

Execution Copy

RESTATED AND AMENDED SOLID WASTE AND RECYCLABLE MATERIALS
COLLECTION FRANCHISE

Granted by

THE COUNTY OF MADERA, CALIFORNIA

to

CAGLIA ENVIRONMENTAL, LLC

Accepted on

September 17, 2024

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**RESTATED AND AMENDED SOLID WASTE AND RECYCLABLE MATERIALS COLLECTION
FRANCHISE**

THIS RESTATED AND AMENDED SOLID WASTE AND RECYCLABLE MATERIALS COLLECTION FRANCHISE (the "Franchise") is entered into and is to be effective as of September 17, 2024, by and between the COUNTY OF MADERA, a political subdivision of the State of California (hereafter "County"), and CAGLIA ENVIRONMENTAL, LLC, a California limited liability company (hereafter "Franchisee").

RECITALS:

WHEREAS, the Public Resources Code permits a County Board of Supervisors to award an exclusive franchise for the collection of solid waste and recyclable materials; and

WHEREAS, the Madera County Board of Supervisors has found and determined that the public health, safety and welfare will be promoted and protected by awarding this Franchise to the Franchisee; and

WHEREAS, the County and Franchisee entered into a SOLID WASTE AND RECYCLABLE MATERIALS COLLECTION FRANCHISE dated October 2, 2012 ("Original Franchise"), which is incorporated herein by this reference; and

WHEREAS, the Original Franchise has been subsequently amended and restated by the parties on December 15, 2015 ("2015 Restated Franchise Contract") and again on December 18, 2018 ("2018 Restated Franchise Contract"); and

WHEREAS, the County and Franchisee now desire to amend various provisions of the 2018 Restated Franchise Contract to comply with State of California Senate Bill 1383 and applicable provisions of Chapter 7.24 of Title 7 of Madera County Code pertaining to solid waste, and intend to restate, amend, and replace and supersede the 2018 Restated Franchise Contract in its entirety with this Franchise and the Appendices attached hereto, except for any Performance Bond and Guaranty Agreement provided in connection with the Original Franchise, which shall remain in effect according to their respective terms, and except any Franchisee indemnification of the County arising from matters occurring prior to the effective date of this Franchise; and

WHEREAS, the County and Franchisee acknowledge and declare that this Franchise includes the exclusive rights to enter upon, over, and use the County's roads for the purpose of providing solid waste collection services for a fee in the franchise area, including but not limited to the exclusive authorization to drive any vehicles on, over and across the County's roads and place waste containers and Bins in the County's right-of-way; and the value of the Franchise and the franchise fee Franchisee pays County for the Franchise has been determined and agreed upon based on bona fide negotiations between the County and Franchisee in 2012 when the franchise

fee was first established, and subsequent negotiations occurring each time the Original Franchise has been amended, and County and Franchisee acknowledge and declare that the franchise fee set forth herein bears a reasonable relationship to the value of the exclusive right granted Franchisee by this Franchise.

WHEREAS, notwithstanding the bona fide negotiations surrounding the Franchise and the franchise fee Franchisee pays County for the Franchise, to the extent the franchise fee is deemed imposed by County, County and Franchisee acknowledge and agree the franchise fee is imposed for the specific benefit conferred or privilege granted directly to Franchisee - the exclusive right to enter upon, over, and use the County's roads for the purpose of providing solid waste collection services for a fee in the franchise area - that is not provided to those not charged the franchise fee, and the franchise fee does not exceed the reasonable costs to County of conferring the benefit or granting the privilege, and bears a fair or reasonable relationship to the benefit Franchisee receives from the Franchise.

WHEREAS, the County desires to continue with its agreement with the Franchisee to provide Franchise collection services on the terms and conditions set forth in this Franchise; and

WHEREAS, the Franchisee desires to continue providing Franchise collection services for the County pursuant to the terms and conditions in this Franchise; and

WHEREAS, the execution and delivery of this Franchise by the Franchisee has been duly authorized by all necessary legal actions.

