FIRST AMENDMENT TO AMENDED AND RESTATED FRANCHISE AGREEMENT BETWEEN CITY OF MENIFEE AND USA WASTE OF CALIFORNIA, INC., dba WASTE MANAGEMENT OF THE INLAND EMPIRE FOR SOLID WASTE HANDLING SERVICES

This First Amendment (the "First Amendment") to the Amended and Restated Franchise Agreement Between the City of Menifee (hereinafter "City") and USA Waste of California, Inc., dba Waste Management of the Inland Empire (hereinafter "Contractor") For Solid Waste Handling Services is made and entered so as to be effective as of July 1, 2023.

RECITALS

- A. City and Contractor have entered that certain Agreement for Solid Waste Handling Services effective as of April 1, 2020 entitled "AMENDED AND RESTATED FRANCHISE AGREEMENT BETWEEN CITY OF MENIFEE AND USA WASTE OF CALIFORNIA, INC., dba WASTE MANAGEMENT OF THE INLAND EMPIRE FOR SOLID WASTE HANDLING SERVICES" (the "Agreement").
- B. As of the Effective Date of the Agreement, Senate Bill (SB) 1383 had become effective, but its implementing regulations, now found in the California Code of Regulations (the "SB 1383 Regulations") had not yet been adopted.
- C. SB 1383 together with the SB 1383 Regulations, generally speaking, create an obligation upon the City to adopt programs to reduce methane emissions including by imposing requirements for the diversion of Organic Waste from landfills, and may delegate such programs in their franchise agreements for solid waste handling services.
- D. Sections 8.2.4 and 8.3.5 of the Agreement contemplated the adoption of the SB 1383 Regulations and implementation of Organic Waste recycling programs which would require a modification to the Agreement; and, further, provide that City and Contractor will meet and confer regarding the SB 1383 Regulations to determine what specific programs would be required to be added to the Agreement, and to arrive at a fair and reasonable adjustment to the maximum rates set forth in Exhibit A of the Agreement in order to compensate Contractor for implementing such Organic Waste recycling programs.
- E. While SB 1383 and the SB 1383 Regulations initially required implementation of their provisions by January 1, 2022, as a result of various factors, including specifically the COVID 19 pandemic, the Legislature adopted SB 619 which allows a city to delay such implementation if it adopts a Notice of Intention to Comply ("NOIC"), and thereafter complies with the schedule set forth in such NOIC.
- F. City desires to comply with SB 1383 and the SB 1383 Regulations and to implement required programs as quickly as reasonably possible, but found that it could not strictly comply with the initially required timelines and accordingly adopted an NOIC. In connection therewith it determined that it, along with Contractor, could and would implement a program pursuant to SB 1383 and the SB 1383 Regulations for Collection and processing of Organic Waste for Customers at Single Family Dwellings as of July 1, 2022, while at the same time delaying both (i) full implementation of all the requirements of SB 1383 and the

SB 1383 Regulations and (ii) the adoption of a formal amendment to the Agreement to fully set forth all of the rights and obligations of the Parties related to such implementation.

- G. In order to memorializ their preliminary agreement for the implementation of SB 1383 related programs for Customers at Single Family Dwellings (the "Residential SB 1383 Program"), the parties adopted a memorandum of understanding (the "MOU") effective as of July 1, 2022, recognizing that a formal amendment to the Agreement as contemplated by Section 8.3.5 of the Agreement would be necessary to address details related to the terms and provisions of the Residential 1383 Program as well as to address other provsions of SB 1383 and the SB 1383 Regulations not addressed in the MOU.
- H. The parties now desire to enter this First Amendment for the purpose of setting forth their agreements and understandings with respect to amendments to the Agreement to address the requirements of SB 1383 and the SB 1383 Regulations, while leaving all other aspects of the Agreement unchanged.
- I. Contractor is an affiliate of Waste Management Holdings, Inc., a Delaware corporation ("Guarantor"), and Guarantor has entered into a written Guarantee Agreement (the "Guarantee") with City, attached as Exhibit D to the Agreement, related to Contractor's performance pursuant to the terms of the Agreement.
- J. Guarantor has reviewed this First Amendment and remains willing to apply its Guarantee to Contractor's performance under the Agreement as amended by the First Amendment, and accordingly has executed the Acknowledgment and Consent set forth below reflecting the application of the Guarantee to Contractor's performance hereof.

COVENANTS

SECTION 1 Definitions.

- (a) The following definitions shall apply and shall supersede any defined term in the Agreement.
 - (i) "Approved Facility/ies" shall mean facilities designated in <u>Exhibit F</u>, as it may be amended by agreement of the Parties.
 - (ii) "Food Waste" shall mean a subset of Organic Waste comprised of (i) any type of food (including without limitation fruits, vegetables, meat, poultry, seafood, bones, rice, beans, pasta, bread, dairy products), (ii) food spoiled paper (including without limitation napkins, paper towels, and paper plates), and (iii) tea bags, coffee grounds, and coffee filters.
 - (iii) "Organics Recycling Waiver" shall mean a waiver granted to a Customer by City pursuant to SB 1383 and its implementing regulations.
 - (iv) "Organic Waste Processing Facility" shall mean a facility which processes Organic Waste in a manner that complies with all Applicable Laws.

- (v) "SB 1383" means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time. For the purposes of this Agreement, SB 1383 specifically includes the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in November 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.
- (vi) "Yard Waste" shall mean all leaves, grass cuttings and shrubs that accompany routine household or property maintenance functions.
- (b) The following terms used herein shall have the meaning defined in 14 CCR Section 18982, and such definitions shall supersede any defined term in the Agreement not consistent therewith:
 - (i) Commercial Edible Food Generator
 - (ii) Edible Food
 - (iii) Food Recovery
 - (iv) Food Recovery Organization
 - (v) Food Recovery Service
 - (vi) Large Event
 - (vii) Large Venue
 - (viii) Organic Waste
 - (ix) Tier One Commercial Edible Food Generator
 - (x) Tier Two Commercial Edible Food Generator
- (c) Sections 2.30, 2.33 and 2.41 of the Agreement, respectively defining Food Waste, Green Waste and Organics are deleted and superseded by the provisions hereof.
- (d) The term Green Waste in Sections 8.6.1 and 8.7.4 of the Agreement is hereby replaced by the term Organic Waste as defined herein.
- (e) The term Green Waste in Sections 2.21, 3.2(H), 8.8.1, 8.8.5 and 24.6.1(D) of the Agreement is hereby replaced by the term Yard Waste as defined herein.

