

**AMENDED AND RESTATED
REFUSE, RECYCLING AND ORGANIC WASTE AGREEMENT BETWEEN THE CITY
OF SHASTA LAKE
AND
USA WASTE OF CALIFORNIA, INC.**

THIS AMENDED AND RESTATED REFUSE, RECYCLING AND ORGANIC WASTE AGREEMENT (this “**Agreement**”) is between the City of Shasta Lake (the “**City**”) and USA Waste of California, Inc. (the “**Company**”). Unless otherwise specified in this Agreement, any action authorized or required to be taken by the City may be taken by the City Council (the “**Council**”) or by the City Administrator

In consideration of the mutual covenants in this Agreement, as amended and restated, and intending to be legally the parties agree as follows:

1. DEFINITIONS.

For purposes of this Agreement, the following words or phrases shall have the following meanings.

1.1. **Act.** The California Integrated Waste Management Act of 1989, California Public Resources Code (“**PRC**”) sections 40000 et seq., as amended, supplemented, superseded, and replaced by the California legislature from time to time. All state code references are to the PRC unless otherwise noted. In the event of any inconsistency between the definitions set forth below and those in the PRC or the California Code of Regulations (“**CCR**”) related to solid waste, the PRC and/or the CCR shall prevail.

1.2. **Applicable Law.** All laws, ordinances, municipal code, resolutions, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Franchise Services that are in force on the execution date of this Agreement, and as they may be enacted, issued or amended during the term of this Agreement.

1.3. **Bins.** A metal or plastic container, with a capacity of one (1) cubic yard up to and including ten (10) cubic yards, designed or intended to be mechanically dumped into a loader packer type truck, that is used for the Collection of C&D Debris, Organic Waste, Recyclable Materials or Refuse.

1.4. **Bulky Wastes.** Large discarded items including, but not limited to, household appliances, furniture, un-mounted tires, carpets, and other oversize materials whose large size precludes or complicates their handling by normal Collection methods, but can be Collected without the assistance of special loading equipment (such as forklifts or cranes) and without violating collection vehicle legal load limits. Bulky Items do not include abandoned automobiles, large auto parts, or trees.

- 1.5. **City Representative.** The City Manager or his/her designee.
- 1.6. **Cart.** A heavy plastic receptacle with wheels and a rated capacity not exceeding ninety-six (96) gallons, having a hinged tight-fitting lid, and wheels for the Collection of Organic Waste, Recyclable Materials or Refuse.
- 1.7. **City Services.** The Collection and Disposal or Processing of Refuse, Recyclable Materials and Organic Waste from City-owned and operated Premises.
- 1.8. **Collect or Collection.** The process whereby C&D Debris, Organic Waste, Recyclable Materials or Refuse is removed from a Premises and transported to a Disposal Site, Processing Facility or other appropriate facility.
- 1.9. **Commercial Organic Waste Service.** The Collection and Processing of Organic Waste from Commercial Premises.
- 1.10. **Commercial Premises.** A Premise in the Service Area that is engaged in commercial activities, industrial uses, manufacturing processes, demolition or construction, and includes Multi-Family Complexes.
- 1.11. **Commercial Recycling Service.** The Collection and Recycling of Recyclable Materials from Commercial Premises.
- 1.12. **Commercial Refuse Service.** The Collection and Disposal of Refuse from Commercial Premises.
- 1.13. **Commercial Services.** Commercial Organic Waste Service, Commercial Recycling Service, and Commercial Refuse Service.
- 1.14. **Compactor.** Any Roll-Off Container that has a compaction mechanism, whether stationary or mobile.
- 1.15. **Construction and Demolition Debris or C&D Debris.** Used or discarded materials resulting from construction, remodeling, repair or demolition operations on any type of structure, but not including any Excluded Waste.
- 1.16. **Contamination.** Materials placed in a Recyclable Materials Container other than Recyclable Materials, or material placed in an Organic Waste Container other than Organic Waste.
- 1.17. **C&D Debris Services.** The Collection and Disposal or Recycling of C&D Debris, including Recyclable C&D, from Premises in the Service Area.

1.18. **Container.** Any and all types of receptacles, including Carts, Bins and Roll-Off Containers, used pursuant to the terms of this Agreement for the Collection of Refuse, Recyclable Materials, Organic Waste, C&D Debris, or other Solid Waste.

1.19. **Curb or Curbside.** That part of a Premise within five feet of the Public Street or alley, without blocking sidewalks, driveways or on-street parking. If extraordinary circumstances preclude such a location, Curbside shall be considered a placement suitable to the Premises, convenient to the Company's equipment, and mutually agreed to by the Premises and the Company.

1.20. **Disposal.** Has the meaning provided in PRC Section 40120.1 or successor laws and regulations as may be amended from time to time.

1.21. **Disposal Site.** The facility or facilities at which Refuse Collected under this Agreement is disposed. As of the Effective Date, the Disposal Site shall be West Central Landfill.

1.22. **Effective Date.** January 1, 2026, the date that Franchise Services shall commence under this Agreement.

1.23. **Excluded Materials or Excluded Waste.** Material that: (a) is prohibited from receipt at a Disposal Site by state, federal or local law, regulation, rule, code, ordinance, order, license, permit or permit condition; (b) is or contains Hazardous Waste as defined below or any bio-solids; (c) Company reasonably believes would, as a result of or upon disposal, be a violation of local, state or federal law, regulation or ordinance, including land use restrictions or conditions applicable to a Disposal Site; or (d) in Company's opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Company or City to potential liability.

1.24. **Food Waste.** Solid Waste composed of animal, fruit or vegetable matter resulting from food preparation or consumption, as well as food-soiled compostable paper products. Food Waste does not include Excluded Waste.

1.25. **Franchise Materials.** All Solid Waste generated or coming to exist in the Service Area, except where excluded pursuant to Section 2.3. At the Company's option, "Franchise Materials" shall also include any other materials that can now or in the future be disposed of in Class III landfills or Processed.

1.26. **Franchise Services.** City Services, Commercial Services, C&D Debris Services, and Residential Services.

1.27. **Green Waste.** Leaves, grass, weeds, houseplant trimmings, palm fronds, cactus and wood materials from trees and shrubs, and similar materials generated at any premises that fit within a Cart. Green Waste does not include tree trunks or limbs more than six (6) inches diameter. Green Waste does not include Excluded Waste.

1.28. **Hazardous Waste.** Has the meaning provided in PRC Section 40141 or successor laws and regulations as may be amended from time to time.

1.29. **Household Hazardous Waste (or HHW).** Has the meaning set forth in California Health and Safety Code Section 25218 and in Title 14, CCR, Section 18502 or in successor laws and regulations as may be amended from time to time, but not including any Excluded Waste.

1.30. **Inaccessible Area.** Any road, alley or property that does not allow safe access, turn-around, or clearance for standard collection vehicles.

1.31. **Multi-Family Complex.** Any building or structure, or portion thereof, used for residential purposes and having four (4) or more distinct living units; Multi-Family Complexes shall be considered Commercial Premises. Any building or structure with three (3) or fewer distinct living units shall be Residential Premises, receiving Residential Services. For purposes of this Agreement, mobile home parks utilizing Bin-based Refuse services and centralized billing shall be Multi-Family Complexes.

1.32. **Organic Waste.** Food Waste and Green Waste that has been separated from other types of Solid Waste.

1.33. **Organic Waste Processing Facility.** The Facility(ies) used by the Company for handling, processing, and preparing collected Organic Waste for marketing or other use.

1.34. **Overage.** Overage is defined as Refuse, Recyclable Materials or Organic Waste exceeding its Container's intended capacity such that the lid is lifted at least 10 inches (or would be lifted at least 10 inches if lowered).

1.35. **Owner.** The person(s) or entity(ies) holding legal title to a Premises. For the purposes of provisions in this Agreement pertaining to the sending of notices, billings or other communications by Company to an Owner, Company may regard as Owner the person or entity shown in the records of the assessor of Shasta County or as may be indicated by documents recorded in the Shasta County Clerk-Recorder's Office.

1.36. **Parties.** The City and the Company.