NOW, THEREFORE, the County therefore restates and grants the Franchisee the Franchise described herein on the terms and conditions set forth herein, and Franchisee restates its acceptance of the Franchise described herein on the terms and conditions set forth herein.

ARTICLE I
DEFINITIONS

SECTION 1.1. DEFINITIONS.

The following capitalized names and terms shall have the meanings set forth below:

“Act” means the California Integrated Waste Management Act of 1989 (Section 40000 et seq., of the California Public Resources Code), as amended, supplemented, superseded and replaced from time to time.

“Affiliate” means any person directly or indirectly controlling or controlled by another person, corporation or other entity or under direct or indirect common control with such person, corporation or other entity.

“Agreement” means this Restated and Amended Solid Waste and Recyclable Materials Collection Franchise Contract.

“Alternative Daily Cover” or “ADC” has the same meaning as in 27 CCR Section 20690.

“Alternative Intermediate Cover” or “AIC” has the same meaning as in 27 CCR Section 20700.

“Appendix” means an appendix to this Franchise, as the same may be amended or modified from time to time in accordance with the terms hereof.

“Applicable Law” means any law, rule, regulation, requirement, guideline, permit, action, determination or order of any Governmental Body having jurisdiction, applicable from time to time to the Franchise Services.

“Approved Charges” shall be all the rates and fees which the Franchisee is permitted to charge to Customers within the Franchise Area for the provision of Franchise Services and special services (as authorized by Section 4.1(G)). The Approved Charges consist of both Approved Rates for Franchise Services and all other fees charged by the Franchisee. The Approved Charges are set forth in the Rate and Fee Schedule attached hereto as Appendix C, which may be adjusted as approved by the County or as otherwise authorized in accordance with this Franchise.

“Back-Haul” means collecting and transporting Organic Waste to a destination utilized by the Franchisee using the Organic Waste Facility’s own employees and equipment, or as otherwise defined in 14 CCR Section 18982(a)(66)(A).

“Baseline Routing and Collection System” means the routing and collection system for Franchise Solid Waste, Franchise Recyclable Materials and Franchise Organic Waste

which is in a complete description of which shall be furnished by the Franchisee to the County within 30 days of the Commencement Date and maintained on file in the office of the Manager, as it may be modified from time to time in accordance with Section 4.2 hereof.

“Bin” means a Container with hinged lid(s) and wheels serviced by a front-end loading Collection vehicle with a Container capacity of one (1) to six (6) cubic yards.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5), as that section may be amended from time to time, and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or SSBCOW.

“Board” means the Madera County Board of Supervisors.

“Bulky Waste” means large and small household appliances that do not contain chlorofluorocarbons, furniture, tires, carpets, mattresses and similar large items of Solid Waste which cannot be contained within a standard Container. Bulky waste shall not include construction and demolition waste.

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations).

“CalRecycle” means California’s Department of Resources Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing SB 1383 Regulations on County’s and other regulated entities.

“Cart” means a plastic Container with a hinged lid and wheels serviced by automated or semi-automated Collection vehicles and with a Container capacity of sixty-four or ninety-six gallons.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the parties of their respective obligations under this Franchise (except for payment obligations):

- (1) the enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation on or after the Franchise Date of any Applicable Law specific to Franchise Services;
- (2) the order or judgment of any Governmental Body, on or after the Franchise Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the Franchisee, whichever is asserting the occurrence of a

Change in Law; provided, however, that the contesting in good faith or the failure, in good faith, to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence; or

- (3) the denial of an application for, delay in the review, issuance or renewal of, or suspension, termination, interruption or imposition of a new or more stringent condition in connection with the issuance, renewal or failure of issuance or renewal on or after the Franchise Date of any Legal Entitlement to the extent that such denial, delay, suspension, termination, interruption, imposition or failure materially and adversely interferes with the performance of this Franchise, if and to the extent that such denial, delay, suspension, termination, interruption, imposition or failure is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of the County or of the Franchisee, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure, in good faith, to contest any such denial, delay, suspension, termination, interruption, imposition or failure shall not be construed as such a willful or negligent action, error or omission or lack of reasonable diligence.

