of this LEASE shall be as shown on Exhibit B, which sums shall be

adjusted in accordance with changes in the Consumer Price Index for the San Francisco-Oakland-San Jose area from July 1, 1991.

8. **Notices.** All notices to be given by this LEASE shall be deemed properly delivered by delivery personally or by depositing the same in the United States Mail, postage prepaid, and addressed as follows:

If to City:	City of Sunnyvale Solid Waste Program Manager Public Works Department 456 West Olive Avenue Sunnyvale, CA 94086
With a copy to:	City Attorney City of Sunnyvale 456 West Olive Avenue Sunnyvale, CA 94086
If to Contractor:	Bay Counties Waste Services, Inc. 3355 Thomas Road Santa Clara, CA 95054 Attention: President
With a copy to:	David Cohen, Esq. Cohen & Ostler 525 University Avenue Suite 410 Palo Alto, CA 94301

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

9. **Binding on Successors.** The provisions of this LEASE shall inure to the benefit of and be binding on the successors and permitted assigns of the parties.

IN WITNESS WHEREOF, City and Contractor have executed this LEASE as of the day and year first above written.

ATTEST:
CITY CLERK

By: Carolann Fuller
Deputy City Clerk

CITY OF SUNNYVALE ("City")

By: _____
~~Vice~~ Mayor

APPROVED AS TO FORM:

By: _____
City Attorney

BAY COUNTIES WASTE SERVICES, INC. ("Contractor")

By: _____

Name: _____
Title: President

By: _____

Name: Doug Burton
Title: Vice-President

EXHIBIT A, "LIST OF VEHICLES" TO EXHIBIT 10.01, "LEASE AGREEMENT"

Exhibit A to Exhibit 10.01 to the Agreement is amended to reflect changes in equipment as shown in the attached Exhibit A dated January 11, 2005.

City

Contractor

Exhibit A to EXHIBIT 10.01 List of Vehicles

SPECIALTY SOLID WASTE AND RECYCLING

Dept	Veh#	W / W #	Year	Description	License	Vehicle ID Number
10	116	380	00	Volvo Expeditor WXLL64	6J05936	4V2HC2UE5YN245156
10	117	382	00	Volvo Expeditor WXLL64	6H53312	4V2HC2UE7YN245157
10	118	375	98	Volvo Front-Loader	5R55129	4VMHCMPE3WN744338
10	131	394	02	Volvo/Heil Front-loader	6U82507	4V2HC6FE42N331621
10	132	301	02	Volvo/Heil Front-loader	6W86156	4V2HC6FE22N331620
10	133	397	02	Volvo/Heil Front-loader	6U82508	4V2HC6FE42N331618
10	134	302	02	Volvo/Heil Front-loader	6W86159	4V2HC6FE02N331616
10	135	396	02	Volvo/Heil Front-loader	6W86158	4V2HC6FE62N331619
10	138	306	02	Volvo/Heil Front-loader	6U82506	4V2HC6FE22N331617
10	139		05	Autocar/Wittke Front Loader		5VCHC6FE05H200811
10	140		05	Autocar/Wittke Front Loader		5VCHC6FE25H200812
20	202	346	95	Peterbilt Roll-Off	6D98174	1XPZL50X8SD708984
20	221	374	98	Volvo Roll-Off	5R51281	4VMHCMPE1WN744340
20	222	378	98	Volvo Roll-Off	5S99120	4VMHCMPEXWN760696
20	223	381	00	Volvo Expeditor WXLL64	6G98380	4V2HC2UE0YN252130
20	224	393	02	Volvo - Roll-Off	6V74249	4V2HC6UE72N333205
20	226		04	Volvo - Roll-Off - CNG Test		4V5KC9AEX4N367687
30	309	369	95	Peterbilt / Heil Rapid Rail	5E22749	1XPZL50X4SD708979
30	310	367	95	Peterbilt / Heil Rapid Rail	5E22740	1XPZL50X0SD708980
30	313	376	98	Peterbilt/Leach Rear-Loader	6F73183	1NPZX90X5WD711210
30	321	349	02	Volvo/Arata Rearload	6U82504	4V2HC6FE62N333192
30	322	331	02	Volvo/Arata Rearload	6U82505	4V2HC6FE82N333193
30	323	398	02	Volvo/Heil Auto Resi	6X31826	4V2HC6FE32N331626
30	324	399	02	Volvo/Heil Auto Resi	6X32115	4V2HC6FE52N331627
30	325	309	02	Volvo/Heil Auto Resi	6X32113	4V2HC6FEX2N331624
30	326	307	02	Volvo/Heil Auto Resi	6X31827	4V2HC6FE92N331629
30	327	314	02	Volvo/Heil Auto Resi	6Y53165	4V2HC6FEX2N333194
30	328		05	Autocar/Heil Residential		5VCHC6FEX5H201058
30	329	323	02	Volvo/Heil Auto Resi	6Z02237	4V2HC6FE12N331625
30	330	395	02	Volvo/Heil Auto Resi	6X32112	4V2HC6FE72N331628
40	412	377	98	Volvo Front-Loader	5V35623	4VMHCMPE8WN760695
40	415	373	98	Volvo Front-Loader	5R55130	4VMHCMPE5WN744339
40	419	379	99	Volvo Front-Loader	6A50237	4VMHCMPE3XN781178
40	421	364	99	Volvo Front-Loader	6C01668	4VMHCMPE5XN781179
50	501	361	97	Lodal / Side Loader	6R92681	1L9AP69BXTK006060
50	504	360	97	Lodal / Side Loader	5H80323	1L9AP69B3TK006059
50	505	362	97	Lodal / Side Loader	5H80331	1L9AP69B1TK006061
50	521	347	95	Peterbilt / Leach Rear-Loader	5P45608	1XPZL50X4SD708982
50	522	324	95	Peterbilt / Leach Rear-Loader	5F89377	1XPZL50X6SD708983
50	524	304	84	Crane Carrier Rear-Loader	2N25135	1CYCCC384ET034003
50	525	305	85	Crane Carrier Rear-Loader	5K02275	1CYCCC386FT034005
50	531	312	02	Volvo Yard Waste	6Y51903	4V2HC6FE52N331630
50	532	313	02	Volvo Yard Waste	6Y77528	4V2HC6FE02N331633
50	533	326	02	Volvo Yard Waste	6Y75536	4V2HC6FE72N331631
50	534	315	02	Volvo Yard Waste	6Y75530	4V2HC6FE92N331632
50	535	319	02	Volvo Yard Waste	6Y77529	4V2HC6FE22N331634
50	536	310	85	Crane Carrier Rear-Loader	2N26611	1CYCCC381FT034008
50	538	368	95	Peterbilt / Heil Rapid Rail	5E22744	1XPZL50X2SD708981
70	701	388	95	Crane Carrier / EZ Pack	5J76281	1CYCCP485ST041950
70	702	389	96	Crane Carrier / EZ Pack	5L29004	1CYCCB484TT042544
70	703	390	96	Crane Carrier / EZ Pack	5L29003	1CYCCB482TT042543
70	711	384	01	Volvo/Labrie Expert	6S38182	4V2HC6NE11N260233
70	712	385	01	Volvo/Labrie Expert	6S38183	4V2HC6NE31N260234
70	713	386	01	Volvo/Labrie Expert	6S38181	4V2HC6NEX1N260232
70	714	387	01	Volvo/Labrie Expert	6S38179	4V2HC6NE81N260231
70	715	383	02	AutoCar/Labrie	7A86957	5VCHC6FE53N194261
70	716		03	AutoCar/Labrie	7G92503	5VCH6FE44N195029
70	717		04	AutoCar/Labrie		5VCHC6FE45H200813
80	802	N/A	85	Ford Service Truck	2M51459	1FDNK64NXFVA00880
80	806	N/A	97	Chevrolet C1500	5P06542	2GCEC19R5V1262421
80	808	N/A	03	GMC Service Truck	7075267	1GDE4E1113F512152
80	809	N/A	04	Chevrolet Silverado 25		1GHC24U94E372755
90	901	355	86	International Container Truck	2T87938	2HTNBHGL1GCB10790
90	902	351	91	International Container Truck	4K16599	1HTSAZRMOMH387241
90	903	N/A	95	Ford F450 Stake Bed Truck	6Z16280	1FDLF47F8SEA60820
90	904	N/A	00	Container Truck International	6G99140	1HTSCABM9YH293998
90	908		03	GMC 4500 Stake Bed Truck	TC56783	1GDE4E1123F512175
00	010	N/A	01	Chevrolet Silverado Pickup	6M76599	1GCEC19T71Z166738
00	011	N/A	02	GMC 1500 Ext Cab Pickup	6Z60930	2GTEC19T121317812
00	012	N/A	02	GMC 1500 Reg Cab Pickup	6Z24547	1GTEX14V92Z276426
00	013	N/A	04	GMC Sierra Pickup	7K50198	2GTEC19T941255403

EXHIBIT B

Rental Charge, Per Vehicle, Per Day

Year One

$31.21 per vehicle, per day

Year Two

Scenario A: $45.37 per vehicle, per day

Scenario B: $60.31 per vehicle, per day

Scenario C: $47.22 per vehicle, per day

V.L. RM
2B.

EXHIBIT 10.02

1992 AGREEMENT AMONG COMERICA BANK, CONTRACTOR AND CITY REGARDING ASSIGNMENT OF LEASE PROCEEDS, ETC.

1993 City Council Acknowledgement of 1992 Agreement

1993 First Amendment to 1992 Agreement

1997 First Amendment of 1992 Agreement

AGREEMENT RE: ASSIGNMENT OF LEASE PROCEEDS, INCLUDING ALL PAYMENT OF LEASE PROCEEDS, SUBORDINATION OF INTEREST AND OTHER TERMS

This Agreement Re: Assignment of Lease Proceeds, Including All Payment of Lease Proceeds, Subordination of Interest, and Other Terms (this "Agreement") is entered into by and between Comerica Bank-California (the "Bank"), Bay Counties Waste Services, Inc. ("Bay Counties") and the City of Sunnyvale (the "City") as of this 28th day of December, 1992.

RECITALS

A. The Bank has been requested, and has agreed, on certain conditions, to make financial accommodations to Bay Counties.

B. Bay Counties has or will purchase the capital stock of Specialty Solid Waste & Recycling, Inc. ("Specialty").

C. Specialty and the City have entered into an agreement whereby Specialty will collect solid waste for the City, as provided more completely in that certain agreement entitled Agreement Between the City of Sunnyvale and Specialty Garbage and Refuse Service, Inc. for Collection of Solid Waste entered into as of July 24, 1990, (the "Initial Agreement"). A true and correct copy of the Initial Agreement is attached hereto as Exhibit "A" and is incorporated by reference herein.

D. Thereafter, the City and Specialty entered into that certain agreement entitled Consent to Assignment and First Amendment to Agreement between the City of Sunnyvale and Specialty Garbage and Refuse Service, Inc. for the Collection of Solid Waste, dated December 17, 1992 (the "Consent and Amendment"), in which, among

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other things, the City agreed that Bay Counties could take over the performance of the duties of Specialty under the Initial Agreement. A true and correct copy of the Consent and Amendment is attached hereto as Exhibit "B" and is incorporated herein by this reference.

