



Fluorescent Lamp Recycling Program Agreement

This Fluorescent Lamp Recycling Program Agreement (this "**Agreement**") is made as of October 22, 2008 (the "**Effective Date**") by and between San Mateo County ("**Participant**") and Pacific Gas and Electric Company ("**PG&E**").

Recitals

A. Pursuant to authority granted to PG&E by the California Public Utilities Commission ("**CPUC**"), PG&E is funding a Fluorescent Lamp Recycling Program (the "**Program**") that will assist a select group of local governments in (a) establishing free and convenient collection systems for used residential compact fluorescent lamps ("**CFLs**") that test a variety of collection methods and (b) developing, implementing and testing the effectiveness of a variety of public awareness advertising campaigns that promote CFL collection opportunities for PG&E's residential customers.

B. Participant has agreed to participate in the Program and PG&E has agreed to provide funding on the terms and conditions described herein.

The parties agree as follows:

1. Funding and Program Launch Date. PG&E agrees to pay Participant \$50,000 (the "**Grant**") to help defray costs associated with Participant's participation in the Program, including without limitation Participant's performance of its obligations hereunder. Unless otherwise approved by PG&E in writing, Participant agrees to use the Grant in accordance with the budget attached hereto as Exhibit A and as otherwise described in this Agreement. PG&E shall pay the Grant to Participant within 30 days following the Effective Date. Participant understands that this is a one-time grant and no further funding will be provided by PG&E. Also, in the event the CPUC reduces the funding available for the Program prior to the date PG&E makes the Grant payment to Participant, PG&E may elect to terminate this Agreement on written notice to Participant, in which case this Agreement will terminate and the Grant will not be made. Participant agrees to officially launch the Program by December 31, 2008.

2. Promotional Event, Press Release. Prior to the official launch of the Program, Participant will develop, plan and coordinate with PG&E a promotional event and/or press release to announce Participant's participation in the Program and the planned activities under the Program. The parties will work together to jointly draft a mutually agreed press release prior to the official launch of the Program.

3. Program Implementation.

(a) Retailer Identification. Participant shall identify and enroll local retailers ("**Retailers**") into the Program to act as recycling drop off points and shall assist the Retailers in the establishment of proper CFL collection methods and procedures. Through the Retailers, Participant will test different collection strategies that may include, without limitation, defined-duration collection events at specified locations, widespread advertisement of existing collection locations and collection using individual and bulk mail-in recycling kits. Participant shall provide

PG&E with a list of the Retailers by December 1, 2008 in order to facilitate the parties' public outreach efforts.

(b) Supplies. Participant shall use up to \$10,000 of the Grant for the purchase and distribution of CFL recycling supplies and related services to be used by the Retailers to store and transport CFLs to one or more designated recycling centers. If a Retailer purchases these supplies or services directly, Participant may use this portion of the Grant to reimburse the Retailer for the cost of these supplies and services. Participant and each of the Retailers are solely responsible for selecting the type of supplies and services to be utilized in the Program and the vendors of these supplies and services.

(c) Public Outreach.

(i) Advertising. Participant shall use the remainder of the Grant for public outreach that may include, without limitation, newspaper, radio, Internet, flyer and point-of-sale advertising (collectively, "**Advertising**"). Through this public outreach, Participant shall inform residents: (i) that CFLs should never be placed in the trash because of the potential health hazards caused by such improper disposal, (ii) of locations where residents can take their spent CFLs while a statewide plan is being developed for standard disposal practices; and (iii) about safe clean-up procedures that must be taken for broken CFLs, including references to resources that contain information on proper cleanup procedures for broken CFLs, such as websites maintained by PG&E and federal, state and local governments. All Advertising material will utilize the dual and simultaneous messaging of environmental protection and energy efficiency to ensure that residents understand the importance and value of using CFLs to reduce energy use and also the necessity to appropriately recycle these CFLs to protect the environment and public health.

(ii) Plan and Cost Estimate. Participant shall provide PG&E with an Advertising plan and cost estimate by November 24, 2008. This plan will identify the newspapers, radio stations and any other advertising placements and their estimated costs. Participant and PG&E shall work collaboratively to identify whether PG&E may be able to obtain lower rates for the same placements. If the parties determine that PG&E's rates for certain placements may be lower, PG&E will work with Participant to try to obtain these lower rates for Participant's benefit.