“Collect” or “Collection” means the act of taking physical possession of Discarded Materials, including Solid Waste, Recyclable Materials, Organic Waste, C&D debris, bulky waste, and other materials, at Single-Family, Multi-Family, or Commercial Premises within the County and from County facilities and Transporting the Discarded Materials to a Designated Facility for Processing, Transfer, or Disposal.

“Collection Vehicles” means Franchisee’s trucks used for the collection of Franchise Solid Waste, Franchise C&D debris, Franchise Recyclable Materials and Franchise Organic Waste.

“Commencement Date” means November 4, 2012, the date upon which the franchise was first granted by the County.

“Commercial Business” or “Commercial” means a firm, partnership, proprietorship, joint- stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility or a multi-family dwelling (5-units or more), or as otherwise defined in 14 CCR Section 18982(a)(6).

“Commercial Edible Food Generators” includes Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR

Section 18982(a)(73). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators, or as otherwise specified by 14 CCR Section 18982(a)(74).

“Commercial Organic Collection Services” has the meaning set forth in Appendix A and Appendix D.

“Commercial Premises” means any building or site in the County within one of the franchise areas, other than residential premises, from which any business, service, non-profit, governmental, institutional, commercial or industrial activity is conducted, including motels, hotel, recreational vehicle parks, restaurants, professional offices, clubhouses, places of entertainment, manufacturing plants, and private schools. Commercial premises shall also include large multi-unit dwellings of five or more units.

“Commercial Recycling Collection Services” has the meaning set forth in Appendix A and Appendix D. “Commercial Waste” means Franchise Solid Waste generated, produced or discarded by or at Commercial Premises.

“Commercial Waste Collection Services” has the meaning set forth in Appendix A and Appendix D.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

“Compactor” means a mechanical apparatus that compresses materials together with the container that holds the compressed materials or the container that holds the compressed materials if it is detached from the mechanical compaction apparatus. Compactors include two to four cubic yard bin compactors serviced by front-end loader collection vehicles and ten to thirty-four cubic yard drop box compactors serviced by roll-off collection vehicles.

“Compost” has the same meaning as in 14 CCR Section 17896.2(a)(4), which stated, as of the Effective Date of this Agreement, that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

“Construction and Demolition Waste” or “C&D Debris” means Franchise Solid Waste generated, produced or discarded in the Franchise Area in connection with construction, demolition, landscaping, or general clean-up activities within the County, including discarded building materials, packaging, debris, and rubble resulting from construction, alterations,

remodeling, repair or demolition operations on any pavements, excavation projects, houses, commercial buildings, or other structures, excluding excluded waste.

“Container” means containers designed for the collection of Franchise Solid Waste, Franchise Recyclable Materials and/or Franchise Yard Waste used by Generators for the disposition of Franchise Solid Waste, Franchise Recyclable Materials and Franchise Yard Waste. Containers may include Bins, Carts, Roll-Off Boxes, compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under the Agreement.

“Container Contamination” or “Contaminated Container” means a container, regardless of color, that contains Prohibited Container Contaminants, or as otherwise defined in 14 CCR Section 18982(a)(55).

“Contractor” means the Franchisee and any of its Affiliates, DBAs, and Subcontractors that perform services on Contractor’s behalf. Contractor is more commonly referred to as Franchisee in this agreement and refers to Caglia Environmental LLC.

“County” means the County of Madera, California.

“County Enforcement Official” means Chief of Development Services, Public Works Director, or their authorized designee(s), or any other individual or body appointed by the Board of Supervisors who is/are partially or wholly responsible for enforcing compliance with Article 1 of Chapter 7.24 of Title 7 of the Madera County Code.

“County’s Manager” means the Solid Waste Manager of the County, or his or her designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Manager.

“County Indemnitee” has the meaning specified in Section 10.1 hereof.

“Curb (or curbside)” means the location of a container for pick-up, where such container is placed on the street or alley against the face of the curb, or where no curb exists, the container is placed not more than five feet from the outside edge of the street or alley nearest the property’s entrance.