1.37. **Premises.** Any parcel of real property in the Service Area where Solid Waste is produced, generated or accumulated, and includes Commercial Premises and Residential Premises.

1.38. **Private Drive(s).** A privately owned or maintained way serving less than one Residential Premises for every 100 yard distance.

1.39. **Private Road(s).** A privately owned or maintained way that allows for access by a small wheel base service truck and which serves four or more Residential Premises.

1.40. **Processing or Process.** An operation or series of operations, whether involving equipment, manual labor, or mechanical or biological processes, that sorts, enhances, upgrades, concentrates, decontaminates, packages or otherwise prepares Solid Waste and returns them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace. Processing begins at the time Solid Waste is delivered to the Processing Facility and ends when the finished Processed materials are sold or reused and the residue is properly Disposed.

1.41. **Processing Facility.** Any facility selected by Company which is designed, operated and legally permitted for the purpose of receiving and Processing Organic Waste, Recyclable C&D and/or Recyclable Materials.

1.42. **Public Street(s).** A public way used for public travel.

1.43. **Recyclable C&D.** C&D Debris that is placed in a Bin, Roll-Off or other receptacle, at least 95% of which will be recycled.

1.44. **Recyclable Materials or Recyclables.** Materials set forth in Exhibit 1 attached hereto. This definition of Recyclable Materials shall also include Recyclable Materials commingled with non-Recyclable Materials, so long as (a) non-Recyclable Materials constitute 10% or less of the total commingled volume and weight, and (b) the commingled materials do not contain any Excluded Waste or Unacceptable Materials. The list of Recyclable Materials may be modified upon written agreement of the parties. Further, Company reserves the right, upon notice to City, to temporarily dispose any category of Recyclable Materials for which a commercially viable market does not exist. In such event, Company will use good faith efforts to identify replacement markets and will notify then City when that occurs.

1.45. **Recycle or Recycling.** The Processing of Recyclable C&D or Recyclable Materials.

1.46. **Refuse.** Solid Waste which is permitted for disposal in a Class III landfill and which has been placed in a Container with the intention of Collection and Disposal, but excludes Excluded Waste.

1.47. **Residential Premises.** A Premise in the Service Area used for residential purposes, but excluding Multi-Family Complexes.

1.48. **Residential Organic Waste Service.** The Collection and Processing of Organic Waste from Residential Premises.

1.49. **Residential Recycling Service.** The Collection and Recycling of Recyclable Materials from Residential Premises.

1.50. **Residential Refuse Service.** The Collection and Disposal of Refuse from Residential Premises.

1.51. **Residential Services.** Residential Organic Waste Service, Residential Recycling Service and Residential Refuse Service.

1.52. **Roll-Off Containers.** A metal Container with a capacity of ten (10) or more cubic yards that is normally loaded onto a motor vehicle and transported to an appropriate facility.

1.53. **SB 1383.** “SB 1383” means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.

1.54. **Self-Haul.** The transport of Franchise Materials from a Premise, where the materials being generated are taken directly to an authorized landfill or transfer station. The transport must be accomplished by the resident, Owner or commercial/business/industrial entity that generates the Franchise Materials and may not be transported by a company, agent or other third-party hired for such use except as provided in Section 23 of this Agreement.

1.55. **Service Area.** The jurisdictional boundary of the City including all areas hereafter annexed or otherwise added to the territorial limits of the City.

1.56. **Single-Family Residence or SFR.** All one-unit houses, mobile homes with Cart-based Residential Refuse Services, and dwellings within buildings or structures that have three (3) or fewer distinct living units.

1.57. **Solid Waste.** Defined in California Public Resources Code Section 40191, as that section may be amended from time to time, but excluding Exempt Waste.

1.58. **Special Services.** Specific service-related activities, including without limitation lock, gate, and long walk services, or other services for which no rate is established by the City, that is provided by the Company to customers for which the Company may charge an additional fee.

1.59. **State.** The State of California.

1.60. **Unacceptable Materials.** Any waste tires, radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, bio-hazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized, or listed under applicable federal, state, or local laws or regulations, any materials containing information protected by federal, state or local privacy and security laws or regulations (unless tendered to Company pursuant to a separate agreement), or any material the acceptance or handling of which would cause a violation of any Applicable Law, damage to Company’s equipment or facilities, or present a substantial endangerment to the health or safety of the public or Company’s employees. Title to and liability for Unacceptable Materials shall remain with the generator at all times.

1.61. **Uncontrollable Circumstances.** Any acts of God, such as landslides, lightning, fires, storms, floods, pestilence, freezing, and earthquakes; explosions, sabotage, civil disturbances, acts of a public enemy, wars, blockades, riots, labor unrest, eminent domain, condemnation or other taking, unfavorable market conditions for those commodities associated with Recyclable Materials, pandemics, or other events of a similar nature, not caused by the negligence or willful misconduct City or Company, which event is not reasonably within the control of the Party claiming the excuse from its obligations due to such event, to the extent such event has a material adverse effect on the ability of a Party to perform its obligations thereunder. Events which could have been prevented by reasonable precautions, including compliance with agreements and applicable laws, shall not be considered an Uncontrollable Circumstance. Labor unrest, including but not limited to strike, lockout, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by the Company's employees or directed at the Company, or a subsidiary, are considered Uncontrollable Circumstances for the first seven (7) days of such labor unrest.

2. **GRANT OF EXCLUSIVE AGREEMENT.**

2.1. **Scope of Exclusive Franchise.** Except as provided in Section 2.3 below, City hereby grants to Company for the term hereinafter set forth, the exclusive right and privilege to perform the Franchise Services. Except as provided in Section 2.3 below, participation in the Company's Franchise Services shall be mandatory for all Premises in the Service Area. The Company shall dispose of all Refuse collected under this Agreement at a licensed Disposal Site (which must be a Class III disposal site) suitable for municipal waste. Pursuant to a Joint Powers Agreement among Shasta County, the City of Anderson, and the City of Shasta Lake, as of the Effective Date, the Company must deliver all Refuse collected under this Agreement to West Central Landfill for Disposal. If West Central Landfill closes or is not able to accept Refuse from Company, then Company may utilize the disposal facility of its choice.

2.2. **Company Responsibility.** The Company hereby accepts and assumes responsibility to perform and fulfill all the terms, covenants, conditions, and obligations required under this Agreement. Company agrees to perform all of its obligations under this Agreement for the term hereof. Company shall furnish all the labor and equipment necessary for the Franchise Services, subject to the terms, conditions and provisions of this Agreement.

2.3. **Exceptions to Franchise.** The following services and materials are expressly excluded from this Agreement. However, the granting of this franchise shall not preclude a Premises from contracting for the categories of services and materials described below to be delivered to, collected and/or transported by the Company or others, provided that nothing in this Agreement is intended to or shall be construed to excuse any person from any authorization from the City which is otherwise required by laws.

2.3.1. **Compactors for Recyclables.** Rental, lease or sale of Compactors, provided that such equipment is compatible with Company equipment and that the Company shall have the exclusive right to provide Collection services for Compactors (unless Section 2.3.4 applies).

2.3.2. Self-Hauling. Self-Haul materials, which are delivered by a person or entity directly to a disposal facility. Persons or entities cannot subcontract any portion of the Self-Haul to any entity other than the Company. This provision does not allow persons or entities to purchase, borrow or rent Containers and have them collected by a third-party. Regardless of this Self-Haul exception, each Commercial and Residential Premises must pay for the Commercial or Residential Services, respectively.

2.3.3. Gardeners and Landscapers. The collection, transportation, and disposal of Green Waste and related Solid 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.

2.3.4. Incidental Hauling of Construction and Demolition Debris. C&D Debris that is incidentally removed by a duly licensed construction or demolition contractor, or as part of a total service offered by such licensed company, and where the licensed company uses its own equipment and employees.

2.3.5. Sold Recyclable C&D. Collection and Recycling of Recyclable C&D by a third party, provided at least ninety-five percent (95%) of each load is actually Recycled and for which the generator receives payment. To the extent permitted by law, if the generator is required to pay monetary or non-monetary consideration the collection, transportation, transfer, or processing of Recyclable C&D to any person or entity other than Company, the fact that the generator receives a reduction or discount in price (or in other terms of the consideration the generator is required to pay) shall not constitute "receiving payment", and such Recyclable C&D shall be exclusive to Company.

