

**AMENDMENT NO. 2
TO THE AMENDED AND RESTATED
EXCLUSIVE FRANCHISE AGREEMENT BY AND BETWEEN
CITY OF COVINA AND
ARAKELIAN ENTERPRISES, INCORPORATED**

THIS AMENDMENT NO. 2 TO THE AMENDED AND RESTATED EXCLUSIVE FRANCHISE AGREEMENT BY AND BETWEEN CITY OF COVINA AND ARAKELIAN ENTERPRISES, INCORPORATED (“Amendment No. 2” or “Amendment”), effective as of the date specified in Section 1 hereof, is made and entered into by and between the CITY OF COVINA (“CITY”) and ARAKELIAN ENTERPRISES, INC., DBA ATHENS SERVICES (“CONTRACTOR”).

RECITALS

A. CITY and CONTRACTOR (each a “Party” and collectively the “Parties”) have previously entered into that certain Amended and Restated Exclusive Franchise Agreement, dated February 15, 2011, for the exclusive provision of refuse collection services to all commercial, industrial, and residential units in CITY, as amended by that certain Amendment No. 1, effective January 1, 2020 (as previously amended, hereinafter, “Agreement”).

B. The State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing disposal capacity and interest in minimizing potential environmental impacts from landfilling and the need to conserve natural resources, has created an urgent need for State and local agencies to enact and implement aggressive integrated waste management programs, and the State has, through enactment of the California Integrated Waste Management Act of 1989 and subsequent related legislation, including but not limited to the Jobs and Recycling Act of 2011 (AB 341), the Mandatory Commercial Organics Recycling Act of 2014 (AB 1826), and the Short-Lived Climate Pollutants Bill of 2016, approved by the Governor on September 19, 2016 (SB 1383), directed the responsible State agency, and all local agencies, to promote a reduction in landfill disposal and to maximize the use of feasible waste reduction, reuse, recycling, and composting options in order to reduce the amount of material that must be disposed.

C. SB 1383 and the Short-Lived Climate Pollutants: Organic Waste Reduction Regulations developed by the California Department of Resources Recycling and Recovery and adopted in 2020 (“SB 1383 Regulations”) establish regulatory requirements for jurisdictions, generators, haulers, solid waste facilities, and other entities to support achievement of the Statewide organic waste disposal reduction targets.

D. The SB 1383 Regulations require CITY to adopt and enforce an ordinance or enforceable mechanism to implement relevant provisions of the SB 1383 Regulations.

E. CITY adopted Ordinance No. 21-08 (“Ordinance”) on November 16, 2021, to implement relevant provisions of the SB 1383 Regulations by amending the Covina Municipal Code to add Chapter 8.10 (Mandatory Organic Waste Disposal Reduction).

F. The City Council adopted Resolution CC 2021-142, implementing a Recovered Organic Waste Product Procurement Policy on December 21, 2021.

G. The SB 1383 Regulations require CITY to implement collection programs for organic waste, and in connection therewith meet processing facility requirements, conduct contamination monitoring, provide education and outreach, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements of the SB 1383 Regulations. CITY has chosen to delegate some of its responsibilities to CONTRACTOR, acting as CITY's designee, through this Amendment No. 2, and CONTRACTOR desires to take on these responsibilities and provide organic waste collection services in CITY in compliance with the SB 1383 Regulations.

H. CITY and CONTRACTOR desire to amend the Agreement as set forth herein.

AGREEMENT

In consideration of the foregoing and of the mutual covenants of the Parties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Agreement as follows:

SECTION 1. EFFECTIVE DATE OF AMENDMENT

This Amendment No. 2 shall be effective as the date on which all of the following have occurred: (i) the Amendment has been approved by the City Council; (ii) the Amendment has been executed on behalf of the CITY by the person authorized to enter into this Amendment; and (iii) the Amendment has been executed on behalf of the CONTRACTOR by the person authorized to enter into this Amendment.

SECTION 2. SCOPE OF FRANCHISE

A. The first paragraph of Section 2.02 of the Agreement is amended to read as follows:

“The franchise granted to CONTRACTOR shall be exclusive except as to the following categories of Refuse, Recyclable Materials and Organic Waste listed in this Section 2.02. The granting of this franchise shall not preclude the categories of Solid Waste, Recyclable Materials and Organic Waste listed below from being delivered to and collected and transported by others in the manner specifically described, provided that every Residential, Commercial and Industrial Unit within CITY shall be required to maintain service equivalent to other similar residences, commercial establishments or industrial facilities.”

B. Paragraph (e) of Section 2.02 of the Agreement is amended to read as follows:

“(e) A property owner or their construction contractor may utilize their own trucks to remove C&D from a construction site; provided

that such C&D must be delivered to a facility that is approved by CITY and capable of diverting the percentage of material stipulated in CITY's C&D Ordinance (Ordinance 18-03). Property owners or their construction contractors not utilizing their own trucks or not achieving the required diversion on a construction site must contract for service with CONTRACTOR."

SECTION 3. COLLECTION SERVICE PROGRAMS

Section 3.03, Article IV, and the first paragraph of Section 10.02 of the Agreement shall be deleted in their entirety and replaced with a new Article IV to read as follows:

"Article IV. COLLECTION SERVICE PROGRAMS

Section 4.01 Collection Service Programs

CONTRACTOR shall provide collection, processing, transportation, and disposal services to Residential, Commercial, and Industrial Units in accordance with Exhibit H, attached hereto and incorporated by this reference."

SECTION 4. ADDITIONAL SERVICES AT CITY FACILITIES

A. Paragraph (a) of Section 6.01 of the Agreement is amended to read as follows:

"(a) CONTRACTOR shall provide, at its sole expense, collection services under this Agreement for all existing and future CITY facilities (including by way of example, but not limited to, City Hall, City Yard, Parks, Police and Fire Building, Library, Recycle Center, Senior Center, Community Center, Scout House, and CITY street receptacles) and shall provide necessary Bins as required, free of charge, in accordance with a collection schedule to be established by CITY's City Manager or his designee."

B. Paragraphs (e) and (f) are added to Section 6.01 of the Agreement to read as follows:

"(e) CONTRACTOR shall, at its sole expense, collect four (4) e-waste "low boys" roll-off containers at the Covina City Public Works Yard each calendar year, beginning with the year that commences on January 1, 2022. CONTRACTOR shall collect one "low boy" container no greater than 10 cubic yards in size per pickup. Such pick-ups shall occur on dates and times mutually agreed upon by CITY and CONTRACTOR. CITY shall pay CONTRACTOR its then-existing rate for the collection of additional roll-off containers."

“(f) CONTRACTOR shall, at its sole expense, provide pressure washing services at sidewalks, parkways, and public spaces in the downtown area of CITY as set forth in Exhibit I, attached hereto and incorporated by this reference, twice annually, beginning with the year that commences on January 1, 2022, provided that CITY shall indemnify, defend, and hold harmless CONTRACTOR for all claims, causes of action, demands, damages, costs, losses, or expenses (‘Losses’), including but not limited to attorney fees, that may result from property damage to sidewalks and other public improvements caused by such pressure washing services, provided such Losses do not arise from the sole negligence or willful misconduct of CONTRACTOR.”