“Customer” means the Person whom a franchisee submits billing invoices to and collects payment from for collection services provided. The customer could be either an occupant or the owner of the premises, receives the Franchisee’s Collection services and to whom the Franchisee/County submits its billing invoice to and collects payment from for Collection services provided to a Premise. The Customer may be either the occupant, owner, or property manager of the Premises, as allowed under the County Code.

“Designated Disposal Facility” means the Fairmead Landfill or any other site or facility or facilities approved by the County’s Manager for the disposal of Franchise Solid Waste or source separated Organic Waste.

“Designated Organics Facility” or “Designated Source Separated Organic Waste Facility” has the same meaning as defined in 14 CCR Section 18982(14.5), and is a Solid Waste facility that accepts a Source Separated Organic Waste collection stream as defined in 17402(a)(26.6) and complies with one of the following:

- (1) If the facility is a “transfer/processor”, as defined in 14 CCR Section 18815.2(a)(62), that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d), and meets or exceeds an annual average Source Separated organic content recovery rate of seventy-five (75) percent on and after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(f) for Organic Waste received from the Source Separated Organic Waste collection steam.
- (i) If transfer/processor has an annual average Source Separated organic content recovery rate lower than the rate required in Paragraph 1 of this definition for two (2) consecutive reporting periods, or three (3) reporting periods within three (3) years, the facility shall not qualify as a “Designated Source Separated Organic Waste Facility”.
- (ii) The facility is a “composting operation” or “composting facility” as defined in 14 CCR Section 18815.2(a)(13), that pursuant to the reports submitted under 14 CCR Section 18815.7 demonstrates that the percent of the material removed for landfill disposal that is Organic Waste is less than the percent specified in 14 CCR Section 17409.5.8(c)(2) or 17409.5.8(c)(3), whichever is applicable, and, if applicable, complies with the digestate handling requirements specified in 14 CCR Section 17896.5. If the percent of the material removed for landfill disposal that is Organic Waste is more than the percent specified in 14 CCR Section 17409.5(c)(2) or 17409.5.8(c)(3), for two (2) consecutive reporting periods, or three (3) reporting periods within three (3) years, the facility shall not qualify as a “Designated Source Separated Organic Waste Facility.” For the purposes of this chapter, the reporting periods shall be consistent with those defined in 14 CCR Section 18815.2(a)(49).

“Designated Recycling Facility” means the Recyclable Materials Processing Facility and was Franchisee selected and County approved as included in Appendix D. “Designated

Waste” means non-Hazardous Waste which may pose special disposal problems because of its potential to contaminate the environment, and which may be disposed of only in Class II disposal sites or Class III disposal sites pursuant to a variance issued by the California Department of Health Services. Designated Waste consists of those substances classified as Designated Waste by the State of California in California Code of Regulations Title 23, Section 2522 as may be amended from time to time.

“Discarded Materials” means Solid Waste, Recyclable Materials, Organic Waste, C&D debris, and bulky waste placed by a generator in a container or other appropriate receptacle (including a compactor or drop box for collection by a roll-off collection vehicle) at a location for the purposes of collection, excluding excluded waste.

“Disposal” or “Dispose”, or variation thereof, means the final disposition of Solid Waste at a disposal site. Disposal does not include the use of Yard trimmings as alternative daily cover so long as County and state regulations consider alternative daily cover (ADC) use of Yard Trimmings as diversion under the Act.

“Diversion (or any variation thereof including “Divert”)” means activities which reduce or eliminate Discarded Materials from Disposal, including, but not limited to, source reduction, Reuse, salvage, Recycling, and composting.

“Drop box” means an open-top container with a capacity of ten to forty cubic yards that is serviced by a roll-off collection vehicle.

“Edible Food” means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

“Effective Date” means the date on which the Agreement becomes binding upon the Parties, which is the date when the latter of the Parties has executed this Agreement.

“Event of Default” has the meaning specified in Sections 8.3 and 8.4 hereof.

