

**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

EFFECTIVE APRIL 1, 2020

SECTION 1. RECITALS; AMENDMENT AND RESTATEMENT OF ORIGINAL AGREEMENT 2

SECTION 2. DEFINITIONS	2
2.1 AB 341	2
2.2 AB 939	2
2.3 AB 1594	2
2.4 AB 1826	2
2.5 Affiliate	3
2.6 Animal Waste	3
2.7 Applicable Laws	3
2.8 Billings	3
2.9 Bins	3
2.10 Bulky Items	3
2.11 CalRecycle	4
2.12 Cart	4
2.13 City	4
2.14 City Council	4
2.15 City Limits	4
2.16 City Manager	4
2.17 Collect/Collection/Collecting	5
2.18 Collection Vehicle	5
2.19 Commercial Customers	5
2.20 Commercial Premises	5
2.21 Construction and Demolition (C&D) Waste	5
2.22 Container	5
2.23 Contractor	5
2.24 Curbside	6
2.25 Customer	6
2.26 Dwelling Unit	6
2.27 Effective Date	6
2.28 Environmental Laws	6
2.29 Exempt Waste	6
2.30 Food Waste	7
2.31 Franchise Area	7
2.32 Franchise Fee	7
2.33 Green Waste	7
2.34 Gross Receipts	7
2.35 Hazardous Substance	8
2.36 Hazardous Waste	8
2.37 Indemnified Parties	8
2.38 Multi-Family Dwelling	9
2.39 Municipal Code	9
2.40 NPDES	9
2.41 Organics	9

	<u>Page</u>
2.42 Original Agreement.....	9
2.43 Overage	9
2.44 Person	9
2.45 Premises	10
2.46 Recyclable Material.....	10
2.47 Recycling Bin.....	10
2.48 Recycling Cart.....	10
2.49 Recycling Container.....	10
2.50 Responsible Customer.....	10
2.51 Rolloff Box.....	10
2.52 SB 1383	10
2.53 Single Family Dwelling	11
2.54 Solid Waste	11
2.55 Solid Waste Handling Services	11
2.56 Temporary Service	11
2.57 Term	11
2.58 Transformation	11
 SECTION 3. GRANT OF EXCLUSIVE FRANCHISE FOR SOLID WASTE HANDLING SERVICES FROM ALL PREMISES, AND FOR PROVIDING TEMPORARY SOLID WASTE HANDLING SERVICE	 12
3.1 Scope of Franchise	12
3.2 Matters Excluded from Scope of Franchise	12
 SECTION 4. ENFORCEMENT OF EXCLUSIVITY	 13
 SECTION 5. ACCEPTANCE; WAIVER.....	 14
 SECTION 6. TERM.....	 14
 SECTION 7. CONDITIONS TO EFFECTIVENESS OF AGREEMENT	 14
7.1 Accuracy of Representation	14
7.2 Absence of Litigation	14
7.3 Furnishing of Insurance and Bonds, and Corporate Guarantee	15
7.4 Effectiveness of City Council Action.....	15
7.5 Payment of Fees and Costs.....	15
 SECTION 8. SOLID WASTE HANDLING SERVICES PROVIDED BY CONTRACTOR.....	 15
8.1 General	15
8.1.1 Equipment	15
8.1.2 Performance Standards.....	15
8.1.3 Noise and Disruption.....	15
8.1.4 Collection Times	15
8.1.5 Collection Schedule.....	16
8.1.6 Commingling of Routes	16

	<u>Page</u>
8.1.7 Replacement of Containers	16
8.1.8 Contractor's Containers.....	16
8.1.9 Missed Pick-ups	18
8.1.10 Record of Non-collection.....	18
8.1.11 Contaminated Recyclable Materials and Organic Waste Containers.....	18
8.2 Single Family Dwelling Waste Handling Service.....	19
8.2.1 Single Family Dwelling – Automated Collection	19
8.2.2 Valet Service	20
8.2.3 Single Family Dwelling Recycling Program	20
8.2.4 Curbside Food Waste Collection Program.....	21
8.2.5 Green Waste Program for Single Family Dwellings Using Carts.....	21
8.2.6 Bulky Item Service for Single Family Dwellings	22
8.2.7 Bulky Item Diversion.....	22
8.2.8 Proper Handling of Bulky Items	22
8.2.9 Residential Sharps Collection Program.....	22
8.2.10 Rolloff Service	23
8.2.11 Senior Discount.....	23
8.2.12 Customer-Requested Service Interruptions.....	23
8.3 Commercial Solid Waste Handling Services	23
8.3.1 Commercial Bins and Rolloff Boxes (Including for Multi- Family Dwelling Customers)	23
8.3.2 Commercial Bulky Item Service	24
8.3.3 Recycling Program for Commercial Premises	24
8.3.4 Organic Waste Recycling Program for Commercial Premises	25
8.3.5 SB 1383 Organics Recycling Program.....	26
8.3.6 Scout and Push Out Services.....	26
8.3.7 Overage of Containers.....	26
8.4 Other Collection Programs As May Be Required by Law.....	27
8.5 Temporary Services.....	28
8.6 Recycling Obligations and Public Education Program	28
8.6.1 Minimum Requirements for Recyclable Materials, Organic Waste and Rolloff Boxes.....	28
8.6.2 Extent of Applicable Franchise Rights.....	29
8.6.3 AB 939 Obligations, Guarantee, and Indemnification.....	29
8.6.4 Waste Generation/Characterization Studies.....	30
8.6.5 Implementation of Additional Diversion Services.....	31
8.7 Additional Services to Single Family Dwellings and Multi-Family Dwellings	31
8.7.1 Shredding Service	31
8.7.2 Holiday Trees	32
8.7.3 Used Oil.....	32
8.7.4 Home Composting	32
8.8 Additional Services to City	32
8.8.1 Services at City Premises	32
8.8.2 Collection at City Sponsored Events.....	33

Page

8.8.3	Fluorescent Lightbulb Collection and Recycling Program for City Facilities	33
8.8.4	Used Battery Recycling.....	34
8.8.5	Community Cleanups.....	34
8.8.6	Litter Abatement Partnership	34
8.8.7	Illegal Dumping.....	34
8.9	Special Services.....	34
SECTION 9. MINIMUM STANDARDS FOR CONTRACTOR'S SOLID WASTE HANDLING SERVICE COLLECTION VEHICLES.....		
9.1	General	35
9.2	Air Quality/Fuel Requirements	35
9.3	Specific Requirements.....	35
9.4	Costs of Operation and Damages	38
9.5	City Inspection	38
9.6	Correction of Defects and Removal of Vehicles from Use within City.....	38
SECTION 10. CONTRACTOR'S SOLID WASTE HANDLING SERVICE		
	PERSONNEL	38
10.1	Uniforms.....	38
10.2	Identification of Employees	38
10.3	Employee List	38
10.4	Driver's License	38
10.5	Screening of Field Employees.....	39
10.6	Discontinued Use of Unsatisfactory Employees.....	39
10.7	Training and Legal Compliance	39
10.8	Customer Service	39
	10.8.1 Office Hours	39
	10.8.2 Telephone Customer Service Requirements	39
	10.8.3 Complaint Documentation	40
	10.8.4 Resolution of Customer Complaints	40
	10.8.5 Government Liaison.....	41
10.9	Education and Public Awareness	41
	10.9.1 General	41
	10.9.2 Written Program Materials.....	41
	10.9.3 Public Outreach	42
	10.9.4 City Newsletter.....	42
	10.9.5 Corrective Action Notice	42
	10.9.6 Contractor Representative	42
SECTION 11. CONTRACTOR'S CONSIDERATION.....		
11.1	Consideration for Agreement	43
11.2	Franchise Fee.....	43
11.3	Administrative Cost Reimbursement; Street Sweeping, and Street Maintenance/Rehabilitation; Program Implementation Costs	43
	11.3.1 Administrative Cost Reimbursement	43

	<u>Page</u>
11.3.2 Street Sweeping, and Street Maintenance/Rehabilitation; Program Implementation Costs	44
SECTION 12. CHARGE FOR LATE PAYMENTS	44
SECTION 13. CONTRACTOR'S BILLING SERVICES AND SYSTEMS	44
13.1 Billing	44
13.1.1 Suspension of Service; Tax Roll Collection for Delinquent Accounts	45
13.2 Minimum Requirements for Billing Statements	45
13.3 Billing System	46
13.3.1 Computerization of Account Information	46
13.3.2 Minimum Computer Programming Requirements	46
13.3.3 Contractor Billing	47
13.3.4 Billing Inquiries	47
13.4 Payment, Accounting Systems	47
13.4.1 Collection and Processing of Payments	47
SECTION 14. FAITHFUL PERFORMANCE	47
14.1 Surety	47
14.1.1 Forfeiture of Surety	48
14.1.2 Use of Surety by City	48
SECTION 15. INSURANCE COVERAGE	48
15.1 Minimum Scope of Insurance	48
15.2 Minimum Limits of Insurance	49
15.2.1 Commercial General Liability	49
15.2.2 Automobile Liability	49
15.2.3 Workers' Compensation and Employers Liability	49
15.3 Deductibles and Self-Insured Retentions	49
15.4 Other Insurance Provisions	49
15.4.1 General Liability	49
15.4.2 Workers' Compensation and Employers Liability Coverage	50
15.4.3 Environmental Pollution Control Insurance	50
15.4.4 All Coverages	50
15.5 Acceptability of Insurers	50
15.6 Verification of Coverage	50
15.7 Loss or Reduction in Insurance	50
SECTION 16. ASSIGNMENT, SUBLETTING, AND TRANSFER; REQUIREMENTS AND LIMITATIONS	51
16.1 General	51
16.2 Assignment to be Broadly Interpreted	51
16.3 Nature of Agreement – Personal to Contractor	51
16.4 Procedure for Consideration of Assignment	52

	<u>Page</u>
SECTION 17. REVIEW OF SERVICES AND PERFORMANCE	53
17.1 Mid Term Detailed Rate Review	53
17.2 Performance Hearing.....	53
SECTION 18. CITY'S REMEDIES; DEFAULT AND TERMINATION	54
18.1 Notice of Default.....	54
18.2 Failure to Cure.....	55
18.3 Review by City Manager.....	55
18.4 City Council Review	55
18.5 Performance During Reviews	55
18.6 Termination without Right to Cure	56
18.7 Liquidated Damages.....	57
18.7.1 General	57
18.7.2 Service Performance Standards; Liquidated Damages for Failure to Meet Standards	57
18.7.3 Calculations for Liquidated Damages.....	58
18.7.4 Process for Assessment of Liquidated Damages.....	59
18.7.5 Timing of Payment.....	60
SECTION 19. CONTRACTOR'S REMEDIES; ADMINISTRATIVE HEARING	60
19.1 Administrative Hearing	60
19.2 Other Remedies; Claims.....	61
19.3 Actions for Damages	61
SECTION 20. CITY'S ADDITIONAL REMEDIES	61
SECTION 21. RIGHTS OF CITY TO PERFORM DURING EMERGENCY	62
21.1 Provision of Service	62
21.2 Possession of Equipment.....	62
21.3 Exclusions from Right to Possession of Equipment without Compensation.....	62
SECTION 22. PRIVACY	62
SECTION 23. REPORTS AND ADVERSE INFORMATION	63
23.1 Quarterly Reports	63
23.2 Annual Reports.....	64
23.3 Format of Reports.....	66
23.4 Adverse Information	66
23.5 Disaster Plan.....	66
23.6 Failure to Report.....	67
SECTION 24. COMPENSATION	67
24.1 Contractor Rates.....	67
24.2 Resolution of Disputes Regarding Rate Adjustments	67
24.3 Annual Consumer Price Index Adjustments	67

	<u>Page</u>
24.3.1 Service Component	68
24.3.2 Disposal/Green Waste Processing Component	68
24.3.3 City Manager Approval of Rate Increases	68
24.4 Limitations to Annual Adjustments	68
24.5 Contractor Responsibility to Calculate Rate Adjustments	69
24.6 Extraordinary Adjustments	69
24.6.1 General	69
24.6.2 Contractor Requests for an Extraordinary Adjustment	70
24.6.3 City Denial of Contractor Request for an Extraordinary Adjustment	70
24.7 Grants	71
SECTION 25. IDENTIFICATION OF CONTRACTOR	71
SECTION 26. TRANSPORTATION OF SOLID WASTE	71
SECTION 27. INDEMNIFICATION	71
27.1 General	71
27.2 Hazardous Substances Indemnification	72
SECTION 28. CONTRACTOR'S BOOKS AND RECORDS; AUDITS	74
28.1 Maintenance and Inspection of Records	74
28.2 CERCLA Defense Records	74
28.3 Ongoing Compliance Review	74
28.4 Confidentiality of Contractor's Records	75
28.5 Audits	75
28.5.1 Examination of Services	75
28.5.2 Route Audit	76
SECTION 29. TRANSITION OBLIGATIONS	77
SECTION 30. GENERAL PROVISIONS	78
30.1 Force Majeure	78
30.2 Independent Contractor	78
30.3 Property Damage	78
30.4 Right of Entry	78
30.5 Law to Govern; Venue	78
30.6 Amendment	79
30.7 Notices	79
30.8 Guarantee of Contractor's Performance	80
30.9 Savings Clause	80
30.10 Exhibits Incorporated	80
30.11 Joint Drafting	80
30.12 Attorneys' Fees and Litigation Costs	80
30.13 City's Authorized Agent	80
30.14 Integrated Agreement	80

	<u>Page</u>
30.15 Section Headings.....	81
30.16 Compliance with Law	81
30.17 No Third Party Beneficiaries.....	81
EXHIBIT A MAXIMUM RATE SCHEDULE FOR SOLID WASTE HANDLING SERVICES	
EXHIBIT B CONTAINER SPECIFICATIONS	
EXHIBIT C RECYCLABLES SPECIFICATIONS	
EXHIBIT D CORPORATE GUARANTEE	
EXHIBIT E CURRENT CITY-SPONSORED COMMUNITY EVENTS	

AMENDED AND RESTATED FRANCHISE AGREEMENT

This AMENDED AND RESTATED FRANCHISE AGREEMENT ("Agreement") is entered into to be effective as of the 1st day of April 2020, by and between the CITY OF MENIFEE, a California municipal corporation ("City"), and USA WASTE OF CALIFORNIA, INC., a Delaware corporation, dba WASTE MANAGEMENT OF THE INLAND EMPIRE ("Contractor") (individually, a "Party," and collectively, the "Parties") to provide an exclusive franchise for Solid Waste Handling Services within the City.

RECITALS:

A. The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("AB 939"), has declared that it is in the public interest to authorize and require local agencies to make adequate provision for the disposal of all Solid Waste within their jurisdictions.

B. Pursuant to California Public Resources Code Section 40059(a)(1), in December 2009, the City Council of the City determined that the public health, safety, and welfare required that an exclusive franchise agreement be awarded to a qualified solid waste enterprise for Solid Waste Handling Services within the City Limits.

C. City and Contractor (as USA Waste of California, Inc.) previously entered into that certain Solid Waste Franchise Agreement, dated December 21, 2010 (the "Original Agreement"), and the parties now wish to supersede the Original Agreement and enter into this Amended and Restated Franchise Agreement, to be effective as of April 1, 2020.

D. City and Contractor are mindful of the provisions of the laws governing the safe collection, transport, recycling, and disposal of Solid Waste, including AB 939, AB 341, the Resource Conservation and Recovery Act ("RCRA"), and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). City and Contractor desire to leave no doubts as to their respective roles, and to memorialize that by entering into this Agreement, City is not thereby becoming an "arranger" or a "generator" as those terms are used in CERCLA, and that it is Contractor, not City, who is "arranging for" the collection, transport for disposal, composting, and recycling of municipal Solid Waste in the City which may contain hazardous substances. City and Contractor understand and agree that it is Contractor, and not City, who will arrange to collect Solid Waste, that City has not, and, by this Agreement does not, instruct Contractor on its collection methods, nor supervise the collection process, nor do the Parties intend to place title to such Solid Waste in City, but rather intend that whatever, if any, title in and to such Solid Waste that otherwise might exist in or with City in the absence of this Agreement is hereby transferred to Contractor, and further that if Contractor gains title to such Solid Waste it is by operation of law and agreement with its Customers and is not the result of this Agreement. By entering into this Agreement City and Contractor further desire to confirm that Contractor has agreed to indemnify City in connection with any claims relating to the inadvertent or intentional collection, transportation and/or disposal of hazardous materials that may occur in connection with Contractor's performance under this Agreement.

E. Contractor has agreed to provide such services as set forth in this Agreement designed to ensure City complies with the requirements of laws and regulations applicable to the proper Collection, processing and disposal of Solid Waste, including without limitation AB 939, AB 341, AB 1826, SB 1383, and Public Resources Code Section 40000, et seq.

C O V E N A N T S:

Based upon the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the Parties, City and Contractor hereby agree as follows:

SECTION 1. RECITALS; AMENDMENT AND RESTATEMENT OF ORIGINAL AGREEMENT

The Parties acknowledge the above recitals are true and correct and incorporate them herein as if they were fully restated.

This Agreement fully amends and restates the Original Agreement.

SECTION 2. DEFINITIONS

Whenever any term used in this Agreement has been defined by the California Public Resources Code, the definition of such term set forth therein shall apply unless the term is otherwise defined in this Agreement.

2.1 AB 341

“AB 341” shall mean Assembly Bill 341 from the 2011-2012 Regular Session of the California Legislature (Chapter 476, Statutes 2011).

2.2 AB 939

“AB 939” shall mean the California Integrated Waste Management Act of 1989, currently codified as California Public Resources Code Section 40000 et seq., as it may be amended from time to time.

2.3 AB 1594

“AB 1594” shall mean Assembly Bill 1594 from the 2013-2014 Regular Session of the California Legislature (Chapter 719, Statutes 2014).

2.4 AB 1826

“AB 1826” shall mean Assembly Bill 1826 from the 2013-2014 Regular Session of the California Legislature (Chapter 727, Statutes 2014).

2.5 Affiliate

“Affiliate” shall mean a business in which Contractor owns a direct or indirect ownership interest, a business (including corporations, limited and general partnerships and sole proprietorships) which has a direct or indirect ownership interest in Contractor and/or a business which is also owned, controlled or managed by any business or individual which has a direct or indirect ownership interest in Contractor. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date of this Agreement, shall apply; provided, however, that (i) “ten percent (10%)” shall be substituted for “fifty percent (50%)” in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

2.6 Animal Waste

“Animal Waste” shall mean animal carcasses, dead animals, and/or parts or portions of dead animals. Animal Waste shall not include manure.

2.7 Applicable Laws

“Applicable Laws” shall mean all federal, state, county, and local laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirements of any governmental agency having jurisdiction over an aspect of this Agreement that are in force on the Effective Date, and as may be enacted, issued or amended thereafter, including without limitation City’s Municipal Code, AB 341, AB 939, AB 1594, AB 1826, and SB 1383.

2.8 Billings

“Billings” or “Billing” or “Bill” shall mean the statements of charges provided to Customers or Responsible Customers for services rendered by Contractor pursuant to the terms of this Agreement.

2.9 Bins

“Bins” shall mean a Container, including dumpsters, compactors, and any similar such devices with a capacity of one (1) to six (6) cubic yards.

2.10 Bulky Items

“Bulky Items” shall mean Solid Waste that cannot and/or would not typically be accommodated within a Cart or Bin including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators with and without Freon, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); and bundled residential wastes (including wood waste, tree branches, scrap wood, in the aggregate not exceeding one cubic yard per Collection). For purposes

of this Agreement, and notwithstanding any provision hereof to the contrary, Bulky Items shall specifically include items commonly known in the waste industry as "brown goods" and "e-waste" (including, without limitation all types of electronic waste, stereos, televisions, computers and monitors, cellular phones, VCRs, microwaves and other similar type of equipment and products). Bulky Items do not include car bodies, Construction and Demolition (C&D) Waste, Hazardous Waste, or (with the exception of appliances/white goods described above) items that cannot reasonably and safely be loaded and unloaded into a vehicle by two people using equipment of the type which, pursuant to industry standards, would normally be carried in a vehicle used in Collecting Bulky Items. In the event a question arises as to whether a specific item, or category of items meets the definition of Bulky Items, City shall be responsible to determine whether said definition shall apply, which determination shall be final and binding on the Parties.

2.11 CalRecycle

"CalRecycle" shall mean the State of California Department of Resources Recycling and Recovery, the department within the State Natural Resources Agency responsible for the administration of the Integrated Waste Management Act of 1989, California Public Resources Code Section 40000 et seq. ("Act"), or any successor department or agency created or designated for such purpose pursuant to the Act.

2.12 Cart

"Cart" shall mean a plastic Container with a hinged lid and wheels serviced by an automated or semi-automated process, as opposed to a manual process of lifting and dumping.

2.13 City

"City" shall mean the City of Menifee, a municipal corporation, located in Riverside County, California.

2.14 City Council

"City Council" shall mean the City Council of City.

2.15 City Limits

"City Limits" shall mean the territorial boundaries of the City together with all amendments and changes thereto, which boundaries are depicted on maps, incorporated herein by reference, that are kept on file in the office of the City Clerk of the City of Menifee, and which are from time to time amended to reflect changes.

2.16 City Manager

"City Manager" shall mean the City Manager of the City of Menifee or his or her designee.

2.17 Collect/Collection/Collecting

“Collect,” “Collection,” or “Collecting” shall mean to take physical possession of, transport, and remove Solid Waste from a Premises.

2.18 Collection Vehicle

“Collection Vehicle” shall have the meaning ascribed in Section 9 of this Agreement.

2.19 Commercial Customers

“Commercial Customers” shall mean Customers at Commercial Premises, including Multi-Family Dwellings receiving Solid Waste Handling Services via Bins.

2.20 Commercial Premises

“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 receiving Solid Waste Handling Services via Bins 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.

2.21 Construction and Demolition (C&D) Waste

“Construction and Demolition (C&D) Waste” shall mean Solid Waste generated, produced, or discarded in connection with construction, demolition, landscaping, land clearing, or general clean-up activities within the City, including, but not limited to, concrete, plaster, drywall, green waste, wood, wood scraps, dirt, rock and rubble, without regard to whether such materials are Recycled.

2.22 Container

“Container” shall mean any and all types of Solid Waste receptacles, including but not limited to Carts and Bins.

2.23 Contractor

“Contractor” shall mean USA Waste of California, Inc., a Delaware corporation, dba Waste Management of the Inland Empire, the entity granted the franchise pursuant to this Agreement, or any party permitted pursuant to the terms hereof to become the successor or assignee thereof.

2.24 Curbside

“Curbside” shall mean a location for placement of Containers along a publicly available right of way that provides for safe and efficient access by a Collection Vehicle, which generally includes 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.

2.25 Customer

“Customer” or “Customers” shall mean any Person receiving Solid Waste Handling Services from Contractor within the Franchise Area.

2.26 Dwelling Unit

“Dwelling Unit” shall mean one or more rooms designed for occupancy by one family for living and sleeping purposes and containing kitchen facilities or an area designed for the preparation of food for use solely by one family.

2.27 Effective Date

“Effective Date” shall mean the 1st day of April 2020.

2.28 Environmental Laws

“Environmental Laws” shall mean all federal and state statutes, county, local and City ordinances concerning public health, safety and the environment including, by way of example and not limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.; the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; the Federal Clean Water Act, 33 USC §1251 et seq.; the Federal Clean Air Act, 42 USC §7401 et seq.; the Toxic Substances Control Act, 15 USC §2601 et seq.; the Occupational Safety and Health Act, 29 USC §651 et seq.; the California Hazardous Waste Control Act, California Health and Safety Code §25100 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code §25300 et seq.; the Porter-Cologne Water Quality Control Act, California Water Code §13000 et seq.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code §25249.5 et seq.; as currently in force or as hereafter amended, and all rules and regulations promulgated thereunder.

2.29 Exempt Waste

“Exempt Waste” shall mean shall mean Biohazardous radioactive, or Biomedical Waste, Hazardous Substances, Hazardous Waste, Universal Waste (except for E-Waste), Sharps, Sludge, used cooking FOG (fats, oil, grease and similar materials), animal waste, explosive substances, firearms, tires, automobiles, boats, boat trailers, or any parts thereof, internal combustion engines, lead-acid batteries, and those wastes under the control of the Nuclear Regulatory Commission. Exempt Waste also includes any material that is prohibited from being collected, transported, processed by Contractor or disposed of in Class III landfills by a change in law or that Contractor reasonably believes would, as a result of or upon collection, transportation, processing and/or disposal, be a violation of Applicable Laws or in Contractor’s reasonable opinion would present a

significant risk to human health or the environment, or requires special handling. Exempt Waste also includes materials containing information (in hard copy or electronic format, or otherwise) which information is protected or regulated under any local, state or federal privacy or data security laws, including, but not limited to the Health Insurance Portability and Accountability Act of 1996, as amended.

2.30 Food Waste

“Food Waste” shall mean compostable Organics, excluding Green Waste, that will readily decompose and/or putrefy, including, but not limited to: (i) all food (including fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese and eggshells); and (ii) tea bags and coffee grounds. The materials included within the definition of Food Waste may be modified to reflect, among other things, technological advances or improved markets, upon mutual agreement between Contractor and City.

2.31 Franchise Area

“Franchise Area” shall mean all Premises within the City Limits, including Premises which may be annexed and thereby added to the City Limits following the Effective Date.

2.32 Franchise Fee

“Franchise Fee” shall mean the franchise fee set forth and more fully defined in Section 11 hereof.

2.33 Green Waste

“Green Waste” shall mean tree trimmings, grass cuttings, dead plants, leaves, branches and dead trees (not more than six (6) inches in diameter or 48 inches in length) that fit within a Cart and similar materials as more fully described herein.

2.34 Gross Receipts

“Gross Receipts” shall mean and include all monies, fees, charges, consideration, and revenue received by Contractor, in connection with, arising from, or in any way attributable to the Solid Waste Handling Services carried out by or on behalf of Contractor pursuant to this Agreement. Gross Receipts includes, without limitation, quarterly Customer charges that are received by Contractor for Collection of Solid Waste, without subtracting Franchise Fees, fees imposed and collected pursuant to this Agreement, sums collected in connection with Temporary Services, and transportation charges. Notwithstanding the foregoing, when calculating Gross Receipts for any given period, amounts paid by Contractor as so called tipping fees for disposal at a landfill shall be deducted from the otherwise applicable total for such period; and, further, Gross Receipts does not include revenue from the sale of Recyclable Material, Organic Waste, or other material which is diverted from disposal by Contractor.

2.35 Hazardous Substance

“Hazardous Substance” shall mean any of the following: (a) any substances defined, regulated or listed (directly or by reference) as “Hazardous Substances,” “hazardous materials,” “Hazardous Wastes,” “toxic waste,” “pollutant” or “toxic substances” or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.(CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §5101, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7401 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable federal, state or local laws or regulations, including any of the Environmental Laws, currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl’s (“PCBs”), petroleum, natural gas and synthetic fuel products, and by-products.

2.36 Hazardous Waste

“Hazardous Waste” shall mean all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State of California in Health and Safety Code §25110.02, §25115, and §25117 or in future amendments to or recodifications of such statutes or identified and listed as Hazardous Waste by the US Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and regulations promulgated thereunder; and any chemical, pollutant, contaminant, hazardous or toxic substance, constituent or material that under Applicable Law is considered to be hazardous or toxic or is or may be required to be remediated, including, without limitation, (a) any petroleum or petroleum products and their derivatives, radioactive materials, asbestos in any form that is or could become friable, transformers or other equipment that contain dielectric fluid containing polychlorinated biphenyls and processes and certain cooling systems that use chlorofluorocarbons, or (b) any chemicals, materials or substances which are now or hereafter become defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” or any words of similar import pursuant to Applicable Laws.