- (f) Section 3.2 of the Agreement is hereby amended to add Edible Food recovered for human consumption as an additional item which is exempt from the Agreement's exclusivity provisions.
- (g) Section 2.20 of the Agreement defining Commercial Premises is amended to read as follows:

"Commercial Premises" shall mean Premises upon which business activity is conducted, including but not limited to retail sales, wholesale operations, manufacturing, assembling, storage, industrial operations, and services, including, but not limited to, professional services, hospitality services, and restaurant and food services, but excluding Single Family Dwellings upon which business activities are conducted when such activities are permitted under applicable zoning regulations and are not the primary use of the property. Multi-Family Dwellings as defined herein shall be deemed Commercial Premises. Notwithstanding any provision to the contrary herein, in the Municipal Code, or otherwise, for purposes of this Agreement and to the extent permitted by Applicable Law, Premises upon which assisted living facilities, community care facilities (and other similar types of facilities), hotels, and motels are operated shall be deemed to be Commercial Premises.

(h) Section 2.38 of the Agreement defining Multi-Family Dwelling is amended to read as follows:

"Multi-Family Dwelling" shall mean any building or lot containing more than one Dwelling Unit at which Contractor determines (and City agrees) the Dwelling Units must receive Solid Waste Handling Services in part through the use of shared Solid Waste Containers, since they are not reasonably able to store Carts or otherwise receive individualized Solid Waste Handling Service exclusively through the use of the automated Collection system only utilizing Carts contemplated by this Agreement for Single Family Dwellings. Multi-Family Dwelling includes, without limitation, Premises containing condominiums, residential apartments, and mobile home parks. Any ambiguity as to whether a Customer's Premises qualifies for purposes of this Agreement as a Single Family Dwelling or Multi-Family Dwelling shall be resolved by the City Manager whose decision shall be final.

(i) Section 2.53 of the Agreement defining Single Family Dwelling is amended to read as follows:

"Single Family Dwelling" shall mean a building or lot containing one Dwelling Unit, and for purposes of this Agreement includes buildings and lots with more than one Dwelling Unit where such Dwelling Units are determined by the City to be reasonably able to receive individualized Solid Waste Collection service by the automated process only utilizing Carts for all services contemplated herein.

SECTION 2 Amendment to Sections 8.2.1, 8.2.4, 8.2.5 and 8.2.11 of the Agreement related to Single Family Dwelling Waste Handling Services.

(a) Section 8.2.1 of the Agreement is amended in its entirety to read as follows:

8.2.1 <u>Single Family Dwelling – Automated Collection</u>

Contractor shall provide each Single Family Dwelling Customer with one (1) approximately ninety-five (95) gallon Cart ("**Refuse Cart**") designated for the Collection of that Solid Waste which the Applicable Laws do not require be Collected in a Container designated for the Collection of Recyclable Material or Organic Waste ("Refuse").

Contractor shall Collect all Refuse placed out for Collection by the Customer in a Refuse Cart not less than once per week using an automated Collection system at rates that do not exceed the maximum rates set forth in Exhibit A. Upon request from any Customer, and if approved by the Responsible Customer (where applicable), Contractor shall provide such Customer with one or more additional Refuse Carts, and shall Collect all Solid Waste placed for Collection in such additional Refuse Carts at rates that do not exceed the maximum rates set forth in Exhibit A. Wherever feasible, Customers shall be directed by Contractor to place Carts for Collection on the sidewalk or in the street gutter, against the curb, in front of their Premises, or adjacent to their Premises in the alley or easement in the rear of their Premises. If a Customer and Contractor cannot agree upon a Collection location, or if City determines the selected location may cause safety or other concerns, City may make the final determination of the Collection location, subject to Contractor's right to request an administrative hearing pursuant to Section 19 of this Agreement.

The Carts Contractor provides after the effective date of this First Amendment to Single Family Dwelling Customers shall meet the minimum standards set forth in Exhibit B. In the event of any dispute as to the adequacy of the number of Carts at any given Single Family Dwelling, the City Manager shall have the ability to approve the number of Carts used at such location.

In the event extra pickups are required at a Single Family Dwelling in any given month, Contractor may charge the Responsible Customer for such pickups an amount that does not exceed the maximum rate for "extra dumps" or "extra pickups" as set forth in Exhibit A.

Contractor may enter agreements with homeowner associations whereby the association is the Responsible Customer in connection with all Single Family Dwellings governed by the association, provided:

(i) every Single Familly Dwelling in the association receives 3-Cart Solid Waste Handling Services in a manner that would comply with the terms of this Agreement if the residents of each of the Single Family Dwellings were the Responsbile Customers, and

- (ii) the total rate charged by Contractor to the association for the services provided at each Single Family Dwelling shall not exceed the maximum rates set forth in <u>Exhibit A</u> applicable to Single Family Dwellings multiplied by the number of Single Family Dwellings for which the association is the Responsible Customer.
- (b) Section 8.2.4 of the Agreement is amended by deleting the section in its entirety and replacting it with [RESERVED].
- (c) Section 8.2.5 of the Agreement is amended in its entirety to read as follows:

8.2.5 Organic Waste Program for Single Family Dwellings Using Carts

Contractor shall provide a program for the Collection and processing of Organic Waste from all Customers at Single Family Dwellings to whom it provides Refuse Carts that complies with the requirements of SB 1383 (the "Residential Organic Waste Recycling Program"). The Residential Organic Waste Recycling Program shall be consistent with the following provisions, and shall be consistent with the parameters set forth in Exhibit F that describe which materials Collected under such Program are suitable for delivery to the Organic Waste Processing Facility(ies) identified in Exhibit F.

8.2.5.1 Standard Organic Waste Program.

Except as noted in Section 8.2.5.2 below, Contractor shall provide all Customers at Single Family Dwellings who have been provided Refuse Carts with one (1) approximately ninety-five (95) gallon Cart for Collection of commingled Organic Waste (an "Organic Waste Cart"). The Green Waste Carts distributed by Contractor to Customers prior to the effective date of this First Amendment may be used for such purpose. Upon request from any Customer at a Single Family Dwelling, Contractor shall provide such Customer with one or more additional Organic Waste Carts at rates that do not exceed the maximum rates set forth in Exhibit A. Contractor shall Collect Organic Waste placed in Organic Waste Carts for Collection from each Customer on the same day as such Customers' Refuse Cart is Collected, using an automated Collection process. Customers shall be directed to place Organic Waste Carts in the same location for Collection as Refuse Carts.