E. Among other things, the Initial Agreement contains a provision that provides that in the event that Specialty, for any reason whatsoever, fails, refuses or is unable to collect or transport any or all of the solid waste as required under the Initial Agreement for a period of more than forty-eight (48) hours, then the City shall have the right, but not the obligation, upon notice of to Specialty, to either (1) perform, or cause to be performed, such services with its own personnel, and/or (2) to take possession of any or all of Specialty's land, equipment and other Property (the "Property") used or useful in the collection and transportation of solid waste, and to use such Property to collect and transport any solid waste generated within the City. The Initial Agreement further provides that in the event the City takes possession of the Property, it has an obligation to pay to Specialty the reasonable rental value of the Property for the period of time during which is has possession thereof.

F. Bank would not be willing to advance monies to Bay Counties unless Bay Counties assigns to Bank any right to receive the lease payments referred to above, and the City agrees to pay such lease payments to Bank in the amounts set forth in greater detail below. Bank further would not be willing to advance monies to Bay Counties if the City did not acknowledge and agree that its rights to take possession of the Property under the Initial Agreement is subordinate to the security interest of the Bank therein, and that the City may only retain the possession thereof if it makes the rental payments

described below to the Bank. The City and Bay Counties have so agreed as set forth more completely below.

AGREEMENT

For good and valuable consideration, the parties agree as set forth below.

1. The foregoing recitals and agreements referenced above are incorporated herein by this reference.

2. The City agrees that in the event that it takes possession of the Property it will direct all rental payments due under Article 10 of the Initial Agreement and Exhibit E thereto to the Bank at the address set forth below:

Comerica Bank-California
55 Almaden Boulevard
San Jose, California 95113
Attn.: Carol Palestro

3. In the event that the City takes possession of the Property, the City agrees that the Bank's security interest therein remains in full force and effect and is superior to any rights the City may have therein, except that the Bank agrees that provided that the City is not in default under the terms of this Agreement, Bank will not take any action to interfere with the rights of the City to use the Property under the Initial Agreement and the Consent and Amendment.

4. In the event that the City takes possession of the Property while Bay Counties is indebted to Bank, the City agrees that it will pay to the Bank a monthly payment as rent in the amount set forth in Exhibit "E" to the Initial Agreement or $35,110.00, whichever is greater, computed on a daily basis for the number of days that

the City has possession, for the first ninety (90) days after it takes possession of the Property.

5. In the event that the City takes possession of the Property and retains possession thereof for a period of time greater than ninety (90) days, the City agrees that commencing as of the 91st day after possession, it will pay to the Bank a monthly payment as rent in the amount set forth in Exhibit "E" to the Initial Agreement or $35,110.00 plus interest on the principal balance of the loan from the Bank to Bay Counties, whichever is greater, computed on a daily basis as described above.

6. In the event the City takes possession of the Property, it will maintain insurance thereon and will name the Bank as the loss payee thereon.

7. Unless otherwise provided in this Agreement, all notices or demands by either party on the other relating to this Agreement shall be in writing and sent by regular United States mail, postage prepaid, properly addressed to the City or to the Bank at the addresses stated in this Agreement, or to such other addresses as the City or the Bank may from time to time specify to the other in writing. Requests to the City by the Bank hereunder may be made orally.

8. The validity of this Agreement, its construction, interpretation and enforcement, and the rights of the parties hereunder and concerning the Property, shall be determined under and according to the laws of the State of California. The parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated only in the state and federal courts located in the Northern District of California or the County of Santa Clara.

9. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that the City may not assign this Agreement or any rights hereunder without the Bank's prior written consent and any prohibited assignment shall be absolutely void. No consent to an assignment by the Bank shall release the City or any guarantor from their obligations to the Bank. The Bank may assign this Agreement and its rights and duties hereunder. The Bank reserves the right to sell, assign, transfer negotiate or grant participations in all or any part of, or any interest in the Bank's rights and benefits hereunder. In connection therewith, the Bank may disclose all documents and information which the Bank now or hereafter may have relating to the City or the City's business.

10. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the Bank or the City, whether under any rule or construction or otherwise; on the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto. When permitted by the context, the singular includes the plural and vice versa.

11. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

12. This Agreement cannot be changed or terminated orally. Except as to currently existing obligations owing by the City to the Bank, all prior agreements, understandings, representations, warranties and negotiations, if any, are merged into this Agreement.

13. Bay Counties hereby acknowledges and agrees to the foregoing and further agrees to execute all documents and take all actions necessary to carry out the terms set forth above.

14. The incorporation by reference of the Initial Agreement and the Consent and Amendment in this Agreement is not intended to make Bank a party to either such agreement nor to modify either agreement except as expressly provided in paragraphs 2 through 6 hereof, nor to affect the rights of City and Bay Counties under such agreements, including, without limitation, their rights to amend such agreements; provided, however, the City and Bay Counties agree that Article 10 of the Initial Agreement will not be modified without Bank's prior written approval.

IN WITNESS WHEREOF, the parties have agreed to the foregoing as of the date first set forth above.

THE CITY OF SUNNYVALE

By: _____

Its: City Manager

COMERICA BANK-CALIFORNIA

By: _____
Carol Palestro

Its: Vice President

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BAY COUNTIES WASTE SERVICES

By: _____

Its: Pres.

SECRETARY

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ATTACHED HERETO ON JANUARY 27, 1993 AND MADE A PART THEREOF THAT CERTAIN "AGREEMENT RE: ASSIGNMENT OF LEASE PROCEEDS, INCLUDING ALL PAYMENTS OF LEASE PROCEEDS, SUBORDINATION OF INTEREST AND OTHER TERMS" (THE "AGREEMENT") DATED DECEMBER 28, 1992 AND EXECUTED BY AND BETWEEN COMERICA BANK-CALIFORNIA (THE "BANK"), BAY COUNTIES WASTE SERVICES INC. ("BAY COUNTIES") AND THE CITY OF SUNNYVALE (THE "CITY").

WHEREAS ON DECEMBER 17, 1992, THE CITY COUNCIL OF THE CITY OF SUNNYVALE PROPOSED AND ADOPTED ORDINANCE NO. 2426-92 APPROVING THE ASSIGNMENT AND AMENDMENT OF A FRANCHISE FOR THE COLLECTION OF SOLID WASTE AND AMENDING ORDINANCE NO. 2334-90.

WHEREAS ON JANUARY 26, 1993, THE CITY COUNCIL OF THE CITY OF SUNNYVALE PROPOSED AND ADOPTED ORDINANCE NO. 2428-93, AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE APPROVING THE ASSIGNMENT AND AMENDMENT OF FRANCHISE FOR THE COLLECTION OF SOLID WASTE AND AMENDING AND SUPPLEMENTING ORDINANCE NO, 2426-92.

NOW, THEREFORE, THE BANK, BAY COUNTIES AND THE CITY DO HEREBY ACKNOWLEDGE THAT ALL TERMS, CONDITIONS AND PROVISIONS AS STATED IN THE AGREEMENT DATED DECEMBER 28, 1992 REMAIN IN EFFECT, INCLUDING, WITHOUT LIMITATION, THE BANK'S SECURITY INTEREST IN THE PROCEEDS OF THE AGREEMENT, AS AMENDED.

IN WITNESS THEREOF, THE PARTIES HAVE AGREED TO THE FOREGOING AS OF THE DATE FIRST SET FORTH ABOVE.

THE CITY OF SUNNYVALE	COMERICA BANK-CALIFORNIA	BAY COUNTIES WASTE SERVICES INC.
by: [signature]	by: [signature]	by: [signature]
its: City Manager	its: Vice President	its: Pres.
		by: [signature]
		its: SECRETARY

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ORIGINAL

FIRST AMENDMENT TO AGREEMENT RE: ASSIGNMENT OF LEASE PROCEEDS, INCLUDING ALL PAYMENT OF LEASE PROCEEDS, SUBORDINATION OF INTEREST AND OTHER TERMS

This First Amendment to Agreement Re: Assignment of Lease Proceeds, Including All Payment of Lease Proceeds, Subordination of Interest and Other Terms (this "Amendment") is entered into by and between Comerica Bank-California (the "Bank"), Bay Counties Waste Services, Inc. ("Bay Counties") and the City of Sunnyvale (the "City") as of this 9TH day of November 1993.

RECITALS

A. The parties hereto have previously executed that certain Agreement Re: Assignment of Lease Proceeds, Including All Payment of Lease Proceeds, Subordination of Interest and Other Terms dated December 28, 1992 (the "Agreement").

B. The City has requested, and the Bank has agreed, to modify the Agreement to provide as set forth below.

AGREEMENT

For good and valuable consideration, receipt of which is hereby acknowledged, the parties have agreed as set forth below.

1. Incorporation By Reference of Recitals. The foregoing Recitals are hereby incorporated herein by this reference.

2. Incorporation by Reference of Loan Agreements. All of the agreements referred to above, and/or in paragraph 1 of the Agreement are hereby incorporated herein by this reference.

3. Section 2 of the Agreement, page 3, is amended to read as follows: "The City agrees that in the event that it takes possession of the Property it will direct all rental payments due under Article 10 of the Initial Agreement and Exhibit E thereto to the Bank at the address set forth below:

Comerica Bank California
55 Almaden Boulevard
San Jose, California 95113
Attn: James G. LaPlante, Jr."

4. Section 4 of the Agreement, page 3, is amended to read as follows: "In the Event that the City takes possession of the Property while Bay Counties is indebted to Bank, the City agrees that it will pay to the Bank a monthly payment as rent in the amount set forth

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in Exhibit "E" to the Initial Agreement or an amount equal to the monthly payment of principal on indebtedness of Bay Counties to Bank to purchase the Property that is required to be paid for the month during which City has possession, whichever is greater, computed on a daily basis for the number of days that the City has possession, for the first ninety (90) days after it takes possession of the Property. For purposes of the preceding sentence, the amount of the monthly payment if principal shall not exceed $116,000 and shall be determined prior to any acceleration of payment of indebtedness that may otherwise be permitted by reason of a default by Bay Counties with respect to the indebtedness."

5. Amendment to Section 5 of the Agreement, page 4, is amended to read as follows: "In the event that the City takes possession of the Property and retains possession thereof for a period of time greater than ninety (90) days, the City agrees that commencing as of the 91st day after possession, it will pay to the Bank a monthly payment as rent in the amount set forth in Exhibit "E" to the Initial Agreement or an amount equal to the monthly payment of principal on indebtedness of Bay Counties to Bank to purchase the Property that is required to be paid for the month during which City has possession, together with interest on the principal balance of such indebtedness, whichever is greater, computed on a daily basis for the number of days that the City has possession. For purposes of the preceding sentence, the amount of the monthly payment of principal shall not exceed $116,000 and shall be determined prior to any acceleration of payment of indebtedness that may otherwise be permitted by reason of a default by Bay Counties with respect to the indebtedness. Bank warrants to City that Bank's interest rate on such indebtedness will be reasonable and customary."