2.37 Indemnified Parties

“Indemnified Parties” shall mean City and its past and present elected and appointed officials, officers, council members, employees, consultants and agents, and volunteers.

2.38 Multi-Family Dwelling

“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 through the use of shared Solid Waste Bins, since they are not reasonably able to store Carts or otherwise receive individualized Solid Waste Handling Service through the use of the automated Collection system 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.

2.39 Municipal Code

“Municipal Code” shall mean City’s Municipal Code (“Meniffee Municipal Code”).

2.40 NPDES

“NPDES” shall mean the National Pollutant Discharge Elimination System.

2.41 Organics

“Organics” or “Organic Waste” means Food Waste, Green Waste, landscape and pruning waste, and nonhazardous wood waste as defined in Public Resources Code Section 42649.8(c).

2.42 Original Agreement

“Original Agreement” means that certain agreement titled “Solid Waste Franchise Agreement” dated December 21, 2010, between City and Contractor (as USA Waste of California, Inc.).

2.43 Overage

“Overage” shall mean when the Solid Waste placed in a Container exceeds the Container’s intended capacity such that the lid is lifted more than ten (10) inches or more (or ten (10) inches if there was a lid), or when Solid Waste is placed on top of or in the immediate vicinity of the Container.

2.44 Person

“Person” shall mean any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, the County of Riverside, towns, cities, and special purpose districts.

2.45 Premises

“Premises” shall mean any land, building, and/or structure within the City Limits where Solid Waste is generated or accumulated.

2.46 Recyclable Material

“Recyclable Material” or “Recyclables” shall mean Solid Waste Collected within the Franchise Area and source-separated either by the generator or by Contractor for the purpose of being returned to the economic mainstream by Contractor. As of the Effective Date, the materials identified on Exhibit C as Recyclables shall be handled as Recyclable Material. Contractor may request a change in the materials to be treated as Recyclable Material due to the lack of economic viability of any processes or markets. Contractor shall bear the burden of demonstrating such lack of viability to the City Manager, and the City Manager’s approval of a request shall not be withheld unreasonably.

2.47 Recycling Bin

“Recycling Bin” shall mean a Bin designated for the Collection of Recyclable Materials.

2.48 Recycling Cart

“Recycling Cart” shall mean a Cart designated for the Collection of Recyclable Materials.

2.49 Recycling Container

“Recycling Container” shall mean a Recycling Bin or Recycling Cart, as the context requires.

2.50 Responsible Customer

“Responsible Customer” shall mean the Customer who is responsible for making arrangements with Contractor to ensure Collection services are provided at Commercial Premises or Single Family Dwellings in circumstances where a management company, homeowner association, or similar type entity arranges Collection services for such Premises. In the event of any dispute as to whether a right or obligation set forth herein is held by a Customer or a Responsible Customer, the City Manager is authorized to resolve such dispute.

2.51 Rolloff Box

“Rolloff Box” shall mean Solid Waste Collection Containers of ten (10) yards or larger, including compactors.

2.52 SB 1383

“SB 1383” shall mean Senate Bill 1383 from the 2015-2016 Regular Session of the California Legislature (Chapter 395, Statutes 2016)

2.53 Single Family Dwelling

“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 utilizing Carts contemplated herein.

2.54 Solid Waste

“Solid Waste” shall mean and include all discarded putrescible and non putrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, rubbish, Construction and Demolition (C&D) Waste, industrial waste, commercial Solid Waste, Bulky Items, and any other discarded solid, semisolid, and liquid waste permitted to be disposed of at a Class III landfill and which are included within the definition of “Nonhazardous Solid Waste” set forth in the California Code of Regulations, as it may be amended from time to time. Solid Waste does not include Exempt Waste.

2.55 Solid Waste Handling Services

“Solid Waste Handling Services” shall mean the Collection, transfer, transport, recycling, processing, and disposal of Solid Waste, including discarded Recyclable Material and Organics from Premises within the City.

2.56 Temporary Service

“Temporary Service” shall mean Solid Waste Handling Services provided by Contractor on an as-needed and temporary basis to any Premises within the City in conjunction with construction, demolition, cleanup or other projects, and by use of temporarily placed Bins or Rolloff Boxes.

2.57 Term

“Term” shall have the meaning ascribed in Section 6 of this Agreement.

2.58 Transformation

“Transformation” shall mean incineration, pyrolysis, distillation, gasification, or biological conversion other than composting. “Transformation” does not include composting.

SECTION 3.
**GRANT OF EXCLUSIVE FRANCHISE FOR SOLID WASTE
HANDLING SERVICES FROM ALL PREMISES, AND FOR PROVIDING
TEMPORARY SOLID WASTE HANDLING SERVICE**

3.1 Scope of Franchise

Except as hereinafter expressly set forth, City hereby grants to Contractor and Contractor hereby accepts from City, for the Term hereof, the exclusive contract, right, and privilege to provide Solid Waste Handling Services for Solid Waste generated or accumulated within the Franchise Area. The exclusive franchise, right and privilege to provide Solid Waste Handling Services within City granted to Contractor by this Agreement shall be interpreted to be consistent with all applicable state and federal laws, now in effect and adopted during the Term of this Agreement, and the scope of this Agreement shall be limited by all applicable current and developing laws and regulations. In the event that future interpretations of current law or future enactments limit the ability of City to lawfully grant Contractor the scope of services as specifically set forth herein, Contractor agrees that the scope of this Agreement will be limited to those services and materials which may be lawfully provided, and that City shall not be responsible for any lost profits claimed by Contractor as a result thereof.

3.2 Matters Excluded from Scope of Franchise

Notwithstanding any other provisions set forth in this Agreement to the contrary, the exclusive franchise granted herein shall exclude the Collection, transportation, recycling, and disposal of:

(A) any Solid Waste otherwise within the scope of this Agreement which is transported by a Self-Hauler as that term is used in the Municipal Code, as such may be adopted or amended from time to time;

(B) any Solid Waste otherwise within the scope of this Agreement during a locally proclaimed emergency (defined as a "local emergency" pursuant to Section 8630 of the California Emergency Services Act) or subsequent recovery period, provided that Contractor lacks the ability to perform the necessary work in a timely manner, or for any other reason determined by City related to public health, safety or welfare;

(C) the sale, donation, or transfer of Recyclable Material by the person or entity that generated such Recyclable Material (the "Generator") to any person or entity other than Contractor; provided, however, to the extent permitted by law, if the Generator is required to pay monetary or non-monetary consideration for the Collection, transportation, transfer, recycling, or processing of Recyclable Material to any person or entity other than Contractor, then this exclusion shall not apply. Further, a reduction or discount in price (or in other terms of the consideration the Generator is required to pay) shall not be considered a sale, donation, or transfer of Recyclable Material that is exempted from the exclusive franchise granted under this Agreement;

(D) any Solid Waste otherwise within the scope of this Agreement which is Collected or transported to a disposal or recycling facility by City agents or employees in the course and scope of services provided for the City;

(E) any Solid Waste Collected at any City sponsored event if City does not request Contractor provide Collection services for the City sponsored event;

(F) the Collection, transportation, or disposal of Exempt Waste or other materials which do not constitute Solid Waste;

(G) the Collection, transportation, and disposal of Construction and Demolition (C&D) Waste by a contractor, handyman, repairman, or other similar service provider, using its own equipment, as an incidental part of the services provided to its Customers, rather than as a hauling service, provided that such waste is not Collected or transported by a third party hired for the primary purpose of Collecting and transporting said materials; in addition to the foregoing, following a request for Contractor to provide Construction and Demolition (C&D) Waste service, if such service has not commenced within three (3) business days after such request, the Customer requesting such service may contract with another contractor that provides Solid Waste Handling Services to provide such service;

(H) the Collection, transportation, and disposal of Green Waste by a gardener, or landscaper, as an incidental part of the gardening or landscaping services provided to its customers, rather than as a hauling service provided that such Solid Waste is not collected or transported by a third party hired for the primary purpose of Collecting and transporting said materials; and

(I) Solid Waste Handling Services provided by any Person having a legal right to continue doing so, pursuant to Public Resources Code Section 49520, et. seq., or otherwise, as long as and to the extent such legal right continues to exist; except that to the degree any territory in which Contractor has a franchise granted by another governmental entity is annexed into City during the Term, Contractor agrees the provisions of this Agreement shall apply to such territory.

SECTION 4. ENFORCEMENT OF EXCLUSIVITY

Contractor shall be responsible for enforcing the exclusivity of this Agreement. City shall reasonably assist Contractor in its efforts to enforce the exclusivity hereof. In addition, City shall adopt such ordinances or other regulations as it deems to be necessary or desirable to protect the exclusive rights granted herein. City shall have the right, but not the obligation, to enforce the exclusivity hereof, including by instituting appropriate legal proceedings, and/or to request that Contractor do so. Contractor shall have an affirmative obligation to enforce such exclusivity provisions when requested to do so by City. Contractor shall reimburse City for its reasonable legal costs, administrative costs (including staff time), or other expenses incurred in connection with City's actions to either enforce the exclusivity hereof, or to assist Contractor in doing so.

**SECTION 5.
ACCEPTANCE; WAIVER**

Contractor agrees to be bound by and comply with all the requirements of this Agreement. Contractor waives Contractor's right to challenge the award of this Agreement under federal, state, or local law, or administrative regulation. Contractor waives any right or claim to serve the City or any part of the City under any prior grant of franchise, contract, license, or permit issued or granted by any governmental entity including any right under Section 49520 of the Public Resources Code.

**SECTION 6.
TERM**

The term of this Agreement (the "Term") shall be for a period of fifteen (15) years commencing on the Effective Date. The Term of this Agreement shall end at midnight on December 31, 2035, unless this Agreement is terminated sooner pursuant to Section 18 hereof, or otherwise. On or about January 1, 2035, Contractor may request a further extension of the Term. In the event that Contractor is in substantial compliance with the terms and conditions of this Agreement, the City Council, upon recommendation of the City Manager, shall review Contractor's request in good faith and may not unreasonably deny an extension of the Term for an additional five (5) years, through December 31, 2040.

If the City Council does not approve Contractor's request to extend the Term as set forth above, as evidenced by a formal action of the City Council taken in a duly noticed open meeting, on or before September 30, 2035, said option shall expire and this Agreement shall automatically terminate at 11:59 p.m. on December 31, 2035.

**SECTION 7.
CONDITIONS TO EFFECTIVENESS OF AGREEMENT**

The satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part by City in writing, is a condition precedent to the effectiveness of this Agreement, and a condition of Contractor's continued right to the benefits conveyed herein:

7.1 Accuracy of Representation

All representations and warranties made by Contractor and set forth in this Agreement shall be accurate, true, and correct on and as of the Effective Date of this Agreement.

7.2 Absence of Litigation

There shall be no litigation pending in any court challenging the award of this Agreement to Contractor or the execution of this Agreement or seeking to restrain or enjoin its performance.

7.3 Furnishing of Insurance and Bonds, and Corporate Guarantee

Contractor shall have furnished evidence of the insurance and sureties required by Sections 14 and 15 hereof, and shall comply with all ongoing requirements relating thereto, and shall provide the Corporate Guarantee required by Section 30.8 hereof.

7.4 Effectiveness of City Council Action

The City Council's action approving this Agreement shall have become effective pursuant to California law.

7.5 Payment of Fees and Costs

Contractor shall have made payment to City of all fees, costs and other payments due as more fully set forth in Section 11.

**SECTION 8.
SOLID WASTE HANDLING SERVICES
PROVIDED BY CONTRACTOR**

8.1 General

8.1.1 Equipment

Contractor shall furnish all labor, supervision, materials, supplies, and equipment necessary to provide for all services required by the terms of this Agreement.

8.1.2 Performance Standards

Contractor shall perform Solid Waste Handling Services as required hereunder in a workmanlike manner consistent with good housekeeping standards and all relevant provisions of Applicable Laws.

8.1.3 Noise and Disruption

Contractor shall perform Solid Waste Handling Services as required hereunder in such a manner as to minimize noise and other disruptive impacts including, without limitation, those upon traffic.

8.1.4 Collection Times

Collection from Single Family Dwellings will occur on Monday through Friday. Collection from Commercial Premises and Multi Family Dwellings may occur on Monday through Saturday. Collection from Single Family Dwellings shall not begin prior to 6:00 am and shall be completed by 6:00 pm. Collection from Commercial/Multi Family Dwellings shall not begin prior to 5:30 am where the Premises are within five hundred (500) feet of an occupied Single Family Dwelling or Multi Family Dwelling, and shall be completed by 7:00 pm. No Solid Waste Collection shall occur on Sundays, except in exceptional circumstances for which specific

approval is given by the City Manager. Solid Waste Collection shall not occur on the following holidays: New Year's Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

8.1.5 Collection Schedule

All Collection routes shall be subject to final approval by the City Manager. Customers at all Premises within the City shall 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 thirty (30) days' notice to Single Family Dwelling 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 legal holiday, or on any other holiday which is observed by either a landfill or other lawful disposal site to which Solid Waste is taken for disposal, or a recycling facility to which Recyclable Material is taken, 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. Contractor may not change its established Collection schedules without obtaining the prior written consent of the City Manager.

8.1.6 Commingling of Routes

Contractor shall not during its Collection process commingle Solid Waste Collected hereunder with Solid Waste Collected in any other City, or on behalf of any other entity operating or existing within City that is not subject to this Agreement, unless approved by the City Manager, in his or her reasonable discretion, following Contractor's submittal to City of an allocation methodology that ensures Solid Waste generated in other cities are not attributable to City.

8.1.7 Replacement of Containers

Contractor shall, whenever possible, return Carts to the location where they were found (e.g., on the sidewalk or in the street gutter, adjacent to the curb) upon completing Collection. Contractor shall replace all Bins in the location upon the property of each Customer utilizing Bins designated for storage of Bins, and shall secure gates, doors, and/or enclosures when applicable.

8.1.8 Contractor's Containers

- (A) Contractor's Containers shall meet the minimum standards set forth in Exhibit B.
- (B) Contractor shall be responsible to maintain and replace, as necessary, all Containers.
- (C) All Containers shall be maintained by Contractor in good repair, and any question as to the meaning of this standard shall be resolved by the City Manager.
- (D) Except as otherwise provided in this Agreement, Contractor shall deliver Containers to each Customer at no additional charge.

(E) Contractor shall ensure it maintains an accurate list that contains the total number of Carts, Bins, and indoor recycling containers at each service address or other identifying location associated with each account. Contractor shall keep this list up to date at all times, provide it to City upon request, and shall include a current updated list with each annual report as set forth in Section 23.2. In addition, Contractor shall provide this list to City within thirty (30) days of the Effective Date.

(F) All Carts shall be maintained by Contractor in a watertight condition, as shall all Bins which are used primarily for the disposal of Solid Waste containing liquids, and shall at all times comply with the provisions of any applicable NPDES permit.

(G) Upon request and up to one time per calendar year, Contractor shall exchange a Customer's Cart for a "like new" Cart at no additional charge. In addition, within three (3) business days after notification, Contractor shall repair and maintain, remove graffiti from, and replace lost, stolen or damaged Carts at no charge to Customers. However, Contractor shall be entitled to charge Customers for the replacement of any Cart that has been damaged by a Customer's willful neglect or abuse, ordinary wear and tear excepted, with such charges being subject to the City Manager's approval and at a fee no higher than Contractor's actual cost of repair and replacement.

(H) Contractor shall, at Responsible Customer's request, refurbish, replace, and steam clean as necessary all Bins and Rolloff Boxes at no charge to Customers up to one (1) time per calendar year. City may require the steam cleaning or replacement of Bins more frequently if it determines such action is needed to protect public health and safety. Additional steam cleaning or replacement beyond one (1) per calendar year shall be provided within three (3) business days of notification by City or request by a Responsible Customer at a charge not to exceed the maximum rate set forth in Exhibit A hereto.

(I) Contractor shall remove any graffiti that appears on a Container within three (3) business days after becoming aware of it at no charge to Customers.

(J) All Bins and Rolloff Boxes shall be kept freshly painted in a uniform fashion. All Bins and Rolloff Boxes shall be identified with Contractor's name and phone number in letters not less than three inches high on its exterior so as to be visible and legible when the Container is placed for use.

(K) At a Responsible Customer's request, Contractor shall provide Bins with slots or locking lids and locks and may charge rates to Customers for slotted or locking Bins which do not exceed the maximum rates set forth in Exhibit A.

(L) Contractor shall mark its Containers with conspicuous warning notices stating disposal of Hazardous Substances in the Containers is prohibited.

(M) All Containers provided by Contractor are the sole property of Contractor at all times.

8.1.9 Missed Pick-ups

In case of a missed pick-up called in by a Customer, Contractor shall Collect Solid Waste and Recyclable Material from such Customer by 5:00 p.m. on the day of the call if Contractor was notified before 12:00 p.m. that same day or, for calls received after 12:00 p.m., within one (1) business day after the call is received. Records of the addresses of all missed pick-ups shall be maintained by Contractor, and shall be reported to City on a quarterly basis in accordance with Section 23.1. If Contractor demonstrates to the satisfaction of the City Manager a pattern of ongoing late "set-outs" by a given Customer, missed pick-ups resulting from late set-outs by that Customer shall not be counted as missed pick-ups in evaluating Contractor's performance hereunder. The Customer service phone system required by Section 10.8.2.1 hereof is intended, among other things, to serve as a "hotline" for Customers to call in the event Solid Waste placed for Collection is not Collected by Contractor and to facilitate having such Solid Waste Collected as soon as reasonably possible, and in no event later than as required by the provisions hereof.

8.1.10 Record of Non-collection

As more fully set forth herein, Contractor shall Collect all Solid Waste placed for Collection by Customers in Containers, excepting Exempt Waste or materials commingled with Exempt Waste. Whenever Contractor determines not to Collect any Solid Waste deposited for Collection, Contractor shall leave a tag, in a size reasonably acceptable to the City Manager, indicating the reason for Contractor's refusal to do so. Contractor shall maintain a record of all such taggings at its place of business. Such record shall contain the date of such notice, street address, reason for non-collection, and a summary of any communications between Contractor and the Customer involved. Such record shall be retained and reported to the City on a quarterly basis in accordance with Section 23.1.

8.1.11 Contaminated Recyclable Materials and Organic Waste Containers

Contractor and City anticipate that Customers in City will participate in Contractor's Recycling and Organic Waste Collection Programs as required by Applicable Laws, in a manner such that the total level of contamination in Recycling Containers within the Franchise Area will not exceed ten percent (10%) by volume and the total level of contamination in Organic Waste Containers within the Franchise Area will not exceed three percent (3%) by volume, as determined by visual inspection of Contractor. As used herein, "contamination" refers to materials placed in a Recycling Container or Organic Waste Container other than those Recyclable Materials or Organic Waste (as applicable) which the Parties agree are appropriate for Collection therein as more fully set forth in this Agreement. Without limiting Contractor's overall diversion obligations in any way, City and Contractor agree to utilize the following procedures to assist in achieving the above noted contamination goal:

If Contractor documents that a particular Customer has a Recycling Container or Organic Waste Container with excessive contamination, Contractor may refuse Collection and leave a written notice explaining the reason for non-Collection, or may service the Recycling Container or Organic Waste Container (as applicable), by Collecting the Recycling Container or Organic Waste Container (as applicable) as Solid Waste with a separate pickup, and may charge an extra pickup/contamination fee, in an amount that does not exceed the maximum rate set forth in Exhibit

A. Contractor will tag the Recycling Container or Organic Waste Container (as applicable) with a notice that includes:

A. The fact the Recycling Container or Organic Waste Container (as applicable) required special Solid Waste Handling Services and the contents could not be recycled due to the presence of inappropriate material in the Recycling Container or Organic Waste Container (as applicable);

B. A description of the Recyclable Materials or Organic Waste that are appropriate for Collection in the Recycling Container or Organic Waste Container (as applicable);

C. An explanation that a subsequent incident of excessive contamination may result in non-Collection, the imposition of another extra pickup/contamination fee, in an amount that does not exceed the maximum rate set forth in Exhibit A, and, where warranted, requiring additional or larger-sized Solid Waste Containers, or additional Collections of existing Containers, or the use of locking or slotted Bins, at an additional cost to the Customer; and

D. A phone number to contact Contractor to obtain additional information and/or receive responses to questions the Customer may have.

In the event the Customer in question continues to place Recycling Containers or Organic Waste Containers (as applicable) with excessive contamination out for Collection, Contractor may Collect the Recycling Container or Organic Waste Container (as applicable) as Solid Waste, in a separate pickup, and charge the Customer an extra pickup/contamination fee in an amount that does not exceed the maximum rate set forth in Exhibit A. In addition, where there have been three (3) or more instances of excessive contamination by a Customer in any twelve (12) month period, Contractor may (with approval of the City Manager) (i) deliver additional or larger Solid Waste Containers, Recycling Containers, or Organic Waste Containers (as applicable) to the Customer, and/or require additional weekly Collections as appropriate, and charge the Customer for such increased or additional services at rates that do not exceed the maximum rates set forth in Exhibit A, or (ii) install locking or slotted Bins at the Premises for the charge set forth in Exhibit A.

8.2 Single Family Dwelling Waste Handling Service

8.2.1 Single Family Dwelling – Automated Collection

Contractor shall provide each Single Family Dwelling Customer with one (1) approximately ninety-five (95) gallon Cart (“Refuse Cart”) designated for the Collection of Solid Waste. Single Family Dwelling Customers generating a small volume of Solid Waste may request service using an approximately sixty-four (64) gallon Refuse Cart, at a reduced rate.

Contractor shall Collect all Solid Waste 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 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 pick-ups" as set forth in Exhibit A.

8.2.2 Valet Service

Contractor shall provide eligible Single Family Dwelling Customers with "valet service" as set forth in this paragraph at no additional charge. This service shall require Contractor to use its own forces to bring a Customer's Carts from the garage, backyard, side yard, or such other location of a Dwelling Unit at which the Containers are regularly stored, to Contractor's Collection Vehicle; and, after disposal of the contents thereof, returning said Containers to the location where they are regularly stored. To be eligible for this service the person at the Single Family Dwelling shall have a DMV issued disabled person placard/license plates, and provide a letter to Contractor from a physician confirming the he or she is unable to move his/her Carts to the curb, and that to the best of the physician's knowledge there is no other capable persons living in the Single Family Dwelling to provide this service. Contractor may require each eligible person at the Single Family Dwelling to provide a new letter from a physician on an annual basis in order to maintain eligibility for valet service. Any dispute regarding eligibility for valet service shall be resolved by the City Manager, subject to Contractor's right to request an administrative hearing pursuant to Section 19 of this Agreement. Contractor may provide Customers who are not eligible for free valet service pursuant to the forgoing with valet service at a rate which shall not exceed the maximum rate set forth in Exhibit A.

Contractor may require as a condition of valet service that a Customer sign a standardized agreement, the terms of which shall be subject to City's approval, which authorizes entry onto the Single Family Dwelling serviced under Customer's account and holds Contractor harmless from liability (including specifically liability related to pets escaping) associated with Contractor providing such service.

8.2.3 Single Family Dwelling Recycling Program

Contractor shall provide a recycling program to all Single Family Dwellings (the "Recycling Program") that maximizes the recovery of materials and provides for the Collection of Recyclable Materials in Carts. Contractor's Recycling Program shall include Collection of the Recyclable Materials identified in Exhibit C. Contractor shall produce, keep current, and provide

public information specifically outlining its Recycling Program, which shall specifically include the annual publication and distribution of a brochure describing this service to all applicable Customers in City.

For each corresponding Refuse Cart a Single Family Dwelling Customer receives, Contractor shall provide such Single Family Dwelling Customer with one (1) approximately ninety-five (95) gallon Cart designated for the Collection of Recyclables (a "Recycling Cart"). Any Customer requesting an additional Recycling Cart shall be provided a second Cart at no additional cost. Upon request from any Customer, and if approved by the Responsible Customer, Contractor shall provide such Customer with one or more additional Recycling Cart(s) (above two) at rates that do not exceed the maximum rates set forth in Exhibit A. Contractor shall Collect Recyclable Material placed in Recycling Carts for Collection on the same day as such Customer's Refuse Cart is Collected, utilizing an automated Collection process. Customers shall be directed to place Recycling Carts in the same location for Collection as Refuse Carts.

8.2.4 Curbside Food Waste Collection Program

If requested to do so by City, or if required during the Term by CalRecycle, or any federal or state law or regulation, Contractor shall design a program for the Curbside Collection of food waste generated from Single Family Dwellings (the "Curbside Food Waste Collection Program"), to be approved by the City Manager. Contractor shall be responsible to ensure the Curbside Food Waste Collection Program complies with all Applicable Laws. At such time as a Curbside Food Waste Collection Program is implemented at the request of City, and in order to ensure that Contractor is fairly compensated for any additional costs incurred in implementing such a program, Contractor and City shall meet and confer in good faith in advance to determine a fair and reasonable adjustment to the maximum rates set forth in Exhibit A in order to fairly compensate Contractor for implementing such a program.

In the event that a Curbside Food Waste Collection Program is implemented, Organic Waste Collected shall be transported to a commercially viable option for processing, as mutually acceptable to Contractor and City, each in their reasonable discretion.

8.2.5 Green Waste Program for Single Family Dwellings Using Carts

Contractor shall provide all Customers at Single Family Dwellings to whom it provides Refuse Carts, with one (1) approximately ninety-five (95) gallon Cart for Collection of commingled Green Waste (a "Green Waste Cart"). Upon request from any Customer at a Single Family Dwelling, Contractor shall provide such Customer with one (1) or more additional Green Waste Carts at rates that do not exceed the maximum rates set forth in Exhibit A. Contractor shall Collect Green Waste placed in Green 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 Green Waste Carts in the same location for Collection as Refuse Carts.

Notwithstanding the above, unless otherwise directed by the City Manager, Contractor shall not distribute Green Waste Carts to Customers living in areas governed by homeowner

associations if (i) the governing association requests that Green Waste Carts not be delivered to its members, and (ii) the governing association handles all landscaping for the development.

8.2.6 Bulky Item Service for Single Family Dwellings

Contractor shall provide Bulky Item Collection services to Single Family Dwellings at no charge on an on-call basis. Customers are limited to scheduling four (4) Bulky Item Collection services per calendar year, with a maximum of six (6) items per service. Bulky Item Collection service shall involve Contractor removing and Collecting the requested Bulky Items from the Curbside. In order to receive such service, residents shall provide Contractor with notice by phone of the number and type of Bulky Items to be collected. Bulky Item Collection shall take place on the next regular Collection day, provided that the request for service is received not less than one (1) business day prior to the regular Collection day. Contractor shall produce, keep current, and provide public information specifically outlining its Bulky Item Collection service, which shall specifically include the annual publication and distribution of a brochure describing this service to all Single Family Dwellings in City.

8.2.7 Bulky Item Diversion

Bulky Items Collected pursuant to this Agreement may not be landfilled until the following hierarchy of diversion efforts has been followed by Contractor:

- a. Reuse as is (if energy efficient);
- b. Disassemble for reuse or Recycling;
- c. Recycle, Transformation, other means of diversion; and
- d. Disposal.

This hierarchy is intended to preclude the use of front or rear loading packer vehicles for Bulky Items unless the compaction mechanism is not used to compact the Bulky Items. The disposition of Bulky Items shall be tracked by Contractor and this information shall be included in Contractor's quarterly reports to City.

