

AGREEMENT IN PRINCIPLE**HDC.2026**

between

CLARK COUNTY

P.O. Box 9825, Vancouver, WA 98666

and

CITY OF VANCOUVER

P.O. Box 1995, Vancouver, WA 98666

and

COLUMBIA RESOURCE CO., L.P.

6601 NW Old Lower River Road, Vancouver, WA 98660

Purpose: Establish the basic understandings and agreements related to the potential binding contract for solid waste transfer, transportation, disposal and recycling services as of date of execution

Agreement Name: CCPH CRC COV Agreement in Principle HDC.2026

Agreement Period: February 1, 2024 - ongoing until a binding contract is executed

Clark County Contacts		
Program	Fiscal	Agreement
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City of Vancouver Contacts		
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Contractor Contacts		
Program	Fiscal	Agreement
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This agreement in principle (this "AIP") is entered into this first day of February, 2024 between CLARK COUNTY, a political subdivision of the state of Washington, hereinafter referred to as COUNTY, CITY OF VANCOUVER, a municipal corporation of the state of Washington, hereinafter referred to as CITY, and COLUMBIA RESOURCE CO., L.P., hereinafter referred to as CRC. COUNTY, CITY, and CRC are together hereinafter referred to as PARTIES.

By signing below, the PARTIES agree to all terms and conditions of this AIP and further agree that the terms and conditions of that certain memorandum of agreement by and between the PARTIES hereto dated December 8, 2022 are null and void.

CITY OF VANCOUVER:

CLARK COUNTY:

Eric Holmes, Date
City Manager

Kathleen Otto, Date
County Manager

COLUMBIA RESOURCE CO., L.P.:

Dan Schooler 02/02/24

Dan Schooler, Date
Western Region Vice President

APPROVED AS TO FORM ONLY:

Amanda Migchelbrink 02/02/24

Amanda Migchelbrink, Date
Deputy Prosecuting Attorney

Jonathan Young, Date
City Attorney

TERMS AND CONDITIONS

1. Mutual Agreements. It is mutually agreed and understood by and among the PARTIES, that:
 - 1.1. **In regard to contract term:**
 - 1.1.1. If negotiations are successful, the COUNTY and CRC intend to terminate the 5-year extension of the 2006 contract (Current Contract) and the PARTIES intend to enter into a new master services agreement (MSA) with independent scopes of work, hereinafter collectively referred to as New Contract, effective date no later than June 1, 2024. It is mutually agreed and understood by and among the PARTIES that the scopes of work upon the commencement date shall include the following:
 - 1.1.1.1. Regional Solid Waste System Transfer Services, Transport Services, Solid Waste Disposal Services, and Organics, Yard Waste, Hazardous Waste, and Other Specified Recycling Services (A.1).
 - 1.1.1.2. Recyclables Processing Services (A.2).
 - 1.1.1.3. Regional Solid Waste System Capital Improvements Services (A.3).
 - 1.1.2. The PARTIES agree the MSA independent scopes of work shall have the same commencement date but may have different expiration dates pursuant to the New Contract.
 - 1.1.3. It is mutually agreed and understood by and among the PARTIES that in regard to A.1, the following is the contract term:
 - 1.1.3.1. The initial contract term shall expire at 11:59 PM, PST on December 31, 2032, unless terminated pursuant to the MSA.
 - 1.1.3.2. Upon expiration of A.1's initial contract term and satisfaction of performance requirements that are being determined through negotiations, the PARTIES intend to execute an extension for A.1 for providing regional solid waste system transfer services, transport services, solid waste disposal services, and organics, yard waste, hazardous waste, and other specified recycling services.
 - 1.1.3.3. The PARTIES agree the extension for A-1 shall be equal to 5 years plus the lesser of 6 months or total months from January 2024 to execution of the New Contract.
 - 1.1.3.4. In consideration for the extension for A.1, CRC shall waive any increase in tip fee under the New Contract excluding as specified in Section 1.11.
 - 1.1.4. It is mutually agreed and understood by and among the PARTIES that in regard to A.2, the following is the contract term:
 - 1.1.4.1. The initial contract term shall expire at 11:59 PM, PST on December 31, 2027 unless terminated pursuant to the MSA.
 - 1.1.4.2. Upon successful negotiations between the PARTIES for recyclables processing services at a new private Materials Recovery Facility (MRF), the COUNTY, CITY or COUNTY successor may execute a 1-year extension for A.2 for recycling processing center services at the current or an interim MRF.
 - 1.1.4.3. In consideration for the extension included in A.1, CRC agrees to maintain the current processing fee calculation while operating the current MRF under the New Contract for A.2 but excluding adjustments as specified in Section 1.11.
 - 1.1.5. It is mutually agreed and understood by and among the PARTIES that in regard to A.3, the following is the contract term:

- 1.1.5.1. The initial contract term shall expire at 11:59 PM, PST on December 31, 2032 unless terminated pursuant to the MSA.
- 1.1.5.2. Upon extension of A.1, the PARTIES intend to execute an extension for same time period as the A.1 extension for A.3 for regional solid waste system capital improvements services.
- 1.1.6. The PARTIES may amend the MSA to include additional scopes of work for other Regional Solid Waste System Transfer Services; Transport Services, Solid Waste Disposal Services; Recycling, Organics, Yard Waste, Hazardous Waste, and other Material Processing Services; and Regional Solid Waste System Capital Improvements Services.

1.2. In regard to funding for capital improvements:

- 1.2.1. The COUNTY established the Regional Solid Waste System Fund (RSWSF) exclusively for Regional Solid Waste System investments.
- 1.2.2. Upon execution of the AIP, CRC shall deposit monthly the RSWSF contribution in accordance with Exhibit A for all MSW and Drop Box tonnage received beginning January 1, 2023 through the effective date of the New Contract, into a money market account owned by CRC and approved by the COUNTY.
- 1.2.3. Within 10 business days of execution of the New Contract, CRC shall deposit the \$10,000,000 in accordance with Exhibit A as required for the commencement date into the RSWSF managed by the COUNTY and the Designated Capital Improvement and Maintenance Restricted Fund (DCIMRF) managed by CRC.
- 1.2.4. In January of 2025, CRC shall transfer any and all remaining funds in the money market, including interest accrued, into the RSWSF managed by the COUNTY.
- 1.2.5. Upon execution of the New Contract, CRC shall deposit monthly the RSWSF contribution in accordance with Exhibit A for all MSW and Drop Box tonnage received beginning from execution of the New Contract through expiration of the New Contract including any extension thereof directly into the RSWSF subject to the limitations noted in Section 1.2.7. The PARTIES mutually agree any and all funds, including interest accrued, in the RSWSF are COUNTY funds.
- 1.2.6. Upon execution of the New Contract, CRC shall deposit in accordance with the amount and schedule established in Exhibit A the DCIMRF contribution. The PARTIES mutually agree any and all funds, including interest accrued, in the DCIMRF shall be exclusively used for approved capital improvements and select maintenance projects per Section 1.9.2. The PARTIES mutually agree that no funds shall be withdrawn from the DCIMRF without prior written signatory approvals from the COUNTY and CITY. The PARTIES agree the COUNTY and CITY shall have the right to check the balance of the fund. In addition, the PARTIES mutually agree the COUNTY and CITY shall have the right to call on funds currently in or designated for deposit into the DCIMRF and direct CRC to instead transfer and deposit such funds into the RSWSF if CRC has misappropriated any funds per A.1.
- 1.2.7. CRC shall deposit funds into the DCIMRF and RSWSF in accordance with Exhibit A including, but not limited to, cumulative contribution not to exceed \$50 million (2023 dollars) between calendar years 2024 through 2027.
- 1.2.8. The per ton contribution for all MSW and Drop Box tonnage shall be annually adjusted starting January 1, 2024 through expiration of the New Contract based CPI model set forth in the New Contract.
- 1.2.9. CRC shall deposit \$15 per ton (2023 dollars) for all MSW and Drop Box tonnage received beginning from execution of the New Contract into the RSWSF.