6. Effect of Modification. Except as hereby amended, all the terms set forth in the original Agreement Re: Assignment of Lease Proceeds, Including All Payment of Lease Proceeds, Subordination of Interest and Other Terms dated as of December 28, 1992, remain as originally drawn. Except as set forth in paragraphs 3, 4 and 5 of the Amendment, the execution of this First Amendment shall not operate as a waiver of any provision of the Agreement or any other agreement.

7. Integration. This is an integrated agreement, and contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, offers and negotiations, oral or written with respect to the subject matter hereof.

8. Amendments. No supplement, modification or amendment of this Amendment shall be binding unless executed in writing by the parties hereto.

9. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same original Amendment.

10. Attorneys' Fees and Costs. In the event that any party to this Amendment or the Agreement or any other documents relating hereto should retain an attorney as a result of any dispute over or to enforce any provision of this Amendment when executed or the

Agreement, the prevailing party in any litigation or other formal or informal resolution of any such dispute over or enforcement or interpretation of this Amendment when executed or the agreement shall be entitled to recover all of its reasonable attorneys' fees, costs, expenses, whether out-of-pocket or legally recoverable, incurred as a result of said dispute or enforcement.

In witness whereof, the parties have agreed to the terms of this Amendment as of the date first set forth above.

THE CITY OF SUNNYVALE

By: _____

Its: City Manager

BAY COUNTIES WASTE SERVICES, INC.

By: _____

Its: President

By: _____

Its: Secretary

COMERICA BANK-CALIFORNIA

By: _____
James G. LaPlante, Jr.

Its: Vice President

APPROVED AS TO FORM:

_____
VALERIE J. ARMENTO
CITY ATTORNEY

DUPLICATE ORIGINAL

FIRST AMENDMENT OF AGREEMENT RE: ASSIGNMENT OF LEASE PROCEEDS, INCLUDING ALL PAYMENT OF LEASE PROCEEDS, SUBORDINATION OF INTEREST ON LOAN AND OTHER TERMS

THIS FIRST AMENDMENT OF AGREEMENT RE: ASSIGNMENT OF LEASE PROCEEDS, INCLUDING ALL PAYMENT OF LEASE PROCEEDS, SUBORDINATION OF INTEREST ON LOAN AND OTHER TERMS (this "First Amendment") is entered into by and between Comerica Bank-California (the "Bank"), Bay Counties Waste Services, Inc. ("Bay Counties") and the City of Sunnyvale (the "City") as of December 16, 1997.

RECITALS

A. The Bank, Bay and the City are parties to the AGREEMENT RE: ASSIGNMENT OF LEASE PROCEEDS, INCLUDING ALL PAYMENT OF LEASE PROCEEDS, SUBORDINATION OF INTEREST ON LOAN AND OTHER TERMS dated as of December 28, 1992 (the "Agreement").

B. The Agreement makes reference to an "Initial Agreement" and the "Consent to Assignment and First Amendment." Pursuant to the Initial Agreement and the Consent to Assignment and First Amendment, the City and Bay entered into certain agreements regarding a franchise for the collection of solid waste, and the City is given the right to lease certain property of Bay and to perform certain functions upon the occurrence of certain events. Pursuant to the Agreement, the Bank, the City and Bay entered into certain agreements regarding the lease of Bay's equipment by the City upon the occurrence of certain events.

C. Bay and the City have subsequently amended the Initial Agreement six times, including the Consent to Assignment and First Amendment, and have consolidated and restated the Initial Agreement and such amendments (including Exhibit "E" thereto) in an agreement entitled Restated Agreement Between the City of Sunnyvale and Bay Counties Waste Services, Inc. for Collection of Solid Waste (the "Restated Agreement.") A true and correct copy of the Restated Agreement has been delivered to the Bank, and said agreement is incorporated herein by this reference.

D. The parties desire to amend the Agreement by this First Amendment to reflect the fact of such restatement.

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. The Agreement is amended as of the date hereof to provide that all references in the Agreement (other than in paragraphs A through D of the recitals) to the Initial Agreement and the Consent to Assignment and First Amendment shall be to the Restated Agreement.

2. The Bank agrees that the City and Bay may further amend the Restated Agreement without affecting the consent and the authorization granted by the Bank in the Agreement as amended hereby, but only on the condition that any such amendment will not adversely affect the rights and powers of the Bank under the Agreement as amended, or modify adversely with respect to the Bank the duties and obligations of Bay or the City to the Bank under the Agreement as so amended.

3. Except as provided herein, the Agreement remains in full force and effect and unmodified hereby.

IN WITNESS WHEREOF, the parties have agreed to the foregoing as of the date first set forth above.

Approved as to form:
Valerie J. Armento
CITY ATTORNEY

THE CITY OF SUNNYVALE

By: Robert J. LaSala
Its: City Manager

COMERICA BANK-CALIFORNIA

By: [signature]
Its: Vice President

BAY COUNTIES WASTE SERVICES, INC.

By: Robert J. Malmen
Its: _____

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8/14/97 12:37pm

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EXHIBIT 11.08
FUNDING AGREEMENTS

As of the date of the Extended and Second Amended Agreement:

(1) the Funding Agreement Between the Santa Clara Valley Transportation Authority (VTA) and City of Sunnyvale Project Number 00SC08

(2) the Funding Agreement Between the Bay Area Air Quality Management District ("BAAQMD") and City of Sunnyvale Project Number 00R17

(3) the Funding Agreement Between the Bay Area Air Quality Management District ("BAAQMD") and City of Sunnyvale Project Number CEC-1

(4) the Funding Agreement Between the Bay Area Air Quality Management District ("BAAQMD") and City of Sunnyvale Project Number 02R18

SW 21.8

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

January 8, 2003

Mark Bowers
Solid Waste Program Manager
Department of Public Works
City of Sunnyvale
PO Box 3707
Sunnyvale, California 94088

RE: Project #02R18 - Heavy Duty Vehicle Replacement
– 5 Natural Gas Refuse Trucks

Dear Mr. Bowers:

Enclosed is a signed copy of the Funding Agreement between the City of Sunnyvale and the Air District. We will forward the funds for the project in accordance with the schedule set forth in Attachment A of the Agreement.

Please note the quarterly reporting requirements specified in Attachment C and mark you calendar accordingly.

Please refer to the above project number in all correspondence with the Air District. If you have any questions, please contact me at (415) 749-4982.

Sincerely,

Vanessa Mongeon
Environmental Planner II

Enclosures

JAN 1 0

939 ELLIS STREET • SAN FRANCISCO CALIFORNIA 94109 • 415.771.6000 • www.baaqmd.gov

DUPLICATE ORIGINAL

FUNDING AGREEMENT
BETWEEN
THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT
AND
CITY OF SUNNYVALE

PROJECT NUMBER

02R18

This Agreement is made and entered into between the City of Sunnyvale, hereinafter referred to as "Project Sponsor," and the Bay Area Air Quality Management District, hereinafter referred to as the "Air District." Attachment A, Project Specific Information; Attachment B, Project Description; and Attachment C, Monitoring of Project Performance are hereby incorporated into this Agreement by this reference.

SECTION I

RECITALS:

1) Air District is authorized under California Health and Safety Code Sections 44223 and 44225 to levy a fee on motor vehicles registered within its jurisdiction. Funds generated by the fee are to be used to implement projects and programs to reduce air pollution from motor vehicles.

2) Air District administers these funds as the Transportation Fund for Clean Air (TFCA).

3) California Health and Safety Code Section 44241 limits expenditure to specified eligible transportation control measures included in the clean air plan adopted pursuant to California Health and Safety Code Sections 40233, 40717, and 40919, and limits the allocation of the funds to public agencies within the Air District's jurisdiction.

4) Air District and Project Sponsor, pursuant to California Health and Safety Code Section 44241, hereby enter into this Funding Agreement (Agreement) to implement a transportation measure (Project) to improve air quality in the San Francisco Bay Area Air Basin.

5) The Project, as used in this Agreement, is described on Attachment B.

SECTION II

PROJECT SPONSOR AGREES:

1) To implement the Project in accordance with the description and implementation schedule contained on Attachment B.

2) To submit detailed invoices to the Air District for reimbursement of costs and expenses incurred to complete the Project consistent with the budget and schedule contained on Attachment A. Invoices shall specify the time period for the invoice, itemize staff charges to the Project, if any, indicating the number of hours worked on the Project; and itemize any payments to vendors, consultants, or contractors with an explanation of the goods or services provided for the Project.

3) To keep necessary records of Project activities, expenses and charges to document and support invoices submitted to the Air District.

4) To return to the Air District unexpended TFCA funds and/or interest earned on TFCA funds, if any, upon completion or termination of the Project.

5) To allow and facilitate Air District audit of Project performance and all expenditures relating to the Project funded through this Agreement.

(1)

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6) To record on a time sheet those hourly labor costs incurred in the implementation of the Project which are paid with TFCA funds received under this Agreement, or to establish an alternative method approved by the Air District to document staff costs charged to the Project.

7) To use no more than five percent of the TFCA funds received under this Agreement for costs incurred in the administration of the Project consistent with the line item Project budget specified in Attachment A.

8) To keep necessary records of Project performance as specified on Attachment C.

9) To submit to the Air District all reports set forth on Attachment C by the specified due dates.

10) To use the Air District's approved logo for the Transportation Fund for Clean Air on any vehicles leased or purchased with TFCA funds, or on any other capital property purchased with TFCA funds that is visible to the public.

11). To use the Air District's approved logo for the Transportation Fund for Clean Air, or to acknowledge the Air District as a funding source, on any printed or electronic material for public distribution associated with the Project. Included as printed material are Project related schedules, brochures, handbooks, or promotional material. Included as electronic material are Project related web sites, electric signs, or e-mail broadcasts.

12) To acknowledge the Air District as a funding source for the Project in any related media events, articles, news releases or other publicity materials.

13) To assure that all funds received under this Agreement are expended only in accordance with all applicable provisions of law and with the terms and conditions of this Agreement.

14) To expend those "Matching Funds," if any, as listed on Attachment A, toward completion of the Project as described on Attachment B. In the event funding from other sources for the total cost of the Project as set forth in Attachment A is not received, in whole, by the Project Sponsor, the Air District reserves the right to renegotiate the terms and conditions of this Agreement.

15) To return to the Air District any funds realized from the sale of any motor vehicle(s) purchased with TFCA funds if such sale occurs within the industry standards for the useful life from the date of purchase of the motor vehicle(s). The amount of the funds returned to the Air District shall be proportional to the percentage of TFCA funds originally used to purchase the motor vehicle(s).

16) To place in the public domain any software, written document, intellectual property, process, technique, or product developed with TFCA funds as part of the Project.

17) To comply with those "Special Conditions," if any, listed on Attachment A.

SECTION III

AIR DISTRICT AGREES:

1) To pay within 30 calendar days of receipt, invoices for reimbursement of legitimate Project expenses submitted by the Project Sponsor, excepting that the Air District will retain fifteen percent (15%) of the "Total TFCA Regional Funds Awarded" as listed on Attachment A until the Air District's acceptance of the final report as specified on Attachment C.