8.2.8 Proper Handling of Bulky Items

Contractor shall properly handle all materials required to be collected as Bulky Items, including specifically items that require special handling pursuant to the Environmental Laws, such as materials that constitute "e-waste."

8.2.9 Residential Sharps Collection Program

Contractor shall provide a program for the Collection of used needles (the "Sharps Collection Program") to all Single Family Dwelling Customers and Multi-Family Dwelling Customers who request to participate in such Sharps Collection Program. At a minimum, the Sharps Collection Program shall result in each Single Family Dwelling Customer or Multi-Family Dwelling Customer who desires to participate in it annually receiving two "kits", which shall be

comprised of a Collection container and a mailing box for such container preaddressed for delivery to a properly permitted disposal location. Each Single Family Dwelling Customer and Multi-Family Dwelling Customer participating in the Sharps Collection Program shall receive two (2) mailing boxes annually which have been marked so as to provide for prepaid postage. The total cost of the Sharps Collection Program shall not exceed Seven Thousand Five Hundred Dollars (\$7,500) during any July 1 – June 30 period during the Term. Initial kits in excess of such amount, or additional Collection containers and mailing boxes for Customers participating in the Sharps Collection Program shall be provided on such basis as may be requested by participating Customers at rates that do not exceed the maximum rates set forth in Exhibit A. As part of the Sharps Collection Program, Contractor shall provide twenty (20) sharps containers per fiscal year to the City of Menifee Parks and Community Services Department for use by Park Rangers at no cost to the City. Contractor shall be responsible to ensure the Sharps Collection Program complies with all Applicable Laws, and shall produce, keep current, and provide written public information outlining its Sharps Collection Program, which shall be annually distributed to Single Family Dwelling Customers and Multi-Family Dwelling Customers in City.

8.2.10 Rolloff Service

Single Family Dwellings shall, if requested by a Customer, receive Rolloff Collection services in the same manner as Commercial Premises as set forth in Section 8.3.1 below.

8.2.11 Senior Discount

Contractor shall provide Single Family Dwelling Customers who are senior citizens with a discount of nine percent (9%) where (i) the occupant of the Dwelling Unit is sixty (60) 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 a sixty-four (64) gallon Cart for Solid Waste.

8.2.12 Customer-Requested Service Interruptions

Single Family Dwelling Customers may request a temporary hold in Solid Waste Handling Services, for a period not less than forty five (45) days, for the purposes of premise vacancy due to any reason, including vacation, property condemnation, construction, renovations, or military deployments. A service exemption must be requested at least two (2) weeks in advance of the planned exemption period, and may be validated through low utility usage bills during the requested exemption period, as provided by the Customer to the Contractor. Service exemptions are subject to annual review by the Contractor.

8.3 Commercial Solid Waste Handling Services

8.3.1 Commercial Bins and Rolloff Boxes (Including for Multi-Family Dwelling Customers)

Contractor shall provide all Commercial Customers with at least one Cart, Bin and/or Rolloff Box for Collection of Solid Waste, and shall Collect all Solid Waste placed therein for Collection not less than once per week, at rates that do not exceed the maximum rates set forth in Exhibit A. Contractor shall provide additional Containers to Customers and shall provide

additional Collections upon request, if approved by the Customer or Responsible Customer, where applicable, or as may be required by City's Municipal Code, health and safety requirements, Applicable Law, or by the City Manager, and may charge rates for such services which do not exceed the maximum rates set forth in Exhibit A. Bins and Rolloff Boxes shall be Collected by Contractor from the location upon each Customer's property designated for their storage, and replaced to that location with gates and/or doors secured, as applicable, after Collection is completed, unless different arrangements are agreed upon by the Customer or Responsible Customer, where applicable, and Contractor.

8.3.2 Commercial Bulky Item Service

Contractor shall provide unlimited Bulky Item Collection services to Commercial Premises on an on-call basis. Contractor may charge rates for such services which shall not exceed the rates set forth in Exhibit A. Bulky Item Collection service calls shall be responded to within a reasonable time but not longer than seven (7) calendar days from the date of the Customer's call for service. Contractor shall produce, keep current, and provide public information specifically outlining the Bulky Item pick-up service. Bulky Items Collected pursuant to this Section are subject to the diversion and handling requirements set forth in Section 8.2.7.

8.3.3 Recycling Program for Commercial Premises

(A) Contractor shall offer and provide a Recycling program for Commercial Premises (the "Commercial Premises Recycling Program") that at a minimum meets the standards required under AB 341, and such program shall be consistent with any ordinances adopted by the City to implement AB 341. Contractor shall assist the City in identifying Commercial Premises that are not in compliance with the Recycling requirements set forth in AB 341. Contractor shall provide periodic on-site visits to such Premises to offer and promote Recycling services as required, attempt to resolve any logistical detriments to implementing the Commercial Premises Recycling Program, and notify and request assistance from City for potential follow up action where a Commercial Customer refuses to implement the Commercial Premises Recycling Program. City agrees to assist Contractor, which may include adding its name to materials prepared for distribution to Commercial Premises regarding AB 341 requirements, consideration of ordinances which may assist with gaining compliance with AB 341 requirements, and participation by City personnel in meetings with Commercial Customers who refuse to implement the Commercial Premises Recycling Program. Contractor shall be responsible for preparing and implementing a Recycling program for Commercial Recyclable Materials that, combined with its other services and programs, is designed to assist City to comply with AB 341. Subject to the requirements of Sections 8.4 and 8.6.3.4 and 8.6.5, as applicable, Contractor acknowledges that Contractor may be required to modify its Recyclable Materials services from time to time to Commercial Customers, to assist City to meet AB 341 requirements.

(B) Contractor shall provide source separated Recycling Collection services to all Commercial Customers at rates that do not exceed the maximum rates set forth in Exhibit A. Contractor will Collect Recyclable Materials in Containers designated for Recycling, either Bins or Carts as appropriate to each individual Commercial Premises. Contractor shall Collect Recyclable Material placed in Recycling Containers from each Commercial Premises at frequencies agreed upon with each such Commercial Customer, but not less than once per week.

Contractor shall Collect Recyclable Materials which shall at a minimum include those identified in Exhibit C. City and Contractor agree to meet from time to time as needed, and in good faith consider modifications to the list in Exhibit C of acceptable Recyclable Material to address developments in processing technologies, emerging uses for various types of materials, changes in available markets, or other relevant issues.

8.3.4 Organic Waste Recycling Program for Commercial Premises

(A) Contractor shall offer and provide source separated Organic Waste Collection and recycling services to all Commercial Premises that at a minimum meet the standards required under AB 1826. Contractor shall assist the City in identifying Commercial Premises that are not in compliance with the requirements set forth in AB 1826. Contractor shall provide periodic on-site visits to such Premises to offer and promote Organic Waste Collection and recycling services as required, attempt to resolve any logistical detriments to implementing these services, and notify and request assistance from City for potential follow up action where a Commercial Customer refuses to implement the Organic Waste Collection and recycling services. City agrees to assist Contractor, which may include adding its name to materials prepared for distribution to Commercial Premises regarding AB 1826 requirements, consideration of ordinances which may assist with gaining compliance with AB 1826 requirements, and participation by City personnel in meetings with Commercial Customers who refuse to implement the Organic Waste Collection and recycling services. Contractor shall be responsible for preparing and implementing Organic Waste Collection and recycling that, combined with its other services and programs, is designed to assist City to comply with AB 1826. Subject to the requirements of Sections 8.3.5, 8.4 and 8.6.3.4 and 8.6.5, as applicable, Contractor acknowledges that Contractor may be required to modify its Organic Waste Collection and recycling services for Commercial Premises from time to time, to assist City to meet AB 1826 requirements.

(B) Contractor shall deliver all source separated Organic Waste it Collects to a properly permitted facility for recycling, such that Collected Organic Waste qualifies for diversion credit. Contractor shall offer Organic Waste Collection and recycling services at rates based on Container size and service frequency that do not exceed the maximum rates set forth in Exhibit A. Contractor shall offer Organic Waste Collection and recycling services using either a 1.5-cubic yard Bin or an approximately 65-gallon Cart, each to be Collected one (1) to three (3) times per week.

(C) On behalf of City, Contractor shall regularly identify opportunities for, barriers to, and incentives for Organic Waste recycling, and shall engage in Customer education and outreach related to Organic Waste recycling, all in a manner that assists City in its compliance with its obligations pursuant to AB 1826. 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 the requirements of this Agreement.

(D) Contractor shall identify Commercial Premises that create large amounts of Organic Waste, including specifically hotels, business parks, Multi-Family Dwelling Customers, and Customers engaged in food service operations (i.e., restaurants, grocery stores, hospitals, corporate cafes, and bakeries). Once identified, Contractor shall engage in education and outreach

efforts. Contractor shall specifically advise such Customers if they are not in compliance with AB 1826. If requested by a Customer, Contractor shall: conduct visual waste audits of Commercial Customers and Multi-Family Dwelling Customers to evaluate the Organic Waste service requirements and service level needs. Contractor shall annually conduct Customer outreach and onsite waste assessments of Commercial Premises and Multi-Family Dwelling Customers subject to the requirements of AB 1826, including those that do not receive Contractor provided Organic Waste recycling, utilize an in-house program, donate edible foods to a charitable organization, and/or recycle Organic Waste using a third party vendor. Contractor shall provide copies of waste assessments performed each quarter and submit copies of all waste assessments as part of the annual report to the City in accordance with Section 23.2 of this Agreement. In the event a Customer who is subject to the requirements of AB 1826 refuses Contractor provided Organic Waste recycling services, and does not report to Contractor that it achieves compliance with AB 1826 through other methods (such as in-house recycling, food donations, or a third party recycling program), Contractor (to the extent allowable under any applicable privacy laws) shall provide City with the Customer's name, address, contact information and such other information available to Contractor as may be requested by City, in a format approved by City, for inclusion with State reporting.

8.3.5 SB 1383 Organics Recycling Program

City and Contractor acknowledge and agree that SB 1383 has required or will require implementation of additional Organics recycling programs. City and Contractor will meet and confer regarding regulations adopted by CalRecycle to implement SB 1383 in good faith in advance to determine a fair and reasonable adjustment to the maximum rates set forth in Exhibit A in order to compensate Contractor for implementing said additional Organics programs. The City Manager is authorized to approve the Organics programs and any associated increase to the maximum rates set forth on Exhibit A.

8.3.6 Scout and Push Out Services

Certain Commercial Premises within the City Limits are uniquely configured such that Contractor may determine that a smaller vehicle may be needed to retrieve a Customer's Container in order for a regular Collection vehicle to service the Container ("Scout Service"). Certain Commercial Premises may be configured such that a Customer's Container must be manually moved in order to be serviced by a Collection Vehicle ("Push Out Service"). Contractor shall provide Scout Service and Push Out Service to Commercial Premises as it deems appropriate, at rates that do not exceed the maximum rates set forth in Exhibit A.

8.3.7 Overage of Containers

Contractor is not obligated to collect Overage, unless caused by spillage of non-overloaded Containers during Collection. Where Contractor observes and documents with a photograph an Overage of Bins or Rolloff Boxes at any Commercial Premises receiving Solid Waste Handling Services, Contractor may (i) collect such Overage at no additional charge as a courtesy; (ii) refuse Collection and leave a written notice explaining the reason for non-Collection; or (iii) Collect the Overage and charge the Customer an Overage charge not to exceed the maximum rates set forth in Exhibit A. After three (3) instances of Overage in any twelve (12) month period for a particular

service (i.e., Refuse, Recyclables, or Organic Waste), Contractor may increase the capacity or frequency of Collection and increase the charges to such Customer according to the increased services level, or require locking or slotted Containers to match documented service needs, as provided below.

Upon Customer's request, Contractor shall provide Customer a copy of the notice via e-mail, U.S. mail, or in person with the date, description and photograph of the Overage. Contractor may increase the capacity or collection frequency of the Solid Waste Handling Services or require locking or slotted Bins to match documented service needs; provided, however, that at least ten (10) business days prior to increasing the service levels, or requiring locking or slotted Bins, Contractor's representative must contact the Responsible Customer by telephone, e-mail or in person to ensure that the Customer has the appropriate level of service.

8.4 Other Collection Programs As May Be Required by Law

In the event CalRecycle, or any federal, state, or local law or regulation (including but not limited to regulations adopted by CalRecycle to implement SB 1383), imposes upon City or Contractor a new requirement for the implementation of any source separated program for the Collection of any waste material (whether or not meeting the definition of Solid Waste hereunder), whether commercial or residential in nature, increases City's diversion requirement under Public Resources Code Section 41780, or changes the methods for obtaining or measuring compliance with diversion requirements, Contractor shall design and present a program to City to comply with such requirement, which program shall meet the City Manager's reasonable approval ("Proposed Program"). Except with respect to programs which are required due to Contractor's failure to achieve the diversion requirements set forth herein (which programs are subject to Section 8.6.5), at such time as (if) any such Proposed Program is implemented, Contractor and City shall meet and confer in good faith to determine a fair and reasonable adjustment to the maximum rates set forth in Exhibit A in order to compensate Contractor for implementing said Proposed Program.

In determining a fair and reasonable rate adjustment, City may consider the cost to Contractor in providing the Proposed Program. If City and Contractor cannot agree on a rate adjustment for the Proposed Program within ninety (90) days from the date Contractor presents the Proposed Program to City, then the City Manager shall establish a reasonable rate, subject to Contractor's right to request an administrative hearing pursuant to Section 19 of this Agreement. Alternatively, Contractor may agree that the Proposed Program shall be exempt from the exclusivity granted to Contractor in this Agreement.

Contractor shall present the Proposed Program within sixty (60) days of a request to do so by City. The Proposed Program shall include a detailed description of the following: (1) Containers to be used and method of Collection; (2) equipment to be used (e.g., vehicle number, models, capacity, and age); (3) number of employees required for the Proposed Program; (4) materials to be Collected; (5) promotional and public education materials; (6) a two-year projected financial analysis of the Proposed Program's operations, including documentation of the key assumptions underlying the projections, and the support for those assumptions; and (7) any other information reasonably required by City to evaluate the Proposed Program.

8.5 Temporary Services

Contractor shall provide Temporary Services on an on-call basis to any Customer requesting such service pursuant to the following conditions:

(A) Bins and Rolloff Boxes utilized in connection with Temporary Services shall meet the minimum standards set forth herein.

(B) Contractor shall charge rates not exceeding the maximum rates set forth in Exhibit A related to Bins or Rolloff Boxes utilized in connection with Temporary Services, unless a different charge is approved in accordance with Section 8.9 (Special Services).

(C) Temporarily placed Bins may be used for small cleanup type projects at Single Family and Multi-Family Dwellings; provided, however, Bins used for such purposes shall not remain at the same address for a period that exceeds four (4) consecutive weeks. Bins may not be placed in any public rights-of-way so as to create a safety hazard or so as to block any right-of-way to a degree that it is not reasonably usable. An encroachment permit shall be obtained by the Customer from the City prior to placement of Bins within the right-of-way, and any Bins so placed shall at a minimum be equipped with reflectors, reflective tape, reflective paint, or other reflective devices which, to the satisfaction of the City Manager, make such Bins reasonably visible to vehicle traffic at night.

(D) Contractor shall work with Customers requesting Construction and Demolition (C&D) Waste Collection services to assist Customers in meeting requirements under the City's ordinance regulating the recycling and disposal of Construction and Demolition (C&D) Waste, including, but not limited to, the minimum required diversion level. Contractor agrees to comply with all provisions of the ordinance applicable to it, and to provide educational materials to construction contractors in City as may be contemplated by any such ordinance.

(E) In addition to complying with any related requirements that may exist in any ordinance which may be in effect in City regulating Construction and Demolition (C&D) Waste, including specific diversion levels that may be required by any such ordinance, Contractor shall make all reasonable efforts to recycle all Construction and Demolition (C&D) Waste it Collects, especially to the degree such loads contain clean inert materials.

8.6 Recycling Obligations and Public Education Program

8.6.1 Minimum Requirements for Recyclable Materials, Organic Waste and Rolloff Boxes

Contractor shall utilize a truck dedicated for the purpose of Collecting Recyclable Materials, such that Recyclable Material Collected in Recycling Carts or Recycling Bins, once Collected, is not commingled with other Solid Waste (including Organic Waste). All material Collected by Contractor in Recycling Carts or Bins pursuant to this Agreement shall be delivered to a properly permitted facility for recycling and reuse purposes. All Organic Waste separated

prior to Collection and thereafter Collected by Contractor pursuant to this Agreement (including specifically materials Collected in Green Waste Carts) shall be delivered to a properly permitted facility for recycling, mulching, composting, or alternative uses for which diversion credit is provided as may be approved by CalRecycle. Contractor shall not be entitled to a rate adjustment due to the State elimination of diversion credit for Green Waste used as alternative daily cover pursuant to AB 1594 or other Applicable Laws. All Containers filled with Green Waste or C&D shall be delivered to a properly permitted facility for recycling and reuse purposes unless it is contaminated.

8.6.2 Extent of Applicable Franchise Rights

Nothing in this Agreement shall be construed as giving Contractor the right to Collect Recyclable Material or Organic Waste which has not been discarded and placed for Collection in Containers provided by Contractor in the location designated for that purpose.

8.6.3 AB 939 Obligations, Guarantee, and Indemnification

8.6.3.1 Warranties and Representations

Contractor warrants and represents that it is aware of and familiar with City's Source Reduction and Recycling Element (the "SRRE"), that it is familiar with City's waste stream, and that it has the ability to and will provide sufficient programs and services designed to assist City to meet or exceed the diversion goals (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939, and all amendments thereto, and that it shall do so without imposing any costs or fees other than those set forth in Exhibit A except as otherwise provided herein (e.g. Section 8.4 above).

8.6.3.2 Mutual Cooperation

City and Contractor shall reasonably cooperate in good faith with all efforts by each other to meet City's diversion and other compliance requirements imposed by AB 939, AB 341, AB 1826, SB 1383 and any other Applicable Laws. In this regard, City's obligations shall include, without limitation, making such petitions and applications as may be reasonably requested by Contractor for time extensions in meeting diversion goals, or other exceptions from the terms of AB 939, AB 341, AB 1826, SB 1383 and any other Applicable Laws.

8.6.3.3 Waste Reduction and Program Implementation

Contractor shall implement the programs identified in this Agreement immediately upon the Effective Date hereof. On and after the Effective Date, Contractor shall provide City with quarterly and annual written reports in a form adequate to meet City's filing and reporting requirements to CalRecycle and to the County of Riverside pursuant to AB 939 and AB 341, AB 1826, SB 1383 and any other Applicable Laws throughout the Term of this Agreement wherein City's performance under the above programs shall be set forth in detail. Contractor assist City with the preparation of, all reports and other information as may be required by any agency, including specifically, the State of California, in order to comply with AB 939 and AB 341, AB 1826, SB 1383 and any other Applicable Laws.

8.6.3.4 Guarantee and Indemnification

Except for programs currently required by Applicable Law but not set forth in this Agreement, or that Contractor is expressly instructed by City not to implement, services which a Customer refuses to accept, or to the extent resulting from the acts or omissions of City, and subject to Section 8.4, Contractor warrants and guarantees that it will carry out its obligations under this Agreement such that: (i) both it and City will at all times be in compliance with the requirements of all Applicable Laws including specifically AB 939, AB 341 and AB 1826, and (ii) City will meet or exceed the diversion requirements (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939, and all amendments thereto. In this regard, Contractor agrees that it will, at its sole cost and expense:

(A) to the extent legally permitted, subject to Public Resources Code Section 40059.1, defend, with counsel reasonably approved by City, indemnify, and hold harmless City and City's officials, employees, and agents from and against all fines and/or penalties and other liabilities which may be imposed by CalRecycle if: (1) Contractor fails or refuses to timely provide information relating to its operations which is required pursuant to this Agreement and such failure or refusal prevents or delays City from submitting reports required by AB 939 in a timely manner; or (2) the source reduction and recycling goals, diversion goals, program implementation requirements are not met with respect to the waste stream Collected under this Agreement; provided, however, that the foregoing obligation shall not apply to fines and/or penalties and other liabilities to the extent arising from the acts of omissions of the City.

(B) assist City in responding to inquiries from CalRecycle;

(C) assist City in preparing for, and participating in, any review of City's SRRE;

(D) assist City in applying for any extension if so directed by City;

(E) assist City in any hearing conducted by CalRecycle relating to City's compliance with AB 939;

(F) assist City with the development of and implement a public awareness and education program that is consistent with the City's SRRE pursuant to AB 939; or

(G) provide City with recycling, source reduction, and other technical assistance related to compliance with AB 939.

8.6.4 Waste Generation/Characterization Studies

Contractor acknowledges that City must perform Solid Waste generation and disposal characterization studies periodically to comply with the requirements of AB 939. Contractor agrees to participate and cooperate with City and its agents and to accomplish studies and data collection and prepare reports, as needed and directed by City, to determine weights and volumes of Solid Waste Collected and characterize Solid Waste generated, disposed, transformed, diverted or otherwise handled/processed to satisfy the requirements of AB 939.

8.6.5 Implementation of Additional Diversion Services

8.6.5.1 State Diversion Requirements.

Subject to Section 8.4, and except to the extent resulting from the acts or omissions of City, Contractor shall maintain City compliance with the diversion requirements set forth in Public Resources Code Section 41780. Contractor specifically acknowledges that the City's current mandated diversion requirement is fifty percent (50%). In determining compliance with Public Resources Code Section 41780, City and Contractor agree to cooperate in good faith to develop representative per capita disposal calculations, as appropriate.

8.6.5.2 Compliance Plan.

If City fails to comply with Public Resources Code Section 41780 due to Contractor's failure to implement the programs provided for in this Agreement, Contractor will submit a plan ninety (90) days before the end of the calendar year to enable the City to comply with Public Resources Code Section 41780 in the following calendar year through, among other things, implementation of applicable portions of City's Source Reduction and Recycling Element adopted in accordance with Public Resources Code Section 42649.3. Contractor's plan shall be deemed approved by the City within forty-five (45) days after submission unless the City provides written comments on the plan to Contractor prior to expiration of such forty-five (45) day period. Implementation of the plan shall be at Contractor's sole cost and expense.

If, following implementation of the plan, City still does not achieve compliance with Public Resources Code Section 41780, Contractor shall implement additional programs required for compliance with Public Resources Code Section 41780 as directed by the City Manager, at Contractor's sole cost and expense.

8.7 Additional Services to Single Family Dwellings and Multi-Family Dwellings

As part of the consideration for entering into this Agreement, Contractor shall provide the following additional services at no charge, and shall not adjust its rates to Customers to offset costs incurred in providing any of the following services:

8.7.1 Shredding Service

City may direct Contractor to provide an on-site mobile shredding service for use by City residents (a "Shredding Event") up to two (2) times per year. Each Shredding Event shall be provided at dates, times, and locations designated or approved by the City Manager, in his or her reasonable discretion, and should be for a minimum of three (3) hours in duration. In the event inclement weather prevents a Shredding Event from occurring, Contractor shall reschedule the Shredding Event to a date, time and location designated or approved by the City Manager. Each Shredding Event shall be conducted at Contractor's sole cost and expense, utilizing equipment, personnel, and methods appropriate for such event, as approved by the City Manager. Prior to each Shredding Event, Contractor shall coordinate with City staff and/or public safety personnel to make arrangements for convenient, and effective access to and participation by City residents in the Shredding Event, and shall procure all necessary insurance coverage. Each Shredding Event shall be designed to accommodate up to a maximum of three (3) "Bankers" boxes of paper or other

media suitable for shredding from each Dwelling Unit within the Franchise Area that is participating in the Shredding Event. Residents participating in the Shredding Event must be able to visually observe the materials they delivered to the Shredding Event. Contractor shall publicize each Shredding Event through methods, and using materials, approved by the City Manager, at no cost to the City.

8.7.2 Holiday Trees

Contractor shall, free of charge, Collect holiday trees placed out for such Collection by Single Family Dwelling Customers and by Multi-Family Dwelling Customers receiving Cart service on each of the two (2) weeks after December 25 of each year as part of regularly scheduled Collections. All such trees shall be diverted from the landfill by deposit at a composting facility or grinding operation. Contractor will not be required to divert from landfill disposal artificial holiday trees, or holiday trees with flocking, tinsel, or numerous ornaments.

8.7.3 Used Oil

Contractor shall Collect used oil left at the Curbside by Single Family Dwelling Customers and by Multi-Family Dwelling Customers in a container provided by Contractor, on the normal Collection day.

8.7.4 Home Composting

Contractor shall provide two (2) home composting workshops at a location within the City each calendar year, at no additional cost. Single Family Dwelling Customers and Multi-Family Dwelling Customers successfully completing the workshop are eligible to receive a free composting bin for residential use, and may opt out of receiving Green Waste Collection service. Contractor is not obligated to provide more than two hundred (200) free home composting bins each calendar year. Additional home composting bins shall be provided at a cost not to exceed the cost set forth in Exhibit A.

8.8 Additional Services to City

8.8.1 Services at City Premises

Contractor shall provide Collection services at all Premises owned and/or operated by City, at no cost to City and shall provide Containers for such service as City deems appropriate for each of its various Premises (i.e., Carts, Bins or Rolloff Boxes). Collection services Contractor provides for City Premises shall include, but are not limited to, Collection of all Solid Waste, including Recyclable Materials, Organic Waste, Green Waste. Such services shall be provided for all existing City Premises, as they may be expanded from time to time, as well as all new or additional Premises acquired/constructed during the Term hereof at no additional cost; provided, however, that City may be charged by Contractor for Solid Waste Handling Services provided for Construction and Demolition (C&D) Waste generated as part of City public works projects, and in connection with the construction of any new City facilities, at rates that do not exceed the maximum rates set forth in Exhibit A. Contractor shall carry out its obligations pursuant to this provision in a manner, and to a degree (including specific days and times), approved by the City Manager.

In addition, Contractor shall continue to provide to City, at no charge, for storage purposes: (i) two (2) locking storage Containers at Fire Station 7, and (ii) five (5) locking storage Containers at the old City Hall site/Menifee Police Station.

8.8.2 Collection at City Sponsored Events

Contractor shall provide Solid Waste, Organic Waste, and Recyclable Materials Collection at all City-sponsored events. The number, type and service requirements for these events may vary from year to year. The current list of City-sponsored events is set forth in Exhibit E. This service shall include providing, servicing, and storing Containers (cardboard boxes and liners, Carts, Bins and/or Rolloff Boxes) to Collect and dispose of all Solid Waste generated, and providing, servicing and storing Containers to Collect and process source-separated Organic Waste and Recyclable Materials. Contractor shall provide these services at no cost.

City may request similar services for non-City-sponsored programs and events. Such services shall be provided by Contractor at rates subject to approval by the City Manager, following a site and service evaluation.

Contractor shall assist persons who are responsible to coordinate any such programs or events for which services are provided pursuant to this Section 8.8.2 in the implementation of recycling programs, as requested by City.

8.8.3 Fluorescent Lightbulb Collection and Recycling Program for City Facilities

Contractor shall provide fluorescent lightbulb recycling services for City facilities that rely on fluorescent lighting pursuant to the following requirements:

(A) Each calendar year, Contractor shall provide up to two (2) WM LampTracker® containers for placement at each City facility selected by City. Contractor shall provide and deliver to each City facility the selected WM LampTracker® mail-back containers, free of charge. The collective annual cost for Collection and recycling of such WM LampTracker® containers shall not exceed Two Thousand Dollars (\$2,000). Additional service requested by City beyond the service provided free-of-charge by Contractor shall be paid by City at a rate not to exceed the maximum rate set forth in Exhibit A.