“Excluded Waste” means Hazardous Substance, Hazardous Waste, Infectious Waste, Designated Waste, volatile, corrosive, Medical Waste, infectious, regulated radioactive waste, and toxic substances or material that Designated Facility operator(s) reasonably believe(s) would, as a result of or upon acceptance, Transfer, Processing, or Disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III Landfills or accepted at the Facility by

permit conditions, waste that in Franchisee's reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

"Facility(ies)" means any plant, site, or operation used for the purpose of handling Discarded Materials, including, but not limited to, Disposal, Transfer, Recycling, composting, and Processing facilities or operations.

"Food Distributor" means a company that distributes food to entities including, but not limited to Supermarkets and Grocery Stores, or as otherwise defined in 14 CCR Section 18982(a)(22).

"Food Facility" has the same meaning as in Section 113789 of the Health and Safety Code.

"Food Recovery" means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

"Food Recovery Organization" means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to:

- A. A food bank as defined in Section 113783 of the Health and Safety Code;
- B. A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,
- C. A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this Agreement.

"Food Recovery Service" means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other

entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26). A Food Recovery Service is not a Commercial Edible Food Generator.

“Food Service Provider” means an entity primarily engaged in providing food services to institutional, governmental, commercial premises, or industrial locations of others based on contractual arrangements with these types of organizations, or as otherwise defined in 14 CCR Section 18982(a)(27).

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Food Scraps.

“Fees-and-Costs” means reasonable fees and expenses of employees, attorneys, architects, engineers, expert witnesses, contractors, consultants and other persons, and costs of transcripts, printing of briefs and records on appeal, copying and other reimbursed expenses, and expenses of any Legal Proceeding.

“Franchise” means this Agreement and the authorization granted by the County to collect, handle, transfer, store, process, transport or use discarded materials (including recyclable materials and C&D debris) or franchise waste in the unincorporated area of the County in accordance with Madera County Code Section 7.24.100, et seq.

“Franchise Area” means the Valley franchise area as defined in the County Code Section 7.24.101.

“Franchise Commercial Fiber Materials” means recyclable paper, fiberboard, newspaper, mixed paper, magazines, phone books, cardboard and catalogues placed at the curb of Commercial Premises.

“Franchise Date” means November 4, 2012, the date upon which the franchise was first granted by the County; and is the same as the Commencement Date.

Date of delivery of this Franchise as executed by the parties hereto.

“Franchise Fee” has the meaning set forth in Section 8.1.

“Franchise Fee Statement” has the meaning specified in Section 8.3 hereof.

“Franchise Organic Waste” means Franchise Source Separated Green Container Organic Waste (SSGCOW).

“Franchise Recyclable Materials” means Franchise Source-Separated Recyclable Materials and Franchise Commercial Fiber Materials.

“Franchise Services” means all of the duties and obligations of the Franchisee hereunder and as set forth in Appendix A and Appendix D, including but not limited to Commercial Fiber Collection Services, Commercial Recycling Collection Services, Commercial Waste Collection Services, Free Environmental Services, Residential Recycling Collection Services and Residential Waste Collection Services.

“Franchise Solid Waste” means any Solid Waste which is discarded by the Generator thereof within the geographical limits of the Franchise Area.

“Franchise Source-Separated Recyclable Materials” means Franchise Source-Separated Residential Recyclable Materials and Franchise Source-Separated Commercial Recyclable Materials.

“Franchise Source-Separated Residential Recyclable Materials” means Source-Separated Residential Recyclable Materials separated from Franchise Solid Waste by Generators at Residential Premises within the Franchise Area and placed into designated Containers for collection by the Franchise.

“Franchise Organic Waste” means any Organic Waste discarded by a Generator thereof within the geographical limits of the Franchise Area.

“Franchise Year” means the fiscal year beginning on July 1 and ending on the following June 30, except that the first Franchise Year shall begin on the Commencement Date and end on the following June 30 and the last Franchise Year shall begin on the July 1 preceding the last day of the Term of this Franchise and end on such last day of the Term.