- 1.2.10. CRC shall provide assurances upon signing of the AIP, via mutually agreed upon means such as a corporate guarantee by Waste Connections US Holdings, Inc. (WC), for scheduled additional DCIMRF and RSWSF contribution deposits by CRC not to exceed \$50 million (2023 dollars).
- 1.2.11. CRC shall deposit \$7 per ton (2023 dollars) for all MSW and Drop Box tonnage received beginning 2028 through expiration of the New Contract including any extension thereof into the RSWSF.
- 1.2.12. The COUNTY, with advisory input from CRC, will implement the capital improvements. The COUNTY will manage the timing and process for implementation of the capital improvements.
- 1.2.13. The COUNTY's intent is for CRC to serve in an "owner" role for design and construction contracts under A.3 for the capital improvements until such time as the COUNTY, or COUNTY successor assumes ownership of such transfer stations. The COUNTY's involvement will include defining and approving project design criteria and the bridging documents for design build projects.
- 1.2.14. CRC will provide "open book" record keeping and reporting for design and construction contracts.

1.3. In regard to ownership of Transfer Stations:

- 1.3.1. CRC will maintain ownership of the existing three transfer station sites (i.e., Central, West Van and Washougal) for the A.1 initial contract term or unless authorized pursuant to the MSA.
- 1.3.2. The PARTIES agree the COUNTY followed by the COUNTY successor shall own any future to-be-built transfer station site.
- 1.3.3. Effective December 31, 2032, the COUNTY shall have the first right to purchase followed by the COUNTY successor to purchase one or both the Central and West Van transfer station sites for a purchase price of one dollar (\$1) per transfer station site, and the City of Washougal shall have the first right to purchase followed by the COUNTY followed by the COUNTY successor to purchase the Washougal transfer station site for the purchase price specified in a separate 2005 agreement between the City of Washougal and its contractor.
- 1.3.4. The COUNTY and CITY are committed to public ownership of the existing Central Transfer, West Van, and any future to-be-built transfer station(s) (excluding the existing transfer station in Washougal). These parties, along with any other municipal entity within the COUNTY that chooses to participate, will create a regional, multi-jurisdictional entity COUNTY successor to own and provide solid waste disposal and transfer services to those participating jurisdictions. As a statement of intent, both the COUNTY and CITY assert their strong preference for regional-entity ownership by a COUNTY successor, and that ownership by COUNTY or CITY is disfavored.
- 1.3.5. In furtherance of this, the COUNTY and CITY shall negotiate the terms of an interlocal agreement pursuant to chapter 39.34 RCW that identifies a statutory mechanism for formation of the entity to be the COUNTY successor, a general initial framework for shared, representational governance by all participating jurisdictions, and establishes a transparent and accountable timeline for formation of the entity by December 31, 2029.
- 1.3.6. In the event the COUNTY, CITY, and other participating jurisdictions are unable to form this anticipated regional entity by December 31, 2030, the COUNTY and CITY agree to meet and determine in good faith how one or both entities will

temporarily own and govern the solid waste transfer facilities until such time as the regional entity can be formed and become operational, which is not anticipated to take longer than 24 months.

- 1.3.7. The optional 5-year contract extension of A.1 will not be contingent on CRC continuing to own the existing transfer stations.