(B) City shall place used fluorescent lightbulbs in the WM LampTracker® containers and mail such containers to Contractor for handling, utilizing pre-paid postage labels to be provided by Contractor. City shall not place any other waste including Exempt Waste, materials containing polychlorinated biphenyl ("PCB), or high intensity discharge bulbs in the WM LampTracker® containers; any such waste shall be deemed non-conforming waste and title and liability related to such non-conforming waste shall remain with the City.

(C) Contractor's Fluorescent Lightbulb Collection and Recycling Program only applies to City-generated 4-foot, 6-foot and 8-foot commercial fluorescent lightbulbs, including HID, UV, Unbent, and other similar commercial fluorescent lightbulbs.

8.8.4 Used Battery Recycling

Contractor shall provide two (2) BatteryTracker® used battery containers at agreed upon City facilities, as specified by City, for use by Single Family Dwelling Customers and Multi-Family Dwelling Customers. Contractor shall remove the container when full and replace it with an empty container. The annual cost to Contractor to provide this service shall not exceed Two Thousand Dollars (\$2,000). Additional service requested by City beyond the service provided free-of-charge by Contractor shall be paid by City at a rate not to exceed the rate set forth in Exhibit A.

8.8.5 Community Cleanups

Contractor shall provide up to forty-eight (48) Roll-off Boxes each calendar year, delivered to locations determined by City, for Collection of Solid Waste, Green Waste, Bulky Items and e-waste. These events shall take place on up to four (4) selected Saturdays determined by City, and shall occur between the hours of 8:00 a.m. and 12:00 p.m., with up to twelve (12) Roll-off Boxes delivered per event, with no more than one (1) event per Council District. City shall use reasonable efforts to have disposal costs waived by Riverside County. Contractor shall deliver Roll-off Boxes to the agreed upon Collection locations and shall remove Containers and dispose of Collected Solid Waste at the conclusion of said period.

8.8.6 Litter Abatement Partnership

City and Contractor shall work cooperatively to develop an Adopt-a-Road program to address litter abatement in the City. At no charge to City, Contractor shall provide City with one (1) Collection Vehicle and four (4) staff members for eight (8) hours per month to assist with City's litter abatement efforts. Contractor will coordinate with City to identify target areas for litter collection, consisting of not more twenty-six (26) miles per month (13 road segments). City shall install and maintain "Adopt-a-Road" signs on Contractor-adopted road segments at no cost to Contractor. Contractor shall not be required to Collect or dispose of Exempt Waste.

8.8.7 Illegal Dumping

Contractor shall arrange to remove and dispose of illegally dumped materials located within twenty (20) feet of the public right of way in the City, within two (2) business days from its observation of the illegally dumped Solid Waste or a request for removal from the City, as the case may be. Abandoned vehicles and objects or appliances larger than conventional household furniture or appliances as well as Exempt Waste are exempt from the above requirements; provided however, that should Contractor observe any of such exempt items within the public right of way Contractor shall immediately report such items to City. Contractor may provide an accounting of the cost of providing this service to City, and may request an adjustment in rates, to reimburse it for a substantial increase in costs to provide this service in accordance with Section 24.6.

8.9 Special Services

Contractor may provide special pickup procedures or services in addition to the services described herein for Customers who request or require such services at reasonable rates established by Contractor, which rates are subject to approval by the City Manager. Contractor shall notify

the City Manager of any such services prior to such time as they are provided in order to allow the City an opportunity to conduct necessary inspections, review the proposed rate, and impose appropriate regulations.

SECTION 9.
MINIMUM STANDARDS FOR CONTRACTOR'S SOLID
WASTE HANDLING SERVICE COLLECTION VEHICLES

9.1 General

Contractor shall provide vehicles for the Collection of Solid Waste ("Collection Vehicles") that are sufficient in number and capacity to efficiently perform the work required by this Agreement in strict accordance with its terms. Contractor is expressly obligated to provide such Collection Vehicles and routes as are required to meet the service standards set forth herein. Contractor shall have available on Collection days sufficient back-up vehicles for each type of Collection Vehicle used to respond to complaints and vehicle breakdowns. Upon or prior to the Effective Date of this Agreement and prior to the start of any extension period of this Agreement pursuant to Section 6, Contractor shall provide City with a report containing the information required under South Coast Air Quality Management District's Rule 1193(d)(7). Notwithstanding anything in this Agreement to the contrary, the vehicles Contractor utilizes solely for delivery of Bins, pick-up of Bulky Items, route supervision, or spare vehicles shall not be considered "Collection Vehicles" for purposes of Section 9.2, Section 9.3(A), Section 9.3(B), and Section 9.3(C).

9.2 Air Quality/Fuel Requirements

Contractor's Collection Vehicles shall comply with all rules and regulations of the South Coast Air Quality Management District, the Air Resource Board, and any other regulatory body that may be in effect during the Term of this Agreement, as well as other federal, state and local laws and regulations that may be enacted during the Term of this Agreement. Contractor's Collection Vehicles shall meet or exceed such air quality standards as may be adopted by the forgoing regulatory bodies during the Term. Contractor's Collection Vehicles shall comply with the requirements in the South Coast Air Quality Management District's Rule 1193.

9.3 Specific Requirements

Each Collection Vehicle utilized by Contractor in the performance of this Agreement shall meet the following minimum standards:

(A) Each Collection Vehicle must be an alternative fuel vehicle as defined by the South Coast Air Quality Management District.

(B) Each Collection Vehicle shall be equipped with a tag axle.

(C) Each Collection Vehicle shall be registered with the California Department of Motor Vehicles.

(D) Each Collection Vehicle shall be inspected regularly by Contractor to ensure it meets the requirements of the California Vehicle Code and the California Highway Patrol. Contractor shall make copies of its Biannual Inspection of Terminal ("BIT") inspection reports, including Contractor's maintenance records, available to City upon request by the City Manager.

(E) Each Collection Vehicle shall be equipped with devices capable of covering every open section of the vehicle in which Solid Waste may be placed and, while operating upon the public rights-of-way, shall be covered so as to prevent any Solid Waste from falling or being blown or otherwise dislodged from the vehicle.

(F) Each Collection Vehicle shall be continuously maintained so as to both: (1) meet the highest industry standards with regards to efforts to prevent liquid from leaking and to the degree possible ensure each Collection Vehicle is "leak-resistant" and, (2) at all times comply with the provisions of all laws and regulations including the Vehicle Code and any applicable NPDES permit, with regard to materials leaking from Collection Vehicles. Contractor shall be responsible to promptly clean any spillage or Solid Waste that leaks or otherwise escapes the vehicle.

(G) As frequently as determined necessary by the City Manager, each Collection Vehicle shall be painted (but not more than once every three (3) years), shall have routine body work performed, and shall be cleaned, so that such vehicles do not become unsightly, as determined by the City Manager. Each vehicle shall be painted with Contractor's colors and identifying information as required herein.

(H) Contractor's name, local or toll free telephone number, and a vehicle number shall be visibly printed or painted in letters not less than five (5) inches in height so as to be legible on both sides of each Collection Vehicle. Any other information or signage printed, painted, or displayed on Contractor's Collection Vehicles, when such Vehicles are providing Collection services within City Limits, shall be subject to approval by City.

(I) Each Collection Vehicle shall be maintained in a clean and sanitary condition both inside and out.

(J) Each Collection Vehicle shall carry a broom, shovel, and operable fire extinguisher, and shall be equipped with a communication device sufficient to allow the driver to communicate directly with Contractor's dispatcher and/or main office.

(K) Each Collection Vehicle shall be kept in good repair and working order, and shall be equipped with appropriate safety equipment, including any new safety related technologies that become standard in the waste industry, and at a minimum shall have a video monitor based back-up system, or its equivalent. Contractor shall keep a sufficient supply of replacement parts and equipment on hand to ensure adequate vehicle maintenance and timely and continuous performance of the services contemplated by this Agreement.

(L) Contractor shall inspect each Collection Vehicle daily to ensure that all equipment is operating properly. Collection Vehicles which are not operating properly shall be removed from service until repaired and operating properly. Contractor shall perform all scheduled maintenance functions upon Collection Vehicles in accordance with the manufacturer's specifications and schedule. Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition. Contractor shall keep accurate records of all Collection Vehicle maintenance and repair, recorded according to date and mileage, including signed verifications that repairs and maintenance have been properly performed, and shall make such records available to City upon request.

(M) No Collection Vehicle shall be utilized if it is leaking brake, hydraulic, or other fluids, and Contractor shall clean up any leaks or spills from their vehicles per the NPDES permits in effect at the time. No fluids shall be washed into storm drains at any time. All NPDES dry-cleaning measures shall be complied with. All Collection Vehicles must be equipped with absorbent for such cleanup efforts.

(N) Upon request, Contractor shall furnish City a written inventory of all equipment, including Collection Vehicles, used in providing service pursuant to this Agreement. This inventory shall list all equipment by manufacturer, ID number, date of acquisition, type and capacity.

(O) Contractor shall not load Collection Vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local laws or regulations.

(P) Collection Vehicles shall comply with EPA noise emission regulations, currently codified at 40 CFR Part 205.

(Q) The average fleet age, when applied to all Collection Vehicles used by Contractor in the Franchise Area, shall be no more than ten (10) years of age at any time during the Term, nor may any Collection Vehicle be purchased for use in the Franchise Area that is over seven (7) years of age at the time of purchase. For purposes of the average fleet age requirement, Collection vehicles refurbished to specifications approved by the City Manager shall be considered as new when placed back into service.

(R) All Collection Vehicles used by Contractor to perform Collection services under this Agreement shall be equipped with on-board routing systems capable of tracking vehicle miles traveled (VMT). VMT systems must be capable of generating reports as requested by City. In addition, all Collection Vehicles shall, at a minimum, be equipped with a global positioning system (GPS) and Contractor shall be able to provide evidence of the route location of each Collection Vehicle throughout each service day. City, in its sole discretion, may grant Contractor a waiver of this requirement due to the unavailability of equipment or delays in manufacture; evidence of such unavailability or delay shall be used by City to determine the period for which the waiver shall apply.

9.4 Costs of Operation and Damages

Contractor shall be responsible for ensuring all Collection Vehicles comply with all Applicable Laws.

9.5 City Inspection

City may cause or require any Collection Vehicle used in performance of this Agreement to be inspected and tested at any time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with the provisions of this Agreement.

9.6 Correction of Defects and Removal of Vehicles from Use within City

Contractor agrees to immediately remove from service, and replace or repair, to the City's satisfaction, any Collection Vehicle which City reasonably determines to be of unsightly appearance, unsafe, unsanitary, leaking, out of compliance with any law or regulation or this Agreement, or otherwise in an unsatisfactory operating condition; and any such vehicle shall not be returned to service until the City Manager gives his written consent for its return, which shall not be unreasonably withheld.

SECTION 10. CONTRACTOR'S SOLID WASTE HANDLING SERVICE PERSONNEL

10.1 Uniforms

Each of Contractor's Collection employees shall wear a clean uniform bearing Contractor's name. Uniforms must be well maintained and in good condition.

10.2 Identification of Employees

Contractor shall provide identification badges, cards or similar devices, for all of its employees, and all authorized subcontractors, who may make personal contact with residents of the City. City may require Contractor to notify Customers yearly, or more frequently if determined necessary by City, of the form of said identification.

10.3 Employee List

Contractor shall provide a list of current employees and authorized subcontractors, providing Solid Waste Collection Services to City upon request.

10.4 Driver's License

Each employee operating a vehicle as part of his or her duties shall, at all times, carry a valid operator's license for the type of vehicle he or she is operating.

10.5 Screening of Field Employees

Contractor shall make reasonable efforts to determine if its employees working in the field (i.e., drivers of Collection Vehicles, and employees otherwise involved in Collection at Customer Premises) have been convicted of a felony. Contractor shall use reasonable efforts to ensure that any employee so determined by Contractor not work in the field within City.

10.6 Discontinued Use of Unsatisfactory Employees

No employee shall continue to have any involvement whatsoever with regard to any work in the field within City if City gives notice to Contractor that such employee is determined by City to be discourteous, disorderly, inefficient, unable to communicate effectively with Customers, or otherwise objectionable (provided the term "otherwise objectionable" shall not permit City to "ban" an employee for reasons that violate public policy; and, further, City shall give a reason for requesting the "ban" of any employee from engaging in work in the field within City).

10.7 Training and Legal Compliance

Contractor shall provide operating and safety training that meets minimum OSHA standards for all personnel, and shall comply with all laws and regulations applicable to its employees and personnel. Contractor shall periodically train employees on all the specific requirements of this Agreement applicable to the employee's effective performance of his or her duties. In addition, Contractor shall require that all new employees with duties related to this Agreement receive the above "Agreement-specific" training as part of the orientation process as appropriate. Upon City's request, Contractor shall provide documentation to City demonstrating said training has occurred.

10.8 Customer Service

10.8.1 Office Hours

Contractor shall maintain a customer service office with assigned personnel accessible by a local phone number or a toll-free number for communication with the public that at a minimum will be open from 8:00 a.m. to 5:00 p.m. Monday through Friday. At least one responsible and qualified representative of Contractor, capable of communicating in English and Spanish, shall be present and available during all times that an office is required to be open as noted above ("Office Hours"), for personal communication with the public regarding Billings, complaints, customer service inquiries, etc.

10.8.2 Telephone Customer Service Requirements

10.8.2.1 Toll Free Number

Contractor shall maintain a toll free telephone number that rings at an office at all times during Office Hours. Both English and Spanish speaking personnel will be available during Office Hours to assist Customers with telephonic inquiries. Contractor shall have the ability (through the use of outside resources or otherwise) to communicate with Customers who only speak Spanish, to ensure their inquiries, questions, complaints and other matters are dealt with in a reasonably

timely fashion. All such personnel shall be polite and responsive, and shall be sufficiently knowledgeable, and have the authority to respond and/or advise Customers seeking assistance. Contractor's telephone system shall be adequate to handle the volume of calls typically experienced on the busiest days. Contractor shall provide City with a 24-hour emergency telephone number to a live person, not voice-mail.

10.8.2.2 Call Responsiveness

Contractor shall make reasonable attempts to answer all phone calls within five (5) rings. If a call has been placed on hold for three (3) minutes, the caller will either be switched to a message center which shall be responsible to obtain the caller's address and phone number, or a Customer service representative will obtain the Customer's address and a number at which the call can be returned. Contractor shall make at least three attempts within the next business day to return the call, with the first such attempt not more than one (1) hour after the caller leaves the message. If Contractor is unsuccessful in contacting the Customer after following this procedure, it shall either leave a voicemail or, if voicemail is not available, send a letter to the caller indicating its efforts.

10.8.3 Complaint Documentation

All service complaints shall be directed to Contractor. Contractor shall log all complaints received and said log shall include the date and time the complaint was received, the name, address and telephone number of the complaining party, a description of the complaint, the name of the employee recording the complaint and the action taken by Contractor to respond to and remedy the complaint. All written Customer complaints and inquiries shall be date-stamped when received. All complaints shall be initially responded to within one (1) business day (Monday through Friday) of receipt. Contractor shall log action taken to respond to and remedy the complaint. Daily logs of complaints shall be retained for a minimum of twenty-four (24) months. All Customer service records and logs kept by Contractor shall be available to City upon request. City shall, at any time during regular Office Hours, have access to Contractor's Customer service department for purposes that may include monitoring the quality of Customer service or researching Customer complaints. Contractor shall provide to City on a quarterly and annual basis, a complaint log, in a form satisfactory to the City, that includes all of the complaints logged pursuant to this Section, the complainant and the resolution. Notwithstanding the foregoing, Contractor shall not be required to disclose any information that is protected under the California Consumer Privacy Act or its implementing regulations, as may be amended.

10.8.4 Resolution of Customer Complaints

Disputes between Contractor and its Customers regarding the services provided in accordance with this Agreement may be resolved by the City. The City's decision shall be final and binding. Should Contractor and Customers not be able to establish a mutually acceptable fee to be charged for special services as set forth in Section 8.9, the matter shall be dealt with pursuant to this Section, be determined by the City, and the City's decision shall be final, subject to Contractor's right to request an administrative hearing under Section 19 of this Agreement. Intervention by the City is not a condition precedent to any rights or remedies third parties might

otherwise have in any dispute with Contractor. Nothing in this Section is intended to affect the remedies of third parties against Contractor.

10.8.5 Government Liaison

Contractor shall designate in writing a "Government Liaison" who shall be responsible for working with City and/or City's designated representative(s) to resolve Customer complaints. City shall have the right to approve Contractor's choice for a liaison, which approval shall not be unreasonably withheld. It is anticipated that the Government Liaison will regularly attend City meetings related to Contractor's performance of the Agreement and City events involving community outreach programs.

10.9 Education and Public Awareness

10.9.1 General

Contractor acknowledges and agrees that education and public awareness are critical, key and essential elements of any efforts to achieve the requirements of AB 939 and AB 341. Accordingly, Contractor agrees to prepare and implement a plan designed to exploit opportunities to expand public and Customer knowledge concerning needs and methods to reduce, reuse and recycle Solid Waste and to cooperate fully with City in this regard. Annually on or before October 31 of each year during the Term, Contractor shall develop or update a public education and information program plan for review and approval by the City Manager, to explain program offerings, maximize participation in the Recycling effort, and assist City's overall sustainability efforts, and to provide information on other matters such as instructions on the proper filling of Containers, instructions as to what materials may or may not be placed in Recyclable Materials or Organic Waste Containers, and the amount of overage and contamination fees in the event of non-compliance, holiday Collection schedules, the availability of Bulky Items and sharps Collection, Temporary Services and other special Collection services, as well as procedures for complaints and service requests. In addition, Contractor shall distribute electronic welcome brochures with the above information to new Single Family Dwelling Customers and Multi-Family Dwelling Customers at the time they apply for service. Contractor shall also provide a website specific to City providing the above information. The direct costs of implementing such program shall be borne by Contractor.

10.9.2 Written Program Materials

Contractor shall maintain a program of providing information relevant to the need and the methods to reduce, reuse and recycle Solid Waste, and Contractor upon request from City, may include such information along with bills provided to Customers. All public education materials shall be approved in advance by City, be produced and/or made available in both English and Spanish languages, and shall bear the City seal. Contractor shall keep a record of all promotional and public education materials utilized, and shall provide quarterly reports summarizing its public outreach and education efforts.

10.9.3 Public Outreach

At a minimum, Contractor shall promote recycling through presentations and educational materials to businesses, business groups, homeowners associations, construction contractors and other civic groups. Contractor shall also provide articles on relevant waste and recycling topics for the City's website on at least a quarterly basis. With respect to Organics, Contractor, with such support from City as may be reasonably necessary, shall perform at least the following public outreach:

(A) Initial Direct Mailing Outreach to be performed by Contractor: Immediately following the Effective Date, Contractor shall prepare a letter regarding the requirements of AB 341 and AB 1826 for City approval. Upon receipt of City approval the letter shall be printed using the City's electronic letterhead and mailed or delivered by Contractor to all Commercial Customers, informing Commercial Customers of the availability of Contractor-provided Recyclable Materials and Organic Waste services and the requirements for compliance with AB 341 and AB 1826. The letter shall note that participation is mandatory under State law for Customers that meet the participation thresholds under AB 341 and AB 1826.

(B) Annual Outreach to be performed by Contractor: Contractor, under the guidance of City, shall annually contact all Customers who are not in compliance with AB 341 or AB 1826 and shall explain the requirements of AB 341 and AB 1826, detail the Customer's specific reasons for non-compliance, and explain the annual reporting requirements to CalRecycle. Contractor shall annually provide City (to the extent allowable under applicable privacy laws) with a list of all Customers in non-compliance with AB 341 or AB 1826 (including but not limited to a contact person, service and billing addresses, phone number, email, account notes and any other information reasonably necessary) as well as all available information relating to any refusal by the Customer to utilize Recyclable Materials or Organic Waste Collection services, in order that such information may be included in reports to CalRecycle.

10.9.4 City Newsletter

Contractor shall pay City Three Thousand Seven Hundred Fifty Dollars (\$3,750) quarterly, up to Fifteen Thousand Dollars (\$15,000) annually, for publication and distribution of a City newsletter. Contractor shall be entitled to editorial space of not less than one-half page in each edition of the newsletter, which shall be utilized to promote waste diversion, sustainability efforts, and community partnerships.

10.9.5 Corrective Action Notice

Contractor shall develop a corrective action notification form for use in instances where a Customer sets out inappropriate materials for Collection that explains the appropriate manner for disposal of such items.

10.9.6 Contractor Representative

Contractor shall retain on its staff an individual who shall as part of his or her job function routinely visit civic groups, and homeowners' associations, to promote and explain the Recycling and other programs that Contractor offers, and participate in demonstrations, and civic events.

SECTION 11. CONTRACTOR'S CONSIDERATION

In addition to any other consideration set forth herein, as part of its consideration for entering this Agreement, and for the exclusive franchise, right and privilege to provide Solid Waste Handling Services within City as specified herein Contractor shall provide the following:

11.1 Consideration for Agreement

As consideration for City entering into this Amended and Restated Franchise Agreement, within fifteen (15) business days after the Effective Date, Contractor shall pay to City an extension fee of Three Million Dollars (\$3,000,000).

11.2 Franchise Fee

Contractor shall pay to City, a franchise fee equal to twelve percent (12%) of Contractor's annual Gross Receipts each year, or portion thereof, throughout the Term of this Agreement (the "Franchise Fee"). Said Franchise Fee shall be paid to City quarterly, within thirty (30) calendar days following the close of each quarter. Should any such due date fall on a weekend or holiday in which the City's business offices are closed, payment shall be due on the first day thereafter in which the City's business offices are open. The amount of each payment shall be equal to twelve percent (12%) of Contractor's Gross Receipts in the calendar quarter preceding the date payment was due. The Franchise Fee due hereunder shall apply to Gross Receipts of Contractor collected after the expiration of the Term hereof relating to Contractor's performance during the Term hereof. Franchise Fees shall be accompanied by a statement certified by an officer of Contractor attesting to the accuracy of the amounts paid, and setting forth the basis for their calculation in a manner acceptable to City.

11.3 Administrative Cost Reimbursement; Street Sweeping, and Street Maintenance/Rehabilitation; Program Implementation Costs

11.3.1 Administrative Cost Reimbursement

Contractor shall make a payment to City in the amount more fully set forth in this paragraph intended to defray its administrative costs related to this Agreement (the "Administrative Cost Reimbursement"). The amount of the annual Administrative Cost Reimbursement shall be the sum of the cost (salary and fringe benefits) for employees engaged to provide oversight and assistance related to Solid Waste Handling Services, and out-of-pocket costs (including specifically consultant and legal fees) incurred in the administration of this Agreement, including fees and costs associated with analyzing new legislation, considering requests from Contractor (including specifically, without limitation, requests for rate increases), and otherwise analyzing issues that arise in connection with this Agreement; provided, however, that the maximum annual Administrative Cost Reimbursement shall not exceed One Hundred Fifty Thousand Dollars (\$150,000). Invoices for the Administrative Cost Reimbursement will be provided to Contractor by City and shall be due to City within forty-five (45) days of the date such invoice is mailed by City. The initial payment shall be made within fifteen (15) business days after the Effective Date, and shall be in the amount of One Hundred Fifty Thousand Dollars (\$150,000). Contractor

acknowledges and agrees that City shall not be obligated to submit an invoice to Contractor with respect to said initial payment.

11.3.2 Street Sweeping, and Street Maintenance/Rehabilitation; Program Implementation Costs

Commencing after the Effective Date, for each July 1 - June 30 period during the Term, prorated as needed, Contractor shall make a payment to City for Solid Waste and Recycling program implementation, street sweeping and street maintenance/rehabilitation. The initial payment shall be made within fifteen (15) business days after the Effective Date, and shall be in the amount of Three Hundred Thousand Dollars (\$300,000). Subsequent annual payments of Three Hundred Thousand Dollars (\$300,000) each shall be made on or before July 15, 2021 and each July 15 thereafter during the Term. Street sweeping debris placed into Contractor's Containers at the City yard shall be disposed of by Contractor at no cost to City.

**SECTION 12.
CHARGE FOR LATE PAYMENTS**

In the event Contractor fails to timely make any of the payments provided for in this Agreement (whether reimbursements, Franchise Fees, payments of funds collected in connection with billing services, or otherwise), Contractor shall pay to City, as additional consideration, a sum of money equal to five percent (5%) of the amount due. This amount is required in order to defray those additional expenses and costs incurred by City by reason of the delinquent payment including, but not limited to, the cost of administering, accounting for, and collecting said delinquent payment and the cost to City of postponing services and projects necessitated by the delay in receiving the revenue. In addition, any amounts not paid to City by Contractor within sixty (60) days of the due date shall be subject to interest in the amount of ten percent (10%) per annum, calculated on a daily basis for each day such sums remain past due.

**SECTION 13.
CONTRACTOR'S BILLING SERVICES AND SYSTEMS**

13.1 Billing

Contractor shall provide services pursuant to this Agreement at rates it sets, charges to, and collects from Customers and Responsible Customers; provided, however, Contractor's rates shall not exceed those set forth in Exhibit A, which sets out the maximum rates that may be charged by Contractor for the various different service options that may occur hereunder, as such maximum rates may be adjusted from time to time pursuant to the terms hereof. Contractor shall provide all Customers, or Responsible Customers, where applicable, with itemized Bills, detailing charges for all services, including charges for late payments, as well as the period of service to which the Bill applies. Contractor acknowledges that it, and not Customers nor Responsible Customers, is to pay a Franchise Fee and the other fees noted herein to City as consideration for this Agreement. Accordingly, Contractor's Bills shall not include separate itemization of a "Franchise Fee" or other similar designation relating to fees which Contractor is required to pay to City.

Billings may be made on a quarterly basis in advance for all Customers and Responsible Customers at Single Family Dwellings receiving regular service, and monthly in advance for all

Customers and Responsible Customers at Commercial Premises receiving regular service. Billing for temporary service or non-routine charges (e.g. extra pickup/contamination fee) will be made in arrears. Premises ordering service after the first of the quarter or month (as applicable) or canceling service prior to the end of the quarter or month (as applicable) shall be charged on a prorated per-pickup basis.

13.1.1 Suspension of Service; Tax Roll Collection for Delinquent Accounts

Contractor may discontinue service to any Customer, or Responsible Customer, where applicable, as set forth in this Section. Customers or Responsible Customers, where applicable, who have not remitted required payments within sixty (60) days after the date of Billing shall be notified in writing that services may be discontinued fifteen (15) days from the date of the notice if payment is not made before that time. If payment is not made by the expiration of said fifteen (15) day period, Contractor may discontinue service to that Customer or Responsible Customer. Contractor shall resume Solid Waste Collection on the next regularly scheduled Collection day for any Customer or Responsible Customer, as applicable, whose service is discontinued upon receipt of payment of delinquent fees, late fees and any related service restart charges in amounts not to exceed the maximum amounts set forth in Exhibit A. Contractor may not charge for service during any period in which service was suspended. A deposit equal to the rate for one month's service based upon the Customer's three-month average billing history may be required of accounts which have been discontinued for non-payment prior to re-instituting service at such accounts. Notwithstanding the above, in order to avoid negatively impacting public health or safety, Contractor shall not suspend service to any Customer or Responsible Customer without the City's prior consent, and shall continue to provide service to any Customer or Responsible Customer if directed to do so by City without regard to the status of said Customer's or Responsible Customer's account.