“Franchisee” means Caglia Environmental, LLC.

“Franchisee Operating Assets” means all property of any kind which is owned, leased, managed or operated by or under contract to the Franchisee for providing the Franchise Services, including without limitation Containers, Collection Vehicles, maintenance and storage facilities, administrative facilities, current route books, maps, customer lists and other equipment, machinery, parts, supplies and tools.

“Free Environmental Services” has the meaning set forth in Appendix A and Appendix D.

"Generator" means any "person" as defined by the Public Resources Code, whose act or process produces Solid Waste, Recyclable Materials, Organic Waste, C&D debris, or bulky waste as defined herein, or whose act first causes any such material to become subject to regulation.

"Governmental Body" means any federal, State, county, County or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of his or her authority.

"Gray Container" means a container where either the lid or the container is gray or black in color or the body of the container is entirely gray or black in color and the lid is gray or black in color. Hardware such as hinges and wheels on a gray container may be any color.

"Green Container" means a container where either the lid of the container is green in color or the body of the container is green in color and the lid is green, gray, or black in color. Hardware such as hinges and wheels on a green container may be any color and shall be used for the purpose of storage and Collection of SSGCOW.

"Grocery Store" means a store primarily engaged in the retail sale of canned food, dry goods, fresh fruits and vegetables, fresh meats, fish, and poultry; and any area that is not separately owned within the store where the food is prepared and service, including a bakery, deli, and meat and seafood departments, or as otherwise defined in 14 CCR Section 18982(a)(30).

"Guarantor" means Cedar Avenue Recycling and Transfer Station, LP, a limited partnership organized and existing under the laws of California, and its successors and assigns permitted under this Franchise and the Guaranty Agreement.

"Guaranty Agreement" means the Guaranty Agreement executed by the Guarantor in substantially the form attached hereto as Transaction Agreement Form B.

"Hauler Route" means the designated itinerary or sequence of stops for each segment of the Franchisee's Collection service area.

"Hazardous Substance" shall mean any of the following: (a) any substance defined, regulated or listed (directly or by reference) as "hazardous substances", "hazardous materials", "hazardous wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC Section 9601, et seq.; (ii) the Hazardous Materials Transportation Act, 49 USC Section 5101, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC Section 6901, et seq.; (iv) the Clean Water Act, 33 USC Section 1251, et seq.; (v) California Health and Safety Code Sections 25115-25117, 25249.8,

25281, and 25316; (vi) the Clean Air Act, 42 USC Section 7401, et seq.; and (vii) California Water Code Section 13050; (b) any amendments, rules, or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereinafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste, or pollutant identified as hazardous or toxic or regulated under any other applicable federal, State, and local environmental laws currently existing or hereinafter enacted, including without limitation, friable asbestos, polychlorinated biphenyl ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

"Hazardous Waste" or "Hazardous Wastes" means all substances defined as hazardous waste, acutely hazardous waste, or extremely hazardous waste by the state of California in Health and Safety Code Sections 25110.12, 25115, and 25117 or in the future amendments to or recodifications of such statutes or identified and listed as hazardous waste by the U.S Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation and Recovery Act (42 USC Section 6901 et seq.), all future amendments thereto, and all rules and regulation promulgated thereunder.

"High Diversion Organic Waste Processing Facility" means a facility that meets reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average mixed waste organic content recovery rate of fifty (50) percent after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5€ for Organic Waste received from the "Mixed waste organic collection stream" as defined in 14 CCR Section 17402(a)(11.5); or as otherwise defined in 14 CCR Section 18982(a)(33).

"Incompatible Material" or "Incompatibles" mean(s) human-made inert material, including, but not limited to, glass, metal, plastic, and also includes Organic Waste for which the receiving end-user, facility, operation, property, or activity is not designed, permitted, or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

"Inerts" means materials such as concrete, soil, asphalt, and ceramics.

"Insurance Requirement" means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or anybody having similar functions or by any insurance company which has issued a policy with respect to the Franchise Services.

"Landfill" means a "Solid Waste Landfill" defined by Public Resources Code Section 40195.1.