SECTION 5. COLLECTION EQUIPMENT

Paragraph (a) of Section 10.05 of the Agreement is amended to read as follows:

“(a) CONTRACTOR shall provide an adequate number of vehicles for regular collection services. All vehicles shall be registered with the Department of Motor Vehicles of the State of California; shall be kept clean, safe, and in good repair; and shall keep all collected materials covered during transportation. Such vehicles shall be kept and maintained free from any leaks, including, without limitation, leaks of hydraulic oil, brake fluid, engine oil, fuel, or transmission fluid. Each vehicle shall have clearly visible on each side the identity and telephone number of CONTRACTOR. All regular collection vehicles utilized in CITY shall be painted a uniform color. All Bins shall be painted a uniform color also and repainted, repaired, and/or cleaned as necessary to avoid the production of offensive odors or a dilapidated or rusted appearance.”

SECTION 6. TERM

In order for Contractor to recover costs associated with the “phase-in” of rate adjustments specified in Exhibit B, Section C of the Agreement, as modified in this Amendment No. 2, Paragraph (b) of Article XVII of the Agreement (Term of This Franchise Agreement) is amended to add the following sentence at the end:

“Neither party shall be permitted to issue any written notice of intent to terminate the one-year extension provision prior to July 1, 2038.”

SECTION 7. SCHEDULE OF RATES (EXHIBIT A)

Commencing on July 1, 2022, Exhibits A, A-1, and A-2 of the Agreement are hereby deleted and replaced in their entirety with Exhibit A “MAXIMUM SERVICE RATES” attached hereto.

SECTION 8. ADJUSTMENT OF RATES (EXHIBIT B)

Commencing on July 1, 2022, Exhibit B of the Agreement is hereby deleted and replaced in its entirety with Exhibit B "RATE ADJUSTMENTS" attached hereto.

SECTION 9. RECYCLABLE MATERIALS TO BE COLLECTED (EXHIBIT C)

Commencing on July 1, 2022, Exhibit C of the Agreement is hereby deleted and replaced in its entirety with Exhibit C "LIST OF ACCEPTABLE SOURCE SEPARATED RECYCLED MATERIALS" attached hereto.

SECTION 10. GREEN WASTE MATERIALS TO BE COLLECTED (EXHIBIT D)

Commencing on July 1, 2022, Exhibit D of the Agreement is hereby deleted and replaced in its entirety with Exhibit D "LIST OF ACCEPTABLE SOURCE SEPARATED GREEN CONTAINER WASTE" attached hereto.

SECTION 11. STREET SWEEPING SERVICES (EXHIBIT E)

Commencing on July 1, 2022, Exhibit E of the Agreement is hereby deleted and replaced in its entirety with Exhibit E "STREET SWEEPING SERVICES" attached hereto.

SECTION 12. AB 939 REPORTING QUANTITIES (EXHIBIT F)

Commencing on July 1, 2022, Exhibit F of the Agreement is hereby deleted in its entirety. For the avoidance of doubt, references to Exhibit F in Sections 1.11, 4.03, and 11.01(a) shall have no force and effect.

SECTION 13. SORT LINE ANALYSIS (EXHIBIT G)

Commencing on July 1, 2022, Exhibit G of the Agreement is hereby deleted in its entirety. For the avoidance of doubt, references to Exhibit G in Sections 1.11 and 11.03 shall have no force and effect.

SECTION 14. COLLECTION SERVICE PROGRAM (EXHIBIT H)

Commencing on July 1, 2022, Exhibit H "COLLECTION SERVICE PROGRAM" is hereby added to the Agreement.

SECTION 15. PRESSURE WASHING MAP (EXHIBIT I)

Commencing on July 1, 2022, Exhibit I "PRESSURE WASHING MAP" is hereby added to the Agreement.

SECTION 16. DELETED PROVISIONS

In addition to Section 3.03, Article IV, and the first paragraph of Section 10.02 of the Agreement, the following sections or provisions are also hereby deleted from the Agreement in their entirety:

- A. Section 4.05 (Compost for CITY Use)
- B. Section 20.04 (Rates and Adjustments for Recycling Services)
- C. Section 20.06 (Payment to CONTRACTOR for Billing Services)
- D. Section 20.07 (Recycling Services Payment to CITY)

SECTION 17. DUE EXECUTION

The person(s) executing this Amendment No. 2 on behalf of a Party hereto warrant(s) that (i) such Party is duly organized and existing; (ii) such person(s) are duly authorized to execute and deliver this Amendment No. 2 on behalf of said Party; (iii) by so executing this Amendment No. 2, such Party is formally bound to the provisions of this Amendment No. 2; and (iv) entering into this Amendment No. 2 does not violate any provision of any other agreement to which said Party is bound.

SECTION 18. ENTIRE AMENDMENT

This Amendment No. 2 contains the entire agreement and understanding between the Parties with respect to the subject matter of this Amendment No. 2 and supersedes any and all prior or contemporaneous oral and written representations, warranties, agreements, and understandings between the Parties concerning the subject matter of this Amendment No. 2.

SECTION 19. FULL FORCE AND EFFECT

Other than as set forth in this Amendment No. 2, the terms of the Agreement shall remain unchanged and in full force and effect. In the event of any conflict between the Agreement and this Amendment No. 2, this Amendment No. 2 shall apply.

SECTION 20. COUNTERPARTS

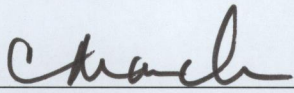
This Amendment No. 2 may be executed in counterparts, each of which shall be considered an original.

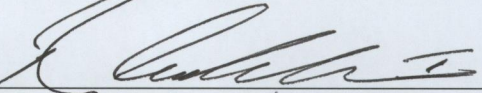
[Signature page follows on next page]

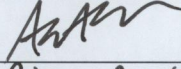
IN WITNESS WHEREOF, CITY and CONTRACTOR have caused this Amendment No. 2 to be executed and attested by their respective officers hereunto duly authorized.