2.3.6. Donated or Sold Recyclables. The sale or donation of Recyclable Material by the person or entity that generated such Recyclable Material to any person or entity other than Company; 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, or processing of Recyclable Material to any person or entity other than Company, the fact that the generator receives 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 or donation.

2.3.7. Governmental Entities. The Company's exclusive franchise in this Agreement shall not include governmental entities if and to the extent the City has no legal power to include them in the exclusive franchise.

2.4. **Term of Agreement**. The initial term of this Agreement shall commence on January 1, 2026 and terminate on January 1, 2036 (the "**Initial Term**"). Thereafter, this Agreement will automatically continue beyond the Initial Term for up to two additional periods of five years (each a "**Renewal Term**") unless either Party gives the other Party at least 180 days' prior written notice of its election to terminate the Agreement at the end of the Initial Term or any applicable Renewal Term.

2.5. **Title to Solid Waste.** It is expressly understood that all Franchise Materials collected under this Agreement shall remain the property of the Commercial or Residential Premises until such time as they are collected. Ownership of C&D Debris, Organic Waste, and Recyclable Materials shall transfer to Company once they are collected. The Company is hereby granted the right to retain, dispose of, and otherwise use such C&D Debris, Organic Waste, and Recyclable Materials, or any part thereof, in any fashion or for any lawful purpose desired by the Company, and to retain any benefit or profit resulting therefrom. Title to and liability for Excluded Materials shall remain with Owner at all times.

2.6. **Anti-Scavenging Enforcement.** The City shall use good faith efforts to protect and enforce the exclusive rights of Company through appropriate ordinances and reasonable enforcement of those ordinances against third party violators. Contractor may independently enforce the exclusivity provision of this Agreement against third party violators, including but not limited to seeking injunctive relief, and the City shall use good faith efforts to cooperate in such enforcement actions brought by Company.

2.7. **Non-Compaction of Franchise Materials.** Customers may not, itself or through another party, compact material placed in Company-provided containers, as such compaction may damage Company containers.

3. **FRANCHISE FEE.**

3.1. **City Franchise Fee.** Exhibit 2 attached hereto contains the rates (the “**Rates**”) Company shall charge hereunder for the Franchise Services. On or before each August 1 during this Agreement, Company shall pay City a “**Franchise Fee**” of eight percent (8%) of all Gross Revenue received by the Company under this Agreement during the 12 month period ending on the previous June 30. For purposes of this Agreement, “**Gross Revenue**” means revenue actually received from Commercial and Residential Premises for their payment of Rates. Gross Revenue does not include revenue from non-exclusive services or the sale of Recyclable Materials. For Gross Revenues collected by the City, the City may deduct the Franchise Fee from the monthly amounts remitted to the Company. Company shall not be precluded from rejecting any Cart with Recyclable Materials not provided in accordance with Specifications, nor precluded from issuing to Owners charge-backs for any resulting settlement or adjustments of Rates for Excluded or Unacceptable Materials.

3.2. **Under and Over Payments.** If the Company fails to pay Franchise Fees due the City through error or otherwise, the difference due the City shall be paid by the Company within thirty (30) days from discovery of the error or determination of the correct amount. Any overpayment to the City through error or otherwise shall be offset against the next payment due from the Company.

3.3. **Financial Review.** The relevant books and records of the Company and City regarding Gross Revenue shall be subject to review and inspection by either Party, its auditors or other

agents, at any reasonable time upon reasonable notice, and for the purpose of confirming Gross Revenue amounts.

4. **SERVICES PROVIDED BY COMPANY.**

The Company shall, in accordance with the terms of this Agreement and Applicable Law, provide all labor, materials, facilities, services and equipment necessary to perform the Franchise Services.

4.1. **Residential Services.**

4.1.1. Carts. Company shall provide each Single-Family Residence one (1) ninety-six (96) gallon Cart designated for the Collection of Refuse (a "**Refuse Cart**"), one (1) sixty-four (64) gallon Cart designated for the Collection of Recyclable Materials (a "**Recyclables Cart**"), and one (1) ninety-six (96) gallon Cart designated for the Collection of Organic Waste (a "**Green Waste Cart**"). Any SFR requesting smaller Carts will be provided with sixty-four (64) gallon Carts by Company instead of the standard ninety-six (96) gallon Carts noted above. Company may utilize Carts that were distributed to SFRs in connection with the prior franchise agreement to satisfy its obligations under this Agreement.

Company and City will collaborate on a quarterly newsletter, which will be mailed by the City. Company will also produce an annual calendar, which the City will mail to customers.

4.1.2. Cart Replacement. Company, without expense to the City or SFRs, and within seven days after notice, shall provide one free replacement every four years of Carts that are lost, stolen or damaged (regardless of cause). Company may charge for additional replacement Carts based on the actual cost of the Carts and their delivery. SFRs will be able to make a change in Cart size or number of Carts once every twelve months at no additional replacement cost. Company, without expense to the City or the SFR, shall provide Refuse Carts to a new SFR customer that has no such Carts within five days of written request (14 days for Recyclables Carts and Organic Waste Carts). Company shall own and maintain all Carts at its expense, except as provided in this paragraph.

4.1.3. Curbside Placement. SFR shall place Carts at Curbside for Collection. If a SFR and Company 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.

4.1.4. Frequency. Except as otherwise provided herein, (a) Residential Refuse Service shall be provided one (1) time per week in compliance with the approved Collection schedule, (b) Residential Recycling Service shall be provided every other week in compliance with the approved Collection schedule, and (c) Residential Organic Waste Service shall be provided weekly in compliance with the approved Collection schedule. Collection shall be scheduled so that a SFR receives Residential Refuse Service, Residential Recycling Service, and Residential

Organic Waste Service on the same weekday. The Company will only provide Residential Recycling Service to Residential Premises that receive and pay for Residential Refuse Service.

4.1.5. Schedule. Collections from SFRs will be between 5:00 a.m. and 5:00 p.m., Monday through Friday. The hours, day, or both of Collection may be extended due to extraordinary circumstances or conditions with the prior verbal or written consent of the City. Additionally, in the event required by unusual or emergency circumstances, or temporary changes needed to accommodate seasonal fluctuation in Collection needs, the City may authorize a modification to the above time limitations. Company may send a notification to customers if service hours are adjusted for 1 business day. Changes in customer service hours that would last longer than 1 day will require a plan mutually agreed upon with the City.

4.1.6. Company shall provide SFR Collection Service with as little disturbance as possible and shall leave any Cart in an upright position at the same point it was collected without obstructing alleys, roadways, driveways, sidewalks or mailboxes.

4.1.7. Senior Residential Services. Senior citizens may receive Residential Services at the rate provided in Exhibit 2 (75% of the normal Refuse rate). In order to qualify for the reduced senior rate, the account holder residing at the property must be 65 years of age or older, as shown by driver's license or other identification acceptable to City.

4.2. **Commercial Services.**

4.2.1. Commercial Refuse Service. Company shall provide Commercial Refuse Service as frequently as negotiated with each Commercial Premises, but in no event less than once per week. Company will work with each Commercial Premises to customize the appropriate level of service Commercial Customers will have the option to select the appropriate Cart size or 2, 3, 4, and 6 cubic yard bins for Commercial Refuse Services. The 6-cubic yard bins will not have wheels. Refuse Containers shall be provided within fifteen (15) working days of sign-up and provision of a proper site. Refuse Containers shall be sited in accordance with all policies and regulations of the City.

4.2.2. Commercial Recycling Service. Company shall provide Commercial Recycling Service as frequently as negotiated with each Commercial Premise, but in no event less than every other week. Company will work with each Commercial Premises to customize the appropriate level of service. However, one 64-gallon Cart, serviced every other per week, will be included in the customer's base rate for Refuse services; the customer may receive a larger container(s) (2, 3, 4 or 6 yard Bin) or more frequent service according to the Rates set forth in Exhibit 2. The 6-cubic yard bins will not have wheels. Recycling Containers shall be provided within fifteen (15) working days of sign-up and provision of a proper site. Recycling Containers shall be sited in accordance with all policies and regulations of the City.