"Large Event" means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that

includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event; or as otherwise defined in 14 CCR Section 18982(a)(38).

“Large Multiple-Unit Dwelling” means any building in the Franchise Area, other than a Single-Family Dwelling or a Multiple-Unit Dwelling (less than 5 units), used for residential purposes.

“Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

“Legal Entitlement” means all permits, licenses, approvals, authorizations, consents and entitlements of whatever kind and however described which are required under Applicable Law to be obtained or maintained by any person with respect to the performance of any obligation under this Franchise or the matters covered hereby.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding arising out of or having a bearing upon this Franchise. “Liquid Waste” means waste which fails the US EPA Paint Filter Liquids Test (US EPA Method 9095A 1996).

“Loss-and-Expense” means any and all loss, liability, obligation, damage, delay, penalty, judgment, deposit, cost, claim, demand, charge, tax, or expense, including all Fees-And-Costs.

“Low-Population Areas” means the certain regions of the County that have a valid low population waiver, granted by CalRecycle, in accordance with the criteria and process specified in 14 CCR Section 18984.12(a), as specified in Appendix F.

“Manager” means the Solid Waste Manager of the County, or his or her designated representative, or any employee of the County who succeeds to the duties and responsibilities of the Manager.

“Medical Waste” means waste capable of producing an infection or pertaining to or characterized by the presence of pathogens, including without limitation certain wastes generated by medical practitioners, hospitals, nursing homes, medical testing labs, mortuaries, taxidermists, veterinarians, veterinary hospitals and medical testing labs and any waste which includes animal wastes or parts from slaughterhouses or rendering plants, but excluding treated Medical Waste that can be accepted at the Designated Disposal Facility.

“Mulch” means a layer of material applied on top of soil, and, for the purposes of the Agreement, Mulch shall conform with the following conditions, or conditions as otherwise specified in 14 CCR Section 18993.1(f)(4):

- i. Meets or exceeds the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in 14 CCR Section 17852(a)(24.5)(A)(1) through (3).
- ii. Was produced at one or more of the following types of Facilities:
 - a. A compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under 14 CCR, Division 7, other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10);
 - b. A Transfer/Processing Facility or Transfer/Processing operation as defined in 14 CCR Section 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR, Division 7; or,
 - c. A Solid Waste Landfill as defined in PRC Section 40195.1 that is permitted under 27 CCR, Division 2.

“Multi-Family” means any residential premises, other than a single-family premises, with five or more dwelling units used for residential purposes (regardless of whether residence therein is temporary or permanent) and which receive centralized collection service for all units on the premises with billing to one customer at one address. “Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section 18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

“Organic Waste” or “Organics” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, Yard Trimmings, lumber, and wood.

“Overdue Rate” means the maximum rate of interest permitted by the laws of the State, if applicable, or the rate charged by the Bank of America, N.A. or any successor or assignee as its base rate, plus 1%, whichever is lower.

“Owner” means the person holding the legal title or having a right to possession to the real property constituting the Premises to which Franchise Solid Waste and/or Franchise Recyclable Materials and/or Franchise Yard Waste collection service is provided or required to be provided hereunder.

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51).

“Parent Company” means a company that has a controlling interest in another company, enabling the Parent Company to control management and operations of the Affiliate or Subsidiary company.

“Party” or “Parties” refers to the County and Franchisee, individually or together.

“Person” means any individual, firm, association, organization, partnership, corporation, trust, joint venture, or public or private entity.

“Premises” means any land or building in the County where Solid Waste, Recyclable Materials, Organic Waste, C&D debris, or bulky waste are generated or accumulated.

“Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

“Processing” means to prepare, treat, or convert through some special method.

“Prohibited Container Contaminants” means the following: (i) Non-organic waste placed in a green container; (ii) Organic wastes that are carpet, hazardous wood waste, or any paper/plastic placed in a green container; (iii) Organic waste placed in a gray container that is required to be source-separated and collected separately in the green container or blue container; and (iv) Organic waste placed in the blue container shall be considered prohibited container contaminants when such waste is specifically identified in this chapter for collection in the green

container for recovery. Paper products, printing and writing paper may be considered acceptable and not considered prohibited container contaminants if they are placed in the blue container.