2) To provide TFCA funds not to exceed the "Total TFCA Regional Funds Awarded" amount for this Project as listed on Attachment A.

3) To provide timely notice prior to conducting an audit.

4) To provide a copy of any fiscal audits of the Project as specified in California Health and Safety Code Section 44242.

(A)

SECTION IV

IT IS MUTUALLY AGREED:

1) Term: This Agreement will remain in effect for three (3) years after the completion of the Project unless terminated as provided below.

2) Termination: Either party may terminate this Agreement at any time by giving written notice of termination to the other party which shall specify the effective date thereof. Notice of termination under this paragraph shall be given at least thirty (30) days before the effective date of such termination. Upon receiving notice of termination, Project Sponsor shall immediately cease further expenditure of TFCA funds received under this Agreement. The Air District will reimburse Project Sponsor for qualifying expenditures on the Project made prior to the receipt of the notice of termination.

3) Indemnity: Project Sponsor shall indemnify and hold harmless the Air District its officers, employees, agents, representatives, and successors-in-interest against any and all claims, suits or actions resulting from the performance by Project Sponsor of its duties under this Agreement. Air District shall indemnify and hold harmless Project Sponsor its officers, employees, agents, and successors-in-interest against any and all claims, suits or actions resulting from the performance by Air District of its duties under this Agreement.

4) Notices: Any notice which may be required under this Agreement shall be in writing, shall be effective when received, and shall be given by personal delivery service or first class mail, to the addressees set forth on Attachment A, or to such addressees which may be specified in writing to the parties hereto.

5) Contacts: Project Sponsor and Air District persons to act as contacts and liaison with the Air District and the Project Sponsor with regards to the day-to-day activities of the Project are specified on Attachment A. All reports and correspondence are to be addressed to the "Contacts" listed on Attachment A.

6) Project Number: All correspondence shall reference the "Project Number" listed on Attachment A.

7) Additional Acts and Documents: Each party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of this Agreement.

8) Integration: This Agreement represents the entire Agreement of the parties with respect to the subject matter described in this Agreement, and no representation, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.

9) Amendment: This Agreement may not be changed, modified or rescinded except in writing and signed by the parties hereto. Any attempt at oral modification of this Agreement shall be void and of no effect. The Air District contact person and Project Sponsor contact person identified pursuant to paragraph IV.5 above may jointly authorize, in writing, any schedule revisions, budget line item revisions, or changes to the Project scope of work that do not diminish the emission reductions associated with the Project. Any other amendments to this Agreement must be executed in writing by the signators to this Agreement. Any change in Project scope must be approved by the Air District prior to implementation of the change by the Project Sponsor.

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10) Independent Contractor: Project Sponsor renders its service under this Agreement as an independent contractor. None of the Project Sponsor's agents, subcontractors or employees shall be construed as agents or employees of the Air District. This paragraph does not apply to elected officials serving concurrently on the governing boards of both the Project Sponsor and Air District.

11) Assignment: This Agreement may not be assigned, transferred, hypothecated, subcontracted or pledged by any party without the express written consent of the other party.

12) Severability: Should any part of this Agreement be declared unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement which shall continue in full force and effect; provided that, the remainder of this Agreement can, absent the invalid portion(s), reasonably be interpreted to give effect to the intentions of the parties.

13) Effective Date: The effective date of this Agreement is the date of signature by the Air Pollution Control Officer as listed on page 5.

14) Schedule for Eligible Costs: Only Project costs incurred after the "Air District Approval Date" listed on Attachment A, and before completion of Project and fulfillment of monitoring requirements or termination, whichever occurs first, are eligible to receive TFCA funds.

15) Cost Reduction: The Air District may reduce its contribution to the Project in the event that the "Total Project Cost" is less than the amount listed on Attachment A. Any reduction in TFCA funding shall be proportional to the percentage of TFCA funds provided toward the total project cost as noted on Attachment A.

16) Penalty: If the Air District finds Project Sponsor to be in violation of paragraphs II.9, II.10, or II.11 above, the Air District shall notify the Project Sponsor of the violation(s) and shall allow the Project Sponsor thirty (30) calendar days to remedy said violation(s). If the Project Sponsor fails to remedy the violation(s) within thirty (30) calendar days, the Air District may decrease the total TFCA Regional Funds awarded for the Project by up to ten percent (10%).

17) Project Cost: Project cost overruns are the sole responsibility of the Project Sponsor. The Air District's funding obligation is limited to the "Total TFCA Regional Funds Awarded" as listed on Attachment A. Acceptance of this funding agreement obligates the Project Sponsor to deliver the Project according to the terms and conditions of this Agreement.

18) Force Majeure: Neither the Air District nor Project Sponsor shall be liable or deemed to be in default for any delay or failure in performance under this Funding Agreement or interruption of services, directly or indirectly, from the acts of God, civil or military authority, acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the reasonable control of the Air District or Project Sponsor.

19) Governing Law: This Funding Agreement shall be construed and interpreted and the legal relations created thereby shall be determined in accordance with the laws of the State of California.

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SIGNATURES:

by: _____
Robert S. LaSala
City Manager
City of Sunnyvale

by: _____ Date: 1-7-03
William C. Norton
Executive Officer/APCO
Bay Area Air Quality Management District

Approved as to legal form:

by: _____, DCA
Legal Counsel

City of Sunnyvale

by: _____
Brian C. Bunger
District Counsel
Bay Area Air Quality Management District

Attest: _____
Susan Kitchens, City Clerk
12-13-02

ATTACHMENT A
PROJECT SPECIFIC INFORMATION

[Note: The section numbers shown in parenthesis below refer to Sections in the Funding Agreement.]

1. **Project Sponsor:** City of Sunnyvale

2. **Project Number:** 02R18

3. **Total TFCA Regional Funds Awarded (Section III.2):** $250,000

   The Air District will fund the documented incremental cost of five (5) compressed natural gas (CNG) trucks to a maximum of $250,000 in TFCA Regional Funds; i.e., up to $50,000 per vehicle.

4. **Total Project Cost (Section IV.15):** $1,502,617

5. **Matching Funds (Section II.13):** $1,252,617

Source	Amount
City of Sunnyvale/Bay Counties Waste Services	$1,252,617

6. **Total Line Item Project Budget:**

Line Item	Amount
Capital Equipment – Five (5) new, heavy-duty, CNG-fueled refuse trucks	$1,502,617

7. **Invoice and Payment Schedule (Section II.2):** The City of Sunnyvale shall submit invoices for reimbursement after the vehicles are delivered and placed into service. Invoices shall document the vehicle and engine specifications, and shall clearly document the incremental cost of the vehicles. Per Section III.1 of this Agreement, the Air District will withhold fifteen percent (15%) of the TFCA funds awarded, pending approval of the final report as listed in Attachment C.

   Final Invoice: The final invoice for reimbursement of fifteen percent (15%) of the total awarded TFCA Regional Funds is to be submitted with the final report as listed in Attachment C.

8. **Notices (Section IV.4):** Any written notice required is to be addressed to:

Project Sponsor:	Air District:
Robert S. LaSala	William C. Norton
City Manager	Executive Officer/APCO
City of Sunnyvale	Bay Area Air Quality Management District
P.O. Box 3707	939 Ellis Street
Sunnyvale, CA 94088-3707	San Francisco, CA 94109

9. **Contacts (Section IV.5):** Contact persons for day-to-day activities of the Project are:

Project Contact:	Air District:
Mark A. Bowers	Vanessa Mongeon
Solid Waste Program Manager	Environmental Planner II
City of Sunnyvale, Department of Public Works	Bay Area Air Quality Management District
P.O. Box 3707	939 Ellis Street
Sunnyvale, CA 94088-3707	San Francisco, CA 94109
Mbowers@ci.sunnyvale.ca.us	vmongeon@baaqmd.gov

10. Air District Approval Date (Section IV.14): September 18, 2002

11. Special Conditions (Section II.16):

A. The City of Sunnyvale shall make these conditions part of any fund transfer agreements between the City of Sunnyvale and Bay Counties Waste Services (BCWS).

B. The City of Sunnyvale shall submit to the Air District for review and approval any operational and fund transfer agreements between the City of Sunnyvale and Bay Counties Waste Services prior to their execution.

C. The City of Sunnyvale shall provide the Air District with a copy of any agreements executed between Bay Counties Waste Services and the City to carry out the Project.

D. Per Section II.10 of this Agreement, the project sponsor shall install the TFCA decal on vehicles acquired with TFCA funds.

E. Per Section II.11 of this Agreement, the project sponsor shall acknowledge the TFCA as a funding source in all promotional material (e.g., press releases, brochures, schedules, etc.).

F. The City of Sunnyvale shall ensure that Bay Counties Waste Services dismantles and scraps five (5) refuse trucks (or equivalent vehicles) in the BCWS fleet. Proof that five (5) refuse trucks (or equivalent vehicles) have been scrapped shall be included in the Final Report submitted to the Air District pursuant to Attachment C.

G. The City of Sunnyvale shall monitor the status of the vehicles acquired under the terms of this Agreement. The City of Sunnyvale shall inform the Air District staff contact within 30 days of any changes in the operational status of these vehicles. This includes the sale of any vehicle to a new owner, the transfer of any vehicle to a new location, or the withdrawal of any vehicle from active refuse collection within the City of Sunnyvale.

ATTACHMENT B
PROJECT DESCRIPTION

The TFCA funding application dated June 27, 2002, is incorporated herein by this reference.

Project Title: Heavy Duty Vehicle Replacement: 5 Natural Gas Refuse Trucks

Project Description: Bay Counties Waste Services (BCWS), in cooperation with the City of Sunnyvale, shall purchase five (5) new Autocar Expeditor LL64 heavy-duty refuse trucks equipped with new Cummins 8.3-liter natural gas engines. The engines must achieve an emission level of 1.5 g/bhp-hr of NOx (or lower) as tested by the California Air Resources Board (CARB). The City of Sunnyvale shall require BCWS to operate the five (5) CNG refuse trucks procured with this grant within the boundaries of the Air District for a minimum of eight (8) years.

BCWS shall dismantle and scrap five (5) refuse trucks (or equivalent vehicles) in its existing fleet.

Project Schedule:

Project start date	November 1, 2002
Place order for two (2) new refuse recycling trucks	December 1, 2002
Delivery of two (2) new refuse recycling trucks	July 1, 2003
Place two (2) new refuse recycling trucks into service	September 1, 2003
Place order for two (2) new front-load refuse trucks and one (1) new refuse truck	November 1, 2003
Delivery of two (2) new front-load refuse trucks and one (1) new refuse trucks	August 1, 2004
Place two (2) new front-load refuse trucks and one (1) new refuse truck into service	October 1, 2004
Final report submission	January 1, 2005

Project Goal: The goal of this project is to reduce on-road motor vehicle emissions of ozone precursors and particulate matter by promoting the use of low emission, natural gas vehicles by Bay Counties Waste Services within the jurisdiction of the Bay Area Air Quality Management District.