4.2.3. Commercial Organic Waste Service. Starting January 1, 2026, Company shall provide Commercial Organic Waste Service as frequently as negotiated with each Commercial Premise, but in no event less than weekly. Company will work with each Commercial Premises to

customize the appropriate level of service. However, one 64-gallon Cart, serviced once per week, will be included in the customer's base rate for Refuse services; the customer may receive more frequent service according to the Rates set forth in Exhibit 2. Organic Waste Containers shall be provided within fifteen (15) working days of sign-up and provision of a proper site. Organic Waste Containers shall be sited in accordance with all policies and regulations of the City.

4.2.4. Schedule. Collections from Commercial Premises will be between 5:00 a.m. and 5:00 p.m., Monday through Friday. The hours, day, or both of Collection may be extended due to extraordinary circumstances or conditions with the prior verbal or written consent of the City. Notwithstanding the foregoing, in the event required by unusual or emergency circumstances, or temporary changes needed to accommodate seasonal fluctuation in Collection needs, the City may authorize a modification to the above time limitations.

4.3. **C&D Debris Services.**

4.3.1. Company shall have the exclusive right to provide C&D Debris Services, except as provided in Section 2.3.

4.3.2. Company shall provide C&D Debris Services as frequently as negotiated with each Premise. Company will work with each Premise to customize the appropriate level of service. Customers will have the option to select the appropriate sized Bin or Roll-Off Container. Customers may not mechanically compact materials placed in Company containers.

4.3.3. Company shall encourage builders and demolition companies to source-separate their C&D for future recycling. Prior to disposal, Company shall have the right to salvage C&D Debris collected pursuant to this Agreement and to retain funds derived therefrom.

4.4. **City Services.**

4.4.1. Company shall perform the City Services at facilities identified in Exhibit 3 according to the specified service levels and collection frequency.

4.5. **Vouchers; Christmas Trees.**

4.5.1. City may provide each Residential Premises within the Service Area with two "Disposal Vouchers," each of which entitles a Residential Premises to dispose at no cost of up to two (2) cubic yards of Refuse at Anderson Landfill. To be valid, a voucher must be presented upon entrance to the landfill. Notwithstanding the foregoing, a voucher shall not permit the disposal of Refuse by Commercial Premises or any materials that under current or future statute, ordinance or regulation require the application of special treatment, handling, or disposal practices beyond those normally required for solid waste, including without limitation dirt, concrete, tires, liquids, toxic or hazardous materials, cathode ray tubes (CRT), materials containing CFC's, and large or heavy metal objects such as auto bodies, engines, transmissions, refrigerators, and air-conditioners; provided, however, that Company may, in its discretion, accept such waste and materials for an additional charge to be determined by Company.

4.5.2. **Christmas Tree Collection.** The normal collections following the Christmas and New Year's holidays shall include discarded Christmas trees and waste packaging materials which may be set out for collection. Contractor shall collect such items without additional charge. Such collections shall be made within two (2) collection periods following January 1st of each year.

Christmas Trees must be set out at the curb, near Company containers, cut into sections no longer than four feet and weighing no more than 50 pounds, and all decorations removed. Extra packaging waste must be set out at the curb, near Company containers. All bagged material will be disposed as MSW. Cardboard must be broken down and stacked next to the recycle cart.

4.6. **Contamination; Overage.**

4.6.1. Roll-Out Period – Education and Outreach. During the period beginning on the Effective Date and ending 60 days later (the “**Roll-Out Period**”), Company shall provide an education program to Residential Premises designed to minimize instances of Contamination and Overage. During the Roll-Out Period, where Company documents that a particular customer has Contamination or Overage, Company shall collect the offending container (where it can be done safely) and provide notice to the customer with the following information (a “**Violation Notice**”):

- Date of the offense;
- Description of the offense;
- If available, a photograph or video (or link to photograph or video);
- A description of the materials that are appropriate for collection in said container and a link to view online with educational materials; and
- A website to obtain additional information and/or receive responses to questions the customer may have.

During the Roll-Out Period, Company shall not impose a Contamination or Overage Charge to Residential Premises; Company may impose Contamination and Overage Charges to Commercial Premises, as they have been so charged under the previous agreement with Company and City.

4.6.2. Post Roll-Out Period. The following shall apply after the Roll-Out Period:

4.6.2.1. Contamination.

4.6.2.1.1. First and Second Occurrences. Company shall service containers with Contamination except where there is visible Unacceptable Materials. Company shall provide a Violation Notice where contact information has been provided.

4.6.2.1.2. Third and Subsequent Occurrences. Company may opt to not collect Recyclable Materials or Organic Waste containers with Contamination; in such event, the customer may request the container be collected as Refuse, and an additional fee will apply. Alternatively,

Company may collect a container with Contamination and increase the customer's Refuse service level (i.e., larger or additional Refuse containers) and charge for such additional service. Such service level increases may be made by Company where customer continues to have Contamination incidents. Customer may request that such service level increases be reduced if there have been no incidents of Contamination for twelve months.

4.6.2.2. Overage.

4.6.2.2.1. First and Second Occurrences. Company shall collect Overage except where there is visible Unacceptable Materials. Company will provide a Violation Notice where contact information has been provided.

4.6.2.2.2. Third and Subsequent Occurrences. Company shall collect Overage except where there is visible Unacceptable Materials. Company will provide a Violation Notice where contact information has been provided. Company may increase the customer's Refuse service level (i.e., larger or additional Refuse containers) and charge for such additional service. Such service level increases may be made by Company where customer continues to have Overage incidents. customer may request that such service level increases be reduced if there have been no incidents of Overage for twelve months.

4.7. **SB 1383 Route Review Contamination Monitoring; SB 1383 Compost Procurement.**

4.7.1. Methodology and Frequency. Company shall, at its sole expense, conduct Collector Route Reviews for Prohibited Container Contaminants (defined in SB 1383) in collection containers in a manner that is deemed safe by the Company and is conducted in a manner that results in all Company routes being reviewed annually or more frequently. Company shall develop a Collector Route Review methodology to accomplish the above container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b).

4.7.2. Noticing of Generators with Contamination, Non-Collection, and Disposal of Materials. Upon finding Prohibited Container Contaminants in a Container, Company shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 4.6.1.

4.7.3. Reporting Requirements. Company shall maintain records and report to the City on contamination monitoring activities and actions taken.

4.7.4. SB 1383 Compost Procurement. Annually, Company shall pay City \$20,000, and City shall use such funds toward its annual SB 1383 recovered organic waste product procurement target. Such \$20,000 shall be adjusted annual by the change in CPI pursuant to Section 6.2.

4.7.5. Should there be a change in SB 1383, Company and City shall meet and confer to discuss the impact of such change on either party's rights or obligations under this Agreement and equitable adjustments to Company's compensation hereunder.

5. OTHER COMPANY REQUIREMENTS.

5.1. General.

5.1.1. Company Provided Equipment and Vehicles. Company shall provide an adequate number of vehicles and equipment to perform the Franchise Services. All vehicles used by Company under this Agreement shall be registered with the Department of Motor Vehicles of the State of California, shall be kept clean (washed on a regular basis), in good repair, and uniformly painted. Company's name, phone number and vehicle number shall be prominently displayed on its vehicles. Company shall furnish a listing of equipment utilized to perform all services included in this Agreement upon request by City.

5.1.1.1. Company's obligations and/or scope of services under this Agreement exclude any existing requirements regarding the future conversion of fleets, or any part thereof, to Zero-emissions (ZEV) or Near-zero-emissions (NZEV) vehicle(s) or the future acquisition, hiring or use of ZEVs or NZEVs under Applicable Law, including without limitation Sections 2015 et seq. of Title 13 of the California Code of Regulations. Should future interpretation, implementation and enforcement of such existing Applicable Law apply to any Company's vehicles used in the provision of services under this Agreement during the Term, then City and Company shall meet and confer in good faith to amend this Agreement to incorporate provisions and obligations reasonably necessary to comply with such Applicable Law, and for Company to receive a rate adjustment in accordance with Section 6.4, for such change in Company's obligations and/or scope of services under this Agreement.