**CITY OF COVINA,
a Municipal Corporation**

**ARAKELIAN ENTERPRISES, INC.,
dba ATHENS SERVICES**

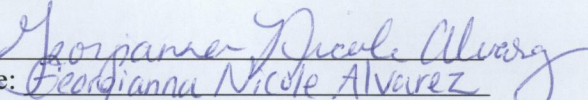
By: 
Name: CHRIS MARCARELLO
Title: City Manager
Dated: 6/1/22

By: 
Name: Ron Arakelian III
Title: Executive officer
Dated: 5/26/22

By: 
Name: Adam Arakelian
Title: officer
Dated: 5/26/22

(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)

ATTEST:

By: 
Name: Georgiana Nicole Alvarez
Title: Chief Deputy City Clerk
Dated: 6/1/22

APPROVED AS TO FORM:

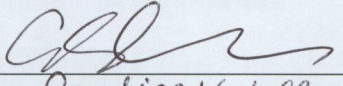
By: 
Name: Candice K. Lee
Title: City Attorney
Dated: 06/06/2022

EXHIBIT A
MAXIMUM SERVICE RATES

CITY OF COVINA
 Schedule of Rates Effective July 1, 2022
 EXHIBIT A

		New Service Comp	New Disposal Comp	Organics Surcharge	SB1383 Surcharge	New Net Rate	6% Franchise Fee	Waste Mgmt Fee	New Total Rate
RESIDENTIAL									
90 Gallon Standard Service		25.02	7.20	2.60	1.46	36.28	2.32	2.13	40.73
60 Gallon Standard Service		25.02	5.46	2.45	1.46	34.39	2.19	1.42	38.00
30 Gallon (low income/senior Discount)		25.02	3.70	2.31	1.46	32.49	2.07	0.71	35.27
Additional 90 Gallon Black		14.50	5.29	1.59	-	21.38	1.36	2.13	24.87
Additional 90 Gallon Green		5.63	1.96	0.61	-	8.20	0.52	-	8.72
Additional 90 Gallon Blue		3.97	-	0.33	-	4.30	0.27	-	4.57
Manual or Backyard Service		49.42	14.44	5.14	-	69.00	4.40	4.27	77.67
Roll-Out Service		21.95	-	1.77	-	23.72	1.51	-	25.23
COMMERCIAL									
1.5YD - First Bin	1X	89.82	30.60	16.77	0.98	138.17	8.82	7.15	154.14
	2X	142.81	61.22	28.42	0.98	233.43	14.90	14.30	262.63
	3X	195.72	91.82	40.04	0.98	328.56	20.97	21.45	370.98
	4X	248.77	122.39	51.69	0.98	423.83	27.05	28.60	479.48
	5X	301.70	153.00	63.32	0.98	519.00	33.13	35.75	587.88
	6X	370.73	183.61	77.18	0.98	632.50	40.37	42.90	715.77
1.5YD - Each Additional Bin	1X	70.78	30.60	14.12	0.98	116.48	7.43	7.15	131.06
	2X	113.13	61.22	24.28	0.98	199.61	12.74	14.30	226.65
	3X	153.39	91.82	34.14	0.98	280.33	17.89	21.45	319.67
	4X	195.73	122.39	44.29	0.98	363.39	23.20	28.60	415.19
	5X	238.12	153.00	54.46	0.98	446.56	28.50	35.75	510.81
	6X	292.25	183.61	66.26	0.98	543.10	34.67	42.90	620.67
2YD - First Bin	1X	103.24	40.81	20.07	0.98	165.10	10.54	9.53	185.17
	2X	158.33	81.60	33.41	0.98	274.32	17.51	19.06	310.89
	3X	213.51	122.39	46.78	0.98	383.66	24.49	28.59	436.74
	4X	268.63	163.22	60.14	0.98	492.97	31.47	38.12	562.56
	5X	323.76	203.99	73.50	0.98	602.23	38.44	47.65	688.32
	6X	398.09	244.81	89.52	0.98	733.40	46.81	57.18	837.39
2YD - Each Additional Bin	1X	82.46	40.81	17.15	0.98	141.40	9.03	9.53	159.96
	2X	124.45	81.60	28.70	0.98	235.73	15.05	19.06	269.84
	3X	168.94	122.39	40.57	0.98	332.88	21.25	28.59	382.72
	4X	211.38	163.22	52.17	0.98	427.75	27.30	38.12	493.17
	5X	255.89	203.99	64.03	0.98	524.89	33.50	47.65	606.04
	6X	315.48	244.81	78.02	0.98	639.29	40.81	57.18	737.28
3YD - First Bin	1X	113.94	61.22	24.38	0.98	200.52	12.80	14.29	227.61
	2X	175.02	122.39	41.41	0.98	339.80	21.69	28.58	390.07
	3X	236.07	183.61	58.43	0.98	479.09	30.58	42.87	552.54
	4X	297.08	244.81	75.46	0.98	618.33	39.47	57.16	714.96
	5X	358.21	306.01	92.49	0.98	757.69	48.36	71.45	877.50
	6X	436.87	367.20	111.96	0.98	917.01	58.53	85.74	1,061.28
3YD - Each Additional Bin	1X	90.64	61.22	21.15	0.98	173.99	11.11	14.29	199.39
	2X	138.96	122.39	36.41	0.98	298.74	19.07	28.58	346.39
	3X	187.28	183.61	51.65	0.98	423.52	27.03	42.87	493.42
	4X	235.63	244.81	66.89	0.98	548.31	35.00	57.16	640.47
	5X	284.01	306.01	82.15	0.98	673.15	42.97	71.45	787.57
	6X	345.69	367.20	99.26	0.98	813.13	51.90	85.74	950.77
4YD - First Bin	1X	130.96	81.60	30.13	0.98	243.67	15.55	19.05	278.27
	2X	194.02	163.21	50.64	0.98	408.85	26.10	38.10	473.05
	3X	257.50	244.79	71.21	0.98	574.48	36.67	57.16	668.31
	4X	320.78	326.43	91.76	0.98	739.95	47.23	76.22	863.40
	5X	384.39	407.99	112.35	0.98	905.71	57.81	95.27	1,058.79
	6X	469.11	489.61	135.92	0.98	1,095.62	69.93	114.33	1,279.88
4YD - Each Additional Bin	1X	104.19	81.60	26.34	0.98	213.11	13.60	19.05	245.76
	2X	154.06	163.21	44.97	0.98	363.22	23.18	38.10	424.50
	3X	204.29	244.79	63.67	0.98	513.73	32.79	57.16	603.68
	4X	254.43	326.43	82.34	0.98	664.18	42.39	76.22	782.79
	5X	304.78	407.99	101.05	0.98	814.80	52.01	95.27	962.08
	6X	371.21	489.61	122.03	0.98	983.83	62.80	114.33	1,160.96
6YD - First Bin	1X	144.52	122.45	37.85	0.98	305.80	19.52	28.58	353.90
	2X	214.50	244.79	65.12	0.98	525.39	33.54	57.16	616.09
	3X	284.72	367.21	92.43	0.98	745.34	47.58	85.74	878.66
	4X	354.77	489.61	119.71	0.98	965.07	61.60	114.33	1,141.00
	5X	425.29	612.02	147.05	0.98	1,185.34	75.66	142.91	1,403.91
	6X	514.80	734.40	177.10	0.98	1,427.28	91.10	171.49	1,689.87
6YD - Each Additional Bin	1X	114.97	122.45	33.66	0.98	272.06	17.37	28.58	318.01
	2X	170.32	244.79	58.85	0.98	474.94	30.32	57.16	562.42
	3X	225.89	367.21	84.08	0.98	678.16	43.29	85.74	807.19
	4X	281.38	489.61	109.31	0.98	881.28	56.25	114.33	1,051.86
	5X	337.19	612.02	134.56	0.98	1,084.75	69.24	142.91	1,296.90
	6X	407.37	734.40	161.87	0.98	1,304.62	83.27	171.49	1,559.38