ATTACHMENT C
MONITORING OF PROJECT PERFORMANCE

Quarterly Reports:

Due Dates: January 15, 2003, April 15, 2003, July 15, 2003, October 15, 2003, January 15, 2004, April 15, 2004, July 15, 2004, October 15, 2004 and quarterly thereafter until all vehicles have been delivered and placed into service.

Quarterly reports shall summarize progress in project implementation, describe any problems encountered, and note any potential need for changes in the project implementation schedule. Quarterly reports shall be submitted based upon the format provided by the Air District. Each quarterly report will provide an update of the project status, including any changes to the projected delivery date of the vehicles.

Project Monitoring Requirements and Final Report:

Due Date: January 1, 2005

The project sponsor shall submit the following information in a format approved by the Air District:

1. A description of the heavy-duty Autocar Expeditor refuse trucks purchased as part of the Project, including make, model, engine size, engine year, engine family, and Vehicle Identification Numbers (VIN).

2. A summary of any problems encountered in the initial operation of the vehicles acquired with this grant.

3. Documentation demonstrating that five (5) diesel-powered refuse trucks (or equivalent vehicles) have been removed from service and destroyed (i.e., destruction of the engine block and frame/chassis) in accordance with TFCA policy #14.

4. Documentation that TFCA decals have been installed on the newly purchased vehicles in accordance with Section II.10 of this Agreement.

5. Any future plans to purchase similar vehicles.

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

October 16, 2001

Gail M. Bentley
Solid Waste Program
Department of Public Works
City of Sunnyvale
P.O. Box 3707
Sunnyvale, CA 94088-3707

Dear Ms. Bentley, Gail

As you know, the Bay Area Air Quality Management District Board of Directors has approved your grant applications for funding from the Carl Moyer Fuel Infrastructure Program for Project CEC-1, the construction and operation of a compressed natural gas fueling facility. We commend your efforts to help reduce air pollution.

Enclosed for your review is a proposed Funding Agreement for the Carl Moyer Fuel Infrastructure grant awarded to the City of Sunnyvale. Each Agreement sets forth the terms, conditions, and record keeping requirements of the grant. The Air District reserves the right to reconsider and potentially cancel the grants if the enclosed Funding Agreements are not signed by November 16, 2001.

Please refer to the above project number in all correspondence with the Air District. If you have any questions, please contact me at: (415) 749-4982, or e-mail: *mnichols@baaqmd.gov*. If you wish to accept these grants, please sign the enclosed two originals of each Funding Agreement and return both to: **Matt Nichols, BAAQMD, 939 Ellis Street, San Francisco, CA 94109.**

Sincerely,

Matt Nichols
Environmental Planner II

enclosures

CARL MOYER FUEL INFRASTRUCTURE GRANT AGREEMENT
BETWEEN
THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT
AND
THE CITY OF SUNNYVALE

CEC-1

DEC 10 2001

This Agreement is made and entered into between the City of Sunnyvale, hereinafter referred to as "Grantee," and the Bay Area Air Quality Management District, hereinafter referred to as the "Grantor" or "Air District," interchangeably. Attachment A, Project Specific Information, is hereby incorporated into this Agreement by this reference.

SECTION I

GRANTEE AGREES:

1) To implement the Project in accordance with the description and implementation schedule contained on Attachment A. Failure to implement the Project in accordance with the description and implementation schedule contained on Attachment A may result in the termination of this Agreement. Both the Project description and implementation schedule may be modified consistent with Section III.10 of this Agreement. The Project, as used in this Agreement, is described on Attachment A.

2) To submit invoices to the Air District for reimbursement of costs and expenses incurred to complete the Project consistent with the Project description and schedule contained on Attachment A. Invoices may be submitted as soon as costs are incurred, but by no later than specified in the schedule in Attachment A. The invoices shall itemize labor charges to the Project, if any, indicating the number of hours worked on the Project; and itemize any payments to vendors, consultants, or contractors with an explanation of the goods or services provided for the Project.

3) To keep necessary records of Project activities, expenses and charges to document and support the invoices submitted to the Air District.

4) To keep necessary records for a period of seven (7) years from the completion of the Project documenting the annual amount of fuel dispensed by the facility purchased as part of the Project.

5) To allow and facilitate Air District review of Project performance and all expenditures relating to the Project funded through this Agreement.

6) To acknowledge the Air District and the Carl Moyer Fuel Infrastructure Program as a funding source for the Project in any related media events, articles, news releases or other publicity materials.

7) To assure that all funds received under this Agreement are expended only in accordance with all applicable provisions of law and implementation regulations.

8) To return to the Air District any Carl Moyer Fuel Infrastructure Program funds used to purchase and install any fueling facilities as part of the Project if the CNG fueling facility fails to meet the natural gas throughput requirements of 14,280 million British thermal units (BTUs), averaged over a consecutive five (5) year period. Amount to be repaid will be prorated based on the percentage that the throughput is less than the minimum requirements. Failure to submit annual Operational Reports, including throughput data, to the Air District may be taken to mean that the station had zero throughput for that time period.

9) To comply with those "Special Conditions," if any, listed on Attachment A.

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SECTION II

AIR DISTRICT/GRANTOR AGREES:

1) To reimburse the Grantee for legitimate Project expenses within 30 calendar days of receipt by Air District of invoices specified in Attachment A. Final payment will be made once Air District has verified that Grantee has completed the Project. Verification by Air District will include physical inspection of the installed fueling facility specified on Attachment A.

2) To provide funds not to exceed the "Total Carl Moyer Fuel Infrastructure Funds Awarded" amount for this Project as listed on Attachment A.

SECTION III

IT IS MUTUALLY AGREED:

1) Authority: This Agreement is made pursuant to the California Air Resources Board's Carl Moyer Program as established in Health & Safety Code Section 44280. Any questions or disputes the parties may have in the implementation of this grant agreement shall be resolved by reference and adherence to the terms and conditions of the Carl Moyer Fuel Infrastructure Program as promulgated by the California Energy Commission.

2) Term: This Agreement will remain in effect for seven (7) years after the completion of the Project unless terminated as provided below.

3) Termination: Except as provided in Section I.2, either party may terminate this Agreement at any time prior to transfer of funds by giving written notice of termination to the other party which shall specify the effective date thereof. Notice of termination under this paragraph shall be given at least thirty (30) days before the effective date of such termination. Upon receiving notice of termination, Grantee shall immediately cease further expenditure of Carl Moyer Fuel Infrastructure Program funds received under this Agreement. The Air District will reimburse Grantee for qualifying expenditures on the Project made prior to the receipt of the notice of termination.

4) Indemnification: Grantee shall indemnify and hold harmless the Air District/Grantor, its officers, employees, agents, representatives, and successors-in-interest against any and all claims, suits or actions resulting from the performance by Grantee of its duties under this Agreement. Air District shall indemnify and hold harmless Grantee its officers, employees, agents, and successors-in-interest against any and all claims, suits or actions resulting from the performance by Air District of its duties under this Agreement.

5) Notices: Any notice which may be required under this Agreement shall be in writing, shall be effective when received, and shall be given by personal delivery service or first class mail, to the addressees set forth on Attachment A, or to such addressees which may be specified in writing to the parties hereto.

6) Contacts: Grantee and Air District persons to act as contacts and liaison with the Air District and the Grantee with regards to the day-to-day activities of the Project are specified on Attachment A. All reports and correspondence are to be addressed to the "Contacts" listed on Attachment A.

7) Project Number: All correspondence shall reference the "Project Number" listed on Attachment A.

8) Additional Acts and Documents: Each party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of this Agreement.

9) Entire Agreement: This Agreement represents the entire Agreement of the parties with respect to the subject matter described in this Agreement, and no representation, warranties, inducements or oral

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agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.

10) Amendment: This Agreement may not be changed, modified or rescinded except in writing and signed by the parties hereto. Any attempt at oral modification of this Agreement shall be void and of no effect. The Air District contact person and Grantee contact person identified pursuant to paragraph III.6 above may jointly authorize, in writing, any schedule revisions or changes to the Project scope of work that do not diminish the emission reductions associated with the Project. Any other amendments to this Agreement must be executed in writing by the signatories to this Agreement. Any change in Project scope must be approved by the Air District prior to implementation of the change by the Grantee.

11) Independent Contractor: None of the Grantee's agents, subcontractors or employees shall be construed as agents or employees of the Air District.

12) Assignment: This Agreement may not be assigned, transferred, hypothecated, subcontracted or pledged by Grantee without the express written consent of the Grantor/Air District.

13) Severability: Should any part of this Agreement be declared unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement which shall continue in full force and effect; provided that, the remainder of this Agreement can, absent the invalid portion(s), reasonably be interpreted to give effect to the intentions of the parties.

14) Effective Date: The effective date of this Agreement is the date of signature by the Executive Officer/Air Pollution Control Officer as listed on page 5.

15) Schedule for Eligible Costs: Only Project costs incurred after the "Air District Approval Date" listed on Attachment A, and before completion of Project or termination, whichever occurs first, are eligible to receive Carl Moyer Fuel Infrastructure Program funds.

16) Cost Reduction: The Air District may reduce its contribution to the Project in the event that the "Total Project Cost" is less than the amount listed on Attachment A. Any reduction in Carl Moyer Fuel Infrastructure Program funding shall be in the same percentage as the reduction in total project cost from that noted on Attachment A.

17) Project Cost: Project cost overruns are the sole responsibility of the Grantee. The Air District's funding obligation is limited to the "Total Carl Moyer Fuel Infrastructure Program Funds Awarded" as listed on Attachment A. Acceptance of this funding agreement obligates the Grantee to deliver the Project according to the terms and conditions of this Agreement.

18) Force Majeure: Neither the Air District nor Grantee shall be liable or deemed to be in default for any delay or failure in performance under this Funding Agreement or interruption of services, directly or indirectly, from the acts of God, civil or military authority, acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the reasonable control of the Air District or Grantee.

19) Governing Law: This Funding Agreement shall be construed and interpreted and the legal relations created thereby shall be determined in accordance with the laws of the State of California.

20) Right to Claim Emission Reductions: The Air District retains the exclusive right to claim any emission reduction credits under state or federal law that might result from emissions reduced by the Project implemented pursuant to this Agreement.

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SIGNATURES:

by: _____
Robert S. La Sala
City Manager
City of Sunnyvale

by: _____ Date: 11.26.01
Ellen Garvey
Air Pollution Control Officer
Bay Area Air Quality Management District

Approved as to legal form:

by: _____
Legal Counsel
City of Sunnyvale

by: _____
Robert N. Kwong
District Counsel
Bay Area Air Quality Management District

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ATTACHMENT A
PROJECT SPECIFIC INFORMATION

[Note: The section numbers shown in parenthesis below refer to Sections in the Funding Agreement.]

1. **Project Sponsor:** City of Sunnyvale

2. **Project Number (Section III.7):** CEC-1

3. **Total Carl Moyer Infrastructure Funds Awarded (Section III.2):** $200,000

4. **Total Project Cost (Section IV.15):** $500,000

5. **Matching Funds (Section II.13):** $300,000

Source	Amount
City of Sunnyvale	$300,000

6. **Total Line Item Project Budget:**

Line Item	Amount
Capital Equipment – Compressed Natural Gas Fueling Facility	$500,000

7. **Invoice and Payment Schedule (Section II.2):**

The Carl Moyer Fuel Infrastructure Program funds were paid to the City of Sunnyvale on March 21, 2002.