5.1.2. Collection on Holidays. If the day of Collection on any given route falls on New Year's Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving Day or Christmas Day, or a holiday observed by the Disposal Site to which the City's Franchise Materials are disposed, Company shall provide Collection for such route on the next workday following such holiday, thereby adjusting subsequent workdays that week.

5.1.3. Private Drives and Inaccessible Areas. For Residential Premises on Private Drives or other inaccessible areas, the Company shall Collect Refuse, Green Waste and Recyclables on the nearest Public Street or Private Road connecting to the Private Drive or other inaccessible area. Company may require a waiver to be signed by all residents on a private road. A representative from the street may be tasked with collecting signatures.

5.1.4. Employees. Company shall exercise reasonable care to hire responsible employees, to supervise the work of such employees, and to discipline and, if necessary and consistent with Company's legal and contractual obligations, discharge and employee failing to meet reasonable standards for performance of work under this Agreement. Company shall comply with applicable state and federal law pertaining to employment including, but not limited to, applicable equal opportunity employment and affirmative action requirements.

5.1.5. Manner of Collection. The Company shall collect Containers in a quiet and courteous manner and ensure that all Carts and Bins are placed on the premises from which they were removed in an upright position, with lids closed, and within five (5) feet of where they were originally placed before collection.

5.1.6. Service Schedule. In January of each calendar year, the Company shall provide calendars (which may be in “pdf” or other similar format) identifying the schedule for Refuse, Recyclables, and Green Waste Collection for that calendar year. The calendar shall provide adequate detail for customers to identify specific service days for specific service areas. Electronic copies of the calendars shall be made available to customers upon request.

5.1.7. Code Revisions. The City shall use reasonable efforts to update the municipal code to be consistent with the terms of this Agreement and to reflect new program requirements if requested by the Company.

5.1.8. Service Complaints. All service complaints shall be directed to Company. Company shall record all complaints duly received and Company agrees to use its best efforts to resolve all such complaints within the two (2) business days next following the date on which such complaint is received.

5.1.8.1. Complaint. The Company agrees to maintain an electronic log of all oral and written service complaints registered with the Company from customers, service recipients, or the public within Service Area (“Complaint Log”). The Company shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of, all complaints. Complaints that cannot be reasonably resolved may be appealed to the City Administrator or designee for final resolution. The Company shall record in the Complaint Log all written and oral complaints, noting the name and address of complainant, date and time of complaint, nature of complaint, and nature and date of resolution. Such log shall be kept so that representatives of the City, upon request, may conveniently inspect it.

5.1.8.2. Complaint Response. The Company shall respond to all complaints, other than missed pickups, within twenty-four (24) hours if the complaint is received during a weekday or by the next business day if the complaint is received on a Saturday, Sunday or a holiday.

5.1.8.3. Missed Pickups. In the event of a missed pickup, the Company shall complete the pickup the same day if the complaint is received by 12:00 p.m., or by 12:00 p.m. the following day if the complaint is received after 12:00 p.m.

5.1.8.4. Telephone. The Company shall maintain a toll-free telephone system during office hours (8:00 a.m. to 5:00 p.m.), which will have available service representatives sufficient to handle the volume of calls typically experiences by the Company. Customers must be able, with reasonable convenience, to reach the Company’s customer service during such hours. Customers may use email, WM app, chat, WM website to access customer service not during business hours.

5.2. **Change in Operations, Administration or Schedule.** The Company shall notify the City in writing of any material changes to its operations relating to the Franchise Services (e.g. vehicle routes, collection schedule, equipment type, crew size, management) five (5) days in advance of the time such material change is implemented. Any changes to the Company's Collections operation shall meet the service requirements and performance standards and all other terms of this Agreement. In the case of changes to the Collection schedule the Company must notify all affected customers at least (14) days prior to any change in the Collection day. The Company shall not permit any customer to go more than seven (7) days without Refuse Collection service in connection with a Collection schedule change other than in the event of an Uncontrollable Circumstance.

6. **SERVICE RATES.**

6.1. **Amount of Service Rates.** As of the Effective Date of this Agreement, the rates for Franchise Services (the “Rates”) are as set forth in Exhibit 2. The Company may establish charges for Special Services that are not specified in Exhibit 2.

6.2. **CPI Adjustment.** The Rates shall be adjusted on July 1st of each year, beginning July 1, 2026, and annually thereafter to reflect one hundred percent (100%) of the annual change in the Consumer Price Index (CPI): Urban Consumer – Garbage and trash collection index, compiled and published by the United States Department of Labor; Bureau of Labor Statistics, based on one hundred percent (100%) of the annual percentage change in the Consumer Price Index for twelve months ending December 31 of the previous year as compared to the twelve months ending December 31 of the next previous year (the “CPI Change”). In the event that a CPI Change is negative, the CPI adjustment for such year shall be 0%.

6.3. **Redirection of Refuse.** In the event that the City redirects Refuse to a different facility and such change result in a material increase or decrease in costs and/or increase or decrease in revenues to the Company, the Company and the City shall have the right to receive an adjustment in the Rates sufficient to offset in full such increase or decrease, and in no event shall the Company be required to implement any redirection until such time as adjustments in the Rates have been made in order to compensate the Company for such increase in costs and/or decrease in revenues.

6.4. **Extraordinary Rate Adjustments.** The Company’s Rates set by this Agreement are calculated to pay certain expenses and costs that are of a contingent and uncertain nature. Therefore, in addition to the adjustments provided in this Section 6, Rates shall, upon written request of Company, be further adjusted on an interim basis for increased expenses associated with performance of the services hereunder due to any one or more of the following causes: (a) material changes in Company’s costs resulting from Uncontrollable Circumstances; (b) changes in the scope or method of services provided by Company, changes in the Franchise Fee, or other changes or fees required, initiated, or approved by the City; (c) any change in law, statute, rule, regulation, ordinance, order or requirement of any federal, state, regional or local government that is effective after the Effective Date of this Agreement; (d) any increase in fees for disposal of Solid Waste or the processing of Recyclables or Organic Waste, if such Solid Waste, Recyclables

or Organic Waste are being disposed of or processed at a third party facility not owned or operated by Company; (e) any increase in surcharges, fees, assessments or taxes levied by federal, state or local regulatory authorities or other governmental entities upon the collection or disposal of Refuse, Recyclables, or Organic Waste; (f) any other extraordinary circumstances or causes or reasons that are not within the reasonable control of Company.

If Company requests an adjustment due to the extraordinary circumstances set forth above, Company shall prepare a rate adjustment request setting forth its calculation of the increased costs and accompanying rate adjustment necessary to offset such increased costs. The City may request any and all documentation and data reasonably necessary to evaluate such request by Company, and may retain, at its own expense, an independent third party to audit and review such documentation and such request. If such third party is retained, the City shall take reasonable steps, consistent with state law, to protect the confidential or proprietary nature of any data or information supplied by Company. The City shall act within ninety (90) days of receipt of the request from Company, and shall either approve or disapprove the request, provided that approval shall not be unreasonably withheld.

Notwithstanding the foregoing, if the request is based upon any new or increased third party fees, taxes, assessments or charges, the City shall approve the interim rate adjustment within such time period as necessary to ensure that such fees, taxes, assessments or charges are passed on to customers by the date the same are effective.

6.5 Legal Challenges to Rates. Should a court of competent jurisdiction or regulatory agency set aside, invalidate or stay all or a portion of the Rates, or an adjustment to the Rates as provided in this Agreement, Company and the City shall immediately negotiate in good faith regarding reductions (or elimination) of the Franchise Fee, free City Services, and other Franchise Services, in that order, to fully and immediately compensate Company for the negative financial impact on Company's business operations. For example, if as a result of such court or regulatory action Company is unable to collect \$100,000 in revenue during a certain month, then (i) \$100,000 shall be deducted from the monthly Franchise Fee payment, and (ii) if the reduction in Franchise Fee payment is not sufficient to reimburse Company the full \$100,000, the remaining amount shall be recovered first by a reduction in free City Services (valued at market rates), and second by a reduction in other Franchise Services (valued at the Agreement Rates, even though set aside, invalidated or stayed). If, despite such reductions in fees and services, Company is not fully compensated within thirty (30) days for the negative financial impact on the Company's business operations, then Contractor may terminate this Agreement with 180 days written notice to City.