1.4. In regard to Materials Recovery Facility (MRF):

- 1.4.1. DCIMRF and RSWSF funds will not be invested in current or new MRF.
- 1.4.2. CRC will be solely responsible for maintaining the current MRF related to operation of current MRF.
- 1.4.3. If negotiations are successful as to recyclables processing services at a new MRF, it is mutually agreed and understood by and among the PARTIES that:
- 1.4.3.1. The PARTIES intend to execute a separate services contract for recyclables processing services at a new MRF.
- 1.4.3.2. CRC shall be solely responsible for all costs associated with the new MRF.
- 1.4.3.3. PARTIES acknowledge that negotiation of a new recyclables processing services contract (A.4) at a new privately-owned MRF shall commence immediately following execution of the New Contract and will be completed no later than one year later. If negotiations are unsuccessful or extend beyond one year after execution of the New Contract, the COUNTY and CITY will proceed with competitive procurement of recyclables processing at a new MRF. If negotiations are successful, CRC shall commit to a “no later than” date for acquisition or lease of property, completion of permitting, and commencement of construction for the new MRF within 2 years of execution of A.4.
- 1.4.3.4. CRC shall commit to a “no later than” date for start of operations of the new MRF.
- 1.4.3.5. PARTIES agree that “no later than” dates as referenced in 1.4.3.3 and 1.4.3.4 shall be subject to uncontrollable circumstances provision as defined in Section 1.5 and other delays outside of CRC’s control approved by COUNTY, including permitting delays, and availability of suitable property.
- 1.4.3.6. In regard to new MRF financial/fee structure, the PARTIES shall continue negotiations.

1.5. In regard to uncontrollable circumstance:

- 1.5.1. The PARTIES agree an Uncontrollable Circumstance Event means the following:
- 1.5.1.1. riot,
- 1.5.1.2. war,
- 1.5.1.3. civil disturbance,
- 1.5.1.4. insurrection,
- 1.5.1.5. act of terrorism,
- 1.5.1.6. local impacts caused by an epidemic or pandemic including restrictions imposed by governmental authorities in response thereto,
- 1.5.1.7. landslide,
- 1.5.1.8. wildfires,
- 1.5.1.9. volcanic eruption,
- 1.5.1.10. earthquake,
- 1.5.1.11. flood
- 1.5.1.12. FEMA declared disaster at or near a Facility,

- 1.5.1.13. simultaneous shutdowns of roadways and waterways as a result of 1.5.1.1 thru 1.5.1.12 above, or
- 1.5.1.14. Other events that are:
 - 1.5.1.14.1. Similar in nature of 1.5.1.1 thru 1.5.1.12 above and meet the criteria set forth in the New Contract; and
 - 1.5.1.14.2. Approved by the COUNTY, acting reasonably, to be included as an Uncontrollable Circumstance Event.
- 1.5.1.15. The PARTIES agree an Uncontrollable Circumstance Event shall not include any other events other than those listed above.
- 1.5.2. Upon PARTIES mutual agreement of the occurrence of an Uncontrollable Circumstance, the PARTIES agree the CRC shall not receive additional compensation for any such increase in the CRC's direct costs of services resulting from such Uncontrollable Circumstance if such direct costs are less than 4% of the then current tip fees over a consecutive three (3) month period.
- 1.5.3. Upon PARTIES mutual agreement of the occurrence of an Uncontrollable Circumstance, the PARTIES agree the COUNTY or COUNTY successor reserves the right to purchase the facilities affected by the Uncontrollable Circumstance if any such estimated increase in the tip fees resulting from such Uncontrollable Circumstance is more than 25% of the then current tip fees over a consecutive twelve (12)-month period.

1.6. In regard to alternative methods:

- 1.6.1. CRC will not implement alternate methods (i.e., transport to Wasco) without prior written notice to the County Contract Representative.
- 1.6.2. The PARTIES will develop a contingency plan to include timeline and process for transitioning from primary to back-up plan.
- 1.6.3. The PARTIES agree that transitioning from primary to back-up plan may be applicable to one, multiple, or all Regional Transfer Stations.
- 1.6.4. If the barge system goes down, CRC will not transition to back-up plan until after two days of storage of MSW and Drop Box tonnages at Regional Transfer Stations or barge loading site are utilized, unless the initial assessment indicates the barge system will be closed longer than two days. CRC will work with subcontractors to best utilize storage equipment. This flexibility will ensure that containers loaded with MSW are not being stored longer than necessary.
- 1.6.5. If a compactor goes down, CRC will immediately transition to back-up plan for the facility impacted and promptly notify the COUNTY of such. CRC will discontinue utilizing the back-up plan as soon the compactor is repaired.