8. **Notices (Section IV.4):** Any written notice required is to be addressed to:

Project Sponsor:
Mark A. Bowers
Solid Waste Program Manager
City of Sunnyvale, Dept. of Public Works
P.O. Box 3707
Sunnyvale, CA 94088-3707

Air District:
William Norton
Executive Officer/APCO
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

9. **Contacts (Section IV.5):** Contact persons for day-to-day activities of the Project are:

Project Contact:
Gail M. Bentley
Solid Waste Program
Department of Public Works
City of Sunnyvale
P.O. Box 3707
Sunnyvale, CA 94088-3707

Air District:
Michael Murphy
Principal Environmental Planner
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

10. **Air District Approval Date (Section IV.14): December 21, 2000**

11. **Special Conditions (Section II.16):** The City of Sunnyvale will require that Bay County Waste Services (BCWS) and Pinnacle CNG Company operate the natural gas fueling facility for a minimum of seven (7) years. The City of Sunnyvale will make these conditions part of any fund transfer agreements between the City of Sunnyvale and BCWS. The City of Sunnyvale will provide the Air District with a copy of any agreements executed between BCWS and itself to carry out the Project.

The CNG fueling facility must meet the required annual throughput requirements of 14,280 million BTUs, averaged over a consecutive five (5) year period, otherwise the Air District shall require repayment on a percentage short basis. A maximum two (2) year phase in period may be allowed to acquire throughput; thereafter, the fueling facility shall dispense a minimum of 14,280 million BTUs annually over the subsequent five (5) year period. Failure to submit annual Operational Reports including throughput data to the Air District may be taken to mean that the station had zero throughput for that time period.

ATTACHMENT B
PROJECT DESCRIPTION

Project Title: Natural Gas Fueling Infrastructure – City of Sunnyvale

Project Description: Bay Counties Waste Services, Inc. (d.b.a. Specialty Solid Waste & Recycling), in cooperation with the City of Sunnyvale, will purchase compressed natural gas fueling equipment and install a CNG fueling facility at 3355 Thomas Road, Santa Clara, California for refuse and recycling vehicles serving the City of Sunnyvale. The fueling facility will be operated and managed by Pinnacle CNG Company under a service agreement with BCWS. The station will also be available to other agencies and the general public. The fueling facility will dispense a minimum of 14,280 million BTUs of CNG annually, averaged over a consecutive five-year period.

Project Schedule:

Project Start Date:	January 1, 2001
Construction Completion Date:	July 31, 2002
Project Completion	July 31, 2009

Project Milestones:

August 9, 2001	Bay Counties Waste Services, Inc. and the City of Sunnyvale awarded a contract Pinnacle CNG for natural gas fueling equipment.
February 1, 2002	Installation of CNG fueling infrastructure completed.
March 1, 2002	Payment request submitted to Air District.
July 31, 2002	Station operation commences.
September 15, 2002	Quarterly reporting commences
July 31, 2009	Project Completion.

Project Goal: The goal of this project is to reduce emissions of ozone precursors and particulate matter from vehicles operating within the jurisdiction of the Bay Area Air Quality Management District by providing natural gas fueling infrastructure.

ATTACHMENT C
MONITORING OF PROJECT PERFORMANCE

Construction Status Reports:

Due Dates: December 15, 2001; January 15, 2002

The City of Sunnyvale will submit brief project status reports to the Air District during the implementation of the project. Each report will provide a general statement on the status of the infrastructure installation, including any changes to the projected date of project completion.

Construction Final Report:

Due Date: July 31, 2002

The Final Report shall contain the following:

1. Table of Contents
2. Abstract
3. A brief summary of the objectives of the project and how these objectives were accomplished.
4. A description of the CNG fueling infrastructure purchased and installed as part of the Project, including expected total throughput.
5. A consolidated list of subcontractors funding in whole of in part by the grant recipient. Include the name, address, concise statement of work done, period, and value of each.
6. A summary of the number and type of natural gas vehicles that will be refueled at facility, as well as any future plans to purchase similar vehicles.
7. A description of the availability of the infrastructure to the general public.
8. A summary of any problems encountered in the initial operation of the fueling equipment acquired with this grant.
9. Any findings, conclusions, or recommendations for follow-up or ongoing activities that might results from the successful completion of the project.
10. A statement of future intent of the grant recipient to maintain or further develop the project.

Quarterly **Operational Reports:**

Due Date: Quarterly starting on September 15, 2002 and ending with July 15, 2009.

The City of Sunnyvale will submit quarterly operational reports to the Air District for a minimum of five (5) years and a maximum of seven (7) years following the installation of the CNG fueling facility. Each report will provide information on the amount of fuel dispensed, by vehicle type, in the previous three months. Failure to report annual fuel throughput may result in repayment of the grant by the Grantee to the Grantor.

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

January 17, 2001

Tim Kirby
Solid Waste Program
City of Sunnyvale, DPW
P.O. Box 3707
Sunnyvale, CA 94088

RE: Project #00R17
Natural Gas Vehicle Purchase – 20 Refuse Trucks

Dear Mr. Kirby:

Enclosed is a signed copy of the Funding Agreement between the City of Sunnyvale and the Air District. We will forward the funds for the project in accordance with the schedule set forth in Attachment A of the Agreement.

Please refer to the above project number in all correspondence with the Air District. If you have any questions, please contact me at (415) 749-4982.

Sincerely,

Matt Nichols
Environmental Planner II

Enclosures

DUPLICATE ORIGINAL

FUNDING AGREEMENT
BETWEEN
THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT
AND
CITY OF SUNNYVALE

PROJECT NUMBER

00R17

This Agreement is made and entered into between the City of Sunnyvale, hereinafter referred to as "Project Sponsor," and the Bay Area Air Quality Management District, hereinafter referred to as the "Air District." Attachment A, Project Specific Information; Attachment B, Project Description; and Attachment C, Monitoring of Project Performance are hereby incorporated into this Agreement by this reference.

SECTION I

RECITALS:

1) Air District is authorized under California Health and Safety Code Section 44223 to levy a fee on motor vehicles registered within its jurisdiction. Funds generated by the fee are to be used to implement projects and programs to reduce air pollution from motor vehicles.

2) Air District administers these funds as the Transportation Fund for Clean Air (TFCA).

3) California Health and Safety Code Section 44241 limits expenditure to specified eligible transportation control measures included in the clean air plan adopted pursuant to California Health and Safety Code Sections 40233, 40717, and 40919 and limits the allocation of the funds to public agencies within the Air District's jurisdiction.

4) Air District and Project Sponsor, pursuant to California Health and Safety Code Section 44241, hereby enter into this Funding Agreement (Agreement) to implement a transportation measure (Project) to improve air quality in the San Francisco Bay Area Air Basin.

5) The Project, as used in this Agreement, is described on Attachment B.

SECTION II

PROJECT SPONSOR AGREES:

1) To implement the Project in accordance with the description and implementation schedule contained on Attachment B.

2) To submit detailed invoices to the Air District for reimbursement of costs and expenses incurred to complete the Project consistent with the budget and schedule contained on Attachment A. Invoices shall specify the time period for the invoice, itemize staff charges to the Project, if any, indicating the number of hours worked on the Project; and itemize any payments to vendors, consultants, or contractors with an explanation of the goods or services provided for the Project.

3) To keep necessary records of Project activities, expenses and charges to document and support invoices submitted to the Air District.

4) To return to the Air District unexpended TFCA funds and/or interest earned on TFCA funds, if any, upon completion or termination of the Project.

5) To allow and facilitate Air District audit of Project performance and all expenditures relating to the Project funded through this Agreement.

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6) To record on a time sheet those hourly labor costs incurred in the implementation of the Project which are paid with TFCA funds received under this Agreement, or to establish an alternative method approved by the Air District to document staff costs charged to the Project.

7) To use no more than five percent of the TFCA funds received under this Agreement for costs incurred in the administration of the Project consistent with the line item Project budget specified in Attachment A.

8) To keep necessary records of Project performance as specified on Attachment C.

9) To submit to the Air District all reports specified on Attachment C.

10) To use the Air District's approved logo for the Transportation Fund for Clean Air on any vehicles leased or purchased with TFCA funds, or on any other capital property purchased with TFCA funds that is visible to the public.

11) To use the Air District's approved logo for the Transportation Fund for Clean Air, or to acknowledge the Air District as a funding source, on any printed or electronic material for public distribution associated with the Project. Included as printed material are Project related schedules, brochures, handbooks, or promotional material. Included as electronic material are Project related Web Sites, electric signs, or e-mail broadcasts.

12) To acknowledge the Air District as a funding source for the Project in any related media events, articles, news releases or other publicity materials.

13) To assure that all funds received under this Agreement are expended only in accordance with all applicable provisions of law and with the terms and conditions of this Agreement.

14) To expend those "Matching Funds," if any, as listed on Attachment A, toward completion of the Project as described on Attachment B. In the event funding from other sources for the total cost of the Project as set forth in Attachment A is not received, in whole, by the Project Sponsor, the Air District reserves the right to renegotiate the terms and conditions of this Agreement.

15) To return to the Air District any funds realized from the sale of any motor vehicle(s) purchased with TFCA funds if such sale occurs within the industry standards for the useful life from the date of purchase of the motor vehicle(s). The amount of the funds returned to the Air District shall be proportional to the percentage of TFCA funds originally used to purchase the motor vehicle(s).

16) To place in the public domain any software, written document, intellectual property, process, technique, or product developed with TFCA funds as part of the Project.

17) To comply with those "Special Conditions," if any, listed on Attachment A.

SECTION III

AIR DISTRICT AGREES:

1) To pay within 30 calendar days of receipt, invoices for reimbursement of legitimate Project expenses submitted by the Project Sponsor, excepting that the Air District will retain fifteen percent (15%) of the "Total TFCA Regional Funds Awarded" as listed on Attachment A until the Air District's acceptance of the final report as specified on Attachment C.

2) To provide TFCA funds not to exceed the "Total TFCA Regional Funds Awarded" amount for this Project as listed on Attachment A.

3) To provide timely notice prior to conducting an audit.

4) To provide a copy of any fiscal audits of the Project as specified in California Health and Safety Code Section 44242.

SECTION IV

IT IS MUTUALLY AGREED:

1) Term: This Agreement will remain in effect for three (3) years after the completion of the Project unless terminated as provided below.

2) Termination: Either party may terminate this Agreement at any time by giving written notice of termination to the other party which shall specify the effective date thereof. Notice of termination under this paragraph shall be given at least ninety (90) days before the effective date of such termination. Upon receiving notice of termination, Project Sponsor shall immediately cease further expenditure of TFCA funds received under this Agreement. The Air District will reimburse Project Sponsor for qualifying expenditures on the Project made prior to the receipt of the notice of termination.