6.5. Billing and Collection of Accounts. The City shall bill Residential Premises for all Residential Services. The City shall pay to the Company the monthly Residential Services Rates set forth in Exhibit 2, as they may be adjusted pursuant to the terms of this Agreement, for each Residential Premises, which amount shall be due on the tenth day of the month for the preceding month. The Company shall bill all other Franchise Services (e.g., Commercial Services, C&D Debris Services). Such billings may cover the periods and be collected by the methods hereinafter set forth. The Company shall bill for Commercial Services monthly in advance; C&D

Debris Services may be billed in arrears. Payment with respect to each such non-Residential bill shall be due within 30 days; thereafter the bill shall be considered delinquent, and the Company may discontinue service and may charge interest not to exceed the interest rate for judgments in California for such time as the bill remains unpaid after the due date. The Company shall also bill and receive fees for performance of special services as agreed upon in separate contracts between Company and each customer requesting such special service. Company may charge customers a processing fee regarding payments made by credit or debit card.

6.6 **Reduction of Services.** In the event Company is unable to charge all or portion of any Rate due to an order of a court or regulatory agency, or pursuant to an agreement between City and any third party in relation to a legal challenge to the Rates, Company and City will negotiate in good faith reductions to Company's services hereunder so that Company recoup lost revenue.

7. **REPORTS.** The Company will provide the City with reports that contain the information required by the City for compliance with AB 939, AB 341, AB 1826 and SB 1383, and for the City to measure the Company's performance of items in this Agreement, but limited to information directly attributable to the Franchise Services provided under this Agreement. The frequency and content of the reports shall be determined by agreement of the City and the Company.

8. **INDEMNITY, INSURANCE.**

8.1. **Indemnification of City.** The Company agrees to and shall indemnify, defend, with counsel acceptable to the City, and hold harmless City, its officers, officials, employees, volunteers, agents and assigns from and against any and all damages (whether special, general or punitive), loss, liability, fines, penalties, forfeitures, claims, demands, actions, proceedings or suits (whether administrative or judicial), in law or in equity, of every kind and description, (including, but not limited to, injury to and death of any person and damage to property, strict liability, product liability, or for contribution or indemnity claimed by third parties) arising or resulting from or in any way connected with: (i) the operation of the Company, its agents, employees, affiliates and subcontractors, in performing or failing to perform this Agreement; (ii) the failure of the Company, its agents, employees, affiliates and subcontractors to comply in all respects with the provisions of this Agreement or Applicable Laws; (iii) the acts of Company, its officers, employees, agents, affiliates and subcontractors in performing services under this Agreement (whether or not third parties may also be contributory negligent); (iv) the acts of the Company, its officers, employees, agents, affiliates and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law (including without limitation strict liability under environmental laws), subject to the Company's right of contribution, if any, against the City; and (v) the processing, marketing, and end use of Recyclable Materials and Organic Waste. The foregoing indemnity shall only apply to the extent such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is not caused by the negligence or willful misconduct of the City, its officers, employees, agents or volunteers.

8.2. **Insurance Scope and Limits.** Company shall procure and maintain for the duration of the contract, and any extensions, insurance against claims for injuries to persons or

damages to property which may arise from or in connection with the performance of the work hereunder by Company, his officers, agents, representatives, employees or subcommands. The maintenance of claims made against any insurance required of Company shall not be considered a waiver by City of any claim or liabilities it may have against Company.

8.2.1. Minimum Limits of Insurance. Company shall maintain insurance coverage of the following type and with limits no less than:

- 8.2.1.1. General Liability: \$2,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
- 8.2.1.2. Worker's Compensation and Employer's Liability: Statutory limits.
- 8.2.1.3. Auto Liability: \$2,000,000 per accident for bodily injury and property damage.
- 8.2.1.4. Pollution Legal Liability: \$10,000,000 per occurrence and \$10,000,000 annual in the aggregate covering liability arising from the release of waste material and/or irritants, contamination or pollutants.
- 8.2.1.5. Claims Made Coverage. If General Liability or Pollution Legal Liability coverage is written on a claims made form:
 - 8.2.1.5.1. The "Retro Date" must be shown and must be before the date of the contract or the beginning of the contract work.
 - 8.2.1.5.2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract work.
 - 8.2.1.5.3. If coverage is cancelled or non-renewed, and not replaced with another claims made policy from with a "Retro Date" prior to the contract effective date, the Company must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
- 8.2.1.6. Acceptability of Insurers. Insurance is to be placed with insurers licensed to transaction business in California with a current A.M. Best's rating of no less than A:VII. If pollution and/or Environmental Impairment and/or Umbrella/Excess coverage are not available from an admitted insurer, the coverage may be written with the City's permission, by a non-admitted insurance company. A non-admitted company should have an A.M. Best's rating of A:X or higher.

8.2.2. Deductible and Self-Insured Retentions. All deductibles or self-insured retentions are for the account of Company and shall be the sole responsibility of Company and paid entirely by Company without contribution from City.

8.2.3. Non-cancellation: Each insurance policy provided to City by Company shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days written notice to the City.

8.2.4. **Waiver of Subrogation:** Company agrees to waive subrogation which any insurer may require of Company by virtue of payment for any loss. Company agrees to obtain any endorsement which may be needed to affect this waiver. The Worker's Compensation policy shall also be endorsed with a waiver of subrogation in favor of the City for all work performed by the Company, its employees, agents and subcontractors.

8.2.5. **Subcontractors:** Company shall require and verify that all subcontractors maintain insurance meeting all requirements set forth above. Proof thereof shall be provided to City prior to commencement of any work by subcontractors.

8.2.6. **Verification of Coverage.** Company shall furnish the City with endorsements effecting coverage required by this clause or certificates evidencing such coverage. The endorsements or certificates are to be signed by a person authorized by that Insurance Company to bind coverage on its behalf.

8.2.7. **Additional Insured; Certificate:** The liability insurance policies shall name the City and its officers and employees, and the authorized agents of any of them, as additional insureds via blanket form endorsement. Company shall provide the City with a certificate of insurance duly executed by Company's insurance carrier or authorized agent which shall serve as evidence of the continued existence of Company's insurance policies required hereunder and which shall contain a provision that the coverage thereunder will not be cancelled without thirty (30) days prior written notice given to City.

9. **DEFAULTS.**

9.1. **Events of Default.** Each of the following, if material, shall constitute an event of default ("Event of Default") hereunder, in each case subject to any applicable cure rights, including without limitation the cure rights provided in Section 9.2:

9.1.1. Failure to correct breach. Failure to correct any breach of this Agreement within the applicable cure period (as defined below).

9.1.2. Company bankruptcy. The Company files a voluntary petition for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or consents to the appointment of or taking of possession by a receiver, liquidator, assignee (other than as a part of a transfer of equipment no longer useful to the Company or necessary for this Agreement), trustee (other than as security for an obligation under a deed of trust), custodian, sequestrator (or similar official) of the Company for a part of the Company's operating assets or any substantial part of the Company's property, or shall make any general assignment for the benefit of the Company's creditors, or shall fail generally to pay the Company's debts as they become due.

9.1.3. Court order or decree. Any court having jurisdiction shall enter a decree or order for relief in respect of the Company, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or the Company shall consent to or shall fail to oppose any such proceeding, or any such court shall enter a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any part of the Company's operating equipment or assets, or order the winding up or liquidation of the affairs of the Company.

9.2. **Cure Rights.** Notwithstanding any other provision of the Agreement to the contrary, the City shall provide the Company with reasonable notice of and a reasonable opportunity to cure any breach of this Agreement during the time periods set forth below or such longer period as may otherwise be provided in the Agreement (the "**Cure Period**"). Any breach that is timely cured by the Company shall not be determined to constitute an event of default or give rise to the City's right to terminate or suspend the Agreement or pursue its other remedies for breach. The Company shall begin cure of any breach as soon as it becomes aware of the breach whether discovered by the Company or through notice from the City. Upon becoming cognizant of the breach the Company shall proceed such breach as follows:

9.2.1. Immediately, if the breach is such that in the determination of the City, the health, safety, or welfare of the public is endangered thereby; or

9.2.2. Within thirty (30) days of giving or receiving notice of breach; provided that if the nature of the breach is such that it will reasonably require more than thirty (30) days to cure, the Company shall have such additional time as is reasonably needed to expeditiously complete a cure. During any breach cure period, the Company shall provide the City weekly written status of progress in curing such breach.