8.2.5.2 Program Modification Option for Homeowner Associations.

Notwithstanding the provisions of Section 8.2.5.1 above, and unless otherwise directed by the City Manager, Contractor shall not be required to distribute Organic Waste Carts to Customers living in Dwelling Units governed by homeowner associations if: (1) the governing association requests in writing that Organic Waste Carts not be delivered to any of its members, (2) both Contractor and City agree that the homeowner association has physical space constraints as set forth in 14 CCR Section 18984.11(a)(2) that justify using this exception to Section 8.2.5.1, (3) the governing association subscribes in writing for Organic Waste Collection

service in the same manner as a Customer at a Commercial Premises using Carts or Bins placed throughout the association in locations designated by the association, and acceptable to Contractor and City, sufficient to achieve compliance with SB 1383 on behalf of all of its residents, and (4) CalRecycle does not object to this arrangement. Homeowner associations that subscribe for and receive Organic Waste Collection as described in this Section 8.2.5.2 shall be deemed to be Customers at Commercial Premises for such purposes; shall be charged rates that do not exceed the maximum rates for Organic Waste Collection applicable to Customers at Commercial Premises; and, shall be subject to the provisions hereof related to Contractor's Commercial Organic Waste Recycling Program (as defined in Section 4 of this First Amendment). In circumstances where this Section 8.2.5.2 applies, Contractor:

- (i) shall provide Customers living in the Dwelling Units at applicable homeowner associations with only two (2) Carts, an approximately ninety-five (95) gallon Refuse Cart and an approximately ninety-five (95) gallon Recycling Cart, and shall not provide such Customers with an Organic Waste Cart, and;
- (ii) shall charge Customers living in the Dwelling Units at applicable homeowner associations rates that do not exceed the maximum rate as set forth in Exhibit A applicable where only two (2) such Carts are provided.

8.2.5.3 Kitchen Pails.

Contractor shall provide so called "kitchen pails" to Customers at Single Family Dwellings who subscribe to either 2-Cart or 3-Cart Service who request such pails, for the purpose of gathering food scraps and transporting them from within Customer's homes to their designated Organic Waste Container, and who agree to pay for same at rates that do not exceed the maximum rates set forth in Exhibit A.

8.2.5.4 Delivery of Organic Waste

Contractor shall deliver all Organic Waste it Collects to a properly permitted Organic Waste Processing Facility in accordance with 14 CCR Section 18983.1(b).

8.2.5.5 Compliance with Regulations Related to Plastics

As of the effective date of this First Amendment, the Approved Facility(ies) for delivery of Organic Waste Collected as part of the Residential Organic Waste Recycling Program does not accept plastics or compostable plastics. Accordingly, Contractor may, as part of its Residential Organic Waste Recycling Program, prohibit Customers from placing plastic bags, including plastic compostable bags, in Organic Waste Carts. If the Approved Facility to which materials Collected as part of the Residential Organic Waste Recycling Program is delivered changes to one that accepts plastics or compostable plastics, or if the currently Approved Facility begins to accept these materials, Contractor may allow Customers to place plastic bags that both comply with all Applicable Laws and meet such criteria as deemed acceptable to the Approved Facility, in Organic Waste Carts; provided,

however, Contractor shall implement a Residential Organic Waste Recycling Program that complies with all provisions of the Applicable Laws related to the use of plastic bags or compostable plastic bags, including without limitation 14 CCR §18984.1(d).

8.2.5.6 Consent Required for Changes to the Approved Facility(ies)

The maximum rates set forth in Exhibit A have been arrived at based on the Parties' negotiations pursuant to Sections 8.2.4 and 8.3.5, which were intended to address Contractor's costs related to implementing a program compliant with SB 1383. These maximum rates are predicated on Contractor's delivery of Organic Waste for processing to the Approved Facility(ies) identified in the accompanying Exhibit F. Except in the event of a force majeure, Contractor may not utilize facilities other than the Approved Facility(ies) for processing of Organic Waste without the written reasonable consent of City, and any such consent may be conditioned upon renegotiation of the maximum rates pursuant to Sections 8.2.4 and 8.3.5. The City Manager is authorized to approve changes to the Approved Facility(ies) and any related amendments to the maximum rates set forth in Exhibit A predicated upon changes to such Approved Facility(ies).

(d) Section 8.2.11 of the Agreement is amended in its entirety to read as follows:

8.2.11 Senior Discount and Low Volume Service

Contractor shall provide Single Family Dwelling Customers who are senior citizens with a discount such that the maximum rate set forth in Exhibit A which Contractor may charge them is nine percent (9%) less than the maximum rate otherwise applicable provided such Customer demonstrates to the reasonable satisfaction of Contractor compliance with the following requirements: (i) the Customer is an occupant of the Dwelling Unit, is sixty-five (65) years or older (with reasonable proof of age provided to the reasonable satisfaction of Contractor), and is the head of the household, and (ii) the Single Family Dwelling utilizes sixty-four (64) gallon Carts for all Solid Waste Handling Services (i.e., Refuse, Recyle and Organic Waste Carts). Any dispute regarding a Customer's eligibility for a senior discount shall be resolved by the City Manager.

Customers at a Single Family Dwelling that demonstrate to the reasonable safisfaction of Contractor that they generate less Solid Waste than a typical family at a Single Family Dwelling, shall be eligible to receive "Low Volume Service" whereby rather than ninety-five (95) gallon Carts, each of the Carts they receive for Solid Waste Handling Services hereunder shall be approximately sixty-four (64) gallons. Contractor shall charge Customers eligible for Low Volume Service rates that do not exceed the maximum rates therefor as set forth in Exhibit A. Should Contractor determine that a Single Family Dwelling Customer generates more Solid Waste than is reasonable to be eligible to subscribe to "Low Volume Service," then Contractor may resume Collection service using approximately ninety-five (95) gallon Carts for such Customer at the rates for such service that do not exceed

those set forth in Exhibit A. Any dispute regarding a Customer's eligibility for Low Volume Service shall be resolved by the City Manager.