CITY OF COVINA
Schedule of Rates Effective July 1, 2022
EXHIBIT A

	New Service Comp	New Disposal Comp	Organics Surcharge	SB1383 Surcharge	New Net Rate	6% Franchise Fee	Waste Mgmt Fee	New Total Rate
30YD Standard Roll-off (+ dump)	358.80	-	49.96	-	408.76	26.09	17.63/ton	Ton based
30YD C&D Roll-off (+ dump)	555.57	-	77.36	-	632.93	40.40	17.63/ton	Ton based
30YD Metal Roll-off (+ dump)	479.90	-	68.05	-	547.95	34.98	17.63/ton	Ton based
3 Yard Temporary Bin	197.76	-	27.53	-	225.29	14.38	14.29	253.96
Commercial Recycling Cart	3.97	-	0.33	-	4.30	0.27	-	4.57
Commercial Barrel	35.44	16.34	7.21	-	58.99	3.77	3.20	65.96
Sweeper Service	18.05	3.32	-	-	21.37	1.36	-	22.73
OPTIONAL SERVICES								
Late Payment (1.5%, \$5.32 Min)	5.00	-	-	-	5.00	0.32	-	5.32
Declined Payment (Any Reason)	28.01	-	-	-	28.01	1.79	-	29.80
Stop Service	28.01	-	-	-	28.01	1.79	-	29.80
Resume Service	28.01	-	-	-	28.01	1.79	-	29.80
Residential Go-Back or Dead-Run	28.01	-	-	-	28.01	1.79	-	29.80
Residential Contamination	16.80	-	-	-	16.80	1.07	-	17.87
Residential Barrel Replacement	92.78	-	-	-	92.78	5.92	-	98.70
Residential Barrel Delivery / Bring-In	29.00	-	-	-	29.00	1.85	-	30.85
Commercial Go-Back or Dead-Run	39.21	-	-	-	39.21	2.50	-	41.71
Commercial Trash Contamination	50.41	-	-	-	50.41	3.22	-	53.63
Bin Scout Service (per bin per frequency)	12.89	-	-	-	12.89	0.82	-	13.71
Bin Enclosure Clean-Up	28.01	-	-	-	28.01	1.79	-	29.80
Bin Extra Dump (Any Size)	50.41	-	-	-	50.41	3.22	-	53.63
Bin Overflow (Extra Dump)	50.41	-	-	-	50.41	3.22	-	53.63
Bin Overweight (Extra Dump)	50.41	-	-	-	50.41	3.22	-	53.63
Bin Exchange	44.81	-	-	-	44.81	2.86	-	47.67
Bin Delivery	44.81	-	-	-	44.81	2.86	-	47.67
Bin Bring-In	44.81	-	-	-	44.81	2.86	-	47.67
Bin Wash-Out	56.02	-	-	-	56.02	3.58	-	59.60
Bin Lock Installation	28.01	-	-	-	28.01	1.79	-	29.80
Bin Lock (Per Bin Per Frequency)	8.96	-	-	-	8.96	0.57	-	9.53
Bin Tipping Bin Rental	34.79	-	-	-	34.79	2.22	-	37.01
Temporary Bin - Extra Dump	50.41	-	-	-	50.41	3.22	-	53.63
Temporary Bin - Demurrage / Day	5.60	-	-	-	5.60	0.36	-	5.96
Temporary Bin - Go-Back or Dead-Run	39.21	-	-	-	39.21	2.50	-	41.71
Roll-Off or Compactor Go-Back or Dead-Run	104.37	-	-	-	104.37	6.66	-	111.03
Roll-Off or Compactor Relocation	63.78	-	-	-	63.78	4.07	-	67.85
Roll-Off Demurrage (Per Day)	13.91	-	-	-	13.91	0.89	-	14.80
Compactor Wash-Out	260.93	-	-	-	260.93	16.66	-	277.59
Storage Box 8x26 Delivery	220.33	-	-	-	220.33	14.06	-	234.39
Storage Box 8x26 Rental	104.37	-	-	-	104.37	6.66	-	111.03
ORGANIC SERVICES								
Organics Waste Contamination Fee	280.08	-	-	-	280.08	17.88	-	297.96
Organic Roll-off Collection Fee (per occurrence)	358.80	-	-	-	358.80	22.90	-	381.70
Organic Roll-off Disposal Per Ton Charge	-	151.24	-	-	151.24	9.65	-	160.89
30 Gallon	1X	-	79.66	0.98	80.64	5.15	3.20	88.99
	2X	-	137.95	0.98	138.93	8.87	6.40	154.20
	3X	-	196.26	0.98	197.24	12.59	9.60	219.43
	4X	-	254.58	0.98	255.56	16.31	12.80	284.67
	5X	-	312.89	0.98	313.87	20.03	16.00	349.90
	6X	-	371.20	0.98	372.18	23.76	19.20	415.14
30 Gallon - Each Additional Barrel	1X	-	67.71	0.98	68.69	4.38	3.20	76.27
	2X	-	117.27	0.98	118.25	7.55	6.40	132.20
	3X	-	166.82	0.98	167.80	10.71	9.60	188.11
	4X	-	216.39	0.98	217.37	13.87	12.80	244.04
	5X	-	265.96	0.98	266.94	17.04	16.00	299.98
	6X	-	315.53	0.98	316.51	20.20	19.20	355.91
60 Gallon - First Barrel	1X	-	106.20	0.98	107.18	6.84	3.20	117.22
	2X	-	183.94	0.98	184.92	11.80	6.40	203.12
	3X	-	261.69	0.98	262.67	16.77	9.60	289.04
	4X	-	339.44	0.98	340.42	21.73	12.80	374.95
	5X	-	417.19	0.98	418.17	26.69	16.00	460.86
	6X	-	494.94	0.98	495.92	31.65	19.20	546.77
60 Gal - Each Additional Brl	1X	-	90.27	0.98	91.25	5.82	3.20	100.27
	2X	-	156.35	0.98	157.33	10.04	6.40	173.77
	3X	-	222.43	0.98	223.41	14.26	9.60	247.27
	4X	-	288.52	0.98	289.50	18.48	12.80	320.78
	5X	-	354.61	0.98	355.59	22.70	16.00	394.29
	6X	-	420.69	0.98	421.67	26.92	19.20	467.79
EMERGENCY & DISASTER RESPONSE SERVICES								
30YD Standard Roll-off (+ dump)	358.80	-	-	-	358.80	-	-	Ton based
30YD C&D Roll-off (+ dump)	555.57	-	-	-	555.57	-	-	Ton based
3 Yard Temporary Bin	197.76	-	-	-	197.76	-	-	197.76
Frontloader Truck & Driver Rate per Hour	140.04	-	-	-	140.04	-	-	140.04
Sideloader Truck & Driver Rate per Hour	140.04	-	-	-	140.04	-	-	140.04
Stakebed Truck & Driver Rate per Hour	140.04	-	-	-	140.04	-	-	140.04
Sweeper & Driver Rate per Hour	140.04	-	-	-	140.04	-	-	140.04
Helper Rate per Hour	33.62	-	-	-	33.62	-	-	33.62
Roll-top Rental Fee per Month	53.67	-	-	-	53.67	-	-	53.67

EXHIBIT B

RATE ADJUSTMENTS

A. Maximum Service Rates. Commencing July 1, 2022, rates for services provided to customers shall be specified in Exhibit A of this Agreement. For the avoidance of doubt, Exhibit A is calculated pursuant to a methodology utilizing the Consumer Price Index for Trash and Garbage Collection (CUUR0000SEHG02), U.S. City Average (not seasonally adjusted) plus one percent (i.e., Trash CPI + 1), and includes supplemental adjustments such net residential and commercial rates are further adjusted by +\$1.46 and +\$0.98, respectively.