1.7. In regard to storage equipment:

- 1.7.1. CRC shall be solely responsible for any and all costs in the provision of transport equipment in sufficient quantities to facilitate the successful performance of the New Contract except as specified herein.
- 1.7.2. CRC shall comply with the minimum transport equipment requirements and condition specified in A.1 including, but not limited to, provision of 492 containers and 20 possum belly/compactor trailers at the commencement date of the New Contract.
- 1.7.3. The PARTIES agree the minimum transport equipment requirements shall be increased annually based on any increase in solid waste outbound tonnages accepted from the prior July 1st to June 30th. The PARTIES agree the minimum transport

equipment requirements shall not be decreased unless approved by the COUNTY in its sole discretion.

- 1.7.4. CRC shall procure additional storage equipment (containers, trailers, etc.) within three months of execution of the New Contract unless CRC provides justification such is not feasible or a longer period is agreed to in writing by the PARTIES.
- 1.7.5. In subsequent years of the New Contract, CRC shall procure additional storage equipment (containers, trailers, etc.) by April 1st unless CRC provides justification such is not feasible, materially increases cost (bulk order containers), or a longer period is agreed to in writing by the PARTIES.
- 1.7.6. CRC shall be solely responsible for all costs related to future adjustments to the storage equipment requirement.

1.8. In regard to Pollution Liability Self-Insurance Fund (PLF):

- 1.8.1. The PARTIES agree to release the PLF at the commencement date of the New Contract for the purchase of additional containers to be owned and maintained by CRC or its subcontractors. This purchase represents a portion of the storage equipment requirement specified in paragraph 1.7.1 above.
- 1.8.2. The PARTIES agree the PLF, less any payment under paragraph 1.8.3, shall be used to purchase new and used storage equipment as mutually agreed to by PARTIES for the system. The PARTIES estimate this shall include:
 - 1.8.2.1. 102 sealed containers (compactor);
 - 1.8.2.2. 4 chassis;
 - 1.8.2.3. 1 tractor;
 - 1.8.2.4. 10 possum belly/compactor trailers;
 - 1.8.2.5. 50 open top intermodal (top load) (used); and
 - 1.8.2.6. 2 50-yard open top (organics waste transport) trailers.

The PARTIES agree the above are the estimated counts. PLF funds shall be used to purchase storage equipment, the quantities and type to be mutually agreed upon, within the PLF allocation.

- 1.8.3. The PARTIES agree to release funds equal to the remaining balance of the Additional Work as of end of Current Contract from the PLF as final compensation for any and all approved or pending Additional Work under the Current Contract with CRC. As a result, the PARTIES mutually agree the Additional Work (\$0.51 per ton) in the MSW and Drop Box tip fees shall be removed entirely effective upon execution of the New Contract.
- 1.8.4. CRC or its subcontractor shall be responsible for any and all site improvements or rental requirements for storage of all storage equipment.
- 1.8.5. CRC will ensure Finley Buttes Landfill will be open for Saturday service as needed at no cost to the system.

1.9. In regard to facility maintenance requirements:

- 1.9.1. Upon execution of the New Contract, the PARTIES agree to reimburse CRC from the RSWSF or DCIMRF, to be determined by the COUNTY, for approved resurfacing/paving within Regional Transfer Station Sites related to the routine wear and tear of transfer station operations that occurred from January 1, 2023 thru the commencement date of the New Contract.
- 1.9.2. For the term of the New Contract and any extension, CRC will be solely responsible for all maintenance services and costs related to Regional Transfer Station facility maintenance, servicing and renewal and replacement, including routine and non-routine, except as specified in 1.9.2.