SECTION 3. Amendment to Section 8.3.3 of the Agreement. The text of Section 8.3.3 of the Agreement is amended in its entirety to read as follows:

8.3.3 Recycling Program for Commercial Premises

Contractor shall provide a Recycling program to all Commercial Premises (the "Commercial Premises Recycling Program") that at a minimum meets the standards required under the Applicable Laws, including specifically AB 341, SB 1383 and all implementing regulations, and such program shall be consistent with Chapter 6.30 of the Municipal Code adopted by the City to implement the Applicable Laws (including such amendments, if any, that may be required by CalRecycle). The Commercial Premises Recycling Program was previously approved by the City Manager, and any material changes implemented by Contractor shall be subject to the City Manager's reasonable approval before it is implemented. Once approved, in the event that modifications to the Commercial Premises Recycling Program are required by either a change in Applicable Law (including any ordinance adopted by the City), or by a directive from City, Contractor shall be entitled to an adjustment to any related maximum rates set forth in Exhibit A in accordance with Section 24.6. Contractor shall deliver each applicable Customer at least one Cart (with a capacity of ninety-five (95) gallons) or Bin (with a capacity of either 1.5, 2, 3, 4, or 6 cubic yards) for the Collection of Recyclable Materials. Contractor shall work with Customers to evaluate the number of such Containers needed, and frequency of their Collection, with a goal of meeting the requirements of the Applicable Laws (such as AB 341, SB 1383 and all implementing regulations), taking into account each Customer's actual needs, and public health and safety needs. The City Manager shall resolve any dispute that may exist between Contactor and any Customer as to the number of Containers or frequency of Collection needed to comply with this provision. Contractor shall assist the City in identifying Customers subject to this provision that are not in compliance with their obligations under the Applicable Laws. Contractor shall produce, and keep current, information specifically outlining its Commercial Premises Recycling Program, and shall annually publish and distribute a brochure describing this service to all applicable Customers in City. Contractor may charge Customers for the services it provides as part of the Commercial Premises Recycling Program at rates that do not exceed the maximum rates set forth in Exhibit A.

<u>SECTION 4.</u> <u>Amendment to Section 8.3.4 related to Commercial Premises Organic Waste Programs.</u> Section 8.3.4 of the Agreement is amended in its entirety to read as follows:

8.3.4 Organic Waste Recycling Program for Commercial Premises

- (A) Contractor shall provide a program for the Collection, processing, and diversion from disposal of Organic Waste for all Customers at Commercial Premises consistent with the terms hereof (the "Commercial Organic Waste Recycling Program"). In connection with this obligation, Contractor shall deliver at least one Container for the Collection of Organic Waste to each applicable Customer excepting such Customers for whom City issues an Organics Recycling Waiver. Such Containers shall be sixty-four (64) gallon Carts. The Commercial Organic Waste Recycling Program may be designed to address the specific needs and waste stream of each Customer provided that all Customers shall receive Organic Waste Recycling service in accordance with Applicable Law; and, the Program specifically shall be structured to allow for Collection of Organic Waste comprised exclusively of Food Waste. Contractor shall work with Customers to evaluate the number of Containers needed, and frequency of their Collection, with a goal of meeting the requirements of the Applicable Laws, including specifically SB 1383, AB 1826 and all implementing regulations, taking into account each Customer's actual needs, and public health and safety needs. The City Manager shall resolve any dispute that may exist between Contactor and any Customer as to the number of Containers or frequency of Collection needed to comply with this provision. Contractor's Commercial Organic Waste Recycling Program shall meet the requirements of all Applicable Laws, including AB 1826, SB 1383 and all implementing regulations. Contractor shall make available information related to its Commercial Organic Waste Recycling Program and shall promote said program through its website, mailers, brochures, billing inserts, email content, social media, and online announcements, all as more fully set forth herein. Contractor shall notify City of instances where there is a repeated refusal to implement the Commercial Organic Waste Recycling Program. City agrees in such instances to provide reasonable assistance to Contractor, which may include adding its name to materials prepared for distribution to Customers regarding the requirements of the Applicable Laws, enforcement of its related ordinances as it may deem necessary (subject to its prosecutorial discretion), and participation by City personnel in meetings with Customers at Commercial Premises who repeatedly refuse to implement the Commercial Organic Waste Recycling Program.
- (B) Contractor shall deliver all Organic Waste it Collects to a properly permitted Organic Waste Processing Facility where it is processed in a manner in accordance with 14 CCR Section 18983.1(b).
- (C) As of the effective date of this First Amendment, the Approved Facilities for delivery of Organic Waste Collected as part of the Commercial Organic Waste Recycling Program do not accept plastics or compostable plastics. Accordingly, Contractor may, as part of its Commercial Organic Waste Recycling Program,

prohibit Customers from placing plastic bags, including plastic compostable bags, in Organic Waste Carts. If the Approved Facility to which materials Collected as part of the Commercial Organic Waste Recycling Program is delivered changes to one that accepts plastics or compostable plastics, or if the currently Approved Facility begins to accept these materials, Contractor may allow Customers to place plastic bags that both comply with all Applicable Laws and meet such criteria as deemed acceptable to the Approved Facility, in Organic Waste Carts; provided, however, Contractor shall implement a Commercial Organic Waste Recycling Program that complies with all provisions of the Applicable Laws related to the use of plastic bags or compostable plastic, including without limitation 14 CCR §18984.1(d).

- (D) Contractor shall provide Organic Waste Collection pursuant to the Commercial Organic Waste Recycling Program at rates based on Container size and service type and frequency that do not exceed the maximum rates set forth in the attached Exhibit A.
- (E) In cooperation with the City, Contractor shall regularly identify opportunities for, barriers to, and incentives for Organic Waste recycling, and shall engage in Customer education and outreach as set forth in Exhibit G related to Organic Waste recycling to facilitate City's compliance with the City's obligations to conduct outreach and education as set forth in the Applicable Laws, including AB 1826, SB 1383 and all implementing regulations. The method(s) by which Contractor contacts Customers for these purposes, unless otherwise specified, may be by any reasonable means Contractor desires (which may include direct mail, email, telephone calls, site visits and/or such other methods as Contractor reasonably deems appropriate), provided that such methods result in compliance with all Applicable Laws.
- (F) Contractor shall identify Large Venues, Large Events and Tier 1 and Tier 2 Commercial Edible Food Generators. Once identified, Contractor shall engage in education and outreach efforts that complies with Contractor's Implementation, Outreach and Education Plan, attached hereto as Exhibit G. To the extent known to Contractor, Contractor shall advise such Customers if they are not in compliance with Recycling and Organic Waste Collection services under Applicable Laws.
- (G) If requested by City, Contractor shall provide information in Contractor's possession that may be needed by City in connection with the City's inspections of Commercial Premises to evaluate their compliance with Organic Waste Collection obligations and service level needs.
- (H) In the event a Customer refuses to participate in Contractor's Commercial Organic Waste Recycling Program, and does not report to Contractor that it achieves compliance with its related obligations under the Applicable Laws through other methods, Contractor shall provide City with the Customer's name, address, contact information and such other information available to Contractor as may be requested by City or CalRecycle, in a format approved by City.