3) Indemnity: Project Sponsor shall indemnify and hold harmless the Air District its officers, employees, agents, representatives, and successors-in-interest against any and all claims, suits or actions resulting from the performance by Project Sponsor of its duties under this Agreement. Air District shall indemnify and hold harmless Project Sponsor its officers, employees, agents, and successors-in-interest against any and all claims, suits or actions resulting from the performance by Air District of its duties under this Agreement.

4) Notices: Any notice which may be required under this Agreement shall be in writing, shall be effective when received, and shall be given by personal delivery service or first class mail, to the addressees set forth on Attachment A, or to such addressees which may be specified in writing to the parties hereto.

5) Contacts: Project Sponsor and Air District persons to act as contacts and liaison with the Air District and the Project Sponsor with regards to the day-to-day activities of the Project are specified on Attachment A. All reports and correspondence are to be addressed to the "Contacts" listed on Attachment A.

6) Project Number: All correspondence shall reference the "Project Number" listed on Attachment A.

7) Additional Acts and Documents: Each party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of this Agreement.

8) Integration: This Agreement represents the entire Agreement of the parties with respect to the subject matter described in this Agreement, and no representation, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.

9) Amendment: This Agreement may not be changed, modified or rescinded except in writing and signed by the parties hereto. Any attempt at oral modification of this Agreement shall be void and of no effect. The Air District contact person and Project Sponsor contact person identified pursuant to paragraph IV.5 above may jointly authorize, in writing, any schedule revisions, budget line item revisions, or changes to the Project scope of work that do not diminish the emission reductions associated with the Project. Any other amendments to this Agreement must be executed in writing by the signators to this Agreement. Any change in Project scope must be approved by the Air District prior to implementation of the change by the Project Sponsor.

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10) Independent Contractor: Project Sponsor renders its service under this Agreement as an independent contractor. None of the Project Sponsor's agents, subcontractors or employees shall be construed as agents or employees of the Air District. This paragraph does not apply to elected officials serving concurrently on the governing boards of both the Project Sponsor and Air District.

11) Assignment: This Agreement may not be assigned, transferred, hypothecated, subcontracted or pledged by any party without the express written consent of the other party.

12) Severability: Should any part of this Agreement be declared unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement which shall continue in full force and effect; provided that, the remainder of this Agreement can, absent the invalid portion(s), reasonably be interpreted to give effect to the intentions of the parties.

13) Effective Date: The effective date of this Agreement is the date of signature by the Air Pollution Control Officer as listed on page 5.

14) Schedule for Eligible Costs: Only Project costs incurred after the "Air District Approval Date" listed on Attachment A, and before completion of Project and fulfillment of monitoring requirements or termination, whichever occurs first, are eligible to receive TFCA funds.

15) Cost Reduction: The Air District may reduce its contribution to the Project in the event that the "Total Project Cost" is less than the amount listed on Attachment A. Any reduction in TFCA funding shall be proportional to the percentage of TFCA funds provided toward the total project cost as noted on Attachment A.

16) Penalty: If the Air District finds Project Sponsor to be in violation of paragraphs II.9, II.10, or II.11 above, the Air District shall notify the Project Sponsor of the violation(s) and shall allow the Project Sponsor thirty (30) calendar days to cure said violation(s). If the Project Sponsor fails to remedy the violation(s) within thirty (30) calendar days, the Air District may decrease the total TFCA Regional Funds awarded for the Project by up to ten percent (10%).

17) Project Cost: Project cost overruns are the sole responsibility of the Project Sponsor. The Air District's funding obligation is limited to the "Total TFCA Regional Funds Awarded" as listed on Attachment A. Acceptance of this funding agreement obligates the Project Sponsor to deliver the Project according to the terms and conditions of this Agreement.

18) Force Majeure: Neither the Air District nor Project Sponsor shall be liable or deemed to be in default for any delay or failure in performance under this Funding Agreement or interruption of services, directly or indirectly, from the acts of God, civil or military authority, acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the reasonable control of the Air District or Project Sponsor.

19) Governing Law: This Funding Agreement shall be construed and interpreted and the legal relations created thereby shall be determined in accordance with the laws of the State of California.

SIGNATURES:

by: _____
Robert S. LaSala
City Manager
City of Sunnyvale

by: _____ Date: 1-12-01
Ellen Garvey
Air Pollution Control Officer
Bay Area Air Quality Management District

Approved as to legal form:

by: _____
Legal Counsel
City of Sunnyvale

by: _____
Robert N. Kwong
District Counsel
Bay Area Air Quality Management District

ATTACHMENT A
PROJECT SPECIFIC INFORMATION

[Note: The section numbers shown in parenthesis below refer to Sections in the Funding Agreement.]

1. **Project Sponsor:** City of Sunnyvale
2. **Project Number:** 00R17
3. **Total TFCA Regional Funds Awarded (Section III.2):** $1,000,000
4. **Total Project Cost (Section IV.15):** $5,511,380
5. **Matching Funds (Section II.13):**

Source	Amount
City of Sunnyvale	$ 722,957
Bay Counties Waste Services (BCWS)	$3,788,423

Total Line Item Project Budget:

Line Item	Amount
Capital Equipment – Twenty new natural gas powered heavy-duty refuse trucks	$5,511,380

7. **Invoice and Payment Schedule (Section II.2):**

The City of Sunnyvale will submit an invoice for reimbursement of the TFCA Regional Funds awarded under this Agreement along with the Final Report specified in Attachment C.

8. **Notices (Section IV.4):** Any written notice required is to be addressed to:

Project Sponsor:
Mark A. Bowers
Solid Waste Program Manager
City of Sunnyvale, Dept of Public Works
P.O. Box 3707
Sunnyvale, CA 94088-3707

Air District:
Ellen Garvey
Air Pollution Control Officer
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

9. **Contacts (Section IV.5):** Contact persons for day-to-day activities of the Project are:

Project Contact:
Tim Kirby
Solid Waste Program
City of Sunnyvale, Dept of Public Works
P.O. Box 3707
Sunnyvale, CA 94088-3707

Air District:
Matt Nichols
Environmental Planner II
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

10. **Air District Approval Date (Section IV.14):** September 6, 2000
11. **Special Conditions (Section II.16):**

The City of Sunnyvale will require that Bay Counties Waste Services (BCWS) operate the vehicles procured with this grant within the San Francisco Bay Area Air Basin for a minimum of seven years. The City of Sunnyvale will make this a condition of any fund transfer agreements between the City of Sunnyvale and Bay Counties Waste Services regarding this project.

The City of Sunnyvale will submit to the Air District for review and approval any fund transfer agreements between the City of Sunnyvale and Bay Counties Waste Services prior to their execution.

The City of Sunnyvale will provide the Air District with a copy of any agreements executed between Bay Counties Waste Services and itself to carry out the Project.

Any change in the engine specified for the refuse trucks must be approved by the Air District.

ATTACHMENT B
PROJECT DESCRIPTION

The TFCA funding application dated June 26, 2000 is incorporated herein by this reference.

Project Title: Natural Gas Vehicle Purchase – 20 Refuse Trucks

Project Description:

Bay Counties Waste Services, in cooperation with the City of Sunnyvale, will purchase twenty (20) new heavy-duty refuse trucks, consisting of nine (9) residential garbage trucks, five (5) residential yardwaste trucks, and six (6) commercial garbage trucks. Bay Counties Waste Services will have new Cummins Engine Company 8.3 liter compressed natural gas (CNG) engines installed in the twenty (20) new trucks as replacements for twenty (20) existing heavy-duty refuse trucks powered by diesel. The twenty new refuse trucks will be Volvo Expeditor vehicles. The Cummins engines placed in the CNG heavy-duty refuse trucks must be certified to one of the California Air Resources Board's optional low-NOx standards for on-road heavy-duty engines.

Project Schedule:

Project Start Date:	February 1, 2001
Project Completion Date:	September 1, 2002

Project Milestones (if any):

February 1, 2001	Bay Counties Waste Services and City of Sunnyvale issue a purchase order for seventeen heavy-duty refuse trucks.
June 1, 2001	Bay Counties Waste Services and City of Sunnyvale issue a purchase order for three heavy-duty refuse trucks.
February 1, 2002	Seventeen new heavy-duty refuse trucks delivered to Bay Counties Waste Services and placed into service. Trucks will be fully equipped and ready for deployment.
June 1, 2002	Three new heavy-duty refuse trucks delivered to Bay Counties Waste Services and placed into service. Trucks will be fully equipped and ready for deployment.
September 1, 2002	Final Report submitted to Air District.

Project Goal: The goal of this project is to reduce emissions of ozone precursors and particulate matter from twenty heavy-duty refuse trucks used by Bay Counties Waste Services within the jurisdiction of the Bay Area Air Quality Management District.

ATTACHMENT C
MONITORING OF PROJECT PERFORMANCE

Quarterly Reports:

Due Dates: January 15, 2001, April 15, 2001, July 15, 2001, October 15, 2001, January 15, 2002, April 15, 2002, July 15, 2002

The City of Sunnyvale will submit brief quarterly reports to the Air District during the implementation of the project. Each quarterly report will provide a general statement on the status of the vehicle purchase and manufacture, including any changes to the projected delivery date of the vehicles.

Project Monitoring Requirements and Final Report:

Due Date: September 1, 2002

The Final Report shall contain the following:

1. A description of the heavy-duty trucks purchased as part of the Project, including make, model, engine type, and Vehicle Identification Numbers.
2. A summary of any problems encountered in the purchase or operation of the initial seventeen vehicles acquired with this grant.
3. Any future plans to purchase similar vehicles.

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
CONGESTION MANAGEMENT PROGRAM

TRANSPORTATION FUND FOR CLEAN AIR
AGREEMENT
FY 2000/2001

This Agreement is between the Santa Clara Valley Transportation Authority, (VTA) and the City of Sunnyvale (Sponsor).

This Agreement is made with reference to the following facts:

A. VTA has been designated by the Cities of Santa Clara County and by the County as the Program Manager in Santa Clara County for Transportation Fund for Clean Air (TFCA) 40% funds.

B. Pursuant to that designation, VTA is responsible for disbursing TFCA 40% funds to eligible project sponsors in accordance with its agreement with the Bay Area Air Quality Management District (BAAQMD).

C. This Agreement specifies the conditions under which VTA will reimburse TFCA 40% funds to Sponsor for fiscal year 2000/2001.

Section 1. Description Of Projects, Grant Amount And Monitoring Requirements

Sponsor agrees to implement and complete the County Bicycle Route 3 and Refuse Truck Purchase Projects described in the project summary in Attachment A, which is attached hereto and incorporated herein, in consideration of a TFCA grant in an amount not to exceed $250,000 (does not include local matching funds) furnished by VTA to Sponsor as provided herein. Sponsor shall comply with the project schedules and monitoring requirements described in Attachment A.

Section 2. Expenditure Of Funds

Sponsor shall submit invoices at quarterly intervals to VTA for reimbursement of costs incurred to implement the Projects. Sponsor shall include auditable back-up documentation (time sheets, bills, etc.) with each invoice. Upon review and approval of invoices and documentation, VTA shall reimburse Sponsor within 90 days of invoice submission for all eligible expenditures up to the maximum amount described in Section 1 of this Agreement. Unless otherwise stated in this Agreement, only those project costs incurred by Sponsor on or after July 1, 2000 shall be considered reimbursable expenditures. Funds for the Projects described in this Agreement which are not claimed for reimbursement by invoices submitted prior to October 31, 2002, shall no longer be available for said Projects.