- 1.9.3. For the term of the New Contract and any extension, the COUNTY or COUNTY successor shall be solely responsible for all costs related to only the following provided such has been maintained in compliance with manufacture instructions and recommendations:
 - 1.9.3.1. Replacement of solid waste compactors;
 - 1.9.3.2. Replacement of truck scales;
 - 1.9.3.3. Replacement of compactor infeed conveyor;
 - 1.9.3.4. Replacement of compactor main cylinder;
 - 1.9.3.5. Resurfacing/paving within Regional Transfer Station Sites related to the routine wear and tear of transfer station operations; and
 - 1.9.3.6. Other major items that are:
 - 1.9.3.6.1. Identified in the Capital Improvement Plan or during Triennial Inspections; and
 - 1.9.3.6.2. Approved by the COUNTY and CITY to be paid by the COUNTY from the RSWSF.
- 1.9.4. Due to RSWSF fund restrictions, COUNTY and CITY agree to allocate (\$0.51 per ton) within the MSW and Drop Box tip fees as the COUNTY's and CITY's contribution to maintenance services and costs and such allocation shall be implemented effective upon execution of the New Contract.
- 1.9.5. The COUNTY will pay for triennial facility inspections by a third party consultant. The first inspection will occur in the fourth quarter of 2023 or first quarter of 2024. The results of the inspections will be advisory and the PARTIES will discuss and agree on what maintenance deficiencies, if any, will be corrected and paid for consistent with 1.9.1 and 1.9.2. Correction work will be carried out and paid for on a schedule agreed by the PARTIES.
- 1.9.6. No later than ninety (90) calendar days of the 2023 triennial facility inspection report, CRC will submit a draft Regional Transfer Station facility maintenance schedule for all building and fixed equipment elements by facility that will identify (i) all maintenance inspections and servicing and (ii) all anticipated renewal and replacements and resurfacing/paving consistent with Section 1.9.2. COUNTY and CITY will review and comment on the maintenance schedule.
- 1.9.7. CRC will make available for inspection by the COUNTY, CITY and third-party consultant a record of maintenance activity (inspections, servicing, preventive maintenance and renewal and replacements) completed during the previous calendar year. CRC shall provide prompt access to the COUNTY, CITY, and consultant to review such records.

1.10. In regard to hours of operation at transfer stations:

- 1.10.1. The PARTIES agree that the hours of operations at transfer stations shall remain consistent with the Current Contract:
 - 1.10.1.1. Excluding Household Hazardous Waste, the PARTIES agree that the receiving services hours of operation at transfer stations, excluding Washougal transfer station, shall be from 6:00 A.M. to 6:00 P.M., Pacific Time on Monday, Tuesday, Wednesday, Thursday and Friday and from 8:00 A.M. to 4:00 P.M., Pacific Time on Saturday at both Central and West Van transfer stations, and from 8:00 A.M. to 4:00 P.M., Pacific Time on Sunday at Central transfer station.
 - 1.10.1.2. Excluding Household Hazardous Waste, the PARTIES agree that the receiving services hours of operation at Washougal transfer station shall be

from 7:00 A.M. to 5:00 P.M., Pacific Time on Wednesday and Friday and from 8:00 A.M. to 4:00 P.M., Pacific Time on Saturday.

1.10.1.3. For Household Hazardous Waste, the PARTIES mutually agree that the receiving services hours of operation at transfer stations, excluding Washougal transfer station, shall be from 8:00 A.M. to 4:00 P.M., Pacific Time on Friday, Saturday and Sunday at Central transfer station and from 8:00 A.M. to 4:00 P.M., Pacific Time on Friday and Saturday at West Van transfer station. For Household Hazardous Waste, the PARTIES mutually agree that the receiving services hours of operation at Washougal transfer station shall be 8:00 A.M. to 4:00 P.M., Pacific Time on the first and third Saturday of every month.