SECTION 5. Amendment to Section 10.9 of the Agreement. Section 10.9.7 is hereby added to the Agreement to read as follows:

- 10.9.7 <u>Annual and Ongoing Organic Waste and Recycling Program Outreach to all Customers at Commercial Premises and Single Family Dwellings.</u>
- (A) Contrator shall provide information related to its Commercial Organic Waste Recycling Program and its Residential Organic Waste Recycling Program, as more fully set forth in Exhibit G, to each Customer, which at a minimum shall include the information required by 14 CCR Section 18985.1; and shall provide that information to City to the extent City may need such information in connection with its annual Customer contacts to comply with 14 CCR Section 18985.1.
- (B) Contractor shall annually provide City with a list of all Customers it believes are in non-compliance with their obligations under the Applicable Laws related to their generation of Organic Waste and/or Recyclable Materials (including but not limited to a contact person, service and billing addresses, phone number, and email) as well as all available information relating to any refusal by the Customer to participate in Contractor's Commercial Organic Waste Recycling Program, Residential Organic Waste Recycling Program and/or Commercial Premises Recycling Program, as applicable, that may be necessary for enforcement purposes and are required in reports to CalRecycle pursuant to SB 1383 and its implementing regulations.
- (C) The attached Exhibit G is Contractor's SB 1383 Implementation, Outreach and Education Plan related to the services set forth in this First Amendment, including specifically those related to SB 1383. Contractor shall implement and follow all timelines, planned tasks, and schedules contained in its Outreach and Education Plan. Thereafter, not less than ninety (90) days prior to July 1 of each contract year, Contractor and the City shall meet and determine whether an update is necessary to the Implementation, Outreach and Education Plan for the upcoming year for compliance with Contractor's obligations hereunder. Contractor shall implement the activities identified in the Implementation, Outreach and Education Plan, and any updates thereto, in accordance with the time schedule to be included in such updated Plan. Contractor may seek an adjustment to the maximum rates set forth in Exhibit A in accordance with Section 24.6 should significant changes to the Implementation, Outreach and Education Plan, which exceed the current obligations of the Applicable Laws, be proposed by City or required by a change to the Applicable Laws.

SECTION 6. Section 8.1.11 of the Agreement is amended in its entirety to read as follows:

8.1.11 Container Contamination Monitoring.

- (A) Contractor shall provide on-going monitoring of the contents of Containers, using a method that complies with all Applicable Laws including specifically, without limitation 14 CCR § 18984.5, and may accomplish this by conducting reviews of the Containers using WM Smart TruckSM, by which Contractor records and saves images of the contents of Containers, and thereafter reviews such records for purposes of contamination monitoring.
- (B) In the event Contractor encounters a Contaminated Container, meaning ten percent (10%) or more of the contents of the Container is comprised of materials other than that for which the Container is designated, Contractor shall document the Contaminated Container in a manner that complies with the Applicable Laws, which may be its Smart TruckSM system, which shall at a minimum demonstrate: (i) ten percent (10%) or more of the contents of the Container is comprised of materials other than that for which the Container is designated, and (ii) the identity of the Customer to whom the Container was provided by Contractor. Contractor shall record such event in a computer logging/data-base system and include the date, time, Customer's address, type of Container (i.e., whether designated for general Solid Waste, Organic Waste, or Recyclable Materials) as well as video or photographic evidence of the contamination directly connecting it to the Customer/owner of the Container, and shall retain the video/photographic evidence of the incident to enable reasonable review, including review in connection with challenges by Customers to Contractor's determination that Customer set out a Contaminated Container for Collection. Contractor shall notify the Customer of the Contaminated Container incident as soon as reasonably feasible, in a manner consistent with the provisions of this Section, and provide the information required by this Section to the Customer upon request. In addition, Contractor shall provide the Customer with education materials related to the appropriate items to be placed in each Container. Contractor shall maintain the forgoing records and provide them to the City as part of its quarterly reporting, or more frequently if necessary to comply with City's enforcement obligations set forth in the Applicable Laws.
- (C) Upon discovering a Contaminated Container, Contractor shall provide notice thereof to the applicable Customer by delivering the notice by mail, electronic mail, text or other electronic means reasonably calculated to ensure the Customer actually receives the notice. Contractor shall then Collect the Contaminated Container and deliver the contents to a facility properly permitted to receive it. Contractor shall Collect the Contaminated Container no later than the end of the business day following its regularly scheduled Collection day.
- (D) If Contractor observes the same Customer at a Single Family Dwelling setting out a Contaminated Container for Collection more than two (2) times in any twelve-month rolling period, Contractor may charge a contamination fee in an amount that does not exceed that set forth in Exhibit A for each such instance exceeding two (2) in such period. Contractor may charge Customers at

Commercial Premises a contamination fee in an amount that does not exceed that set forth in Exhibit A for each occurrence upon which a Contaminated Container is placed out for Collection. In order to impose a contamination fee, Contractor shall have complied with subsections (B) and (C) above, and shall additionally provide the date of the contamination incident as part of an invoice to the Customer related to the contamination fee; as well as a notification that any challenge to the contamination fee must occur within sixty (60) days of the date of the invoice. The invoice shall also provide information regarding how to present a challenge to the appropriateness of the contamination fee. Contractor shall establish a process for Customers to bring such challenges, which shall include an opportunity for Customers to receive the information required in subsections (B) and (C), and to present to Contractor any evidence it may have supporting the Customer's challenge to the contamination fee. Contractor's process for dispute resolution shall be subject to the City Manager's reasonable approval. Contractor shall provide City with a summary of any such challenges including Contractor's determination as to whether to impose the contamination fee, and the City Manager shall have the ability to overrule any such determination based upon substantial evidence supporting such decision.

- (E) Contractor shall provide information to City regarding Container contamination in the reports it submits to City, with sufficient specificity to enable City to determine if enforcement action against the Customer is warranted and meet the reporting requirements of SB 1383. In addition, Contractor shall maintain the above noted records related to contamination and provide them to City, and otherwise assist City with such enforcement efforts as City may deem appropriate.
- (F) Contractor shall perform route reviews of each route in City on an ongoing basis in a manner that meets the requirements of 14 CCR § 18984.5, and is reasonably approved by City. Contractor may use its Smart TruckSM system to conduct route reviews provided it complies with the Applicable Laws. Once such action is completed, Contractor shall provide any notification to Customers as may be required by the Applicable Laws. Contractor shall keep records of the reviews conducted pursuant to this provision, including specifically the records required by 14 CCR § 18984.6, and provide such records to City upon request. In addition, Contractor shall include a summary of such information in a form reasonably acceptable to City, in its quarterly and annual reports to City.