(iii) Content. Participant and PG&E will work together with the California Department of Toxic Substances Control ("**DTSC**") to develop Advertising materials for the Program. PG&E will provide a print ad for placement in newspapers to Participant for Participant's review and approval by December 17, 2008. PG&E and Participant may mutually agree to develop additional Advertising materials for point-of-sale, television, flyers, radio, and internet Advertising if funding permits. To the extent available, PG&E will provide samples of Advertising material that has been previously developed that Participant may edit for use in the Program.

(iv) Approval. Neither party shall use any Advertising material unless both Participant and PG&E have approved the content of such material in writing. Once approved, such material may not be altered without the prior written approval of both parties.

(v) Logos and Recognition. In addition to a logo chosen by Participant and approved by PG&E, all Advertising material used in the Program shall include the PG&E logo and the California Take-it-Back! logo. All audio advertisements shall mention

Participant, PG&E, and the California Take-it-Back program as participants in the Program. Each party agrees that it will use the other party's logos only in the form approved by such party and only in connection with the Advertising materials approved by such party. Upon completion of the Program or the earlier termination of this Agreement, all rights to use such logos under this Agreement shall terminate.

4. Reports.

(a) Costs of Supplies and Advertising. On or before December 31, 2008 and every two months thereafter, Participant shall submit a report with documentation on the purchases of recycling supplies and services made under this Agreement which shall include at a minimum the vendor name, dollar amount and description of goods and services purchased. Additionally, on or before December 31, 2008 and every two months thereafter, Participant shall submit a report with documentation on the Advertising placements purchased under this Agreement which shall include at a minimum the vendor name, media description, dollar amount and date of placement. Participant shall also supply such other information and documentation PG&E may request from time to time with respect to Participant's use of the Grant and Participant's performance of this Agreement. Participant shall send all such information and documentation to PG&E's Program Manager.

(b) Program Effectiveness. Within six months following the official launch date of the Program, Participant shall provide PG&E with data to help PG&E ascertain the effectiveness of the Program. Participant shall populate a PG&E-provided spreadsheet with the following information: (i) data on total number of CFLs collected in the last two years over six month intervals; (ii) data on total number of fluorescent tubes collected in the last two years over six month intervals; (iii) data on total number of CFLs collected for six months after the launch of the Program; and (iv) data on total number of fluorescent tubes collected for six months after the launch of the Program. Participant shall email the spreadsheet with such information to PG&E's Program Manager. Additionally, upon completion of the Program, Participant shall send PG&E's Program Manager a narrative report on Participant's experience with the Program that shall include a summary of what worked, problems and issues and lessons learned.

5. Program Managers. Each party shall appoint a Program manager (a "**Program Manager**") to work with the other party to respond to and resolve all questions concerning this Agreement and the Program.

PG&E's initial Program Manager will be:

John Bohman
Program Manager – Customer Energy Efficiency
245 Market St. Mail Code NC3
San Francisco, CA 94105
Telephone No.: 415-73-0129
Fax No.: 415-973-2004
Email: JZBX@pge.com

Participant's initial Program Manger will be:

Mary Bell Austin
Pollution Prevention Specialist – San Mateo County, Environmental
Health
2000 Alameda de las Pulgas, Suite 100
San Mateo County, CA 94403
Telephone No.: (650) 372-6259
Fax No.:
Email: maustin@co.sanmateo.ca.us

Each party may change its Program manger on written notice to the other party.

6. Term and Termination. This Agreement shall commence on the Effective Date and shall continue until December 31, 2009. Either party may terminate this Agreement with 30 days written notice upon the other's material breach of this Agreement, provided the breaching party has not cured the breach within the 30-day period. Upon termination of this Agreement, Participant shall return to PG&E any portion of the Grant that has not been utilized in the Program. Section 4 and Sections 7 through 20 shall survive any termination of this Agreement.

7. Confidentiality. It is contemplated that each party's performance of this Agreement can be carried out without PG&E having to disclose any PG&E confidential information to Participant. However, should it become necessary for PG&E to disclose PG&E confidential information to Participant, PG&E will notify Participant in writing in advance. Participant agrees to keep such information confidential and not disclose such information to any third party. Confidential information will be clearly marked as such. If any confidential information is disclosed orally, such confidential information must be reduced to writing by PG&E within 30 days of disclosure and provided to Participant. Nothing in this Agreement shall prohibit or limit Participant's use of confidential information (a) previously known to it, (b) independently developed by it, (c) acquired by it from a third party which was not under an obligation to PG&E not to disclose such information, (d) which is or becomes publicly available through no breach by Participant of this Agreement, or (e) is required to be disclosed or made public by applicable law or court order. Nothing in this section shall prevent Participant from sharing confidential information with external accountants, attorneys, auditors or other consultants provided that such external party agrees to the same terms of confidentiality as stated herein.