1.10.2. The PARTIES may evaluate implementation of a minimum fee for disposal of solid waste at the transfer stations. If the PARTIES agree to implement the minimum fee in the New Contract and such minimum fee is approved by the Clark County Council, it is mutually agreed and understood by and among the PARTIES that the days and hours of operation and services at transfer stations may be expanded.

1.11. In regard to fee adjustments:

- 1.11.1. The PARTIES agree that all fees will remain fixed except as provided herein or with written authorization from the County Contract Representative.
- 1.11.2. CRC will charge fees in accordance with the New Contract and CRC will not charge any fees other than those specifically authorized in the New Contract.
- 1.11.3. CRC will pay fees to Cities, County, and State in accordance with the New Contract.
- 1.11.4. The PARTIES agree all fees will be adjusted, increased or decreased, in accordance with the New Contract.
- 1.11.5. The PARTIES agree that the annual adjustment shall apply to the following fees only:
 - 1.11.5.1. MSW and Drop Box tip fees (Transfer and Disposal fee and Transport fee components), Special Waste tip fees (Yard Waste/Wood Waste, Organics, White Goods Freon Baring, White Goods Non-Freon Baring, Asbestos, and Tires), and
 - 1.11.5.2. Other Fees (Administrative/Regulatory fee and Host fee). Excluding the Transport fee, the PARTIES agree that the fees are subject to the annual adjustment shall be based on a CPI Adjustment set forth in the New Contract.
- 1.11.6. The PARTIES agree that the annual adjustment to the Transport fee will be based on a blended and weighted CPI and Fuel Index Adjustment.
- 1.11.7. The PARTIES agree that the Fuel Index shall be PADD 5 or a successor index produced by the United States government.
- 1.11.8. The PARTIES agree that the annual adjustment for the MSW and Drop Box tip fees shall be in accordance with Exhibit B.
- 1.11.9. In addition to the annual adjustment to the Transport fee contemplated in 1.11.6 above, the PARTIES agree to an additional one-time adjustment to the Transport fee.
- 1.11.10. The PARTIES agree the one-time adjustment to the Transport fee will at the COUNTY's and CITY's sole discretion be implemented in 2025 rates. The PARTIES agree the one-time adjustment will be applied after CPI adjustments to the Transport fee for 2025 rates.

- 1.11.11. In regard to other fee adjustments, such as hardship, the PARTIES will continue negotiations.
- 1.11.12. In regard to other fee adjustments from subcontractors requested during negotiations, the PARTIES agree such are declined and excluded from the New Contract.

1.12. In regard to bonding and Irrevocable Letter of Credit requirements, the PARTIES agree:

- 1.12.1. Excluding A.3, CRC shall maintain the bond in an amount equal to \$2,000,000.00 and an Irrevocable Letter of Credit equal to twenty-five percent (25%) of the total revenues received by CRC estimated for the initial year of the New Contract for the previous year of operations for all years excluding the initial year.
 - 1.12.2. Excluding A.3, the bond shall be issued for a period of not less than one (1) year; CRC shall provide a new bond, or evidence satisfactory to the COUNTY and CITY of the bond's renewability, at least one hundred eighty (180) calendar days before the bond then in effect expires.
 - 1.12.3. For A.3, CRC shall maintain the bond in an amount and for a period as specified in A.3.
2. Consent and Understanding. This AIP contains a complete and integrated understanding of the agreement between the PARTIES and supersedes any understandings, agreement or negotiations, whether oral or written, not set forth herein or in written amendments hereto duly executed by both PARTIES including, without limitation, that certain memorandum of agreement by and between the PARTIES hereto, dated December 8, 2022.
3. Effective Date. This AIP shall commence on the date of execution of this AIP and will continue until the earlier of June 1, 2024 or such time as a binding New Contract is executed.
4. Limitation of Liability. No rights or limitation of rights shall arise or be assumed between the PARTIES as a result of the terms of this AIP.