SECTION 7. Establishment of Routes. Section 8.1.5 of the Agreement is amended to read as follows:

8.1.5 Collection Schedule

Contractor shall establish routes for all Customers serviced pursuant to the terms hereof in City, and provide City with maps, or other means satisfactory to City demonstrating such routes. The routes shall comply with 14 CCR §§ 18984.5 and 18984.6. Contractor shall establish a Collection schedule, such that all Single Family Dwelling Customers and Commercial Customers within the City will have not less than one established Collection day each week. Contractor shall provide notice to each Customer of its established Collection day(s), and shall provide at least fourteen (14) day's written notice to Customers of any change in their established Collection day(s). Notwithstanding any provision herein to the contrary, should any established Collection day fall on a holiday, or on any other day in which the Approved Facilities, or any of them, are closed, Contractor shall provide for Collection one (1) day later during the pick-up week, and the regular Collection schedule shall be resumed the following week. A pick-up week shall be defined as Monday through Saturday. Contractors' Collection schedule and established routes, and any changes to either of them, shall be subject to the reasonable approval of the City Manager.

SECTION 8. Additional SB 1383 Services. A new Section 8.10 is added to the Agreement as follows:

- 8.10 Additional SB 1383 Services
- 8.10.1 <u>Edible Food Recovery</u>. Contractor shall assist with Edible Food Recovery efforts by City and Customers as follows:
- (A) <u>Assistance with Edible Food Recovery Obligations</u>. Contractor shall assist City and Commercial Customers in meeting their obligations set forth in 14 CCR Section 18985.2, by providing the following services:
 - (i) As required by 14 CCR Section 18991.3, Contractor shall identify all Commercial Customers that meet the definition of Tier One or Tier Two Commercial Edible Food Generators. Contractor shall identify all new Commercial Customers meeting this criteria on an ongoing basis. Contractor shall create, and keep current, a list of such Commercial Customers which list shall include: Customer name; service address; contact information; Tier One or Tier Two classification; type of business (as it relates to the Tier One or Tier Two Commercial Edible Food Generator definition); and such other information as may be required by City to enable it to contact the Customer. Contractor shall provide a summary of this information in a form reasonably acceptable to City as part of its quarterly and annual reports to City.
 - (ii) Contractor shall provide information as may be reasonably requested by City so that City may conduct annual inspections of Commercial Customers who are Tier One or Tier Two Commercial Edible Food Generators to assess their compliance with the requirements of 14 CCR Section 18991.3.

- (iii) Contractor shall assist City, as well as operators of Large Venue's and Large Events, by providing information necessary to meet their reporting and other obligations under Applicable Laws, including without limitation, SB 1383 and its implementing regulations.
- (iv) Contractor shall keep records of its efforts in connection with this Section, as well as records that provide its best estimate of the total tonnage of Edible Food recovered within City to the extent Contractor has obtained such information through performance of its Organic Waste Collection program pursuant to this Agreement, and shall provide summaries of such information in a form reasonably acceptable to City as part of its quarterly and annual reports to City.

8.10.2 <u>Assistance with Organic Recycling Waivers</u>

- (A) Contractor shall, upon request, assist Customers in assessing if they qualify for an Organics Recycling Waiver, and provide such assistance as may be necessary for the Customer and City to evaluate any application submitted for such a waiver. Such assistance shall include a review of the Customer's waiver application, and providing City with any information or data regarding the Customer's Premises, service levels or other factors which may be necessary to enable City to evaluate a waiver request.
- (B) City shall provide Contractor with any Organics Recycling Waivers it grants, and no waiver granted after related services have commenced for a Customer shall be effective until forty-eight (48) hours after Contractor receives notice of such waiver from the City, in order to allow sufficient time for Contactor to adjust services in effect for a Customer. Thereafter, at least once every five (5) years, or more often if requested by City, Contractor shall conduct such desk-top investigation and fact finding as may be necessary to enable City to determine if the criteria by which City granted the Waiver continues to exist.
- (C) Contractor shall maintain a record of each Organics Recycling Waiver issued by the City, as well as any ongoing activity it undertakes in connection with Section (B) above to provide data related to ongoing eligibility. A summary of such information shall be provided by Contractor, in a form reasonably acceptable to City along with Contractor's quarterly and annual reports to City.

SECTION 9. Compost Giveaway. The Agreement is hereby amended to add a new Section 8.11 as follows:

8.10. Compost Giveaway.

Contractor shall at minimum conduct two compost giveaway events, at dates and locations to be agreed upon with the City. At each event a Container of approximately forty (40) cubic yards filled with compost will be provided by Contractor and the compost shall be available to City residents, at no charge, with residents being responsible to provide their own containers, bags, or other means

to load compost into their vehicles. City residents shall provide reasonable proof of residency in the City to Contractor. Contractor shall keep records of the amount of compost distributed at such events and provide such records to City on an annual basis.

SECTION 10. Procurement Agreement. The Agreement is hereby amended to add a new Section 8.12 as follows:

8.12. Procurement Agreement.

The parties are in the process of negotiating an agreement (the "**Procurement Agreement**") that is cost neutral to both parties to assist the City in complying with its procurement obligations as set forth in 14 CCR §18993.1. Should the parties reach mutual agreement on the terms and conditions of the Procurement Agreement, the City Manager is hereby authorized to execute the Procurement Agreement on behalf of the City.

SECTION 11. Addition of Flow Control Provision. The Agreement is hereby amended to add a new Section 8.13 as follows:

8.13 Flow Control Option

City shall have the authority to choose the location for the delivery and/or disposal of Organic Waste Collected pursuant to the Residential Organic Waste Recycling Program and/or the Commercial Organic Waste Recylin Program (hereinafter City's "Flow Control Option"). Contractor expressly consents to City's ability to direct the location for processing of Organic Waste hereunder, and waives any and all rights to challenge City's ability to do so, including without limitation any rights under the Commerce Clause of the United States Constitution. Notwithstanding any provision hereof to the contrary, at any time during the effectiveness of this Agreement the City Manager may provide Contractor ninety (90) days advance notice in writing that City desires to exercise its Flow Control Option with regard to Organic Waste. In the event City so notifies Contractor, Contractor shall be entitled to an adjustment to the maximum rates set forth in Exhibit A of the Agreement and the Parties shall work together to arrive at an adjustment to the maximum rates related to the Residential Organic Waste Recycling Program and/or the Commercial Organic Waste Recylin Program as applicable, either upward or downward as the case may be, to reflect any increased or decreased costs Contractor incurs as a result of the resulting change.