B. Annual Rate Adjustment. Commencing July 1, 2023, and annually thereafter on July 1, the rates provided in Exhibit A shall be automatically adjusted by the Annual Rate Adjustment. CONTRACTOR shall notify CITY of the annual rate increase by April 30 of each contract year. For the purposes of this Exhibit, "Annual Rate Adjustment" means the annual adjustment of Maximum Service Rates set forth in Exhibit A by the percentage increase in CPI for the prior 12-month period (March of the prior year to March of the current year) plus one percent (1%) (i.e., Trash CPI +1), and "CPI" or "Trash CPI" means the Consumer Price Index for Trash and Garbage Collection (CUUR0000SEHG02), U.S. City Average (not seasonally adjusted), or an equivalent index approved by mutual agreement in the event said index is no longer published. If the Annual Rate Adjustment exceeds six percent (6%) in any given year, the Parties shall meet and confer to discuss options to modify rate adjustment calculations.

C. Phase-in. Notwithstanding any provision in the Agreement to the contrary, for the period beginning July 1, 2022, and ending June 30, 2026, in addition to any other rate adjustment permitted under this Agreement, the rates provided in Exhibit A shall be subject to supplemental adjustments such that net residential rates increase by \$3.68 and net commercial and multifamily rates increase by \$2.48, as specified below.

Period Beginning	Residential	Commercial/Multifamily
	Supplemental Adjustment (Net)	Supplemental Adjustment (Net)
July 1, 2022	+\$1.46	+\$0.98
July 1, 2023	+\$0.74	+\$0.50
July 1, 2024	+\$0.74	+\$0.50
July 1, 2025	+\$0.74	+\$0.50
Total	+\$3.68	+\$2.48

D. Special Rate Adjustment. In the event circumstances beyond the control of CONTRACTOR impose or generate extraordinary costs in the performance of the Agreement, CONTRACTOR may petition CITY to determine if an adjustment in compensation is warranted to avoid undue financial hardship on CONTRACTOR. For each request, CONTRACTOR shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to CITY with support for assumptions made by CONTRACTOR in preparing the estimate of extraordinary costs. CITY shall review CONTRACTOR's request and, in CITY's sole judgment, make the final determination on the adjustment.

EXHIBIT C
LIST OF ACCEPTABLE SOURCE SEPARATED RECYCLED MATERIALS

PLASTICS

- Plastics number 1 as bottle or clamshell
- Plastics numbers 2, 4, 5 & 7
- Soda, juice, & water bottles
- Beverage & detergent jugs

METALS

- Aluminum foil & pie tins (clean)
- Scrap metal
- Steel cans, dishware, etc.
- Tin & aluminum cans

PAPER (clean & dry)

- Envelopes
- File folders (paper only)
- Junk mail & magazines
- Newspaper
- Paper (white & mixed color)
- Paper grocery bags
- Telephone
- Acceptable (but may not be recycled)
 - Cereal boxes (no plastic insert)
 - Egg cartons (paper only & clean)
 - Frozen food boxes
 - Soup, milk, & juice cartons

CARDBOARD (or similar)

- Cardboard & corrugated boxes

GLASS

- Amber, green, & mixed-color glass
- Clear food glass jars
- Soda, tea, & liquor bottles

No window glass, porcelain, or non-food related glass.

EXHIBIT D

LIST OF ACCEPTABLE SOURCE SEPARATED GREEN CONTAINER WASTE

GREEN WASTE

- Flower & hedge trimmings
- Grass clippings
- Leaves & branches
- Lumber, scrap wood, & plywood (not painted or treated)
- Weeds

FOOD SCRAPS

- Bread, rice, & pasta
- Cheese & dairy
- Coffee grounds & filters
- Fruits & vegetables
- Flowers & herbs
- Meat, bones, & poultry
- Seafood & soft shells
- Pet food (non-medicated)

FOOD-SOILED PAPER*

- Food-stained paper
- Paper egg cartons
- Paper napkins & kitchen paper towels
- Pizza boxes
- Plates
- To-go boxes (no coating)
- Wooden & fiber-based utensils

*Must be 100% fiber-based. No materials with petroleum based plastic, wax, or bio-plastic coating, liner, or laminate.

ORGANIC TEXTILES

- Organically derived textiles

UNACCEPTED ITEMS

- All plastics
- Cacti, succulents, & yucca

- Compostable plastics (bioplastics)
- Coffee cups & pods
- Fats, oils, & grease
- Food stickers (please remove from items)
- Gloves
- Hard shells (clams, mussels, oysters)
- Medication
- Palm fronds
- Paper napkins & towels with cleaning chemicals
- Parchment & wax paper
- Pet waste
- Rocks & soil
- Rubber bands & twist ties
- Tea bags
- Textiles
- Tissues & wet wipes

EXHIBIT E

STREET SWEEPING SERVICES

(SEE 2011 AMENDED AND RESTATED AGREEMENT)

EXHIBIT F

INTENTIONALLY OMITTED

EXHIBIT G

INTENTIONALLY OMITTED

EXHIBIT H

COLLECTION SERVICE PROGRAMS

A. Definitions. Unless specified otherwise, all capitalized terms in this Exhibit shall refer to those defined terms specified in Chapter 8.10 (Mandatory Organic Waste Disposal Reduction) of the Covina Municipal Code and 14 California Code of Regulations Section 18982. If any term defined in this Amendment No. 2 has been previously defined in the Agreement, the definition in this Amendment No. 2 shall control. In the event of a conflict between a definition in this Exhibit and a definition in 14 California Code of Regulations Section 18982, the definition in Section 18982 shall control.

B. Single-Family Collection Services.

1. Single-Family Collection Program. CONTRACTOR shall, in accordance with the rates set forth in Exhibit A, provide to each Single-Family Generator, a three-container collection program of one black 90-gallon Barrel for the separate collection of Black Container Waste, one blue 90-gallon Barrel for the separate collection of Source Separated Recyclable Materials, and one green 90-gallon Barrel for the separate collection of Source Separated Green Container Organic Waste. For Single-Family Generators that have not previously subscribed for mandatory service, no fees shall be imposed for the first delivery of Barrels or Bins provided pursuant to the collection programs in this Exhibit, except as provided in the Agreement. As an alternative, low-income Generators at Single-Family residences, as determined by CITY, can elect to receive a black 30-gallon or 60-gallon Barrel for the collection of Black Container Waste. In the event, however, that more than five percent (5%) of Single-Family Generators in CITY request 30-gallon or 60-gallon Barrels, CONTRACTOR and CITY will meet and confer to agree upon pricing for additional 30-gallon and 60-gallon Barrels above the five percent (5%) threshold. For Generators residing at premises of fewer than five (5) units and receiving Barrel service on a door-to-door basis Generator may request, either two 60-gallon Barrels, one black, one blue, and one 90-gallon green Barrel or three 90-gallon Barrels, provided that the Barrel size and number to be distributed to such Generators will be determined jointly by CONTRACTOR and CITY and in accordance with SB 1383 and the SB 1383 Regulations.