On or before April 1 of each year during the Term, Contractor shall provide City with a list of delinquent Single Family Dwelling accounts, to ensure proper notification and opportunity to cure prior to a City Council hearing to add the delinquent accounts to the tax roll. Following such City Council hearing and determination by the City Council to add the delinquent accounts to the tax roll, City, with cooperation from Contractor, shall work with the Riverside County Assessor's Office to prepare and file all documentation required for tax roll collection of account delinquencies, for placement of an assessment on the Premises receiving services.

13.2 Minimum Requirements for Billing Statements

Bills shall be prepared and provided in a manner that adequately presents the services rendered in an easy to understand and verifiable format. The format of Contractor's Bills must be approved by City prior to the commencement of Solid Waste Handling Services under this Agreement. City reserves the right to require changes to the Bill format during the Term of this Agreement. In addition to any other pertinent data, Billing statements mailed by Contractor shall be printed to contain the following information, and the language contemplated for compliance with this requirement shall be subject to the City Manager's approval:

- (A) A "statement date" indicating the date the Bill is generated and mailed.

(B) A notice to Customers or Responsible Customers that payments are due within thirty (30) days of the statement date, an advisement that the Customer's or Responsible Customer's account will become delinquent if payment is not received by the 60th day following the statement date, an advisement of the date and time by which payments must be received in order to avoid delinquent fees (i.e., 4:00 p.m. on the 75th day following the statement date), and a notification of the amount of fees that will be imposed and the potential for service interruptions if payments are not received by the specified date and time.

(C) An advisement to Customers and Responsible Customers that payment can be made in the following manner:

- (1) by mailing payment to Contractor at such address as Contractor may designate;
- (2) by automatic withdrawal from a checking account; or
- (3) by major credit card on-line (i.e., via the Internet).

(D) An advisement that inquiries relating to Solid Waste Collection should be directed to Contractor, including an address, phone number and internet site, for such inquiries.

13.3 Billing System

13.3.1 Computerization of Account Information

Contractor shall provide and maintain, at its expense, computer equipment sufficient to operate pertinent computer programs and otherwise provide the services required by this Section. Contractor shall maintain, at its own expense, computer programs sufficient to operate a computerized billing system, permanently maintain all account records and otherwise meet the requirements of this Section.

13.3.2 Minimum Computer Programming Requirements

In addition to any other requirements set forth herein, but subject to the California Consumer Privacy Act, Contractor's billing system shall at a minimum be able to perform the following functions:

(A) create a permanent record of any adjustment to a Customer's or Responsible Customer's (as applicable) account;

(B) work in connection with a backup system such that all Customer and Responsible Customer account data and records are protected from a computer failure and permanently preserved on not less than a daily basis; and

(C) allow Customers or Responsible Customers to make payments on-line (i.e., via the Internet) by a major credit card, automatic withdrawal from a checking account, mail, or other acceptable forms of payment.

13.3.3 Contractor Billing

Contractor shall be responsible to bill all Customers (residential, commercial, construction, special, and all others).

13.3.4 Billing Inquiries

All Billing inquiries shall be entered into the computerized billing system. Contractor's computer programs shall keep a permanent record of all Billing inquiries and all adjustments to Customer's or Responsible Customer's Bills resulting therefrom.

13.4 Payment, Accounting Systems

13.4.1 Collection and Processing of Payments

13.4.1.1 Accounting and Deposit of Funds

All payments received by Contractor shall be appropriately credited to Customer and Responsible Customer accounts, deposited in a bank account and accounted for in a businesslike manner utilizing generally accepted accounting principles. To facilitate audits and record keeping Contractor shall make all payments to third parties from its bank accounts by check, ACH debit/credit or wire.

13.4.1.2 Allocation of Funds

With respect to payments received from each Customer or Responsible Customer, unless a Customer or Responsible Customer (as applicable) specifically directs a different allocation, funds shall be allocated first to outstanding charges for Solid Waste Collection, from oldest to most recent charges, then to any related delinquency fees or service charges, and lastly to other administrative charges, up to the amount of any outstanding balance. Any overpayment shall be credited to future Bills in the same sequence, or returned to Customers or Responsible Customers, as appropriate.

SECTION 14. FAITHFUL PERFORMANCE

14.1 Surety

Contemporaneously with execution of this Agreement, as security for Contractor's faithful performance of all obligations of this Agreement, Contractor shall provide a surety mechanism (the "Surety") as more fully defined below in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00). The Surety shall be in the form of a performance bond issued by a duly authorized corporate surety company authorized to do business in California, and in a form acceptable to the City Attorney. The cost of the Surety shall be the sole responsibility of Contractor. The Surety

shall be released within thirty (30) days after both (i) the expiration of the Term of this Agreement; and (ii) Contractor's satisfactory performance of all obligations hereunder, but in no event more than two (2) years following expiration of the Term of this Agreement.

14.1.1 Forfeiture of Surety

In the event Contractor shall for any reason become unable to, or fail in any way to, perform as required by this Agreement, City may declare a portion or all of the Surety, as may be necessary to recompense and make whole the City, forfeited to the City. Upon partial or full forfeiture of the Surety, Contractor shall restore the Surety to its original amount within thirty (30) days of the City's notice to do so. Failure to restore the Surety to its full amount within thirty (30) days shall be a material breach of this Agreement.

14.1.2 Use of Surety by City

Notwithstanding any provision hereof to the contrary, thirty (30) days following City providing Contractor with written notice of its failure to pay City any amount owing under this Agreement, the performance bond may be utilized by City for: (1) Payment of sums due under the terms of this Agreement which Contractor has failed to timely pay to City, including specifically liquidated damages; and (2) Reimbursement of costs borne by City to correct violations of this Agreement not corrected by Contractor.

SECTION 15. INSURANCE COVERAGE

Contractor shall procure and maintain during the entire Term of this Agreement the following types of insurance, and shall maintain the following minimum levels of coverage, which shall apply to claims which may arise from or in connection with Contractor's performance hereunder or the actions or inactions of any of Contractor's officers, agents, representatives, employees, or subcontractors (performing Solid Waste Handling Services only) in connection with Contractor's performance. The insurance requirements hereunder in no way limit Contractor's various defense and indemnification obligations, or any other obligations as set forth herein.

15.1 Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The most recent editions of Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 00 01).
2. The most recent editions of Insurance Services Office form number CA 00 01 1001 covering Automobile Liability, code 1 "any auto".
3. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.

15.2 Minimum Limits of Insurance

Contractor shall maintain in force for the Term of this Agreement limits no less than:

15.2.1 Commercial General Liability

Ten Million Dollars (\$10,000,000.00) limit aggregate and Five Million Dollars (\$5,000,000.00) limit per occurrence for bodily injury, personal injury and property damage. Such limits can be achieved through a combination of primary and excess liability policies.

15.2.2 Automobile Liability

Ten Million Dollars (\$10,000,000.00) combined limit per accident for bodily injury and property damage. Such limits can be achieved through a combination of primary and excess liability policies.

15.2.3 Workers' Compensation and Employers Liability

Workers' compensation statutory limits as required by the Labor Code of the State of California and Employers Liability limits of One Million Dollars (\$1,000,000.00) per accident.

15.3 Deductibles and Self-Insured Retentions

All deductibles or self-insured retentions (i) shall be for the account of Contractor and paid entirely by Contractor without contribution from City, and (ii) shall be declared to City. If, in the reasonable opinion of the City, Contractor does not have sufficient financial resources to protect the City from exposure with respect to any deductibles or self-insured retentions Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

15.4 Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

15.4.1 General Liability

City and its elected and appointed officials, officers, employees, agents and volunteers shall be named as additional insureds in connection with liability arising out of activities performed by or on behalf of Contractor; Premises owned, leased or used by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City or its elected and appointed officials, officers, employees, agents and volunteers. As respects the liabilities assumed by Contractor under this Agreement, Contractor's insurance coverage shall be the primary insurance for the City and its elected and appointed officials, officers, employees, agents and volunteers in connection with the above enumerated categories. Any insurance or self-insurance maintained by City or its elected and appointed officials, officers, employees, agents and volunteers shall be in excess of Contractor's insurance and shall not contribute with it. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to City or its elected and appointed officials, officers, employees, agents and volunteers. Coverage shall

state that Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

15.4.2 Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against City and its elected and appointed officials, officers, employees, agents and volunteers for losses arising from work performed by Contractor for City. A Waiver of Subrogation Endorsement must be issued to City by the insurer.

15.4.3 Environmental Pollution Control Insurance

Contractor shall maintain either an endorsement to its general liability policy, or a separate policy of insurance covering environmental pollution and contamination that names the City as an additional insured. Said coverage shall be in the amount of not less than One Million Dollars (\$1,000,000) per occurrence, and One Million Dollars (\$1,000,000) in the aggregate, and shall substantially comply with all other provisions set forth in Section 15.4.1.

15.4.4 All Coverages

Except for Worker's Compensation, each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' (ten (10) days' for nonpayment of premium) prior written notice has been given to City. Additionally, Contractor agrees that it will not suspend, void or reduce in coverage or limits each insurance policy required by this clause without notice to the City.

15.5 Acceptability of Insurers

The insurance policies required by this Section shall be issued by an insurance company or companies authorized to do business in the State of California and with a rating in the most recent edition of Best's Insurance Reports of size category VII or larger and a rating classification of A- or better, unless otherwise approved by the City Manager.

15.6 Verification of Coverage

Contractor shall furnish City with certificates of insurance and with original endorsements affecting coverage required by this Article. The certificates and endorsements for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms provided by or acceptable to City and are to be received and approved by City before work commences. City shall have the right to inspect complete, certified copies of all required insurance policies, at any office of Contractor, upon not less than ten (10) business days' advance notice.

15.7 Loss or Reduction in Insurance

In the event that Contractor fails to retain or maintain insurance with the scope and amounts of coverage required hereunder, City shall have the right, but not the obligation to either terminate this Agreement, or obtain insurance coverage as required herein on behalf of Contractor and utilize

funds from the (Surety" (as that term is defined in Section 14) to pay the cost of providing such coverage.

SECTION 16.
ASSIGNMENT, SUBLETTING, AND TRANSFER;
REQUIREMENTS AND LIMITATIONS

16.1 General

Contractor shall not assign any portion of or all of its rights, nor delegate, subcontract or otherwise transfer any portion of or all of its obligations under this Agreement (collectively referred to as an "Assignment") to any other Person without the prior approval by the City Council. The City Council has unfettered discretion to approve or deny such an Assignment. The City Council's exercise of its unfettered discretion may include City Council review and approval of any Assignment terms, including, but not limited to, insurance obligations, indemnification language, bonding requirements, and any and all other terms the City Council may in its unfettered discretion require. Any such Assignment made without the approval by the City Council shall be void and the attempted Assignment shall constitute a material breach of this Agreement.

16.2 Assignment to be Broadly Interpreted

For purposes of this Section, the term "Assignment" shall be given the broadest possible interpretation, and shall include, but not be limited to: (i) a sale, exchange or other transfer of substantially all of Contractor's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of any membership interest of Contractor to a third party; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of ownership or control of Contractor; (iv) any assignment by operation of law, including those resulting from mergers or acquisitions by or of Contractor or any of its Affiliates, insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership, or change of control of Contractor; and (vi) Contractor's subcontracting of only a portion of its rights and obligations under this Agreement (e.g., the Bulky Item Collection service). Notwithstanding the foregoing, an assignment by Contractor to an Affiliate having the same parent guarantor shall not be considered as an "Assignment" for purposes of this Section 16, except for transactions that would result in a change in control of Contractor's parent guarantor.

16.3 Nature of Agreement – Personal to Contractor

Contractor acknowledges that this Agreement involves rendering a vital service to City's residents and businesses, and that City has selected Contractor to perform the services specified herein based on (1) Contractor's experience, skill and reputation for conducting its Solid Waste Handling Services in a safe, effective and responsible fashion, at all times in keeping with applicable Environmental Laws, regulations and best Solid Waste management practices, and

(2) Contractor's financial resources to maintain the required equipment and to support its indemnity obligations to City under this Agreement. City has relied on each of these factors, among others, in choosing Contractor to perform the services to be rendered by Contractor under this Agreement.

16.4 Procedure for Consideration of Assignment

If Contractor requests City's consideration of and consent to an Assignment, the City Council may deny, approve or conditionally approve such request in its sole and absolute discretion. Under no circumstances shall City be obliged to consider any proposed Assignment if Contractor is in default of any terms of this Agreement at any time during the period of consideration. Should the City consent to any Assignment request, such Assignment shall not take effect until all conditions relating to the City's approval have been met. Any request for an Assignment shall be made in a manner to be prescribed by the City Manager, and no request by Contractor for consent to an Assignment need be considered by City unless and until Contractor has met (or with respect to matters that would only occur upon completion of the Assignment if approved, made reasonable assurances that it will meet) the following requirements:

(A) Contractor shall undertake to pay City its reasonable expenses, including administrative, investigative, consulting, and reasonable attorneys' fees and costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such Assignment (collectively the "Administrative Assignment Fee"). An advance non-refundable payment in an amount to be determined by the City Manager towards the Administrative Assignment Fee shall be paid to the City prior to City's consideration of any Assignment request, although Contractor shall be responsible to pay all costs incurred by City in considering a request for Assignment, including those in excess of the aforesaid deposit amount, regardless of whether City consents to the Assignment.

(B) If requested to do so, Contractor shall furnish City with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years.

(C) Contractor shall furnish City with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of Solid Waste management experience on a scale equal to or exceeding the scale of operations conducted by Contractor under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any significant citations or other censure from any federal, state or local agency having jurisdiction over its Solid Waste management operations due to any significant failure to comply with state, federal or local laws, including the Environmental Laws and that the assignee has provided City with a complete list of such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its Solid Waste management practices in accordance with sound Solid Waste management practices in full compliance with all federal, state and local laws regulating the Collection and disposal of Solid Waste including Hazardous Substances; and, (v) of any other information required by City to ensure the

proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner.

(D) The proposed assignee shall execute an agreement assuming all of Contractor's rights and liabilities under this Agreement.

SECTION 17. REVIEW OF SERVICES AND PERFORMANCE

17.1 Mid Term Detailed Rate Review

(A) On or about January 1, 2030, either Party may request a detailed rate review. The Parties understand and acknowledge that the purpose of the detailed rate review is to address material changes in costs and revenues from those in existence as of the Effective Date, which have not otherwise been addressed in accordance with Section 24, with a goal of ensuring the parties are in the same relative economic position as they were as of the Effective Date. For a period of thirty (30) days following the completion of such a review, either Party will have the right to request in writing an adjustment to the maximum rates set forth in Exhibit A based upon any material financial impact evidenced by such review. Following such a request, City and Contractor agree to negotiate in good faith regarding the requested adjustment, the subject of which negotiations may include, among other things, increases or reductions in programs, services, or fees and charges, and rebates, credits or assessments to Customers. Following the conclusion of such negotiations the parties shall each have the right to accept or deny a requested adjustment to the maximum rates set forth in Exhibit A in their sole and absolute discretion. If an adjustment requested by either party is not agreed to and approved within one hundred and twenty (120) days from the request for an adjustment, then for a period of ninety (90) days after the expiration of the foregoing one hundred twenty (120) day period, either Party may terminate this Agreement by providing a written notice of termination. Such termination shall be effective no sooner than one (1) year after the written notice of termination has been received by the other Party.

17.2 Performance Hearing

(A) Commencing in or about January 2022, and on a biennial basis thereafter, City may hold a hearing to review Contractor's Solid Waste Collection efforts, source reduction, processing and other diversion services and overall performance under this Agreement (the "Solid Waste Services and Performance Review Hearing"). The purpose of the Solid Waste Services and Performance Review Hearing is to provide for a discussion and review of technological, economic, and regulatory changes in Collection, source reduction, recycling, processing and disposal to achieve a continuing, advanced Solid Waste Collection, source reduction and recycling and disposal system; and to ensure services are being provided by Contractor with adequate quality, effectiveness and economy and in full compliance with the terms of this Agreement. Topics for discussion and review at the Solid Waste Services and Performance Review Hearing shall include, but shall not be limited to, services provided, feasibility of providing new services, application of new technologies, Customer complaints, amendments to this Agreement,

developments in the law, new initiatives for meeting or exceeding AB 939's goals and where applicable the goals of AB 341, AB 1826, SB 1383 and other Applicable Laws, regulatory constraints and Contractor performance. City and Contractor may each select additional topics for discussion at any Solid Waste Services and Performance Review Hearing.

(B) In addition to the Solid Waste Services and Performance Review Hearings City may hold in accordance with the immediately preceding paragraph, if the number of Customer complaints regarding Contractor's Solid Waste Collection are deemed by City to be excessive or the nature of to be significant, City may, at any time (subject to the paragraph immediately below), hold a Solid Waste Services and Performance Review Hearing.

(C) City shall notify Contractor of its intent to hold a Solid Waste Services and Performance Review Hearing at least ninety (90) days in advance thereof. The notice will indicate whether the hearing will occur before City staff, the City Council, or such other body as the City may designate in the notice. Forty-five (45) days after receiving notice from City of a Solid Waste Services and Performance Review Hearing, Contractor shall submit a report to City which may contain such information as it wished to have considered, and shall contain the following:

(1) Current diversion rates and a report on Contractor's outreach activities for the past year.

(2) Recommended changes and/or new services to improve the City's ability to meet the goals of AB 939 and AB 341 and to contain costs and minimize impacts on rates.

(3) Any specific plans for provision of changed or new services by Contractor.

(D) The reports required by this Agreement regarding Customer complaints shall be used as one basis for review of Contractor's performance, and Contractor may submit other relevant performance information and reports for consideration at the Solid Waste Services and Performance Review Hearing. In addition to the above, City may request Contractor to submit any other specific information relating to its performance consistent with Section 28.1, for consideration at the Solid Waste Services and Performance Review Hearing, and any Customer may submit comments or complaints during or before the Hearing, either orally or in writing. Contractor shall be present at and participate in the Solid Waste Services and Performance Review Hearing.

SECTION 18.

CITY'S REMEDIES; DEFAULT AND TERMINATION

18.1 Notice of Default

If the City Manager determines that Contractor has defaulted in the performance of any obligation hereunder, or that Contractor's performance pursuant to this Agreement with respect to

such matters has not been in conformity with reasonable industry standards which are obtained in similar cities in Southern California, the provisions of this Agreement, the requirements of the Municipal Code, the requirements of Applicable Law, including, but not limited to, requirements for source reduction and recycling, the City Manager may provide written notice to Contractor of such default. The City Manager may, in such written notice, set a reasonable time within which correction of such default shall be made. Unless a longer or shorter time is otherwise specified by the City Manager, a reasonable time for correction shall be thirty (30) days from the date such written notice is given.

18.2 Failure to Cure

If Contractor fails to correct, to the satisfaction of the City Manager, all deficiencies contained in the written notice thereof within the specified time, or within a reasonable time if it is not reasonably possible to correct such deficiencies within the specified time, and Contractor fails to commence to correct or remedy such deficiencies within the specified time and diligently effect such correction or remedy thereafter, then the City Manager may refer the matter to the City Council for review, or review the matter himself.

18.3 Review by City Manager

If the City Manager reviews the matter and determines that Contractor has failed to properly or adequately cure any default set forth above, the City Manager, in the exercise of his discretion, may terminate this Agreement, or take such other action as he deems appropriate to pursue any remedy available to City. A decision or order of the City Manager shall be final and binding on Contractor unless Contractor files a "Notice of Appeal" with the City Clerk within five (5) business days of the date the notice of the City Manager's decision is given. The City Manager shall schedule any appeal for consideration by the City Council no later than the earliest feasible regular City Council Meeting following the date a Notice of Appeal is given to City.

18.4 City Council Review

In the event an appeal of a decision of the City Manager is filed, or if the City Manager refers the matter to the City Council without rendering a decision, the City Council shall set the matter for consideration before the City Council as an agenda item at either a regular, adjourned regular, or special meeting. In reviewing the matter the City Council may consider any information reported by the City Manager regarding the deficiencies, and shall give Contractor, or its representatives and any other interested person, a reasonable opportunity to be heard including presentation of witnesses and documents for consideration by City Council. The City Council shall determine whether Contractor has failed to properly or adequately perform as set forth above, and if so whether to terminate the Agreement, or to pursue any other remedy available to City, subject to Contractor's right to request an administrative hearing pursuant to Section 19 of this Agreement.

18.5 Performance During Reviews

Contractor's performance under this Agreement is not excused during any period of time when its performance is under review as set forth above, including at any time prior to a final decision as to whether such performance is deficient.

18.6 Termination without Right to Cure

The above right of termination as a result of Contractor's failure to timely cure any deficiency is in addition to City's right to terminate this Agreement without affording Contractor an opportunity to cure in circumstances where Contractor is determined by City to have materially breached this Agreement. City shall thus be afforded the right to terminate this Agreement in the event of any material breach hereof by Contractor without affording Contractor the right to cure as a result of any action, inaction or circumstance which is a legally defined material breach, or is defined herein as a material breach, including under any of the following circumstances, which are hereby specifically defined as material breaches:

- (A) If Contractor practices, or attempts to practice, any fraud upon City.
- (B) If Contractor becomes insolvent, unable, or unwilling to pay its debts, or upon listing of an order for relief in favor of Contractor in a bankruptcy proceeding.
- (C) If Contractor willfully violates any orders or rulings of any regulatory body having jurisdiction over Contractor with respect to this Agreement. So long as City's rights are not prejudiced during the pendency of any challenge to such orders or rulings by Contractor, Contractor may contest any such orders or rulings by appropriate proceedings conducted in good faith, in which case no material breach of this Agreement shall be deemed to have occurred until a final ruling has been rendered.
- (D) If Contractor ceases to provide Solid Waste Handling Services, including Collection of Solid Waste and/or Recyclable Material, as required under this Agreement over all or any portion of the Franchise Area for a period of seven (7) days or more, for any reason not specified in Section 30.1 of this Agreement as a force majeure event hereunder.
- (E) If Contractor fails to materially comply with any insurance or indemnification requirement set forth in this Agreement.
- (F) If City is required to pay any fine or penalty, which is not paid on its behalf by Contractor or which Contractor fails, refuses, neglects or is unable to pay or indemnify City against, relating to any diversion or other requirement of AB 939 and/or AB 341 as required in this Agreement.
- (G) If Contractor, Contractor's shareholders, Contractor's directors, or any senior management level employee of Contractor (defined for purposes of this provision as any representative of Contractor who regularly is in communication with or regularly has contact with any member of the City Council or City Manager, or any of Contractor's employees who communicate with any City Department Head or City employee with decision making authority on matters related to the performance of the Agreement) is convicted of a Criminal Matter (as defined herein). For purposes of this Section the term Criminal Matter refers to any (i) felony offense relating to either public corruption (including, without limitation, bribery, conflict of interest related allegations, vote selling, or any similar type charges) (any of the foregoing, a "Public Corruption Offense"), or any

Solid Waste Handling Services, or (ii) misdemeanor offense that constitutes a Public Corruption Offense.

(H) If Contractor fails to establish programs and services necessary to ensure City meets the Recycling diversion requirement in Section 8.6.5 for each calendar year during the Term of this Agreement.

18.7 Liquidated Damages

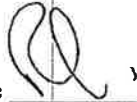
18.7.1 General

The City finds, and Contractor agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by City as a result of a breach by Contractor of certain specific obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that the services that are the subject of this Agreement might be available at substantially lower costs than alternative services and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such specific breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

18.7.2 Service Performance Standards; Liquidated Damages for Failure to Meet Standards

The parties further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to City and that City has considered and relied on Contractor's representations as to its quality of service commitment in entering this Agreement with it. The parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The parties further recognize that if Contractor fails to achieve the performance standards, or fails to submit required documents in a timely manner, City and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which City will suffer. Therefore, without prejudice to City's right to treat such breaches as an event of default, the parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Contractor
Initial Here



City
Initial Here

18.7.3 Calculations for Liquidated Damages

Contractor agrees to pay (as liquidated damages and not as a penalty) the amounts set forth below for each type of action warranting such damages:

18.7.3.1 Collection Reliability

(A) For failure to commence providing Solid Waste Handling Services to a new Customer account within seven (7) days after order: \$50.00.

(B) For failure to provide Solid Waste Handling Service to City within three (3) days after order: \$75.00; provided, however, that during the first year of the Term, Contractor shall only be required to make such payment after the fifth (5th) such failure in such first calendar year;

(C) For failure to commence Construction and Demolition (C&D) Waste service to a new Customer account within three (3) business days after order: \$100.00; provided, however, that during the first year of the Term, Contractor shall only be required to make such payment after the fifth (5th) such failure in such first calendar year;

(D) For failure to Collect Solid Waste from any established Customer on the scheduled Collection day and not Collected within the period described in this Agreement which exceed five (5) such failures annually: \$25.00 less any amounts credited back to Customer.

(E) For each failure to Collect Solid Waste, which has been properly set out for Collection, from the same Customer on two (2) consecutive scheduled pickup days: \$100.00.

18.7.3.2 Collection Quality

(A) For failure to properly return empty Containers to avoid pedestrian or vehicular traffic impediments or to place Containers upright with lids secured which exceeds ten (10) such occurrences annually: \$25.00.

(B) For each occurrence of Collecting Solid Waste during unauthorized hours which exceeds five (5) such occurrences annually: \$500.00.

(C) For each occurrence of damage to private property in an amount in excess of \$1,000 that is not remedied by Contractor to the reasonable satisfaction of the Customer, which exceeds five (5) such occurrences annually: \$100.00.

18.7.3.3 Customer Responsiveness

(A) For failure to initially respond to a Customer complaint within one (1) business day, which exceeds five (5) such occurrences annually: \$125.00.

(B) For each failure to offer to resolve in good faith and in a reasonable manner Customer complaints to City as required herein, which exceeds five (5) such occurrences annually: \$200.00.

(C) For each failure to remove graffiti from Containers or to replace with Containers bearing no graffiti, within three (3) business days of a request from City: \$150.00.

18.7.3.4 Timeliness of Submissions to City

(A) Any report shall be considered late until such time as a correct and complete report is received by City. For each failure to submit a report required under this Agreement within the time required by this Agreement, the liquidated damage amount shall be:

(1) Quarterly Reports: \$500.00.

(2) Annual Reports: \$1,000.00.

18.7.3.5 Cooperation During Transition With Subsequent Solid Waste Enterprise

(A) For each day routing information, including billing information and other non-proprietary or non-trade secret operating records needed to service premises, is requested by City or any subsequent solid waste enterprise in accordance with Section 29 and is received after City-established due dates, both for preparation of a request for proposals and for any subsequent solid waste enterprise's implementation of service: \$1,000.00 per day, not to exceed \$5,000.00.

(B) For each day delivery of keys, security codes, remote controls in Contractor's possession and used to access garages, gates and bin enclosures, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new solid waste enterprise servicing Customers with access issues: \$1,000.00 per day, not to exceed \$2,000.00.

18.7.4 Process for Assessment of Liquidated Damages

(A) City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representative or through an investigation of Customer complaints. It is the desire of the parties to work together to avoid the imposition of liquidated damages and accordingly City will endeavor to timely communicate to Contractor any information that it receives which might give rise the imposition of liquidated damages in order to facilitate Contractor's ability to correct any

deficiency, or prevent the recurrence of any conduct for which liquidated damages might eventually be imposed.