SECTION 12 Reports. The following provisions are added as Section 23.7 of the Agreement related to reporting:

23.7.1 General Application and Interpretation.

Contractor agrees to provide all information in its control necessary for City to meet its quarterly and annual reporting obligations under the Applicable Laws, and to do so in a format reasonably acceptable to City. The following provisions shall supplement the reporting requirements of the Agreement, generally found in Section 23 thereof (and may be duplicative of existing requirements), and are intended to be read together with existing reporting requirements. Contractor shall provide any additional information or reports requested by City necessary to meet its obligations under the Applicable Laws not set forth herein except that Contractor shall be entitled to a rate adjustment to compensate Contractor for any such additional information or reports in accordance with Section 24.6. All reports shall be prepared in a manner that will enable the City to meet its current, and any future reporting requirements to CalRecycle under the Applicable Laws. Contractor may seek an adjustment to the maximum rates set forth in Exhibit A in accordance with Section 24.6 should material changes occur in connection with the City's reporting requirements imposed by CalRecycle or the Applicable Laws, which exceed its current obligations under the Applicable Laws.

23.7.2 <u>Use of Reporting Software</u>. Contractor shall utilize computer software to produce reports required under this section, and shall be responsible for costs associated therewith; and such software shall be designed to ensure reports are prepared in a fashion that is reasonable for use by City to meet its reporting oblgations under the Applicable Laws.

23.7.3 Quarterly Reports.

Contractor shall on a quarterly basis report the following to the City, with each report including a year-to-date summary page:

- (i) total quantities in tons of Diversion in a manner that complies with the Applicable Laws and is acceptable to CalRecycle.
- (ii) number of Containers, broken down by Container type utilized and Container capacity.
- (iii) total number of Organic Recycling Waiver related verifications performed by Contractor
- (iv) total number of Organic Recycling Waivers requested and a summary of status of each.
- (v) a report of contamination monitoring activities including:
 - o the number of route reviews conducted:
 - o a description of the process used for determining the level of contamination;
 - o a summary of actions taken in cases where contamination was identified; and
 - o a summary of contamination fees assessed, broken down by Customer type and amounts.

- (vi) a report listing all complaints asserting lack of compliance with SB 1383 and its implementing regulations and a summary of action taken in connection with each.
- (vii) a report of activities related to Edible Food Generators as follows:
 - the total number of known Tier One and Tier Two Commercial Edible Food Generators located within the City; and
 - the number of Tier One and Tier Two Commercial Edible Food Generators participating in an Edible Food Recovery program to the degree known to Contractor.

23.7.4 Annual Reports

Contractor shall on an annual basis provide a summary of the information required in the quarterly reports, in a format reasonably acceptable to City, and such other information and/or back up data as may be reasonably requested by City to enable it to comply with its obligations under the Applicable Laws.

SECTION 11. Records. The following paragraph is added to Section 28.1 of the

Contractor shall keep all records related to its performance and obligations under this Agreement, included specifically any records that reflect actions taken related to City's obligations under the Applicable Laws which have been delegated to it pursuant to the First Amendment, in a manner which makes them easily accessible, and readily available. Contractor shall make available for inspection any such records to City within ten (10) business days of any request from City if reasonably able to do so based on the scope and extent of the request, and in any case within thirty (30) days.

SECTION 13. Amendment to Sections 24.3, 24.3.1. and 24.3.2 (Section 24.3.3 is not amended). Sections 24.3, 24.3.1 and 24.3.2 are hereby deleted in their entirety and amended to read as follows:

24.3 Annual Price Adjustments

Commencing on July 1, 2024, the maximum rates set forth in <u>Exhibit A</u> shall be adjusted, and such rates shall be adjusted annually thereafter on each subsequent July 1 during the Term hereof based upon percentage changes in the Service Component and the Diversion and Disposal Component as set forth below, with initial weighting of each being, respectively, 60% for the Service Component and 40% for the Diversion and Disposal Component, subject to re-weighting as set forth below. For illustrative purposes only, a sample annual rate adjustment is set forth in Exhibit A.

Agreement:

24.3.1 Service Component

The Service Component shall be adjusted annually by 100% of the percentage change in the Consumer Price Index CUSR0000SEHG02 CPI-U Garbage and Trash Collection, US City Average, not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, ("CPI") calculated as follows: The CPI adjustment shall be calculated using the average of the monthly percentage changes in the CPI between the Current Measurement Period (defined as the 12 months ending the last day of December of the year preceding the Adjustment Date) and the Prior Measurement Period (defined as the 12 months ending the last day of December of the previous prior year to the Adjustment Date).

24.3.2 <u>Diversion and Disposal Component</u>

- (A) <u>Diversion and Disposal Component</u>. The Diversion and Disposal Component shall consist of the percentage change in the average Diversion and Disposal cost per ton for the Current Measurement Period compared to the average Diversion and Disposal cost per ton for the Prior Measurement Period. The Diversion and Disposal cost per ton for each measurement period shall be the sum of the Recycling Processing Factor, the Organic Waste Processing Factor and the Refuse Factor for the measurement period. Each of the factors comprising the Diversion and Disposal Component are defined as follows:
 - (i) Recycling Processing Factor. The Recycling Processing Factor equals the percentage change in cost between the Current Recycling Processing Cost and the Prior Recycling Processing Cost. The Current Recycling Processing Cost equals the total tons of Recyclable Material delivered to the Approved Recycling Facility(ies) for the Current Measurement Period multiplied by the average of the monthly processing fees charged at the Approved Recycling Facility(ies) during the Current Measurement Period. The Prior Recycling Processing Cost equals the total tons of Recyclable Material delivered to the Approved Recycling Facility(ies) for the Prior Measurement Period multiplied by the average of the monthly processing fees charged at the Approved Recycling Facility(ies) during the Prior Measurement Period. Should a portion or all of the Recycling Material be delivered to a Material Recovery Facility owned and operated by Contractor, or an Affiliate (where the processing rate is not set by a governmental authority), then the adjustment to the Recycling Processing Factor for such volume shall be calculated using the same methodology as the Service Component calculation. (See Sample annual rate adjustment set forth in Exhibit A.)
 - (ii) <u>Organic Waste Processing Factor</u>. The Organic Waste Processing Factor equals the percentage change in cost between the Current Organic Waste Processing Cost and the Prior Organic Waste Processing Cost. The Current Organic Waste Processing Cost equals the total tons

delivered to the Approved Organic Waste Processing Facility(ies) for processing or transfer during the Current Measurement Period multiplied by the organic waste processing or transfer fees charged in December prior to the Adjustment Date . The Prior Organic Waste Processing Cost equals the total tons delivered to the Approved Organics Waste Processing Facility(ies) for processing during the Prior Measurement Period multiplied by the organic waste processing or transfer fees charged in December the previous prior year to the Adjustment Date. (See Sample annual rate adjustment set forth in Exhibit A.)