Section 3. State Audit

This Agreement shall be subject to the examination and audit of the State Auditor pursuant to Government Code Section 8546.7 for a period of three years after final payment.

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Section 4. Indemnification

Sponsor shall defend, indemnify and save harmless the VTA from all claims, suits or actions resulting from the performance by Sponsor of its duties under this Agreement.

Section 5. Additional Terms And Conditions

Sponsor shall:

A. Limit administrative costs for fiscal oversight to no more than five percent of the funds received under this Agreement.

B. Allow VTA or BAAQMD to audit all expenditures relating to the Projects and require all recipients of funds allocated under this Agreement to fully cooperate with such audits. For the duration of the Projects and for three years following completion of the Projects, Sponsor shall promptly furnish at the request of VTA or BAAQMD, or an independent auditor selected by VTA or BAAQMD, all records relating to Project performance and expenses incurred in implementing the Projects.

C. Maintain employee hourly time sheets documenting the time spent by Sponsor's employees for the Projects, or use an alternative method, approved in advance by VTA or BAAQMD, to document staff costs charged to this grant.

D. Require hourly employee time sheets to be maintained documenting the time spent by contractors or consultants who are paid by the hour in the implementation of the Projects with funds received under this Agreement, or use an alternative method, approved in advance by VTA or BAAQMD, to document staff costs charged to this grant.

E. Keep necessary records of the performance of the Projects as specified in Attachment A to expedite evaluation of emissions reductions achieved from implementation of the Projects.

F. Submit a mid-year progress report to VTA one month after the end of the second quarter of each fiscal year ("Fiscal year" means the period starting July 1, and ending June 30.) The report shall itemize (a) the expenditure of the funds and (b) progress to date in the implementation of each funded project.

G. Submit a year-end report within two months of the end of each fiscal year until each project is completed and all monitoring requirements have been fulfilled. The report shall itemize (a) the expenditure of the funds, (b) progress to date in the implementation of each funded project and (c) the results of the monitoring of the performance of the Projects as specified in Attachment A.

H. Use the BAAQMD's approved logo for the Transportation Fund for Clean Air for Projects, as specified below:

(1) The logo shall be used on signs posted at the site of any construction;

(2) The logo shall be displayed on any vehicles operated with or obtained as part of the Projects;

(3) The logo shall be used on any printed material intended for public consumption associated with the Projects, including project related transit schedules, brochures, handbooks, maps created for public distribution, and promotional material.

I. Credit VTA and BAAQMD as a funding source in any related articles, news releases or other publicity materials for the Projects which are produced or caused to be produced by the Sponsor.

J. Assure that all funds received under this Agreement are expended only in accordance with all applicable provisions of law for projects which are implemented by Sponsor, and to require the other recipients of grant funds for the Projects to do the same.

K. To the extent not otherwise prohibited by law, place in the public domain any software, written document, or other product developed with funds received through this Agreement.

L. Either obtain approval for alternate use of, or return to VTA, any funds realized from the sale or other disposition of any vehicles purchased with TFCA funds if the sale or disposition occurs before the useful life of the vehicle has expired as generally recognized within the industry. The amount of funds returned to VTA shall be proportional to the percentage of TFCA funds originally used to purchase the vehicles as compared to the total price paid for the vehicles. Any such funds returned to VTA shall be reallocated to eligible projects approved by VTA and BAAQMD.

<u>VTA shall:</u>

A. Reimburse Sponsor's project costs as provided in Section 2, up to the maximum grant amount shown in Section 1.

B. Review Sponsor's progress in implementing the Projects at the end of the sixth quarter following execution of this Agreement.

C. If progress at the sixth quarter review is insufficient to implement the Projects or to expend the funds within the period described in Section 2, VTA shall develop an action plan with the Sponsor to ensure that these funds are not lost to the county. VTA may, at its discretion, reprogram funds to other projects within Santa Clara County to ensure their expenditure prior to the fund expiration date described in Section 2.

Section 6. Non-Performance

If Sponsor causes all or part of these funds to be lost to the countywide program as a result of failure to complete a project according to the workscope described in Attachment A, Sponsor's next grant allocation of any kind will be reduced by the amount lost.

Section 7. Amendments

Amendments to this Agreement and modifications to the Projects, shall be made in writing, and signed by both parties.

In Witness Whereof, the Parties have executed this Agreement as of the latest date shown below.

City of Sunnyvale
(Sponsor)

Dated: 7-31-01

Authorized by City Council 11/14/00

Robert S. LaSala, City Manager

Approved As To Form:

Valerie J. Armento, City Attorney

Santa Clara Valley Transportation Authority
(VTA)

Dated: 8/20/00

Peter M. Cipolla, General Manager

Approved As To Form:

Suzanne B. Gifford, General Counsel
8-18-00

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ATTACHMENT A

PROJECT INFORMATION

A. Project Number: 00SC07 B. Project Sponsor: City of Sunnyvale

C. Project Contact: Jack Witthaus D. Contact Phone #: (408) 703-7330

E. Project Title: County Bicycle Route 3 - Sunnyvale Segment (Class 2, 2 mi.)

F. TFCA $ Allocated: $ 50,000 G. Total Project Cost: $ 231,125

Other Funding:

Amount	Source
$66,125	Transportation Development Act
$115,000	Jay Paul Company

H. Project Description: The 2.05-mile project will revise roadway parking controls and striping to provide bike lanes on the Sunnyvale segment of Countywide Bicycle Route 3. This route follows Mountain View-Alviso Road, Lawrence Station Road, Elko Drive, Lawrence Expressway, Moffett Park Drive, and Manila Drive to provide an east-west travel corridor. This project will result in Class 2 bike lanes on approximately 85% of the Sunnyvale segment of Route 3. Beneficiaries of the project will include Route 237 corridor bicycle commuters as well as bicycle commuters and employers in the Moffett Industrial Park.

I. Project Schedule: Start Date (mo/yr) July 1, 2000 Final Report Due Date (mo/yr) October 31, 2002

J. Final Report Content: Complete and submit part 1 of Project Monitoring Form 3.

ATTACHMENT A

PROJECT MONITORING FORM 3
Bicycle Projects

TFCA Project # _____ Project Sponsor: _____
Project Title: _____
Contact: _____ Phone: _____ E-mail: _____
TFCA $ Expended: $ _____ Total Project Cost: $ _____
Project Start Date: _____ Completion Date: _____

Complete the section that applies to the type of bicycle project implemented. Use additional sheets as needed.

1. **On Road Bicycle Improvements:** *Provide the following information for each segment of project. User counts should be performed on a weekday during the May-September period (excluding Bike to Work Week). Post-project count should be performed 3-6 months after completion of the facility. Counts may be performed for the entire day, or during the a.m. and p.m. peak periods, i.e. 7-9 a.m. and 4-6 p.m.*

				Pre-Project Count			Post-Project Count		
Segment Name	Class 1, 2, or 3	Segment Length	ADT on Segment	Date	Hours of Count	# Bikes per Day	Date	Hours of Count	# Bikes per Day

2. **Bicycle Lockers and Racks:** *Rack user counts should be performed anytime between 10 a.m. and 2 p.m. during a weekday in the May-September period (excluding Bike to Work Week).*

	# Units Installed	Total Bike Capacity	Cost per Unit	Manufacturer	Avg. # Users per Day
Lockers					
Racks					

Attach a map showing location(s) of lockers/racks. Describe methodology to determine user data.

3. **Bicycle Racks on Buses:** *Count of rack users should be performed all day (7 a.m. to 7 p.m.) on a weekday in the May-September period (excluding Bike to Work Week).*

# Racks Installed	# Bikes per Rack	Cost per Unit	Manufacturer	Avg. # Rack Users/Day	Total Daily Passenger Boardings System-wide

4. **Police Bicycle Projects:** *Based upon one year of operational experience with the bicycles.*

Type of Bike	# Bikes Purchased	Total Bike Patrol Hours per Year	Total Bike Patrol Miles per Year	Total Patrol Car Miles Reduced Per Year

ATTACHMENT A

PROJECT INFORMATION

A. Project Number: 00SC08 B. Project Sponsor: City of Sunnyvale

C. Project Contact: Marvin Rose D. Contact Phone #: (408) 730-7441

E. Project Title: Refuse Truck Purchase – 4 CNG

F. TFCA $ Allocated: $ 200,000 G. Total Project Cost: $ 416,020

Other Funding:	Amount	Source
	$216,020	City of Sunnyvale, Solid Waste Program

I. Project Description: The project will purchase 4 new heavy duty natural gas recycling trucks for use in curbside collection of recyclable materials in the City of Sunnyvale. The trucks will operate using engines which are certified to the California Air Resources Board's optional low-NOx standards of either 2.0 or 2.5 grams per brake horsepower hour of oxides of nitrogen, or deemed by CARB to be eligible under the Carl Moyer Program. The City of Sunnyvale manages refuse collection through an exclusive franchise to Bay Counties Waste Services (BCWS), doing business in Sunnyvale as Specialty Solid Waste and Recycling. BCWS currently provides refuse, yardwaste, and recyclables collection using 23 diesel-powered vehicles. The truck replacement schedule calls for the replacement of four curbside recycling trucks in fiscal year 2000/2001. Trucks operate in Sunnyvale, dump at the Sunnyvale Materials Recover and Transfer, and return to Santa Clara at the end of the day.

I. Project Schedule: Start Date (mo/yr) July 1, 2000 Final Report Due Date (mo/yr) October 31, 2002

J. Final Report Content: Complete and submit Project Monitoring Form 2.

ATTACHMENT A

PROJECT MONITORING FORM 2
Clean Air Vehicle Projects

Use this form for clean air vehicle projects, including infrastructure. Attach additional sheets as needed.

TFCA Project # _____ Project Sponsor: _____

Project Title: _____

Contact: _____ Phone: _____ E-mail: _____

TFCA $ Expended: $ _____ Total Project Cost: $ _____

Project Start Date: _____ Completion Date: _____

Total # of Vehicles Acquired: _____

Provide documentation of purchase and the following information for each clean air vehicle acquired:

Manufacturer	Model	ARB Certification (ULEV, SULEV, or ZEV)	Engine Size	Fuel Type	VIN	Month/Year Placed in Service

For projects funded prior to FY 99/00, provide the following information re: disposition of vehicles that were replaced.

Manufacturer	Model	Year	Engine Type/Fuel	VIN	Method of Disposition	Resale Price (if applicable)

If vehicles were scrapped, provide documentation that the VIN has been retired (engine block and frame/chassis destroyed). If vehicles were sold, submit vehicle sale/TFCA reimbursement form. Make check payable to Bay Area Air Quality Mgmt. District and specify "Account 49" on the check.

For refueling/recharging infrastructure projects describe the infrastructure installed, including location and capacity, public access policy, public access hours and user limitations.