(B) Prior to assessing liquidated damages, City shall give Contractor notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. Contractor may review (and make copies at its own expense) all information in the possession of City relating to incident(s)/non-performance. Contractor may, within ten (10) days after receiving the notice, request a meeting with the City Manager. Contractor may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. The City Manager will provide Contractor with a written explanation of his or her determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of City Manager shall be final subject to Section 19.

(C) In addition to any notice provided by City pursuant to paragraph B above, prior to the first assessment of liquidated damages for any specific type of failure (e.g., a failure to provide Solid Waste Handling Service to City within three (3) days after order as set forth in Section 18.7.3.1(B) above), City shall give Contractor a written notice of the failure and a reasonable opportunity to cure of not less than two (2) business days after the date of City's notice.

18.7.5 Timing of Payment

Contractor shall pay any liquidated damages assessed by City within ten (10) days after they are assessed; provided, however, that if (a) the amount of liquidated damages assessed by City exceeds Ten Thousand Dollars (\$10,000), and (b) following such assessment Contractor requests an administrative hearing pursuant to the terms of Section 19, then Contractor shall not be required to pay such liquidated damages until such time as the hearing officer has provided an advisory ruling, and provided further, that if such advisory ruling is that City's assessment of liquidated damages was improper, Contractor shall be relieved from making such payment. If they are not paid within the ten (10) day period, City may proceed against any security required by this Agreement to obtain payment, and/or find Contractor in default and exercise its right to terminate this Agreement as set forth herein.

SECTION 19. CONTRACTOR'S REMEDIES; ADMINISTRATIVE HEARING

19.1 Administrative Hearing

Should Contractor contend that City is in breach of any aspect of this Agreement, or wishes to contest a determination made by the City Manager made hereunder, it shall give notice to the City Manager requesting an administrative hearing on the allegation. The hearing shall occur as soon as reasonably possible, or on such date as mutually agreed by the parties, and shall be held before an impartial hearing officer to be determined by the City Manager. The hearing officer shall make an advisory ruling on Contractor's allegations, and suggest a remedy if a breach by City is determined to exist. The hearing officer's ruling and recommendations shall become final and binding if the parties so agree in writing within thirty (30) days of the date notice of the

decision is given to both parties. Otherwise, the hearing officer's ruling shall have no further force or effect.

19.2 Other Remedies; Claims

Contractor shall be entitled to all available remedies in law or equity for City's breach of this Agreement; provided, however, Contractor shall not file or otherwise commence any action against City, in law or equity, in any court, until after an administrative hearing as set forth above has been completed, and the above noted thirty (30) day period to accept the hearing officer's decision has passed, or either City or Contractor has given timely written notice to the other that it will not accept the hearing officer's decision. The applicable statute of limitations for any claim by Contractor in law or equity for City's breach of this Agreement shall be tolled until after an administrative hearing as set forth above has been completed, and the above noted thirty (30) day period to accept the hearing officer's decision has passed, or either City or Contractor has given timely written notice to the other that it will not accept the hearing officer's decision.

19.3 Actions for Damages

As a prerequisite to the filing and maintenance of any action for damages by Contractor against City arising out of this Agreement, Contractor shall present a claim to City where required by Government Code Section 910 et seq. The applicable time period to make any claim shall be tolled until after an administrative hearing as set forth above has been completed, and the above noted thirty (30) day period to accept the hearing officer's decision has passed, or either City or Contractor has given timely written notice to the other that it will not accept the hearing officer's decision. By including this provision City is not waiving any defenses and is not deemed to acknowledge or otherwise agree that an action for damages is an appropriate remedy hereunder.

SECTION 20. CITY'S ADDITIONAL REMEDIES

In addition to any other remedies set forth herein, City shall be entitled to any or all of the following rights and remedies in the event of a breach of this Agreement by Contractor:

(A) The right to use Contractor's equipment for the purpose of Collecting, transporting, and/or disposing of Solid Waste, including Recyclable Material, for a period not to exceed six (6) months. In the case of equipment not owned by Contractor, Contractor shall assign to City, to the extent Contractor is permitted to do so under the instruments pursuant to which Contractor possesses such equipment, the right to use and possess the equipment. If City exercises its rights under this Section, City shall pay to Contractor the reasonable rental value of the equipment for the period of City's possession thereof (although payment may, if appropriate, occur in the form of a setoff against damages otherwise owed by Contractor pursuant to the terms hereof);

(B) The right to license others to perform the services otherwise to be performed by Contractor hereunder, or to perform such services itself; and

(C) The right to obtain damages and/or injunctive relief. Both parties recognize and agree that in the event of a breach of this Agreement by Contractor, City may suffer

irreparable injury and incalculable damages sufficient to support injunctive relief, to specifically enforce the provisions of this Agreement, and to enjoin the breach hereof.

SECTION 21.

RIGHTS OF CITY TO PERFORM DURING EMERGENCY

21.1 Provision of Service

Should Contractor, for any reason whatsoever, refuse or be unable to provide Solid Waste Handling Services for a period of more than forty-eight (48) hours, and if as a result thereof, Solid Waste should accumulate in City to such an extent or in such a manner that the City Manager finds that such accumulation endangers or menaces the public health, safety, or welfare, City shall have the right, upon twelve (12) hours prior written notice to Contractor, during the period of such emergency, to temporarily take possession of any or all equipment and facilities of Contractor previously used in providing Collection, transportation, and disposal of Solid Waste and provide, through its own forces or otherwise, Solid Waste Handling Services which Contractor otherwise would be obligated to provide pursuant to this Agreement. Contractor agrees that in such event it shall fully cooperate with City to affect such a transfer of possession for City's use.

21.2 Possession of Equipment

Contractor agrees, that in the event of circumstances described in Section 21.1 above, City may take temporary possession of and use all of said equipment and facilities without paying Contractor any rental or other charge. Upon Contractor giving City notice that it is able to resume its normal responsibilities under this Agreement City shall promptly relinquish and return possession of all of the above mentioned property to Contractor.

21.3 Exclusions from Right to Possession of Equipment without Compensation

Specifically excluded from the circumstances in which City may possess and utilize Contractor's equipment without compensation are circumstances in which Contractor fails or refuses to provide Solid Waste Handling Services hereunder for any reason which is not a force majeure event pursuant to Section 30.1 of this Agreement. In such circumstances City's right to utilize and possess Contractor's equipment shall be subject to the provisions of the above Section 20.

SECTION 22.

PRIVACY

Contractor shall strictly observe and protect the privacy rights of Customers. Information identifying individual Customers or the composition or contents of a Customer's Solid Waste stream, or any of the billing information pertaining to any Customers, shall not be revealed to any person, governmental unit, private agency, or company, unless upon the authority of a court of law, by statute, ordinance, or regulation of a governmental agency having jurisdiction, or upon valid authorization of the Customer. This provision shall not be construed to preclude Contractor from preparing, participating in, or assisting in the preparation of waste characterization studies or waste audits which may be required by AB 939 or this Agreement. Contractor shall not market or distribute, outside the normal course of its business, mailing lists with the names and addresses of

Customers. The rights afforded Customers pursuant to this Section shall be in addition to any other privacy right afforded Customers pursuant to federal or state law, including, without limitation, the California Consumer Privacy Act.

SECTION 23. REPORTS AND ADVERSE INFORMATION

The parties acknowledge that City will require reporting at various intervals by which information important to City can be compiled and analyzed. Throughout the Term the parties agree to work together to address City's needs with respect to the information to be contained in reports prepared by Contractor. The following is intended as a starting point in order to have established an objective baseline for reporting, but the frequency and content of the reports called out below may be changed by agreement of the parties; provided any such change is approved by the City Manager in writing. Quarterly reports shall be submitted on or before the last day of the calendar month following the end of each calendar quarter. Notwithstanding the foregoing or anything in this Section 23, Contractor shall prepare and submit to City all reports required by the Applicable Laws, within the timeframes required. The requirements of this Section 23 shall be subject to the requirements of the California Consumer Privacy Act and its implementing regulations, as may be amended.

23.1 Quarterly Reports

At a minimum, Contractor shall report the following to City on a quarterly basis: Solid Waste Collected by Contractor for each quarter, sorted by type of Solid Waste in tons broken down at a level acceptable to City (which at a minimum shall include: refuse, Organic Waste, Recyclable Materials, e-waste and universal waste item counts, as well as by Customer type (i.e., single family, multi-family, commercial, roll-off, Curbside, etc.); the facilities where all Solid Waste Collected was processed or disposed; a list of all missed pick-ups; a list of the records related to non-collection notices; warning notices issued for contaminated Recyclable Materials, and Organic Waste Containers; and a narrative summary of problems encountered (including, without limitation, misplaced or stolen Containers, personnel complaints, litter/spill complaints, property damage claims, and scavenging) and actions taken with recommendations for City, as appropriate. Contractor shall also provide a detailed list of all Bulky Item Collections requests, including, at a minimum, Customer name, Customer address, Customer telephone number, and date(s) of service, the complaint summary for the quarter summarized by nature of complaints; copies of promotional and public education materials sent during the quarter; description of Contractor outreach activities conducted the previous quarter; report of the number of Customers participating in Recycling Collection services, a summary of the problems or barriers to implementation of services for the quarter; a narrative description of problems encountered and actions taken with respect to scavenging, an update regarding usage of Battery Tracker containers and the amount spent to date to provide this service, and such other information or reports that the City may reasonably request or require. Contractor shall, upon demand by City, provide true and accurate copies of landfill tipping receipts, records showing delivery at processing or reuse facilities, and similar such documents in order to enable City to verify Contractor's quarterly reports.

23.2 Annual Reports

Within 30 days of the end of each calendar year during the Term of this Agreement and within thirty (30) days after the end of the Term, Contractor shall submit a written annual report, at its sole expense, in a form approved by City, which includes, but is not limited to, the following information:

(A) A summary of the previous year's activities including, but not limited to, services begun or discontinued during the reporting year, and the number of Customers broken down on a quarterly basis, including the number of Customers in each class of service;

(B) A summary of the total tons of Solid Waste Collected in City in the preceding year as well as a summary of the total tonnage diverted from the State's landfill systems during that time frame, including the diversion rate for each waste category and Customer type;

(C) A summary of (i) any unusual changes in disposal quantities and potential reasons for this change, and (ii) problems in program operations and the manner in which such problems were addressed;

(D) Information and reports required by City to meet its reporting obligations imposed by AB 939 and AB 341, and the regulations promulgated thereunder, in a form and content approved by the City Manager, and any recommended changes;

(E) Equipment inventory including a complete inventory of Collection equipment utilized and assigned to the City;

(F) Future programs including planned/anticipated future programs and facilities;

(G) Summary of litigation activity, including criminal or civil litigation that may have a material effect on the Contractor's ability to perform its obligations under this Agreement;

(H) A revenue statement, certified by the chief financial officer of Contractor, setting forth Franchise Fees paid and the basis for the calculation thereof, including specifically a breakdown of sources of revenue included in Gross Receipts, and the amount of revenue derived from each such source comprising Gross Receipts;

(I) A revenue statement pertaining to the delinquency tax roll receipts and both Parties' net revenue receipts;

(J) A list of Contractor's officers and the members of its Board of Directors, or as applicable a list identifying all Persons holding a membership interest in Contractor;

(K) A list of stockholders or other equity investors holding five percent (5%) or more of the interest in Contractor;

(L) A list of each service address or other identifying location associated with each Customer's or Responsible Customer's account, the total number of Carts at each such address or other identifying location, types of services being Billed;

(M) Contractor shall conduct a Waste Characterization Study once every twenty-four (24) months (or the frequency mandated by SB 1383 regulations, whichever is less frequent). The study shall include a representative sampling of the Single Family Dwelling Curbside Recyclable Materials generated within the City and shall be conducted by a processing center acceptable by both City and Contractor. At a minimum, the report shall include the following information:

- (1) Weight of each Recyclable Material
- (2) Percentage of each Recyclable Material as a percentage of the total load
- (3) Total weight sampled
- (4) Listing of each Recyclable Material sampled

(N) Contractor shall provide the following to City, on an annual basis, in a format approved by City:

(1) The total number of Commercial Premises and Multi-Family Dwelling Customers serviced by Contractor that meet the thresholds of AB 1826.

(2) The number of AB 1826 Customers that:

- (i) Subscribe to Contractor's Organic Waste recycling service;
- (ii) Recycle Organic Waste via an in-house program;
- (iii) Donate edible food to charitable organizations;
- (iv) Use a third-party vendor for Organic Waste recycling; and,
- (v) Are without a known Organic Waste Recycling program.

(3) A listing of all contacts with, and copies of all surveys and onsite waste assessments for those Customers that meet the thresholds of AB 1826, but refuse Organic Waste recycling service.

(4) Contact information for all Commercial Premises and Multi-Family Dwelling Customers (as identified in Contractor's data base) that do not have an Organic Waste recycling program.

(5) Detailed support documentation for the forgoing as may be reasonably required by City.

23.3 Format of Reports

Each quarterly and annual report shall be submitted to City, addressed to the City Manager or his or her designee. Where reasonable and practicable, records related to performance of this Agreement shall be maintained by Contractor in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. The format of each report shall be approved by City. Contractor agrees to submit all reports to e-mail addresses designated by City in an electronic format approved by the City, compatible with City's software/computers at no additional charge.

23.4 Adverse Information

(A) Contractor shall provide City two copies of all reports and other material adversely affecting this Agreement submitted by Contractor to the United States Environmental Protection Agency, CalRecycle, the California Regional Water Quality Control Board, and any other federal, state, regional, or local regulatory agency. Copies shall be submitted to City simultaneously with Contractor's filing of such matters with said agencies. Contractor's routine correspondence to said agencies need not be automatically submitted to City, but shall be made available to City upon written request.

(B) Contractor shall submit to City copies of all non-privileged or non-confidential pleadings, applications, notifications, communications, and documents of any kind submitted by Contractor to, as well as copies of all decisions, correspondence, and actions by, any federal, state, and local courts, regulatory agencies, and other government bodies relating in any manner to Contractor's performance of services pursuant to this Agreement. To the degree authorized by law, any confidential data exempt from public disclosure shall be retained in confidence by City and its authorized agents and shall not be made available for public inspection.

(C) Contractor shall submit to City such other information or reports in such forms and at such times as City may reasonably request or require.

(D) All reports and records required under this or any other Section hereof shall be furnished at the sole expense of Contractor.

23.5 Disaster Plan

Within ninety (90) days of the Effective Date, Contractor shall prepare a draft disaster debris cleanup implementation plan that sets forth procedures for collection of debris following a major disaster such as an earthquake, mudslide, storm, flood, fire, terrorist attack, riot, civil disturbance or other similar event. The disaster plan shall address priorities for cleanup at critical facilities, procedures for reimbursement for costs, describe communication plans, list key contact persons, and provide maps showing proposed sites for stockpiling of disaster debris that cannot be transported to the landfill. Contractor shall coordinate the plan with City's emergency service teams and private parties, as necessary. The draft plan shall be presented to the City Manager for

consideration and approval. The final plan shall be distributed to those employees of Contractor and City and private parties who would have a role in implementing such plan in the event of a disaster.

In addition to the disaster debris cleanup implementation plan, Contractor shall: (1) assist City in the event of a major disaster by providing Collection Vehicles and drivers normally assigned to City at rates which do not exceed the maximum rates set forth in Exhibit A; and (2) , upon request and at no additional charge, provide to City at City Hall or other locations designated by the City Manager, up to ten (10) Bins and/or Rolloff Boxes, with the quantity and size to be designated by City, for use as emergency containers to store emergency materials and supplies.

23.6 Failure to Report

The refusal of Contractor to file any of the reports required, or the inclusion of any materially false or misleading statement or representation made knowingly by Contractor in such report shall be deemed a material breach of the Agreement, and shall subject Contractor to all remedies, legal or equitable, which are available to City under this Agreement or otherwise.

SECTION 24. COMPENSATION

24.1 Contractor Rates

Contractor shall provide services to Customers pursuant to this Agreement at rates it sets, charges to, and collects from Customers, which rates shall not exceed those set forth in Exhibit A, which sets out the maximum rates that may be charged by Contractor, as such maximum rates may be adjusted from time to time pursuant to the terms hereof. The maximum rates set forth in Exhibit A are inclusive of all services to be provided, including transportation, disposal, and Container costs, and no other charges shall be imposed by Contractor for such services.

24.2 Resolution of Disputes Regarding Rate Adjustments

Any dispute regarding an adjustment to the maximum rates Contractor may charge, or the computation thereof, shall be decided by the City Manager, subject to Contractor's right to request an administrative hearing pursuant to Section 19 of this Agreement. The rates in effect at the time such dispute is submitted to the City Manager shall remain in effect pending resolution of such dispute. The effective date of the adjusted maximum rate following the resolution of any such dispute, whether retroactive or prospective, shall be determined by the City Manager, subject to Contractor's right to request an administrative hearing pursuant to Section 19 of this Agreement.

24.3 Annual Consumer Price Index Adjustments

Commencing on July 1, 2020, the maximum rates as set forth in Exhibit A shall be adjusted, and such rates shall be adjusted annually thereafter on each subsequent July 1st during the Term hereof (the "Adjustment Dates"), as follows.

24.3.1 Service Component.

The Service Component comprises eighty percent (80%) of the maximum rates set forth in Exhibit A. The Service Component will be adjusted by the percentage increase (if any) 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, for the January to December period immediately preceding the Adjustment Date.

24.3.2 Disposal/Green Waste Processing Component.

The Disposal/Green Waste Component comprises twenty percent (20%) of the maximum rates set forth in Exhibit A. The Disposal/Green Waste Component will be adjusted by the greater of (i) the percentage increase (if any) 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, for the annual January to December period immediately preceding the Adjustment Date, and (ii) the percentage increase (if any) in the tipping fees or other charges established by the Riverside County Department of Waste Resources for disposal of Solid Waste generated within Riverside County at landfills comprising the County system (Badlands Landfill, Lamb Canyon Landfill, El Sobrante Landfill) for the January to December period immediately preceding the Adjustment Date. Notwithstanding anything to the contrary in this Agreement, the Disposal/Green Waste Component shall be utilized only for purposes of calculating rate increases, and shall not be utilized in calculating Gross Receipts and/or in the Franchise Fee to be paid to City. The Franchise Fee shall be determined pursuant to the provisions of Section 11.2 of this Agreement, utilizing the definition of Gross Receipts set forth in Section 2.34 of this Agreement.

24.3.3 City Manager Approval of Rate Increases.

No later than March 1st of any year during the Term in which Contractor desires to increase rates in accordance with the above, Contractor shall provide a written request therefor to the City Manager. The City Manager shall approve such a request unless it is determined, based upon substantial evidence, that the requested adjustment to the maximum rates does not meet the requirements as set forth herein. Upon the City Manager's approval to a requested adjustment to the maximum rates, the maximum rate sheet in Exhibit A shall be replaced with an updated maximum rate sheet.

24.4 Limitations to Annual Adjustments

Notwithstanding anything to the contrary in Section 24.3 above, the portion of the maximum rate comprised by the Service Component may not be increased in any given year by more than four percent (4%), nor decreased (e.g., reduced more than zero percent (0%)); excepting increases associated with "discretionary adjustments" approved by the City Council pursuant to Section 24.6. In the event the formula set forth in Section 24.3 would have allowed for a greater than four percent (4%) increase or a decrease in any given year, but such increase or decrease does not occur as a result of this Section, the unused percentage increase or decrease otherwise permitted by Section 24.3 may be carried over until such time as it may be applied without violating the

provisions of this Section (Hence, by way of example only, if the formula in Section 24.3 would provide for an increase of five percent (5%) in one year, the maximum rate may only be increased by four percent (4%) for the corresponding year due to the limitations in this Section 24.4. If, in the next year, the formula in Section 24.3 would provide for an increase of one percent (1%), the unapplied one percent (1%) increase from the prior year may be applied to the formula in Section 24.3 for such next year, such that the total increase in the maximum rates for the two year period in question would be six percent (6%). Alternatively, if the formula in Section 24.3 would provide for a decrease of two percent (2%) in one year, the maximum rate will not be decreased for the corresponding year. If, in the next year, the formula in Section 24.3 would provide for an increase of three percent (3%), the unapplied two percent (2%) decrease from the prior year may be applied to the formula in Section 24.3 for such next year such that the increase in the maximum rates for the next year is one percent (1%)).

24.5 Contractor Responsibility to Calculate Rate Adjustments

It is anticipated that to obtain City Manager's approval of Contractor's requested rate increase, Contractor shall provide all necessary information to substantiate the calculation. City will make an effort to verify information provided by Contractor, but ultimately Contractor bears the burden of ensuring the submitted calculation is correct and supported by all necessary documentation. Contractor agrees and acknowledges that City is entitled to rely, in good faith, on information submitted by Contractor, including mathematical calculations, CPI data, and other documentation, to justify Contractor's requested rate increase. In the event that there are errors in Contractor's requested rate increase request, including, but not limited to, an inaccurate rate adjustment request, inaccurate application of the rate increase formula described above, or usage of inaccurate data, Contractor acknowledges and agrees that City is entitled to seek recovery of damages on behalf of the public, or impose future rate reductions, sufficient to compensate for the errors.

24.6 Extraordinary Adjustments

24.6.1 General

In addition to the annual adjustment described in Section 24.3, Contractor shall also be entitled to adjust the maximum rates set forth in Exhibit A to address extraordinary changes in costs for providing the services required under this Agreement. Extraordinary adjustments to the maximum rates set forth in Exhibit A may be requested no more than once per year, and if approved, will be implemented effective as of the annual July 1 adjustment to the maximum rates set forth in Exhibit A, except as provided otherwise herein. Extraordinary adjustments may be requested based on any one or more of the following causes:

(A) Material changes resulting from a force majeure event as defined in Section 30.1 of this Agreement;

(B) Fees or taxes imposed specifically on Solid Waste Handling Services by any governmental agency having jurisdiction;

(C) Any change in foreign, federal, state or local laws or regulations that are effective after the Effective Date;

(D) Any extraordinary increase in costs or decrease in revenues for disposal, processing or marketing of Solid Waste, Recyclable Materials, Green Waste, or Organic Waste;

(E) An extraordinary increase in the cost of fuel used by Collection Vehicles; or

(F) Any other extraordinary circumstances or causes or reasons that are not within the reasonable control of Contractor.

24.6.2 Contractor Requests for an Extraordinary Adjustment

If Contractor requests an adjustment to the maximum rates set forth in Exhibit A due to the extraordinary circumstances set forth above, Contractor shall prepare a request setting forth its calculation of the increased extraordinary costs and accompanying requested adjustment to the maximum rates. Contractor shall provide City with such information as it deems necessary in its reasonable judgment to evaluate any request for an extraordinary rate adjustment, and failure by Contractor to do so shall be a sufficient reason for City to deny such a request. The City shall take reasonable steps, consistent with applicable law, to protect the confidential or proprietary nature of any data or information supplied by Contractor. The City shall act within ninety (90) days of receipt of Contractor's request and make the final determination as to whether City, in its reasonable judgment, approves Contractor's request. In connection with a request for an extraordinary adjustment on the basis of subsections (A), (E), or (F) above, Contractor shall provide City all financial information as requested by City and which it deems necessary in its reasonable judgment to evaluate whether the adjustment will result in the Parties remaining in the same relative economic position as they were in as of the Effective Date, which information may include items such as Contractor's total revenues and total cost of services. Any delay in providing information requested by City pursuant to the above shall result in a corresponding extension to the above noted ninety (90) day timeline. Notwithstanding the foregoing, if Contractor's request for an extraordinary adjustment is on the basis of subsection (B), City's shall use its reasonable judgment to evaluate the request and, if approved, the increase shall occur using a method and timeframe that will enable all fees or taxes imposed upon Contractor to be passed on to Customers. Upon request, the parties agree to periodically review any approved extraordinary adjustment from time to time to determine if the circumstances underlying Contractor's request for the adjustment continue to exist, and to revise the amount of the adjustment accordingly.

24.6.3 City Denial of Contractor Request for an Extraordinary Adjustment

In the event that City is unable by operation of Applicable Law to approve or implement an adjustment to the maximum rates set forth in Exhibit A under this Section 24, or some or all of the rates are disallowed by operation of Applicable Law, City shall deny such request. In the event that City denies Contractor's request for an adjustment to the maximum rates set forth in Exhibit A based on City's review of the financial information submitted by Contractor pursuant to Section 24.6.2, Contractor may, within thirty (30) days after receipt of City's denial, request in writing that the Parties negotiate in good faith regarding Contractor's request for an adjustment to the maximum rates set forth in Exhibit A, which may include, without limitation, reductions in programs, services, or fees and charges, and rebates. If the Parties have not reached agreement within ninety (90) days following the date City receives Contractor's written request for

negotiation, either party may terminate this Agreement upon written notice no earlier than one (1) year after written notice to the other.

24.7 Grants

From time to time, federal, state or local agencies including the City may provide to Contractor grants to assist in financing qualified programs provided by Contractor in the City (including, without limitation, grants for diversion programs and related equipment, alternative fuel vehicles and equipment, and Household Hazardous Waste Collection and Disposal). Contractor shall notify City upon receipt of any such grant funds that may be used to fund services provided pursuant to the terms of this Agreement. With the exception of grants already received by Contractor as of the Effective Date, and grants for Collection Vehicles and for Organics processing facilities, any funds received through grants for services in the City are intended to benefit City and its residents and businesses, and in essence are held by Contractor in trust on behalf of City. Accordingly, Contractor agrees that the total amount of compensation it receives from Customers hereunder, may be reduced by the amount of any such grant, unless the grant is used to pay for services in City. The City Council shall determine whether the reduction in Contractor's compensation shall be: (1) passed through to Customers designated by City as a reduction to maximum rates; (2) as an offset to the next increase to maximum rates requested by Contractor; (3) paid to City for use as City directs; or (4) applied in any combination of (1) through (3).

SECTION 25. IDENTIFICATION OF CONTRACTOR

Contractor has agreed to use the names "Waste Management of the Inland Empire" or "Waste Management" to identify itself to the public as the specific organization that shall provide all services under this Agreement. Unless otherwise approved in writing by City, this name shall be used for all correspondence, Billing statements, directory listings, references, signs, and vehicle and Container identification.

SECTION 26. TRANSPORTATION OF SOLID WASTE

Contractor shall transport all Solid Waste, Recyclable Materials, and Organic Waste Collected in the City to a properly permitted transfer station, materials recovery facility, Organic Waste processing facility, transformation facility, processing facility or disposal site selected by Contractor. Contractor shall maintain complete, accurate, and up-to-date records of the quantities of materials transported to the transfer station, materials recovery facility, transformation facility, processing facility, or disposal site.

SECTION 27. INDEMNIFICATION

27.1 General

(A) Contractor hereby agrees to and shall indemnify and hold harmless the Indemnified Parties from and against any and all loss, liability, penalty, forfeiture, claim,

demand, action, proceeding or suit in law or equity of any and every kind and description (including, but not limited to, injury to and death of any Person and damage to property, or for contribution or indemnity claimed by third parties) arising out of, resulting from, and/or in any way connected with Contractor's performance pursuant to this Agreement including: (1) the negligence or willful misconduct of Contractor, its officers, employees, agents, and/or subcontractors in performing services under this Agreement; (2) the failure of Contractor, its officers, employees, agents, and/or subcontractors to comply in all respects with the provisions of this Agreement, all Applicable Laws (including, without limitation, the Environmental Laws), ordinances and regulations, and/or applicable permits and licenses; and (3) the acts of Contractor, its officers, employees, agents, and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law (including, without limitation, the Environmental Laws). The foregoing indemnity and hold harmless provisions shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of the Indemnified Parties' negligence, but shall not extend to matters resulting from the Indemnified Parties' sole negligence, or willful misconduct. Contractor further agrees to and shall, upon demand of City, at Contractor's sole cost and expense, defend (with attorneys acceptable to City) City, its elected and appointed boards and commissions, officers, employees, and agents against any claims, actions, suits in law or equity or other proceedings, whether judicial, quasi-judicial or administrative in nature, arising or resulting from any of the aforementioned events, and to reimburse City for any and all reasonable costs and expenses City incurs in providing any such defense, either before, during or after the time Contractor elects to provide such defense, including any and all costs incurred in overseeing any defense to be provided herein by Contractor.