- (iii) Refuse Factor. The Refuse Factor equals the percentage change in cost between the Current Refuse Cost and the Prior Refuse Cost. The Current Refuse Cost equals the total tons delivered to the Approved Landfill Facility(ies) for disposal during the Current Measurement Period multiplied by the disposal fees charged in December prior to the Adjustment Date. The Prior Refuse Cost equals the total tons delivered to the Approved Landfill Facility(ies) for disposal during the Prior Measurement Period multiplied by the disposal fees charged in December for the previous prior year to the Adjustment Date. (See Sample annual rate adjustment set forth in Exhibit A.)
- (B) Weighting. The initial weighting of the Diversion and Disposal Component shall be 40% and the Service Component shall be 60% and shall apply to the July 1, 2024 rate adjustment. Then, after each current year rate adjustment is calculated, the Service and Diversion and Disposal Components shall be reweighted to reflect their new relative percentages of the rates based on each of the component adjustments made pursuant to this Section, and those new weightings shall be used for the following year's rate adjustment.
- (C) Roll-off Box Services Adjustment. The annual adjustment to the maximum rates applicable to Roll-off Box Services shall be an adjustment to the "haul rate" set forth in Exhibit A using the same formula applicable to the Service Component noted above, plus the actual processing/disposal cost per ton including any governmental charges, taxes or fees incurred by Contractor at the Approved Disposal Facility, Approved Recycling Facility, or Approved Organic Waste Facility, as applicable.

<u>SECTION 14</u> Amendment to Exhibit B – Container Specifications. Exhibit B to the Agreement which provides specifications for Contractor's Containers is hereby replaced in its entirety with the new <u>Exhibit B</u> attached hereto. Container sizes specified within this Agreement may vary by manufacturer type and specifications up to 10% more or less in volume than that identified.

SECTION 15 Amendment to Exhibit A - Maximum Rates.

<u>Exhibit A</u> to the Agreement is hereby replaced in its entirety with the new <u>Exhibit A</u> attached hereto. The maximum rates set forth in the amended <u>Exhibit A</u> shall become effective on

July 1, 2023. To reflect the agreement of the Parties in the MOU related to rolling in increases to the maximum rates applicable to Customers eligible for the Senior Discount, effective July 1, 2024, in addition to the annual rate adjustment to maximum rates related to such Customers at Single Family Dwellings, an additional amount equal to \$.75 shall be added to the applicable maximum rate shown in Exhibit A for such Customers.

SECTION 16 Additional Exhibits

<u>Exhibit F</u> (Approved Facilities) and <u>Exhibit G</u> (Implementation, Outreach and Education Plan) attached hereto are incorporated as though fully set forth herein and added to the Agreement.

SECTION 17 Unaffected Provisions Remain in Full Force.

All provisions of the Agreement, excepting for those expressly amended by this First Amendment, shall remain unchanged and in full force and effect. In addition, the MOU by its own terms automatically expires upon the effective date of this First Amendment.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to be effective as of the date and year written above.

CITY OF MENIFEE

By:______ Mayor ATTEST: By:______ City Clerk APPROVED AS TO FORM: By:______ City Attorney USA WASTE OF CALIFORNIA, INC., a Delaware corporation, dba WASTE

EMPIRE		
By:		
Its:		

OF

MANAGEMENT

THE

INLAND

ACKNOWLEDGEMENT AND CONSENT BY CORPORATE GUARANTOR

- **A.** USA Waste of California, Inc., dba Waste Management of the Inland Empire, a Delaware corporation ("Contractor") is an indirect wholly owned subsidiary of Waste Management, Inc., a Delaware corporation ("Guarantor") is an indirect wholly owned subsidiary of Waste Management, Inc., a Delaware corporation ("Guarantor")
- **B.** Guarantor has entered a Corporate Guarantee (the "Guaranty") related to Contractor's obligations pursuant to the Agreement.
- **C.** Guarantor hereby acknowledges and consents to the provisions of the forgoing First Amendment, and agrees that its obligations as set forth in the Guaranty provided as <u>Exhibit C</u> to the Agreement shall apply equally to the Agreement as amended by the First Amendment set forth above as if fully restated.

GUARANTOR:

WASTE MANAGEMENT HOLDINGS	. INC	A DEI	AWARE	CORPOR	ATION
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By:			
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EXHIBIT B

CONTAINER SPECIFICATIONS

- All Containers utilized by Contractor shall meet the standards of the industry and shall perform to the reasonable satisfaction of the City Manager in order to be utilized in City. Container sizes specified within this Agreement may vary by manufacturer type and specifications up to 10% more or less in volume than that identified.
- Each Refuse, Organic Waste and Recycling Cart or Bin utilized by Contractor shall be labeled in English and Spanish and with graphics so as to: (1) explain/depict the items designated to be Collected in the Container, and (2) identify the name of Contractor and Contractor's phone number for service related issues, including complaints.
- Upon the effective date of the First Amendment, Contractor may continue using Containers previously delivered to Customers that comply with Applicable Laws.
- All Containers delivered by Contractor after the effective date of the First Amendment shall comply with the requirements of the Applicable Laws.
- Any Cart distributed by Contractor in City after the effective date of the First Amendment shall be newly manufactured and have never previously been used for the Collection of Solid Waste; excepting that Carts which have been refurbished such that they are "like new" may be used so long as their condition is satisfactory as determined by the City Manager.
- All Bins and Carts shall be equipped with industry-standard lids. All Bins shall be equipped with low-profile casters not to exceed three (3) inches in height. Upon request of any Customer, Contractor shall provide Bins with lids that close securely and which are capable of being locked at rates that do not exceed those set forth in Exhibit A.