9.3. **Right to Terminate upon Default.** Upon an Event of Default by the Company, the City shall have the right to terminate this Agreement, subject to review as provided in Section 9.6.

9.4. **Cumulative Specific Performance.** The City's right to terminate the Agreement under Section 9.3 is not exclusive, and the City's termination of the Agreement shall not constitute an election of remedies. Instead, all remedies provided for in this Agreement shall be in addition to any and all other nonduplicative legal and equitable rights and remedies which the City may have under law or as otherwise provided in this Agreement.

9.5. **Excuse from Performance.** The Parties shall be excused from performing their respective obligations hereunder to the event they are prevented from so performing by Uncontrollable Circumstances. The Party claiming excuse from performance shall, within two (2) business days after such party has notice of such cause, give the other party notice of the facts constituting such cause, efforts undertaken by the Company to attempt to perform this Agreement, the estimated timelines for such performance, and asserting its claim to excuse under this Section; provided, that failure to give such notice shall not eliminate the excuse from performance except to the extent the other Party shall have been prejudiced by such failure.

9.6. **Dispute Resolution.**

9.6.1. Reference of dispute. Any dispute seeking damages and any dispute seeking other legal or equitable relief, including but not limited to specific enforcement of any provision hereof, shall be heard and determined as provided below in this Section 9.6.

9.6.2. Dispute Resolution Procedures.

9.6.2.1. **Negotiations.** In the event that any dispute may arise, the parties shall first seek to resolve any disputes by negotiations between a senior executive of the Company and the City Administrator (the “**Senior Executives**”).

9.6.2.2. **Notification.** When a party believes there is a dispute relating to the party will give the other party written notice of the dispute.

9.6.2.3. **Meeting among Senior Executives.** The Senior Executives shall meet at a mutually acceptable time and place within thirty (30) days after the date of the notice to exchange relevant information and to attempt to resolve the dispute. If a Senior Executive intends to be accompanied at a meeting by an attorney, the other party’s Senior Executive shall be given at least three (3) business days’ notice of such intention and may also be accompanied by an attorney.

9.6.2.4. **Confidentiality.** All negotiations are confidential and shall be treated as compromise and settlement negotiations under the State of California Rules of Evidence.

9.6.2.5. **City Council.** If the dispute has not been resolved within thirty (30) days after the date of the notice of a dispute, or if the party receiving such notice fails or refuses to meet within such time period, either party may submit the dispute to the City Council for resolution by making written request to the City Council. The City Council shall consider the dispute at a meeting to be held within thirty (30) days following receipt of such request.

9.6.2.6. **Litigation.** If a dispute has not been resolved to the satisfaction of the parties within sixty (60) days after the written submission to the City Council, then either party may initiate litigation in the courts of the State of California, which shall have exclusive jurisdiction over such disputes. The exclusive venue for such disputes shall be Shasta County.

9.6.3. Interim Measures. Notwithstanding the requirements for alternative dispute resolution procedures (such as negotiation and submission to the City Council), either party may apply to the courts of the State of California for equitable relief, including temporary restraining orders, injunctions, attachments and conservation orders in appropriate circumstances.

9.6.4. Costs and Attorney’s Fees. In the event of any action or litigation to enforce this Agreement, for interpretation or construction of this Agreement, or on account of any default under or breach of this Agreement, each party to such action, or litigation shall bear its own costs and expenses in connection with such action or litigation.

9.6.5. **Punitive Damages.** Penal, punitive, treble, multiple, consequential, incidental or similar damages may not be recovered or awarded.

10. MISCELLANEOUS.

10.1. **Compliance with Applicable Law.** Company agrees that it will comply with all Applicable Law and those provisions of the Shasta Lake Municipal Code which are applicable to the work or business in which it is herein franchised, and with any and all amendments to such applicable provisions during the term hereof.

10.2. **Amendment.** his Agreement may be amended or modified only by a written agreement duly authorized and executed by both City and Company.

10.3. **Independent Company.** It is expressly understood and agreed that Company shall perform all work and services described herein as an independent company and not as an officer, agent, servant or employee of City; that Company shall have the exclusive control over the details of the services and work performed hereunder and all persons performing the same; that Company shall be solely responsible for the acts and omissions of its officers, agents, employees, and subcontractors, if any; and that nothing herein shall be construed as creating a partnership or joint venture between City and Company. Neither Company nor its officers, employees, agents or subcontractors shall obtain any rights to retirement benefits, workers' compensation benefits or any other benefits which accrue to City employees.

10.4. Omitted.

10.5. **Law to Govern.** It is understood and agreed by the Parties hereto that the laws of the State of California, other than laws regarding choice of law, shall govern the rights, obligation, duties and liabilities of the parties to this Agreement and shall govern the interpretation of this Agreement.

10.6. **Fees and Gratuities.** Company shall not, nor shall it permit any agent, employee or subcontractor employed by it to, request, solicit, demand or accept, either directly or indirectly, any compensation or gratuity for the collection of Franchise Materials otherwise required to be collected under this Agreement, other than acceptance by drivers of holiday gifts offered by customers of a reasonable value.

10.7. **Assignment.** Neither this Agreement nor any portion thereof may be assigned by the Company (except to an entity that controls, is controlled by or is under common control with the Company) without the written consent of the City Council, which consent shall not be unreasonably withheld.

10.8. **Notices.** All notices, demands, requests, consents or other communications which this Agreement requires a party to give to the other shall be in writing and shall be personally delivered, or sent by registered or certified mail, postage prepaid, return receipt requested or a

nationally recognized overnight delivery service (receipt requested), addressed to the respective party as follows:

To CITY: City of Shasta Lake
P.O. Box 777
Shasta Lake, CA 96019
Attn. City Clerk

To COMPANY: USA Waste of California, Inc.
Attn. President
1333 East Turner Road
P.O. Box 241001
Lodi, CA 95241

or to such address as either party may from time to time designate by notice to the other given in accordance with this Section. Such notice shall be deemed effective on the date personally served or received, if by certified mail or overnight delivery service,

- 10.9. **Severability.** If any provision of this Agreement shall for any reason be 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, which shall be enforced as if such invalid or unenforceable provision had not been contained herein.
- 10.10. **Good Faith and Exercise of Options.** The Parties will exercise any approval, disapproval, consent, option, discretion, election, opinion or choice under this Agreement, make a requirement under this Agreement, or interpret this Agreement (“Discretionary Action”) reasonably. The Parties will exercise their rights and remedies in good faith in accordance with Applicable Laws Any referee, court or other decision-maker must find the party's exercise to be reasonable.
- 10.11. **Entire Agreement; Prior Agreements; Waiver.** This Agreement, including all Exhibits and Attachments attached hereto, constitutes the full and entire agreement between the parties with respect to the matters covered herein. All prior and contemporaneous agreements, understandings, negotiations, writings and other communications between the parties are hereby superseded and are no longer of any force and effect, except to the extent that the terms of such communications are expressly addressed in this Agreement or survive pursuant to an express provision of such previous agreement. As of the Effective Date, this Agreement shall supersede any and all prior agreements between the parties. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver.
- 10.12. **Section Headings.** The section and subsection 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.

10.13. **Interpretation.** The language of each and all paragraphs, terms and/or provisions of this Agreement, shall, in all cases and for any and all purposes, and in any way and all circumstances whatsoever, be construed as a whole, according to its fair meaning, and not for or against any party hereto and with no regard whatsoever to the identity or status of any person or persons who drafted all or any portion of this Agreement.

10.14. **Third Parties.** Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon or give to any person or entity other than the Parties hereto and their successors and permitted assigns any rights or remedies under or by reason of this Agreement.

Signatures on following page

USA WASTE OF CALIFORNIA, INC.

