

the scheduled closure of the Puente Hills Landfill in late 2013, the parties agree to meet and confer in good faith beginning in July 2013 regarding the need for an adjustment to the methodology for calculating the disposal price adjustment.

#### **6.8 Compliance with Proposition 218**

To the extent required under Proposition 218 and other applicable laws, the City must undertake the Proposition 218 notice and protest process, or other required actions, with respect to Adjustments and/or increases to the maximum rates, including future adjustments under Section 6.3, extraordinary adjustments under Section 6.4, adjustments for additional services under Section 6.6, and disposal price adjustments under Section 6.7, and any other request for rate increases.

#### **6.9 No Waiver of Police Powers Or Discretion**

City has no legal obligation to accept adjustments to the maximum rate requested by Company. Accordingly, the City Council is completely free to exercise its discretion and police powers in considering such matters, and the City has not contracted away any of its police powers or duties to protect the public health, safety or general welfare of its citizens pursuant to State and Federal law. The City's decision on matters submitted to a public hearing will be made in good faith at or after the public hearing, not beforehand, consistent with the intent and language of this Agreement.

#### **6.10 Proposition 218 Protest Contract Remedy**

If any rate adjustment requested by Company is verified for accuracy by the City and not implemented as a result of a 50% protest in accordance with Proposition 218, Company may either: 1) accept that the rate will remain at the rates in effect prior to the requested rate increase, or 2) submit in writing to the City its intent to terminate the Agreement. A request to terminate the Agreement under this section would require a nine (9) month advance written notice and must be submitted within ninety (90) days of the denial of the rate increase request as a result of the 50% protest. During the nine (9) month notice period, the City may re-institute the Proposition 218 notice and protest process with respect to the proposed adjustment, and if the proposed adjustment does not receive a 50% protest and is implemented by the City, Company's notice of termination shall be deemed withdrawn.