2. Automation; Collection Schedule. CONTRACTOR shall provide automated curbside collection service for the collection of Black Container Waste, Source Separated Recyclable Materials, and Source Separated Green Container Organic Waste to each Single-Family customer one (1) time per week. Barrels shall be placed curbside not before twenty-four (24) hours prior to the scheduled collection day (but before 6:00 a.m.) and removed within twenty-four (24) hours after the collection day.

3. Disabled Customers; Roll-out Service. CONTRACTOR shall provide Barrel roll-out service for disabled customers at no charge. These customers shall be defined as persons who qualify and receive a written letter from their physician indicating that they are physically unable to roll out Barrels used for Black Container Waste, Source Separated Recyclable Materials, and Source Separated Green Container Organic Waste collection. CONTRACTOR shall provide free manual roll-out services for this category of residents due to their physical limitations. For customers not qualified for free roll-out service, CONTRACTOR shall provide

roll-out service to those who order and agree to pay for such service. The monthly charge for such services is set forth in Exhibit A of this Agreement. The following conditions shall apply to all paid roll-out services:

a. Barrels must be accessible, and any debris surrounding Barrels will not be picked up by CONTRACTOR's personnel.

b. Roll-out service shall be available at rates specified in Exhibit A for Barrels located fifty (50) feet or less from the truck pick-up point (it is understood that this distance will cover the majority of households requesting this service).

c. Rates for roll-out service as established in Exhibit A shall be subject to a rate adjustment pursuant to Exhibit B.

4. Unauthorized Uses. If any Barrel is not used by the customer in the manner specified by the automated collection program, CONTRACTOR shall use a bilingual (English, Spanish) red tag to advise the customer of proper use.

5. Service Changes. CITY and CONTRACTOR shall work together to prevent the frequent change in number and size of Barrels issued to Single-Family customers. This may involve the application of a fee for Barrel delivery. The amount of the fee, and criteria for its application, must be approved by CITY before the fee is applied.

C. Commercial, including Multifamily Dwelling, Collection Services.

1. Commercial Collection Program. CONTRACTOR shall, in accordance with the rates set forth in Exhibit A, provide to each Commercial Business, including Multi-Family Dwellings, a two-container collection program for the separate collection of Gray Container Waste and Source Separated Green Container Organic Waste. For Commercial Generators that have not previously subscribed for mandatory service, no fees shall be imposed for the first delivery of Barrels or Bins provided pursuant to the collection programs in this Exhibit, except as provided in the Agreement. CONTRACTOR shall provide automated collection service for the collection of Gray Container Waste and Source Separated Green Container Waste to all Commercial Businesses, including Multi-Family Dwellings, at least one (1) time per week for Barrel collection service and at a frequency of one (1) time per week, two (2) times per week, three (3) times per week, four (4) times per week, five (5) times per week, and six (6) times per week for Bin service.

2. Gray Containers. CONTRACTOR shall offer and provide Bin collection service for Gray Container Waste in Bin size capacities of one-and-a-half (1.5) cubic yards and up to six (6) cubic yards, and collection service to each customer for each Bin size. Up to thirty (30) cubic yard Roll-Off Bin service shall also be provided upon request. Customers shall have a right to change Bin sizes and frequency of service upon thirty (30) days' notice, and CONTRACTOR shall provide such service and adjust the customer rate to correspond with the service level changes according to the rates established in the Agreement. CONTRACTOR agrees that to the extent feasible, in the determination of CITY, Commercial Businesses, including Multi-Family Dwellings, shall be serviced by Bins instead of Barrels.

3. Green Containers. CONTRACTOR shall offer and provide, at a minimum, one (1) 64-gallon container for Source Separated Green Container Organic Waste to each Commercial customer, including Multi-Family Dwellings. CONTRACTOR may adjust, subject to the reasonable disapproval of CITY, the foregoing default level of service to any one of the following Bin types for Source Separated Green Container Organic Waste: one-and-a-half (1.5) cubic yards and up to two (2) cubic yards.

4. Location of Bins for Collection. CONTRACTOR shall provide Bins for Commercial customers, including Multi-Family Dwellings, whenever customers request their use, and shall not impose any fee or charge for delivery of such Bins, other than in connection with temporary or roll-off services. Each Bin shall be placed in an accessible, outside location on a hard surface according to individual agreement. CONTRACTOR may decline to collect Solid Waste in Bins not so placed.

5. Discounts. Beginning January 1, 2022, CONTRACTOR may bill Commercial customers, including Multi-Family Dwellings for Organic Waste collection services a fee not to exceed the "Organic Services" rates provided in Exhibit A, less the discount provided in the table below:

Calendar Year	Discount
2022	75%
2023	50%
2024	25%
2025 and beyond	0%

If Organic Waste volumes call for a roll-off capacity, CONTRACTOR may provide roll-off service at a fee not to exceed the fees set forth in the "Organic Services" rates in Exhibit A.

6. Service Changes. CONTRACTOR reserves the right to inspect, audit, and review the service level (size, quantity of container(s) and weekly frequency of pick-up) of collection services at each Commercial Business, including Multi-Family Dwellings. CONTRACTOR may reduce or increase the service level based on the inspection and audit. In the event of any dispute between a Generator and CONTRACTOR regarding a reduction or increase in the service levels, the matter shall be resolved by the City Manager, whose decision shall be final.

D. Container Color and Labeling.

1. Container Color. Notwithstanding any provision in the Agreement to the contrary, no later than January 1, 2036 (or the earlier of the end of the useful life of a container purchased prior to January 1, 2022 that is required to be replaced), all containers provided to Generators by CONTRACTOR must comply with the color requirements included below or otherwise specified in 14 CCR Section 18982 or 14 CCR, Division 7, Chapter 12, Article 3. Colors shall be colorfast and resistant to fading as a result of weathering or ultraviolet degradation, and the lids and bodies shall be uniform for each container type, as follows: (i) Black Container bodies and/or lids shall be black or gray; (ii) Gray Container bodies and/or lids shall be black or gray; (iii) Blue Container bodies and/or lids shall be blue; and (iii) Green Container bodies and/or lids shall

be green. Hardware such as hinges and wheels on the containers may be a different color than specified herein.

2. Container Labeling. Beginning January 1, 2022, CONTRACTOR shall imprint or place a label on the body or lid of each new container that has been provided to a Generator that includes language or graphic images, or both, indicating the primary materials accepted and the primary materials prohibited in that container. Imprints or labels shall clearly indicate items that are Prohibited Container Contaminants for each container.