(B) Contractor, upon demand of City, made by and through the City Attorney, shall protect City and appear in and defend City and its elected officials, officers, employees and agents, in any claims or actions by third parties, whether judicial, administrative or otherwise, including, but not limited to disputes and litigation over the definitions of "Solid Waste" or "Recyclable Material," the scope of the rights granted herein, conflicts between the rights granted herein and rights asserted by other Persons, or the limits of City's authority with respect to the grant of licenses, or agreements, exclusive or otherwise, asserting rights under the Dormant Commerce Clause or any other federal or state laws to provide Collection services in the City. This indemnity shall not extend to claims arising out of the gross negligence or willful misconduct of the City.

(C) The provisions of this Section shall not terminate or expire, shall be given the broadest possible interpretation, and shall survive the expiration or earlier termination of this Agreement.

27.2 Hazardous Substances Indemnification

(A) Without regard to any insurance coverage or requirements, and without limiting the above general indemnification obligation in any way, Contractor specifically agrees to and shall, to the maximum extent permitted by law, defend (with counsel acceptable to City) reimburse, indemnify, and hold the Indemnified Parties harmless from

and against any and all claims, actions, liabilities, damages, demands, judgments, losses, costs, liens, expenses, suits, actions, attorneys' fees, consultant fees, penalties and any and all other losses, damages, fees and expenses of whatever kind or nature ("Claims") (including but not limited to response costs, investigative costs, assessment costs, monitoring costs, treatment costs, cleanup costs, removal costs, remediation costs, and similar costs, damages and expenses) that arise out of or are alleged to arise out of or in any way relate to any action, inaction or omission of Contractor that:

(1) results in any demand, claim, notice, order, or lawsuit, asserting that any Indemnified Party is liable, responsible or in any way obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise cleanup, any Hazardous Waste or Hazardous Substance; or

(2) relates to material Collected, transported, recycled, processed, treated or disposed of by Contractor.

(B) Contractor's obligations pursuant to this Section shall apply, without limitation, to:

(1) any Claims brought pursuant to or based on the provisions of the Environmental Laws, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., the Carpenter-Presley-Tanner Hazardous Substances Account Act (California Health & Safety Code Sections 25300 et seq.), the California Hazardous Waste Control Laws (California Health and Safety Code Sections 25100 et seq.), the California Porter-Cologne Act (California Water Code Section 13000 et seq.), and any and all amendments and regulations thereto, and any other federal, state, regional or local environmental statutory or regulatory provision;

(2) any Claims based on or arising out of or alleged to be arising out of the ownership, use, lease, sale, design, construction, maintenance or operation by Contractor of any facility;

(3) any Claims based on or arising out of or alleged to be arising out of the marketing, sale, distribution, storage, transportation, disposal, processing or use of any materials recovered by Contractor; and

(4) any Claims based on or arising out of or alleged to be arising out of any breach of any express or implied warranty, representation or covenant arising out of or in connection with this Agreement.

(C) The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Contractor or any Affiliate of Contractor.

(D) The provisions of this Section shall not terminate or expire, shall be given the broadest possible interpretation, and shall survive the expiration or earlier termination of this Agreement.

(E) The foregoing indemnification shall not apply with respect to any Claims to the extent arising from the delivery of Exempt Waste, Hazardous Waste, or Hazardous Substances by City to Contractor or the gross negligence or willful misconduct of any of the Indemnified Parties.

SECTION 28.

CONTRACTOR'S BOOKS AND RECORDS; AUDITS

28.1 Maintenance and Inspection of Records

Contractor shall maintain all records relating to the services provided hereunder, including but not limited to Customer lists, billing records, accounts payable records, maps, AB 939 compliance records, records reflecting the number of refuse, recycling and Organic Waste routes and route hours by service category (such as residential, multi-family, commercial, roll-off, and special services), records demonstrating facilities, equipment and personnel used to perform services, records reflecting the number of refuse, recycling and Organic Waste Containers in service by frequency of Collection for each customer group (such as single family, multi-family, commercial, roll-off); records reflecting the number of roll-off box pulls, and such other documents and materials which reasonably relate to Contractor's compliance with the provisions of this Agreement (the "Records"), for the full Term of this Agreement, and an additional period thereafter of not less than three (3) years, or any longer period required by law. City shall have the right, upon five (5) business days advance notice, to inspect the Records. Such Records shall be made available to City at Contractor's regular place of business, but in no event outside the County of Riverside. Notwithstanding the foregoing, Contractor shall not be required to maintain or disclose any information in contravention of the California Consumer Privacy Act and its implementing regulations, as may be amended.

28.2 CERCLA Defense Records

City views the ability to defend against the Comprehensive Environmental Response, Compensation and Liability Act and related litigation as a matter of great importance. For this reason, City regards the ability to prove where Solid Waste Collected in the City was taken for Disposal, as well as where it was not taken, to be matters of concern. Contractor shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the City was landfilled (and therefore establish where it was not landfilled) for not less than five (5) years following the termination of this Agreement, and agrees to notify City's City Manager, City Clerk and City Attorney before destroying such records thereafter. At any time, including after the expiration of the Term hereof, Contractor shall provide copies of such records to City upon request. The requirements of this Section shall survive the expiration of the Term of this Agreement.

28.3 Ongoing Compliance Review

City intends review Contractor's performance on an ongoing basis to ensure compliance with the terms and provisions of this Agreement, and it is City's intent that a designated portion of the Administrative Cost Reimbursement, as more fully described in Section 11.3, will be used to fund City's costs associated with ensuring Contractor's ongoing compliance. At a minimum,

City intends to have internal staff or outside consultants review Contractor's performance to ensure ongoing compliance with the terms hereof, including, but not limited to, the payment of required fees, performance of the services stated herein, implementation of programs required under the Agreement, Contractor's maintenance and upkeep of records, and compliance with all Applicable Laws. Contractor shall provide any and all information reasonably requested by City in connection with its efforts to ensure compliance with the terms hereof, regardless of whether such information is specifically otherwise called out herein as an item that Contractor is required to maintain and provide to City. Notwithstanding the foregoing, Contractor shall not be required to maintain or disclose any information in contravention of the California Consumer Privacy Act and its implementing regulations, as may be amended.

28.4 Confidentiality of Contractor's Records

City acknowledges certain records and reports of Contractor submitted to or reviewed by City pursuant to this Agreement may be proprietary and confidential. Contractor shall mark as "Confidential" all documents that Contractor asserts are proprietary and confidential. City will exercise reasonable efforts to maintain the confidentiality of all proprietary and confidential information provided by Contractor. To the extent the City does not agree that a document marked as "Confidential" is exempt from disclosure under the Public Records Act, City will provide Contractor notice of public records requests for such documents Contractor has identified as "Confidential" and will hold the release of such documents for a reasonable period of time (to the extent permitted by the Public Records Act) to allow Contractor to seek a protective order from a court of competent jurisdiction.

28.5 Audits

28.5.1 Examination of Services

From time to time, anticipated to occur as a result of reports and other submittals required by this Agreement, City may request Contractor to make available any or all of its records related to performance hereunder available to an independent auditor or examiner, to be selected by the City, for auditing and examination purposes (a "Discretionary Audit"), for the purpose of verifying performance of Contractor's obligations hereunder. The first Discretionary Audit shall be performed in 2021 and shall be based on the Contractor's reports and records described in Section 28.1 of this Agreement through calendar year 2020. The scope of the Discretionary Audit and auditor or examiner will be determined by City and the scope may include compliance with the terms of this Agreement, Customer service levels and Billing, fee payments, Gross Receipts, tonnage, and verification of diversion rates. Except as otherwise provided herein, City shall bear the cost of any Discretionary Audit. Should any Discretionary Audit reveal an underpayment of any Franchise Fee required pursuant to this Agreement, the amount of such underpayment shall become due and payable to City not later than fifteen (15) days after written notice of such underpayment is sent to Contractor by City, complete with any additional late charges as set forth in Section 12. Should any Discretionary Audit reveal an overpayment of any Franchise Fee required pursuant to this Agreement, the amount of such overpayment shall act as a credit against Contractor's next Franchise Fee payment. If a Discretionary Audit reveals inaccuracies or inconsistencies in more than five percent (5%) of all Customer accounts, either with Contractor's operations or billing systems, or an underpayment of Franchise Fees of more than three percent

(3%), Contractor shall bear the entire cost of such Discretionary Audit. Notwithstanding the foregoing, Contractor shall not be required to maintain and/or disclose any information in contravention of the California Consumer Privacy Act or its implementing regulations, as may be amended.

28.5.2 Route Audit

Contractor shall complete an audit at its expense of its Collection routes for all Customers at Single Family Premises, Multi-Family Premises, and Commercial Premises at such times as may be requested by City; provided, however, that while City may request that such an audit occur at any time, it may not request such audits at Contractor's expense more than seven (7) times during the Term. The timing of such audits is at the City's discretion and may be required to be timed with the issuance of a request for proposals for a new agreement. The route audit, at minimum, shall consist of an independent physical observation by Person(s) other than the route driver or route supervisor of each Customer in the City. The route audit shall include, as a minimum, the following information for each account:

- Route Number;
- Truck Number;
- Account Name;
- Account Number;
- Account service address;
- Service Level per Billing System (quantity, size, frequency);
- Service Level per Routing System;
- Observed Containers (quantity, type and size);
- Bin condition;
- Proper signage; and
- Graffiti.

Within thirty (30) days after the completion of the route audit, Contractor shall submit to City a report summarizing the results thereof which shall include:

- Identification of the routes;
- Truck numbers;
- Number of accounts, by route and in total;

- Number of Containers (broken down by type) per service address, per route and total number of Containers;
- Types of exceptions observed;
- Number of exceptions by type;
- Total quarterly Billing, pre-audit;
- Total quarterly Billing, post-audit (subsequent to corrections of identified exceptions);
- Percentage of the number of accounts with errors to the total number of accounts served; and
- Percentage of the "net" change in quarterly Billing as a result of the audit to the total pre-audit quarterly Billing.

The report shall include a description of the procedures followed to complete the audit, and shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations. Additionally, the report shall include a description of the pre-audit training of the route auditors, particularly if temporary personnel are used. The report shall also include a description of the changes and Contractor's plans to resolve any exceptions. The route audit data and results of the audit shall be available for review by the City or its representative.

SECTION 29. TRANSITION OBLIGATIONS

At the end of the Term, or in the event this Agreement is terminated for cause prior to the end of the Term, Contractor shall cooperate fully with City and any subsequent solid waste enterprise it designates to assure a smooth transition of services. Contractor's cooperation shall include, but not be limited to, providing route lists, billing information and other operating records needed to service all premises covered by this Agreement. The failure to cooperate with City following termination shall be presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

Contractor shall undertake good faith efforts to provide any new solid waste enterprise with all keys, security codes and remote controls used to access garages, gates and bin enclosures. Contractor shall be responsible for coordinating transfer immediately after its final collection activities, so as to not disrupt services, including coordinating with the new solid waste enterprise on the removal of Contractor's Containers and the delivery of the new solid waste enterprise's Containers. Contractor shall provide City with detailed route sheets containing service names and addresses, billing names and addresses, quarterly rate and service levels (number and size of Containers and pickup days) at least ninety (90) days prior to the transition date, provide an updated list two weeks before the transition, and a final updated list with any changes the day before the transition. Contractor shall provide means of access to the new solid waste enterprise at least one full business day prior to its first day of collection, and within sufficient time so as to not impede in any way the new solid waste enterprise from easily servicing all Containers.

SECTION 30. GENERAL PROVISIONS

30.1 Force Majeure

Contractor shall not be in default under this Agreement in the event that its ability to provide Solid Waste Handling Services or Temporary Services, in compliance with its obligation to do so hereunder, is temporarily interrupted or discontinued for any of the following reasons: riots, wars, sabotage, civil disturbances, insurrections, strikes or other labor disturbances lasting five (5) days or less, explosion, natural disasters such as floods, earthquakes, landslides, and fires, or "other catastrophic events" which are beyond the reasonable control of Contractor. The term "other catastrophic events" does not include: (i) the financial inability of Contractor to perform; (ii) failure of Contractor to obtain any necessary permits or licenses from other governmental agencies, unless such failure is due to the governmental agencies' failure to 'diligently process Contractor's application; (iii) the failure to obtain the right, or the loss of the right, to use the facilities of any public utility where such failure is due in substantial part to the acts or omissions of Contractor; or (iv) strikes or other labor disturbances lasting longer than five (5) days, unless a plan to provide Solid Waste Handling Services that is reasonably satisfactory to City is put in place.

30.2 Independent Contractor

Contractor is an independent contractor and not an officer, agent, servant, or employee of City. Contractor is solely responsible for the acts and omissions of its officers, agents, employees, and subcontractors, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between City and Contractor. Neither Contractor nor its officers, employees, agents, or subcontractors shall obtain any rights to retirement or other benefits which accrue to City employees.

30.3 Property Damage

Any physical damage caused by the negligent or willful acts or omissions of employees, agents, or subcontractors of Contractor to private or public property shall be promptly repaired or replaced at Contractor's expense.

30.4 Right of Entry

Contractor shall not have the right, until Contractor receives permission from the property owner, to enter or drive on any private street, court, place, easement, or other private property for the purpose of providing Temporary Services and/or Solid Waste Handling Services pursuant to this Agreement.

30.5 Law to Govern; Venue

The laws of the State of California shall govern this Agreement. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Riverside and venue in federal trial courts shall lie exclusively in the District of California in which City is located.

30.6 Amendment

This Agreement is intended to carry out City's obligations to comply with the provisions of AB 939 and AB 341, as implemented by regulations of CalRecycle, as they from time to time may be amended. In the event that, after the Effective Date of this Agreement, AB 939 or AB 341 is amended, or other state or federal laws or regulations are enacted and prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Except as otherwise expressly stated herein, no other amendment of this Agreement shall be valid unless it is in writing and duly executed by the parties.

30.7 Notices

All notices required or permitted to be given under this franchise shall be in writing and shall be personally delivered or sent by United States certified mail, postage prepaid, return receipt requested, and addressed as follows:

To City: City of Menifee
 Attn: City Manager
 29844 Haun Road
 Menifee, CA 92586

With a copy to: Rutan & Tucker, LLP
 Attn: Jeffrey Melching
 611 Anton Boulevard, Ste 1400
 Costa Mesa, CA 92626

To Contractor: Waste Management of Inland Empire
 Attn: Director of Operations
 9081 Tujunga Avenue
 Sun Valley, CA 91352

Copy to: Waste Management – Southern California Market Area
 Attn: Legal Counsel
 9081 Tujunga Avenue
 Sun Valley, CA 91352

or to such other address as either party may from time to time designate by notice to the other given in accordance with this Section. Notice shall be deemed given on the date served if served personally between the hours of 8:00 a.m. to 5:00 p.m. on any regular business day for City's business offices. If mailed, notice shall be deemed given three (3) business days from the date such notice is deposited in the United States mail in the manner proscribed above.

30.8 Guarantee of Contractor's Performance

Pursuant to a guarantee in substantially the form attached as Exhibit D, Waste Management, Inc. ("Guarantor") has agreed to guarantee Contractor's performance of its obligations pursuant to this Agreement, and Contractor shall insure that Guarantor shall provide a fully executed copy of the Guarantee required by this provision concurrently with Contractor's delivery of this Agreement to City.

30.9 Savings Clause

If any provision of this Agreement is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the validity and enforceability of any of the remaining provisions of this Agreement.

30.10 Exhibits Incorporated

Exhibit A, Exhibit B, Exhibit C, Exhibit D, and Exhibit E are attached to and incorporated in this Agreement by reference.

30.11 Joint Drafting

This Agreement shall be interpreted as if it were drafted jointly by the parties to the Agreement.

30.12 Attorneys' Fees and Litigation Costs

In the event either party brings any action or proceeding to enforce or interpret the terms or provisions of this Agreement, the prevailing party in any such action or proceeding shall be entitled to recover its reasonable attorneys' fees and other litigation costs and expenses, including without limitation expert witness fees, consultant fees and costs. Without limiting its scope in any way, this provision is expressly intended to, and shall, apply to fees and costs incurred in any appeal.

30.13 City's Authorized Agent

Notwithstanding anything contained herein to the contrary, and excepting amendments hereto and such actions set forth herein specifically calling for City Council action or approval, the City Manager is designated as the City's authorized agent to take any action with regard to any matter, or enforce any right, set forth herein requiring action by the City.

30.14 Integrated Agreement

This Agreement contains the entire integrated agreement and understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, promises, proposals, and agreements between the Parties, whether written or oral. The Parties acknowledges this document has been executed with the consent and upon the advice of counsel. Each of the Parties acknowledges that no party or agent or attorney of any other party has made any promise,

representation, or warranty, express or implied, not contained in this Agreement, to induce the other party to execute this instrument.

30.15 Section Headings

The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

30.16 Compliance with Law

In providing the services required under this Agreement, City and Contractor shall at all times, at its sole cost, comply with all Applicable Laws, including the laws and regulations of the United States, the State of California, the provisions of the Municipal Code, and any federal, state, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended.

30.17 No Third Party Beneficiaries

Except as otherwise provided for in this Agreement, nothing in this Agreement, whether expressed or implied, is intended to confer any rights on any persons other than the parties to the Agreement and their representatives, successors, and permitted assigns.

[SIGNATURES ON FOLLOWING PAGE]

"City"

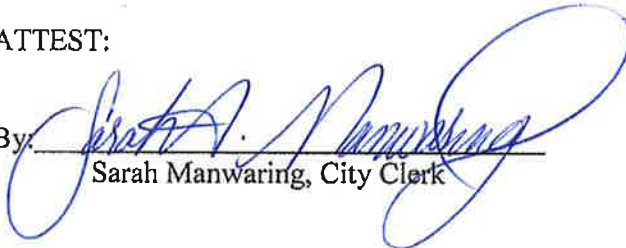
CITY OF MENIFEE, a California municipal corporation

Dated: 3/20/20

By: 

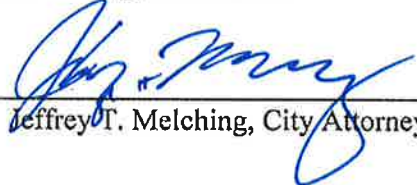
Armando Villa, City Manager

ATTEST:

By: 
Sarah Manwaring, City Clerk

ARMANDO G. VILLA
CITY MANAGER
CITY OF MENIFEE

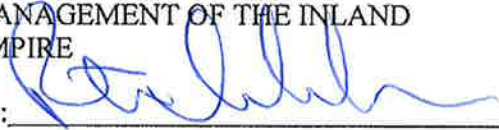
APPROVED AS TO FORM:

By: 
Jeffrey T. Melching, City Attorney

"Contractor"

USA WASTE OF CALIFORNIA, INC., a
Delaware corporation, dba WASTE
MANAGEMENT OF THE INLAND
EMPIRE

Dated: FEB 27, 2020

By: 
Pete Demolder, Vice President and Asst.
Secretary

Dated: _____

By: _____
Doug Corcoran, Vice President

"City"

CITY OF MENIFEE, a California municipal
corporation

Dated: _____

By: _____
Bill Zimmerman, Mayor

ATTEST:

By: _____
Sarah Manwaring, City Clerk

APPROVED AS TO FORM:

By: _____
Jeffrey T. Melching, City Attorney

"Contractor"

USA WASTE OF CALIFORNIA, INC., a
Delaware corporation, dba WASTE
MANAGEMENT OF THE INLAND
EMPIRE

Dated: _____

By: _____
Pete Demolder, Vice President and Asst.
Secretary

Dated: 02/26/2020

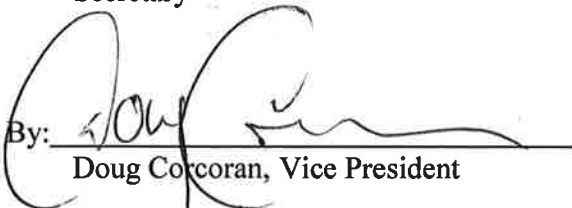
By: 
Doug Corcoran, Vice President

EXHIBIT A

MAXIMUM RATE SCHEDULE FOR SOLID WASTE HANDLING SERVICES

Attachment 1
City of Menifee
Solid Waste and Recycling Rates
Effective July 1, 2019

Residential Service							
Service Description	Container Size	Service Frequency	FY 2018/19 Current Rate	FY 2019/20 Rate Adjustment	FY 2019/20 Proposed Rate	Billing Frequency	Increase %
Residential - weekly trash, recycling, green waste service	96 Gallon	1x weekly	\$ 26.50	\$ 0.81	\$ 27.41	per month	3.05%
Residential - weekly trash, recycling service	96 Gallon	1x weekly	\$ 23.73	\$ 0.72	\$ 24.45	per month	3.05%
Senior - weekly trash, recycling, green waste service	64 Gallon	1x weekly	\$ 24.21	\$ 0.74	\$ 24.95	per month	3.05%
Senior - weekly trash, recycling service	64 Gallon	1x weekly	\$ 21.60	\$ 0.66	\$ 22.26	per month	3.05%
Low Volume - weekly trash, recycling, green waste service	64 Gallon	1x weekly	\$ 24.21	\$ 0.74	\$ 24.95	per month	3.05%
Low Volume - weekly trash, recycling service	64 Gallon	1x weekly	\$ 21.60	\$ 0.66	\$ 22.26	per month	3.05%
Additional Container - Trash			\$ 7.17	\$ 0.22	\$ 7.39	per month	3.05%
Additional Container - Recycling (beyond 2 containers)			\$ 2.99	\$ 0.09	\$ 3.08	per month	3.05%
Additional Container - Green Waste			\$ 5.87	\$ 0.18	\$ 6.05	per month	3.05%
Curbside Bulky Item Collection (beyond 2 annual pickups)			\$ 22.98	\$ 0.70	\$ 23.68	per item	3.05%
Curbside E-Waste Collection			\$ 34.86	\$ 1.06	\$ 35.92	per item	3.05%
Extra Trash Bag Collection			\$ 4.30	\$ 0.13	\$ 4.43	per bag	3.05%
Cart Exchange (beyond 1 per year)			\$ 16.39	\$ 0.56	\$ 16.95	per occurrence	3.05%
Cart Replacement - Lost/Stolen			\$ 126.41	\$ 3.86	\$ 130.27	per occurrence	3.05%
Overage Fee			\$ 53.77	\$ 1.64	\$ 55.41	per bin, per pickup	3.05%
Return fee			\$ 29.04	\$ 0.89	\$ 29.93		3.05%
Haul Or Call (HOC) Fee			\$ 28.47	\$ 0.87	\$ 29.34		3.05%
Account Set Up Fee			\$ 15.88	\$ 0.48	\$ 16.36	per occurrence	3.05%
Account Reactivation Fee - Bad Debt			\$ 22.98	\$ 0.70	\$ 23.68	per occurrence	3.05%
Account Cart Redelivery Fee - Bad Debt			\$ 22.98	\$ 0.70	\$ 23.68	per occurrence	3.05%
Delinquent Accounts - WM Penalty Fee			10%		10%	one time	0.00%
Delinquent Accounts - WM Interest Fee			18%		18%	one time	0.00%
WM Tax Roll Fee			\$ 32.61	\$ 0.99	\$ 33.60	one time	3.05%
Commercial Service							
Service Description	Container Size	Service Frequency	FY 2018/19 Current Rate	FY 2019/20 Rate Adjustment	FY 2019/20 Proposed Rate	Billing Frequency	Increase %
Commercial/Multi Family - Trash Service	1.5/2 Yard Bin	1x weekly	\$ 100.43	\$ 3.06	\$ 103.49	per month	3.05%
Commercial/Multi Family - Trash Service	1.5/2 Yard Bin	2x weekly	\$ 200.86	\$ 6.13	\$ 206.99	per month	3.05%
Commercial/Multi Family - Trash Service	1.5/2 Yard Bin	3x weekly	\$ 301.29	\$ 9.19	\$ 310.48	per month	3.05%
Commercial/Multi Family - Trash Service	1.5/2 Yard Bin	4x weekly	\$ 401.73	\$ 12.25	\$ 413.98	per month	3.05%
Commercial/Multi Family - Trash Service	1.5/2 Yard Bin	5x weekly	\$ 502.17	\$ 15.32	\$ 517.49	per month	3.05%
Commercial/Multi Family - Trash Service	1.5/2 Yard Bin	6x weekly	\$ 602.59	\$ 18.38	\$ 620.97	per month	3.05%
Commercial/Multi Family - Trash Service	3 Yard Bin	1x weekly	\$ 138.63	\$ 4.23	\$ 142.91	per month	3.05%
Commercial/Multi Family - Trash Service	3 Yard Bin	2x weekly	\$ 277.37	\$ 8.46	\$ 285.83	per month	3.05%
Commercial/Multi Family - Trash Service	3 Yard Bin	3x weekly	\$ 416.06	\$ 12.69	\$ 428.75	per month	3.05%
Commercial/Multi Family - Trash Service	3 Yard Bin	4x weekly	\$ 554.75	\$ 16.92	\$ 571.67	per month	3.05%
Commercial/Multi Family - Trash Service	3 Yard Bin	5x weekly	\$ 693.43	\$ 21.15	\$ 714.58	per month	3.05%
Commercial/Multi Family - Trash Service	3 Yard Bin	6x weekly	\$ 832.12	\$ 25.38	\$ 857.50	per month	3.05%
Commercial/Multi Family - Trash Service	4 Yard Bin	1x weekly	\$ 184.90	\$ 5.64	\$ 190.54	per month	3.05%
Commercial/Multi Family - Trash Service	4 Yard Bin	2x weekly	\$ 369.85	\$ 11.28	\$ 381.13	per month	3.05%
Commercial/Multi Family - Trash Service	4 Yard Bin	3x weekly	\$ 554.75	\$ 16.92	\$ 571.67	per month	3.05%
Commercial/Multi Family - Trash Service	4 Yard Bin	4x weekly	\$ 739.66	\$ 22.56	\$ 762.22	per month	3.05%
Commercial/Multi Family - Trash Service	4 Yard Bin	5x weekly	\$ 924.57	\$ 28.20	\$ 952.77	per month	3.05%
Commercial/Multi Family - Trash Service	4 Yard Bin	6x weekly	\$ 1,109.47	\$ 33.84	\$ 1,143.31	per month	3.05%
Commercial/Multi Family - Trash Service	6 Yard Bin	1x weekly	\$ 256.45	\$ 7.82	\$ 264.27	per month	3.05%
Commercial/Multi Family - Trash Service	6 Yard Bin	2x weekly	\$ 512.90	\$ 15.64	\$ 528.54	per month	3.05%
Commercial/Multi Family - Trash Service	6 Yard Bin	3x weekly	\$ 769.34	\$ 23.46	\$ 792.80	per month	3.05%
Commercial/Multi Family - Trash Service	6 Yard Bin	4x weekly	\$ 1,025.77	\$ 31.29	\$ 1,057.06	per month	3.05%
Commercial/Multi Family - Trash Service	6 Yard Bin	5x weekly	\$ 1,282.21	\$ 39.11	\$ 1,321.32	per month	3.05%
Commercial/Multi Family - Trash Service	6 Yard Bin	6x weekly	\$ 1,538.64	\$ 46.93	\$ 1,585.57	per month	3.05%
Commercial/Multi Family - Recycling Service	1.5/2 Yard Bin	1x weekly	\$ 71.72	\$ 2.19	\$ 73.91	per month	3.05%
Commercial/Multi Family - Recycling Service	1.5/2 Yard Bin	2x weekly	\$ 140.52	\$ 4.29	\$ 144.81	per month	3.05%
Commercial/Multi Family - Recycling Service	1.5/2 Yard Bin	3x weekly	N/A	N/A	\$ 215.71	per month (2)	#VALUE!
Commercial/Multi Family - Recycling Service	1.5/2 Yard Bin	4x weekly	N/A	N/A	\$ 286.61	per month (2)	
Commercial/Multi Family - Recycling Service	1.5/2 Yard Bin	5x weekly	N/A	N/A	\$ 357.51	per month (2)	
Commercial/Multi Family - Recycling Service	3 Yard Bin	1x weekly	\$ 83.17	\$ 2.54	\$ 85.71	per month	3.05%
Commercial/Multi Family - Recycling Service	3 Yard Bin	2x weekly	\$ 163.47	\$ 4.99	\$ 168.46	per month	3.05%
Commercial/Multi Family - Recycling Service	3 Yard Bin	3x weekly	N/A	N/A	\$ 251.21	per month (2)	
Commercial/Multi Family - Recycling Service	3 Yard Bin	4x weekly	N/A	N/A	\$ 333.96	per month (2)	
Commercial/Multi Family - Recycling Service	3 Yard Bin	5x weekly	N/A	N/A	\$ 416.71	per month (2)	
Commercial/Multi Family - Recycling Service	4 Yard Bin	1x weekly	\$ 101.81	\$ 3.11	\$ 104.91	per month	3.05%
Commercial/Multi Family - Recycling Service	4 Yard Bin	2x weekly	\$ 199.32	\$ 6.08	\$ 205.39	per month	3.05%
Commercial/Multi Family - Recycling Service	4 Yard Bin	3x weekly	N/A	N/A	\$ 305.88	per month (2)	
Commercial/Multi Family - Recycling Service	4 Yard Bin	4x weekly	N/A	N/A	\$ 406.36	per month (2)	
Commercial/Multi Family - Recycling Service	4 Yard Bin	5x weekly	N/A	N/A	\$ 506.84	per month (2)	
Commercial/Multi Family - Recycling Service	6 Yard Bin	1x weekly	\$ 107.53	\$ 3.28	\$ 110.81	per month	3.05%
Commercial/Multi Family - Recycling Service	6 Yard Bin	2x weekly	\$ 212.35	\$ 6.48	\$ 218.82	per month	3.05%
Commercial/Multi Family - Recycling Service	6 Yard Bin	3x weekly	N/A	N/A	\$ 326.85	per month (2)	
Commercial/Multi Family - Recycling Service	6 Yard Bin	4x weekly	N/A	N/A	\$ 434.87	per month (2)	
Commercial/Multi Family - Recycling Service	6 Yard Bin	5x weekly	N/A	N/A	\$ 542.89	per month (2)	