By: 
2F270A619B604A9...
Name: Alex Oseguera
Title: Area Vice-President – Northern California & Nevada
Date: 12/19/2025

CITY OF SHASTA LAKE

By: 
9DDEC2CCEFE5410...
Name: Jessaca Lugo
Title: City Manager
Date: 12/19/2025

EXHIBIT 1
RECYCLABLE MATERIALS SPECIFICATIONS

Paper

Cardboard
Boxboard or chipboard (e.g., shoe boxes, tissue boxes, cereal boxes)
Newspaper
Magazines, catalogs, and glossy paper
Paper bags
Paper packaging or containers (including cartons)
Egg cartons
Junk mail
Phone books and soft cover books
Envelopes (labels or windows okay)
Office paper (all colors)

Plastic

All containers accepted (#1-7)
Bottles and jugs (all colors, clean & dry, with lids/caps replaced)
Tubs and containers (e.g., yogurt, margarine)
Buckets and crates
Clamshell trays and deli containers (not Styrofoam)
Plant pots (no ceramic)
Laundry baskets

Glass

Bottles and jars (labels okay)
All colors, lids replaced

Metal

Aluminum cans
Tin and steel cans
Clean aluminum pans and foil
Empty aerosol cans
Small scrap
Pots, pans, and utensils
Loose lids from jars

This definition may be amended from time to time by agreement of the parties. In no event shall "Recyclables" include Hazardous Waste. Company may temporarily dispose of Recyclable Materials in the event there is not commercially viable markets.

**EXHIBIT 2
SERVICE RATES**

RESIDENTIAL	Rates on or after 1/1/2026
Cart Services	
64 Gallon Bundle**	\$29.21
64 Gallon Bundle**- Senior (65 and older)****	\$21.91
96 Gallon Bundle**	\$31.12
Additional 64 gallon recycling cart	\$9.51
Additional 96 gallon organics cart	\$9.51
Ancillary Services	
Container Overage Charge - per cart, per incident - when material exceeds the container's intended capacity	\$10.32
Side Yard Assisted Service	\$13.96
Bad Check/EFT Charge	\$40.50
Finance Charge past due greater than 30 days	2.50%
Finance Charge past due greater than 30 days - minimum charge	\$5.00
Replacement Cart-if due to customer negligence	\$109.66
Extra Pick up - 64 Gallon on service day	\$6.34
Extra Pick up - 96 Gallon on service day	\$6.79
Extra Pick up - 64, 96 Gallon on non-route day	\$16.86
Contamination in Recycling or Organics Cart - per cart, per incident	\$31.12

** Bundle includes 1 64 gallon recycling cart and 1 96 gallon organics cart

****Senior rate is 75% of the 64G bundle rate

COMMERCIAL	Rates on or after 1/1/2026
Trash Services ***	
64 gallon 1xWeek	\$43.82
96 gallon 1xWeek	\$46.68
1 Yard - 1xWeek	\$103.01
1 Yard - 2xWeek	\$196.13
1 Yard - 3xWeek	\$289.25
1 Yard - 4xWeek	\$382.26
1 Yard - 5xWeek	\$475.35
1.5 Yard - 1xWeek	\$142.99
1.5 Yard - 2xWeek	\$275.86
1.5 Yard - 3xWeek	\$408.93
2 Yard - 1xWeek	\$180.50
2 Yard - 2xWeek	\$349.01

2 Yard - 3xWeek	\$517.53
2 Yard - 4xWeek	\$686.02
2 Yard - 5xWeek	\$854.52
3 Yard - 1xWeek	\$216.23
3 Yard - 2xWeek	\$420.42
3 Yard - 3xWeek	\$624.72
3 Yard - 4xWeek	\$829.00
3 Yard - 5xWeek	\$1,033.14
4 Yard - 1xWeek	\$268.22
4 Yard - 2xWeek	\$521.35
4 Yard - 3xWeek	\$774.57
4 Yard - 4xWeek	\$1,027.70
4 Yard - 5xWeek	\$1,280.90
6 Yard - 1xWeek	\$348.46
6 Yard - 2xWeek	\$682.01
6 Yard - 3xWeek	\$1,015.49
6 Yard - 4xWeek	\$1,349.04
6 Yard - 5xWeek	\$1,682.55
Recycling Bin Services	
1 Yard - 1xWeek	\$77.26
1 Yard - 2xWeek	\$147.10
1 Yard - 3xWeek	\$216.94
1.5 Yard - 1xWeek	\$107.24
1.5 Yard - 2xWeek	\$206.90
1.5 Yard - 3xWeek	\$306.70
2 Yard - 1xWeek	\$135.38
2 Yard - 2xWeek	\$261.76
2 Yard - 3xWeek	\$388.15
3 Yard - 1xWeek	\$162.17
3 Yard - 2xWeek	\$315.32
3 Yard - 3xWeek	\$468.54
4 Yard - 1xWeek	\$201.17
4 Yard - 2xWeek	\$391.01
4 Yard - 3xWeek	\$580.93
6 Yard - 1xWeek	\$261.35
6 Yard - 2xWeek	\$511.51
6 Yard - 3xWeek	\$761.62
Extra Pickups	
1 Yard Service Day Extra Pickup (service day only)	\$58.79

1.5 Yard Service Day Extra Pickup (service day only)	\$68.02
2 Yard Service Day Extra Pickup (service day only)	\$76.69
3 Yard Service Day Extra Pickup (service day only)	\$84.94
4 Yard Service Day Extra Pickup (service day only)	\$96.94
6 Yard Service Day Extra Pickup (service day only)	\$115.48
Temporary Bins	
4 Yard Temp Bin - 3 day rental	\$184.67
Ancillary Services	
Additional 64 gallon recycling cart - commercial	\$45.11
Additional 64 gallon organics cart - commercial	\$45.11
Account Reactivation Charge - No Cart Delivery	\$31.08
Account Reactivation Charge - With Cart Delivery	\$80.79
Walk in/Pull Out per Bin per Service	\$18.21
Container Overage Charge - per cart, per incident (cart too full for lid to close)	\$31.82
Container Overage Charge - per bin, per incident (bin too full for lid to close)	\$151.18
Bad Check/EFT Charge	\$30.00
Finance Charge past due greater than 30 days	2.50%
Finance Charge past due greater than 30 days - minimum charge	\$5.00
Replacement Bin-if due to customer negligence	\$874.58
Key charge when container access requires driver to remove lock per month	\$6.73
Contamination in Recycling or Organics carts - per cart, per incident	\$31.82
Contamination in Recycling or Organics bins - per bin, per incident	\$71.60

*** Trash service includes 1 64 gallon recycling cart and 1 64 gallon organics cart

ROLL OFF	Rates on or after 1/1/2026
Container Services	
20 Yard Roll Off Container (includes 3 tons disposal)*	\$675.13
30 Yard Roll Off Container (includes 3 tons disposal)*	\$830.60
40 Yard Roll Off Container (includes 3 tons disposal)*	\$986.10
Ancillary Services	
Min Haul Charge - 7 day rental charged per day on 8th day	\$49.74
Trip Charge (WM unable to service due to non WM caused circumstance)	\$202.44
Relocation Charge (Move box to new location on customers current site)	\$202.44
Bad Check/EFT Charge	\$30.00
Finance Charge past due greater than 30 days	2.50%
Finance Charge past due greater than 30 days - minimum charge	\$5.00

*Any tonnage in excess will be charged the landfill rate plus applicable franchise fees.

EXHIBIT 3
CITY FACILITIES

Wastewater - 3700 Tibbitts Rd Shasta Lake CA 96019
Polf Park – 13830 Sacramento Street Shasta Lake CA 96019
Law Enforcement Center – 4488 Red Bluff St Shasta Lake CA 9601
Visitor Center - 1525 Median Ave Shasta Lake CA 96019
Wynne Price Field - 4240 Vallecito St Shasta Lake CA 96019
Public Works Yard – 4332 Vallecito St Shasta Lake CA 96019
Water Treatment Plant – 16349 Lake Blvd Shasta Lake CA 96019
Animal Control – 3025 Ashby Rd Shasta Lake CA 96019
Electric Ops – 3570 Iron Ct Shasta Lake CA 96019