E. Collection, Processing, and Transportation of Discarded Materials.

1. Facilities. CONTRACTOR shall to the extent applicable: (i) collect and deliver Source Separated Green Container Organic Waste to an Organic Waste Processing Facility selected by CONTRACTOR for processing and diversion; (ii) collect and deliver Source Separated Recyclable Materials to an Material Recovery Facility, as defined in the Agreement ("MRF"), or certified recycling facility selected by CONTRACTOR, for recycle and Recovery Processing of that material; (iii) collect and deliver Black Container Waste to a Landfill selected by CONTRACTOR, but at CONTRACTOR's option, divert to an MRF or a certified transformation facility (refuse to energy) selected by CONTRACTOR; (iv) collect and deliver all Gray Container Waste and roll-off containers, to a High Diversion Organic Waste Processing Facility selected by CONTRACTOR for mixed-waste Processing and diversion; (v) for C&D collected by CONTRACTOR, collect and deliver all such material to a certified facility selected by CONTRACTOR that meets seventy-five percent (75%) diversion of all C&D collected by CONTRACTOR in CITY; (vi) collect and deliver all material from roll-off inert containers to a certified inert facility selected by CONTRACTOR for Processing and diversion; and (vii) to the extent not addressed in the foregoing, where applicable, deliver all Source-Separated Solid Waste to a certified facility selected by CONTRACTOR for Processing and diversion. Through written notice to CITY annually on or before July 1 of each year, commencing July 1, 2022, and at least thirty (30) days prior to selecting a different facility or facilities, CONTRACTOR shall identify the facility or facilities to which it will transport Organic Waste, and the available capacity at such facility or facilities. All facilities selected by CONTRACTOR hereunder shall comply with SB 1383 and the SB 1383 Regulations.

2. Hauler Routes. Routes for collection shall be established by CONTRACTOR for the following: (i) Single-Family Generators using a Black Container; (ii) Single-Family Generators using a Blue Container; (iii) Commercial Businesses, including Multi-Family Dwellings, using a Gray Container; (iv) Single-Family Generators and Commercial Businesses, including Multi-Family Dwellings, using a Green Container; and (v) customers requesting Bulky Waste collection. CONTRACTOR shall not include stops outside of CITY's collection service area in a Hauler Route or commingle materials collected in CITY with materials collected outside CITY without the prior written approval of CITY. CONTRACTOR shall provide CITY written notice of any changes to the Hauler Routes at least thirty (30) days in advance.

3. Organic Waste Routes. Unless prohibited by CalRecycle, CONTRACTOR may collect Source Separated Green Container Organic Waste from multiple cities within one Source Separated Green Container Organic Waste route and, if so, will report Organic Waste tonnage among the cities by volume or by such other method required by CalRecycle. The

restriction regarding multiple CITY collections in this Exhibit at Section E.2 of the Agreement is expressly not applicable to Source Separated Green Container Organic Waste collection.

4. Uncontainerized Green Waste; Community Composting. CONTRACTOR acknowledges that Generators may additionally manage their Organic Waste by preventing or reducing their Organic Waste, managing Organic Waste on-site, using the Uncontainerized Green Waste and Yard Waste Collection Service and/or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).

5. Records. CONTRACTOR shall maintain accurate records of the quantities of discarded materials transported to and accepted at any facility, that include sufficient information for CITY to comply with CITY's recordkeeping and reporting requirements pursuant to the SB 1383 Regulations.

F. Acceptable Source Separated Recyclable Materials and Source Separated Green Container Organic Waste.

1. Acceptable Source Separated Recyclable Materials. The list of Source Separated Recyclable Materials that are to be accepted for collection in a Blue Container is set forth in Exhibit C to this Agreement. CITY and CONTRACTOR agree that the list of acceptable Source Separated Recyclable Materials may be modified from time to time with the written approval of CITY.

2. Source Separated Green Container Organic Waste. The list of Source Separated Green Container Organic Waste that is to be accepted for collection in a Green Container is set forth in Exhibit D to this Agreement. CITY and CONTRACTOR agree that the list of acceptable Source Separated Green Container Organic Waste may be modified from time to time with the written approval of CITY.

G. Edible Food Recovery.

1. Identification of Commercial Edible Food Generators. Not later than forty-five (45) days after the effective date of Amendment No. 2 to this Agreement, and annually every January 1 thereafter, CONTRACTOR shall identify customers that meet the definition of Tier One or Tier Two Commercial Edible Food Generators and provide to CITY a list of such customers, which shall include the following information: customer name, service address, contact information, Tier One or Tier Two classification, and type of business.

2. Identification of Edible Food Recovery Organizations. Not later than forty-five (45) days after the effective date of Amendment No. 2 to this Agreement, to support CITY's efforts to promote Edible Food Recovery programs, CONTRACTOR shall maintain the list of Food Recovery Organizations and Food Recovery Services and information about Edible Food Recovery on CONTRACTOR's website, which is specific to CITY and shall provide a link to information about CITY's Edible Food Recovery programs on CONTRACTOR's website.

3. Maintain and Promote Listings. Not later than forty-five (45) days after the effective date of Amendment No. 2 to this Agreement, CONTRACTOR shall cooperate with and

assist CITY with the distribution of information to Commercial Edible Food Generators regarding CITY's Edible Food Recovery programs.

H. Education and Outreach. CONTRACTOR and CITY have a shared responsibility to cooperatively provide education and outreach activities, and to create and disseminate educational materials that comply with 14 CCR Section 18985.1 to Single-Family residential premises and Commercial Businesses, including Multi-Family Dwellings. CONTRACTOR may provide the education information required by this section by including it with regularly scheduled notices, education materials, billing inserts, or other information disseminated to customers. CONTRACTOR shall maintain records of its education and outreach activities pursuant to the SB 1383 Regulations and provide this information upon request to CITY.

I. Route Reviews; Waste Evaluations.

1. Route Reviews. CONTRACTOR shall, at its sole expense, on a quarterly basis, commencing with the quarter in which the effective date of Amendment No. 2 occurs, conduct Hauler Route reviews for Prohibited Container Contaminants consistent with 14 CCR Section 18984.5(b) in a manner deemed safe by CONTRACTOR. Containers may be randomly selected along Hauler Routes. CONTRACTOR shall develop a Hauler Route review methodology in compliance with 14 CCR Section 18984.5(b) and submit it to CITY not more than annually upon the request of CITY. Upon finding Prohibited Container Contaminants in a container, CONTRACTOR shall follow the contamination protocols in paragraph J.

2. Waste Evaluations. CONTRACTOR shall, at its sole expense, at least twice per year but no more than quarterly, commencing with the quarter in which the effective date of Amendment No. 2 occurs, conduct waste evaluations that meet the requirements of 14 CCR Section 18984.5(c) with respect to waste delivered to a CONTRACTOR-owned or -controlled facility or with respect to information otherwise accessible to CONTRACTOR that permits it to perform characterization studies. CITY maintains the right to observe, or hire a third party to observe, the waste evaluations. CONTRACTOR should be 18984.5 shall develop a waste evaluation methodology in compliance with 14 CCR Section 18894.5(c), including corrective actions that may be adopted in the event of Contamination of greater than twenty-five (25%), and submit it to CITY not more than annually upon the request of CITY. Waste evaluations shall occur in two (2) distinct seasons of the year.