Commercial/Multi Family - Manure Service	2 Yard Bin	1x weekly	\$ 146.03	\$ 4.45	\$ 150.48	per month	3.05%
Commercial/Multi Family - Manure Service	3 Yard Bin	1x weekly	\$ 189.82	\$ 5.79	\$ 195.61	per month	3.05%
Commercial/Multi Family - Compactor Service	2 Yard Bin	1x weekly	\$ 167.37	\$ 5.10	\$ 172.47	per month	3.05%
Commercial/Multi Family - Compactor Service	2 Yard Bin	2x weekly	\$ 307.86	\$ 9.39	\$ 317.25	per month	3.05%
Commercial/Multi Family - Compactor Service	2 Yard Bin	3x weekly	\$ 448.34	\$ 13.67	\$ 462.01	per month	3.05%
Commercial/Multi Family - Compactor Service	2 Yard Bin	4x weekly	\$ 508.81	\$ 17.96	\$ 606.77	per month	3.05%
Commercial/Multi Family - Compactor Service	2 Yard Bin	5x weekly	\$ 729.26	\$ 22.24	\$ 751.50	per month	3.05%
Commercial/Multi Family - Compactor Service	2 Yard Bin	6x weekly	\$ 869.75	\$ 26.53	\$ 896.28	per month	3.05%
Commercial/Multi Family - Compactor Service	3 Yard Bin	1x weekly	\$ 225.62	\$ 6.88	\$ 232.50	per month	3.05%
Commercial/Multi Family - Compactor Service	3 Yard Bin	2x weekly	\$ 424.42	\$ 12.94	\$ 437.36	per month	3.05%
Commercial/Multi Family - Compactor Service	3 Yard Bin	3x weekly	\$ 623.18	\$ 19.01	\$ 642.19	per month	3.05%
Commercial/Multi Family - Compactor Service	3 Yard Bin	4x weekly	\$ 821.89	\$ 25.07	\$ 846.96	per month	3.05%
Commercial/Multi Family - Compactor Service	3 Yard Bin	5x weekly	\$ 1,020.64	\$ 31.13	\$ 1,051.77	per month	3.05%
Commercial/Multi Family - Compactor Service	3 Yard Bin	6x weekly	\$ 1,219.44	\$ 37.19	\$ 1,256.63	per month	3.05%
Commercial/Multi Family - Organics Service	64 Gallon	1x weekly	\$ 37.15	\$ 1.13	\$ 38.28	per month	3.05%
Commercial/Multi Family - Organics Service	64 Gallon	2x weekly	\$ 74.30	\$ 2.27	\$ 76.57	per month	3.05%
Commercial/Multi Family - Organics Service	64 Gallon	3x weekly	\$ 111.45	\$ 3.40	\$ 114.85	per month	3.05%
Commercial/Multi Family - Organics Service	64 Gallon	4x weekly	\$ 148.61	\$ 4.53	\$ 153.14	per month	3.05%
Commercial/Multi Family - Organics Service	64 Gallon	5x weekly	\$ 185.75	\$ 5.67	\$ 191.42	per month	3.05%
Commercial/Multi Family - Organics Service	64 Gallon	6x weekly	\$ 222.89	\$ 6.80	\$ 229.69	per month	3.05%
Commercial/Multi Family - Organics Service	2 Yard Bin	1x weekly	\$ 198.49	\$ 6.05	\$ 204.53	per month	3.05%
Commercial/Multi Family - Organics Service	2 Yard Bin	2x weekly	\$ 395.45	\$ 12.09	\$ 408.54	per month	3.05%
Commercial/Multi Family - Organics Service	2 Yard Bin	3x weekly	\$ 594.41	\$ 18.13	\$ 612.54	per month	3.05%
Commercial/Multi Family - Organics Service	2 Yard Bin	4x weekly	\$ 792.33	\$ 24.17	\$ 816.50	per month	3.05%
Commercial/Multi Family - Organics Service	2 Yard Bin	5x weekly	\$ 990.27	\$ 30.20	\$ 1,020.47	per month	3.05%
Commercial/Multi Family - Organics Service	2 Yard Bin	6x weekly	\$ 1,188.20	\$ 36.24	\$ 1,224.44	per month	3.05%
Temporary Roll Off Container - Trash Service (max 4 tons)			\$ 424.97	\$ 12.96	\$ 437.93		3.05%
Temporary Roll Off Container - C&D Waste Service (max 4 tons)			\$ 601.00	\$ 18.93	\$ 619.93	(1)	3.05%
Temporary Bin Service	3 Yard Bin		\$ 116.98	\$ 3.57	\$ 120.55	per week	3.05%
Temporary Bin Service - Weekly Rental Extension	3 Yard Bin		\$ 29.04	\$ 0.89	\$ 29.93	per week	3.05%
Permanent Roll Off Container - Haul			\$ 253.12	\$ 7.72	\$ 260.84		3.05%
Permanent Roll Off Container - Disposal			\$ 42.96	\$ 1.31	\$ 44.27	per ton	3.05%
Compactor - Haul			\$ 361.82	\$ 11.04	\$ 372.86		3.05%
Compactor - Disposal			\$ 42.96	\$ 1.31	\$ 44.27	per ton	3.05%
Cardboard/Metal Recycle Load - Haul			\$ 253.12	\$ 7.72	\$ 260.84	(1)	3.05%
Cardboard/Metal Recycle Load - Disposal			\$ -	\$ -	\$ -	(1)	3.05%
Concrete/Asphalt Recycle Load - Haul			\$ 253.12	\$ 7.72	\$ 260.84	(1)	3.05%
Concrete/Asphalt Recycle Load - Disposal			\$ 139.40	\$ 4.25	\$ 143.65	per load (1)	3.05%
Green Waste Recycle Load - Haul			\$ 253.12	\$ 7.72	\$ 260.84	(1)	3.05%
Green Waste Recycle Load - Disposal			\$ 37.11	\$ 1.13	\$ 38.24	(1)	3.05%
Tires Recycle Load - Haul			\$ 406.58	\$ 12.40	\$ 418.98	(1)	3.05%
Tires Recycle Load - Disposal			\$ 67.12	\$ 2.66	\$ 69.78	(1)	3.05%
Wood Recycle Load - Haul			\$ 253.12	\$ 7.72	\$ 260.84	(1)	3.05%
Wood Recycle Load - Disposal			\$ 37.11	\$ 1.13	\$ 38.24	(1)	3.05%
Mixed C&D Recycle Load - Haul			\$ 253.12	\$ 7.72	\$ 260.84	(1)	3.05%
Mixed C&D Recycle Load - Disposal			\$ 86.97	\$ 2.65	\$ 89.62	(1)	3.05%
Additional Pick Up - Trash (Scheduled on Regular Service Day)			\$ 54.42	\$ 1.66	\$ 56.08		3.05%
Additional Pick Up - Trash (Not Scheduled on Regular Service Day)			\$ 93.93	\$ 2.86	\$ 96.79	Per bin, per pick up	3.05%
Additional Pick Up - Compactor			\$ 93.93	\$ 2.86	\$ 96.79		3.05%
Additional Pick Up - Temporary Bins	3 Yard Bin		\$ 116.98	\$ 3.57	\$ 120.55		3.05%
Additional Pick Up - Recycling			\$ 71.72	\$ 2.19	\$ 73.91		3.05%
Bulky Items			\$ 39.50	\$ 1.20	\$ 40.70	per item	3.05%
Account Set Up Fee			\$ 33.10	\$ 1.01	\$ 34.11		3.05%
Roll Off Delivery Fee			\$ 93.22	\$ 2.84	\$ 96.06		3.05%
Monthly Inactivity Fee			\$ 291.05	\$ 7.05	\$ 298.10		3.05%
Relocate/Trip Fee			\$ 93.22	\$ 2.84	\$ 96.06		3.05%
Locking Unit Fee			\$ 18.57	\$ 0.58	\$ 19.55	per month	3.05%
Replacement Lock Fee			\$ 39.50	\$ 1.20	\$ 40.70		3.05%
Replacement Key Fee			\$ 7.31	\$ 0.22	\$ 7.53		3.05%
Bin Replacement - Lost/Stolen			\$ 739.27	\$ 22.55	\$ 761.82		3.05%
Bin Replacement - Damaged			\$ 87.25	\$ 2.66	\$ 89.91		3.05%
Scout Service			\$ 79.02	\$ 2.41	\$ 81.43	per month, per bin	3.05%
Rolloff Contamination Fee (up to 4 tons)			\$ 726.18	\$ 22.15	\$ 748.33		3.05%
Rolloff Contamination Fee (beyond 4 tons)			\$ 42.96	\$ 1.31	\$ 44.27	per ton	3.05%
Commercial Contamination Fee			\$ -	\$ -	\$ 100.00	per occurrence	3.05%
Account Reactivation Fee - Bad Debt			\$ 23.69	\$ 0.72	\$ 24.41		3.05%
Account Redelivery Fee - Bad Debt			\$ 118.49	\$ 3.61	\$ 122.10		3.05%
CSR Payment Assistance Fee			\$ 9.70	\$ 0.27	\$ 9.97		3.05%
ICR Payment Fee			\$ 5.44	\$ 0.17	\$ 5.61		3.05%
Push Out Fee - 20-50 Feet			\$ 11.21	\$ 0.34	\$ 11.55	per day, per container	3.05%
Push Out Fee - 51-75 Feet			\$ 14.42	\$ 0.44	\$ 14.86	per day, per container	3.05%
Push Out Fee - 76-100 Feet			\$ 16.93	\$ 0.49	\$ 17.42	per day, per container	3.05%

(1) Contaminated loads will be taken to the landfill and charged disposal rates and a commercial contamination fee will be assessed
(2) Previous rate sheets did not include rates beyond 2x weekly service

EXHIBIT A

EXHIBIT B

CONTAINER/BIN 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 and Recycling Bin and Cart utilized by Contractor shall be labeled in English, Spanish and with graphics so as to: (1) explain/depict the items for which it is designated to Collect, and (2) identify the name of Contractor and Contractor's phone number for service related issues, including complaints. In addition, each such Bin and Cart shall include information, in a format acceptable to City (such as hot stamping or stickers), regarding Contractor's Bulky Item service, and a phone number that Customers can call to access such service. All such labeling shall be approved by the City Manager prior to use by Contractor.
- The body of Recycling Bins and the body and lids of Recycling Carts shall each be a uniform color reasonably approved by the City Manager. Any alternative color schemes for Recycling Bins and Carts, color schemes for the lids of Recycling Bins, and color schemes for Refuse and Organics Bins and Carts shall be subject to the prior reasonable approval of the City Manager.
- Unless otherwise specified in the Agreement, any Cart distributed by Contractor in City after the Effective Date 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.
- Contractor shall keep current, and provide to City at the times set forth in this Agreement, a list of each address to which a Bin or Cart has been distributed.
- All Bins and Carts shall be equipped with industry-standard lids. Replacement of Bin lids with any other lid type shall be made at no cost to the City or Customer and completed within sixty (60) days of request. 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.

EXHIBIT C

RECYCLABLES SPECIFICATIONS

FOR MATERIALS PLACED INTO RECYCLABLE MATERIALS CONTAINERS

RECYCLABLES must be dry, loose (not bagged), non-shredded, empty, and shall include the following:

Aluminum cans	Newspaper
PET bottles with the symbol #1 – with screw tops only	Mail
HDPE plastic bottles with the symbol #2 (milk, water bottles detergent, and shampoo bottles, etc.)	Uncoated paperboard (ex. cereal boxes; food and snack boxes)
PP plastic bottles and tubs with symbol # 5 - empty	Uncoated printing, writing and office paper
Steel and tin cans	Old corrugated containers/cardboard (uncoated)
Glass food and beverage containers – brown, clear, or green – empty*	Magazines, glossy inserts and pamphlets

Non-Recyclables include, but are not limited to the following:

Plastic bags and bagged materials (even if containing Recyclables)	Microwavable trays
Porcelain and ceramics	Mirrors, window or auto glass
Light bulbs	Coated cardboard
Soiled paper, including paper plates, cups and pizza boxes	Plastics not listed above including but not limited to those with symbols #3*, #4*, #6*, #7* and unnumbered plastics, including utensils
Expanded polystyrene	Coat hangers
Glass and metal cookware/bakeware	Household appliances and electronics

Hoses, cords, wires	Yard waste, construction debris, and wood
Flexible plastic or film packaging and multi-laminated materials	Needles, syringes, IV bags or other medical supplies
Food waste and liquids, containers containing such items	Textiles, cloth, or any fabric (bedding, pillows, sheets, etc.)
Exempt Waste or containers which contained Exempt Waste	Napkins, paper towels, tissue, paper plates, and paper cups
Any paper Recyclable materials or pieces of paper Recyclables less than 4" in size in any dimension	Propane tanks, batteries
Cartons*	Aseptic Containers*

* These materials may be deemed Recyclables upon written consent of Contractor, which may be withdrawn upon notice to City if there is no commercially viable market.

DELIVERY SPECIFICATIONS FOR RECYCLABLES:

Containerized materials may not have any more than 10% Non-Recyclables or any Exempt Waste. Carts or Bins with more than 10% Non-Recyclables may be delivered to the designated transfer or disposal facility for disposal. Contractor may reject in whole or in part, or may process, in its sole discretion, Recyclables Containers not meeting the specifications, including wet materials, and Contractor may charge Customer the Extra Pickup/Contamination fee as set forth in Exhibit A for additional handling, processing, transporting and/or disposing of contaminated Recyclables Containers.

Contractor will exercise commercially reasonable efforts to ensure that Recyclable Materials are processed to remove contaminants and, to the extent possible, are marketed for sale to an end user. Notwithstanding the foregoing, however, Contractor makes no representation, and specifically disclaims any and all warranties, either expressed or implied, as to the availability or adequacy of a market or markets for such processed materials, whether foreign or domestic. Where Contractor is unable to identify a market for one or more Recyclable Materials despite the exercise of commercially reasonable efforts to process and market the material, and determines, in the interest of safeguarding public health, to dispose of the Recyclable Material(s), Contractor may make a request to the City Manager to dispose of the processed materials, which request shall not be denied unreasonably. Notwithstanding the above, the granting of Contractor's request shall not relieve Contractor of its obligations under Section 8.6.5.

The listing of Recyclable Materials to be collected may be modified in accordance with Section 2.46.

EXHIBIT D

CORPORATE GUARANTEE

THIS GUARANTEE (the "Guarantee") is given as of April 1, 2020, and is made with reference to the following facts and circumstances:

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").

B. Contractor desires to enter into a franchise agreement with the City of Menifee ("City") with an Effective Date 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").

C. It is a requirement of the Agreement that Guarantor guarantee Contractor's performance of the Agreement, including any ongoing obligations in the "Original Agreement" (as that term is defined in the Agreement).

D. Guarantor is providing this Guarantee to induce the City to enter into the Agreement and acknowledges that it will benefit from Contractor entering into the Agreement because the Agreement will increase Contractor's gross income which is beneficial to Guarantor due to other financial transactions it conducts with Contractor.

NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

1. Guarantee of the Franchise. Guarantor hereby irrevocably and unconditionally guarantees to the City the complete and timely payment, performance, satisfaction and observation by Contractor of each and every term and condition of the Agreement which Contractor is required to pay, perform, satisfy or observe. In the event that Contractor fails to pay, perform, satisfy or observe any of the terms and conditions of the Agreement, Guarantor will promptly and fully pay, perform, satisfy or observe them in the place of Contractor (including by causing the services required of Contractor to be performed by a solid waste enterprise acceptable to City). Guarantor hereby guarantees payment to the City of any damages, costs or expenses which might become recoverable by the City from Contractor due to its breach of the Agreement. Included in the forgoing Guarantee, is a guarantee by Guarantor of any ongoing obligations of Contractor under the Original Agreement. Guarantor further agrees to indemnify City against any losses City may sustain and expenses it may incur as a result of the enforcement or attempted enforcement by City of any of its rights and remedies under the Agreement, in the event of a default by Contractor thereunder, and/or as a result of the enforcement or attempted enforcement by City of any of its rights against Guarantor hereunder.

2. Guarantor's Obligations Are Absolute. The obligations of the Guarantor hereunder are direct, immediate, absolute, continuing, unconditional and unlimited, and, with respect to any payment obligation of Contractor under the Agreement, shall constitute a guarantee of payment and not of collection. In any action brought against the Guarantor to enforce, or for damages for breach of, its obligations hereunder, the Guarantor shall be entitled to all defenses, if any, that

would be available to Contractor in an action to enforce, or for damages for breach of the Agreement (other than discharge of, or stay of proceedings to enforce, obligations under the Agreement under bankruptcy law).

3. Waivers. Except as provided herein the Guarantor shall have no right to terminate this Guarantee or to be released, relieved, exonerated or discharged from its obligations under it for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of Contractor; (2) the actual or purported rejection by a trustee in bankruptcy of the Agreement, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (3) any waiver with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of the City's rights or remedies against Contractor; or (4) any merger or consolidation of Contractor with any other corporation, or any sale, lease or transfer of any or all the assets of Contractor. Without limiting the generality of the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code Section 2819.

The Guarantor hereby waives any and all benefits and defenses under California Civil Code sections 2845, 2846, 2849, and 2850, including without limitation, the right to require the City to (a) proceed against Contractor, (b) proceed against or exhaust any security or collateral the City may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agrees that the City may proceed against Guarantor for the obligations guaranteed herein without taking any action against Contractor or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral the City may hold now or hereafter hold. City may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Contractor or any other guarantor or pledgor without impairing the City's rights and remedies in enforcing this Guarantee.

The Guarantor hereby expressly waives diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guarantee. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's obligations hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from the City as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation given by Guarantor or Contractor prior to such avoidance or recovery, and (b) payment in full of any obligations then outstanding.

4. Term. This Guarantee is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed or otherwise discharged and Guarantor shall remain fully responsible under this Guarantee without regard to the acceptance by the City of any performance bond or other collateral to assure the performance of Contractor's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder as long as there is any claim by the City against Contractor arising out of the Agreement based on Contractor's failure to perform which has not been settled or discharged.

5. No Waivers. No delay on the part of the City in exercising any rights under this Guarantee or failure to exercise such rights shall operate as a waiver of such rights. No notice to

or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of the City to take other or further action without notice or demand. No modification or waiver of any of the provisions of this Guarantee shall be effective unless it is in writing and signed by the City and by Guarantor, nor shall any waiver be effective except in the specific instance or matter for which it is given.

6. Attorney's Fees. In addition to the amounts guaranteed under this Guarantee, Guarantor agrees, in the event of Contractor's breach of its obligations, to pay reasonable attorney's fees and all other reasonable costs and expenses incurred by the City in enforcing this Guarantee, or in any action or proceeding arising out of or relating to this Guarantee, including any action instituted to determine the respective rights and obligations of the parties hereunder.

7. Governing Law: Jurisdiction. This Guarantee is and shall be deemed to be a contract entered into in, and pursuant to the laws of, the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws, rules for all purposes including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by the City to enforce this Guarantee may be brought in any court of the State of California and Guarantor consents to personal jurisdiction over it by those courts solely for the purpose of any action brought by City to enforce this Guaranty.

8. Severability. If any portion of this Guarantee is held to be invalid or unenforceable, such invalidity will have no effect upon the remaining portions of this Guarantee, which shall be severable and continue in full force and effect.

9. Binding On Successors. This Guarantee shall inure to the benefit of the City and its successors and shall be binding upon Guarantor and its successors, including transferee(s) of substantially all of its assets and its shareholder(s) in the event of its dissolution or insolvency.

10. Authority. Guarantor represents and warrants that it has the corporate power and authority to give this Guarantee, that its execution of this Guarantee has been authorized by all necessary action under its Article of Incorporation and By-Laws, and that the person signing this Guarantee on its behalf has the authority to do so.

11. Prohibition Against Assignment. Guarantor may not assign its obligations herein without the City's prior written consent.

12. Notices. Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To the City: City Manager
 City of Menifee
 29844 Haun Road
 Menifee, CA 92586

To the Guarantor: Waste Management, Inc.
 Attn: General Counsel
 1001 Fannin Street, Suite 4000
 Houston, Texas 77002

EXHIBIT D

Guarantor:
Waste Management, Inc.

By: David Reed

Name: David Reed

Title: Vice President + Treasurer

By: Jeff Bennett

Name: Jeff Bennett

Title: Assistant Treasurer

(Corporate Seal)

EXHIBIT E

CURRENT CITY-SPONSORED COMMUNITY EVENTS

1. February 2020 – Centennial Park Grand Opening
 - a. Date, location and time TBD
2. March 2020 – Multicultural Festival
 - a. Date, location and time TBD
3. Saturday April 4th - Music and Arts Festival
 - a. San Jacinto College | 4:00pm to 10:00pm
4. Saturday April 11th – Spring Fest
 - a. Location TBD – 10:00 am to 1:00 pm
5. Friday April 17th – Jr. HR Derby and Pitch, Hit and Run
 - a. Audie Murphy Sports Park – 4:00 pm to 7:00 pm
6. Saturday April 25th – Menifee Better Together
 - a. Sun City Civic Association | 8:00am – 2:00pm
 - b. Quail Valley Kabian Park| 8:00am – 2:00pm
7. Monday May 11th – Senior Fest
 - a. Kay Cenicerros Senior Center | 9:00am – 1:00pm
8. Monday May 25th – Memorial Day Ceremony
 - a. Wheatfield Park | 10:00am – 12:00pm
9. Friday June 19th – Menifee Moonlight Markets (Movie, Concert and Vendors)
 - a. Central Park | 5:00pm – 10:00pm (movie at dusk)
10. Saturday June 27th – Independence Day Celebration
 - a. Wheatfield Park | 4:00pm – 9:00pm
11. Friday July 10th – Menifee Moonlight Markets (Movie, Concert and Vendors)
 - a. Central Park | 5:00pm – 10:00pm (movie at dusk)
12. Saturday – Sunday July 18th – 19th – Family Camp Out
 - a. La Ladera Park | 3:00pm – 12:00pm
13. Friday July 17th – Menifee Moonlight Markets (Movie, Concert and Vendors)
 - a. Central Park | 5:00pm – 10:00pm (movie at dusk)
14. Friday July 24th – Menifee Moonlight Markets (Movie, Concert and Vendors)
 - a. Central Park | 5:00pm – 10:00pm (movie at dusk)
15. Friday July 31st – Menifee Moonlight Markets (Movie, Concert and Vendors)
 - a. Central Park | 5:00pm – 10:00pm (movie at dusk)
16. Friday August 7th – Menifee Moonlight Markets (Movie, Concert and Vendors)
 - a. Central Park | 5:00pm – 10:00pm (movie at dusk)

17. Saturday August 2020 – Neil Winter Football Camp
 - a. Centennial Sports Park | TBD
18. August 2020 – Lazy Creek Park Grand Opening
 - a. Date, location and time TBD
19. Friday September 11th – Remembrance Ceremony
 - a. Central Park – 6pm to 8 pm
20. September - State of the City
 - a. Menifee Lakes Country Club | TBD
21. September 19th – Menifee Motor Madness
 - a. Mt. San Jacinto College | 9:00am-2:00pm
22. Audie Murphy Days Friday October 23rd – Sunday October 25th
 - a. Friday October 23rd – Time Capsule Ceremony / Moonlight Market Location TBD
23. Saturday October 24th – Fall Festival
 - a. Mt. San Jacinto College | 4:00pm-9:00pm
24. Sunday October 25th – Soapbox Derby
 - a. Wheatfield Park
25. Sunday November 1st – Dia De Los Muertos Showcase
 - a. Central Park | 3pm – 7pm
26. Wednesday November 11th – Veteran’s Day Ceremony
 - a. Wheatfield Park | 10:00am – 12:00pm
27. Saturday December 5th – Christmas Tree Lighting Ceremony + Holiday Bazaar
 - a. Mt. San Jacinto College | 4:00pm – 8:00pm
28. Saturday December 12th – Breakfast with Santa
 - a. Kay Cenicerros Senior Center – 8:00am – 1:00pm
29. Wednesday December 16th to Tuesday December 22nd (no weekend) – Santa on Wheels
 - a. Various homes – 5 PM to 8 PM