8. Publicity. Each party shall seek the other's advance written approval prior to issuing or approving any announcement, news releases, advertising or promotional release of any kind relating to this Agreement, the Grant or the Program. In addition, the parties shall reasonably coordinate together prior to responding to any inquiry from the news media regarding this Agreement or the Grant or the Program.

9. Limitation of Damages. PG&E SHALL NOT BE LIABLE UNDER ANY CIRCUMSTANCES, WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE, FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES (EVEN IF SUCH DAMAGES ARE FORESEEABLE, AND WHETHER OR NOT ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS, OVERHEAD EXPENSE, OR COMMITMENTS TO THIRD PARTIES. ADDITIONALLY, IN NO EVENT SHALL THE

AGGREGATE LIABILITY OF PG&E UNDER THIS AGREEMENT EXCEED THE AMOUNT OF THE GRANT.

10. Indemnification. Participant hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless PG&E and its affiliates, officers, directors, employees and agents from and against any and all claims, liabilities, losses and expenses (including reasonable attorneys' fees) directly, indirectly, wholly or partially arising from or in connection with Participant's performance of, or failure to perform, this Agreement, however caused, regardless of any strict liability or negligence of PG&E, whether active or passive, excepting only such claims, liability, losses and expenses caused by the sole active negligence or willful misconduct of PG&E. Participant shall, on PG&E's request, defend any action, claim, or suit asserting a claim that might be covered by this indemnity. Participant shall pay all costs and expenses that may be incurred by PG&E in enforcing this indemnity, including reasonable attorney's fees.

11. Notices. All notices shall be in writing and shall be deemed to have been given upon actual receipt:

If to Participant:

Charlene A. Silva, Chief, Health Systems
2000 Alameda de las Pulgas, Suite 100
San Mateo County, CA 94403
Telephone No.: (650) 573-2585
Fax No.:
Email: csilva@co.sanmateo.ca.us

If to PG&E:

John Bohman
Program Manager – Customer Energy Efficiency
245 Market St. Mail Code NC3
San Francisco, CA 94105
Telephone No.: 415-73-0129
Fax No.: 415-973-2004
Email: JZBX@pge.com

With a Copy to:

PG&E Law Department
P.O. Box 7442
San Francisco, CA 94120
Fax: (415) 973-0516

Either party may from time to time designate by notice in writing to the other different names and addresses for the above.

12. Force Majeure. Neither party shall be considered in default in the performance of its obligations under this Agreement to the extent that the performance of any such obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of

the affected party. In the event either party claims that performance of its obligations was prevented or delayed by any such cause, that party shall promptly notify the other party of that fact, and of the circumstances preventing or delaying performance. Such party so claiming a cause-delayed performance shall endeavor, to the extent reasonable, to remove the obstacles which preclude performance.

13. Applicable Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California and the federal laws of the United States, without reference to principles of conflicts of law.

14. Entire Agreement; Interpretation; Amendment. This Agreement constitutes the sole and complete agreement among the parties with respect to its subject matter, and supersedes any prior or contemporaneous representation or understanding among the parties with respect to such subject matter. This Agreement may not be released, waived or amended except in a writing signed by each of the parties.

15. No Waiver. The failure by either party to enforce any provision of this Agreement shall not be deemed a waiver of that provision or affect the party's ability to later enforce such provision.

16. Severability. In the event any term or provision of this Agreement shall for any reason be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity of any remaining portion which shall remain in full force and effect as if the invalid portion was never a part of this Agreement when it was executed. Should the severance of any such part of this Agreement materially affect any other rights and obligations of the parties hereunder, the parties hereto will negotiate in good faith to amend this Agreement in a manner satisfactory to the parties.

17. Assignment and Delegation. This Agreement may not be assigned nor any obligation hereunder delegated without the prior written consent of both parties.

18. Independent Contractors. The parties to this Agreement are independent contractors. They are not partners or agents of, nor in joint venture with, one another in any way under this Agreement.

19. Section Headings. Section and subsection headings appearing in this Agreement are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof.

20. Counterparts. This Agreement may be executed in two or more counterparts and by facsimile, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Fluorescent Lamp Recycling Program Agreement as of the Effective Date first written above.

Participant

San Mateo County

By: _____

Printed Name: _____

Title: _____

Date: _____

PG&E

Pacific Gas and Electric Company

By: _____

Printed Name: _____

Title: _____

Date: _____

Exhibit A

Proposed Budget

Item	Amount
Recycling Infrastructure Support	\$10,000
Education and Outreach	\$40,000
Total Budget:	\$50,000