3. Records. CONTRACTOR shall maintain records required under 14 CCR Section 18984.6 related to its compliance hereunder. Reports shall be provided to CITY upon request.

J. Contamination Protocols.

In order to reduce the presence of Prohibited Container Contaminants, CONTRACTOR shall implement the protocols, as specified herein.

1. First and Second Contamination Events. Upon the first and second discoveries of Prohibited Container Contaminants in containers within a given calendar year, each starting January 1, and with the first calendar year starting on January 1, 2022, CONTRACTOR will collect the contaminated waste if safe to do so, and transport the contaminated waste to a

Material Recovery Facility, as defined in the Agreement and compliant with SB 1383, and the SB 1383 Regulations for sorting or a Landfill for disposal, as applicable, and affix a "Contamination Violation Notice" in a form approved by CITY to any container with Prohibited Container Contaminants. CONTRACTOR shall also report issuance of any such notices to CITY within five (5) business days. CONTRACTOR must also contact the customer by phone, by U.S. mail, by email, in person, or by tag, to ensure that the customer has the appropriate level of service for proper collection of discarded materials.

2. Third and Fourth Contamination Events. Upon the third and fourth discoveries of Prohibited Container Contaminants in containers within a given calendar year starting January 1, the protocols specified in Section J.1 of this Exhibit shall apply. CONTRACTOR may also elect to charge the then-maximum contamination fee set forth in Exhibit A for the discovery hereunder. For any assessed contamination fee, CONTRACTOR must provide digital/visual documentation of CONTRACTOR's discovery thereof to customer and CITY within five (5) business days. All digital/visual documentation provided to CITY shall include date, time, address, and description of the contamination discovered.

3. Fifth and Subsequent Contamination Events. Upon each of the fifth and any subsequent discoveries of Prohibited Container Contaminants in containers within a given calendar year starting January 1, the protocols specified in Section J.2 of this Exhibit shall apply. Upon five (5) business days' notice to CITY and customer, CONTRACTOR may also (i) increase the container size, (ii) require additional containers for excessive Container Contamination or increase collection frequency, and/or (iii) provide notice that CONTRACTOR has recommended that CITY commence any applicable code enforcement action against Generators. CITY will consult with CONTRACTOR and consider, as applicable, appropriate legal remedies against offending Generators in order to secure discontinuance of the contamination. All CITY costs of such action shall be recovered from the offending Generators.

4. Disputes. In the event of any dispute between a Generator and CONTRACTOR regarding an increase in the service levels relating to Prohibited Container Contaminants, the matter shall be resolved by the City Manager, whose decision shall be final. If a customer disputes, in writing, an assessment of a contamination fee within thirty (30) days of the assessment, CONTRACTOR will temporarily halt any such assessment and CONTRACTOR may request a ruling by the City Manager to resolve the dispute. A request by CONTRACTOR to the City Manager to rule on any such dispute must be filed within ten (10) business days of a customer's written dispute, and CONTRACTOR must include written documentation and digital/visual evidence of ongoing overall problems. Upon receipt of such documentation, the City Manager will rule on the dispute within ten (10) business days, and the City Manager's decision resolving the dispute between customer and CONTRACTOR will be final.

K. SB 1383 Procurement. CONTRACTOR shall procure and provide to CITY sufficient quantities of Renewable Gas generated in California, as specified in 14 CCR Section 18993.1 ("RNG") to meet CONTRACTOR's required portion of the CITY's annual Recovered Organic Waste Product Procurement Target. The foregoing shall apply upon CONTRACTOR's notice to CITY that RNG is readily available to CONTRACTOR for use in CITY. CONTRACTOR shall maintain records of its efforts to assist CITY in satisfying its annual Organic Waste Product Procurement Target, including but not limited to records required in accordance

with 14 CCR Section 18993.1. CONTRACTOR shall deliver compost (up to a maximum of 50 tons per year) to the City for its use. At City's request no more than twice per year, the CITY and CONTRACTOR shall meet and confer to mutually prepare a plan for the delivery location and amounts per delivery for compost to be provided to CITY. All costs of delivering compost to CITY shall be borne by CONTRACTOR.

L. Waivers. CONTRACTOR acknowledges that pursuant to Chapter 8.10 of the Code, a Generator may submit to CITY an application(s) requesting a de minimis waiver and/or physical space waiver in accordance with 14 CCR Section 18984.11. CITY, at its discretion, may grant one or more such waivers to Generators in accordance with 14 CCR Section 18984.11, or as otherwise authorized by CalRecycle. CONTRACTOR shall cooperate with and provide support to CITY in connection with CITY's evaluation of any application hereunder and CONTRACTOR shall adjust a Generator's service level and billing within five (5) business days of notification from CITY that CITY has granted or rescinded a waiver.

M. Reporting. Notwithstanding any provision in the Agreement to the contrary, CONTRACTOR acknowledges that CITY is required to maintain an implementation record that documents records related to programs required by the SB 1383 Regulations. CONTRACTOR agrees, at its sole expense, to maintain accounting, statistical, and similar records related to its performance of Contractor's express obligations required by this Exhibit and to provide the reports required by this Exhibit to CITY, and in a format maintained in the normal course of business, to assist CITY in complying with the SB 1383 Regulations. CONTRACTOR shall maintain such records in accordance with 14 CCR Section 18995.2(e). The Parties shall meet and confer if CITY elects to modify the records and reports required of CONTRACTOR pursuant to this Exhibit with respect to type of report, number, content, format (including digital submission), or frequency. CONTRACTOR shall provide records to CITY within ten (10) business days of a request.

N. Compliance with SB 1383. CONTRACTOR will develop and maintain its Organic Waste collection services as required in this Exhibit in a manner designed to assist CITY and Generators in achieving and maintaining compliance with SB 1383 and the SB 1383 Regulations. CONTRACTOR shall be deemed in non-compliance hereunder if CalRecycle determines that the requirements of SB 1383 or the SB 1383 Regulations are not met and the failure is: (i) due to the sole failure of CONTRACTOR to meet its obligations under this Exhibit; or, (ii) due to CONTRACTOR's sole delay in providing information required under this Exhibit which that prevents CITY from submitting reports to CalRecycle in a timely manner. In the event of non-compliance hereunder, CITY shall be entitled to the reimbursement of penalties assessed by CalRecycle against the CITY arising therefrom.

O. Organic Waste Ordinance; Enforcement. CONTRACTOR shall coordinate with CITY by providing, upon CITY's request, notice to CITY of any and all persons refusing Organic Waste services. CITY shall be responsible for all code enforcement actions to support compliance with SB 1383. CONTRACTOR shall not be liable for any claims, actions, obligations, demands, damages, liabilities, costs, or expenses for any damages or injuries caused by or arising from (i) the failure of Generators to accept Organic Waste services, or (ii) the suspension or termination of services upon nonpayment in whole or in part by Generators, provided CONTRACTOR reports such instances of noncompliance or nonpayment to CITY for code enforcement.

EXHIBIT I

MAP OF DOWNTOWN SERVICE AREA FOR PRESSURE WASHING