“Property Owner” means the owner of real property.

“Public Resources Code” or “PRC” means the California Public Resources Code.

“Putrescible Waste” means wastes that are capable of being decomposed by micro-organisms with sufficient rapidity as to cause nuisances because of odors, gases, or other offensive conditions, and includes materials such as, but not limited to Food Waste, offal, and dead animals; or as otherwise defined in 14 CCR Section 17402(a)(21).

“Qualified Household Hazardous Waste” means waste materials determined by the Board, the Department of Health Services, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous in State statutes and regulations; or
- (2) Toxic/ignitable/corrosive/reactive; or
- (3) Carcinogenic/mutagenic/teratogenic;

Which are discarded from households as opposed to businesses. Qualified Household Hazardous Waste shall not include Hazardous Waste.

“Rate” means the maximum amount, expressed as a dollar unit, approved by the County that the Franchisee or County may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Appendix C. The Rates approved by County are the maximum Rate that Franchisee/County may charge a Customer for a particular Service Level and Franchisee/County may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the County.

“Rate Period” means a twelve (12) month period, commencing July 1 and concluding June 30.

“Recyclable Materials” or “Recyclables” means those discarded materials that the generators set out in recyclables containers for collection for the purpose of recycling; that are at least ninety percent recyclable; and that exclude excluded waste. No discarded materials shall be considered Recyclable Materials unless such material is separated from Solid Waste, Organic Waste, and C&D debris. Recyclable materials shall include, but not be limited to: newspaper (including inserts, coupons, and store advertisements); mixed paper (including office paper, computer paper, magazines, junk mail, catalogs, brown paper bags, brown paper, paperboard,

paper egg cartons, telephone books, grocery bags, cereal and other similar food boxes yet excluding paper tissues, paper towels, paper with plastic coating, paper contaminated with food, wax paper, foil-line paper, Tyvek non-tearing paper envelopes); clipboard; corrugated cardboard; glass containers of any color (including beverage containers, small pieces of scrap metal); steel, tin or bi-metal cans; mixed plastics such as plastic containers (no. 1 to 7) and bottles including containers made of HDPE, LDPE, or PET. "Recycle," "Recycled" or "Recycling" means the process of collecting, sorting, cleansing, treating, reconstituting or otherwise processing materials that are or would otherwise become Solid Waste and returning 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.

"Remnant Organic Material" means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

"Renewable Natural Gas" or "RNG" means gas derived from Organic Waste that has been diverted from a Landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

"Residential Premises" means Single-Family Dwellings and Small Multiple-Unit Dwellings.

"Residential Recycling Collection Services" has the meaning set forth in Appendix A and Appendix D.

"Residential Waste" means Franchise Solid Waste generated, produced or discarded by or at Residential Premises.

"Residential Waste Collection Services" has the meaning set forth in Appendix A and Appendix D.

"Residual" or "Residue" means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31), or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

"Reusable Items" means items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Roll-Off Box” means an open- or closed-top metal Container, roll-top Container, or closed compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 40 cubic yards. Roll-off boxes are also known as drop boxes or debris boxes.

“Salvageable Material” or “Salvaged Material” means an object or material that results from salvaging, where salvaging means the controlled separation of Solid Waste material which do not require further processing for Reuse or Recycling prior to Transfer activities, or as otherwise defined in 14 CCR Section 17402(a)(24).

“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.

“Scrap Materials” means any materials which are separated by type by the Generator thereof from materials which otherwise are discarded as Franchise Solid Waste and which are sold by the Generator to a private recycler, scrap dealer or salvager and recycled.

“Self-Hauled Waste” means Franchise Solid Waste collected and hauled by Self-Haulers.

“Self-Hauler” or “Self-Haul” means a Person who hauls Solid Waste, Organic Waste, or recovered material they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste. “Service Level” refers to the number and size of a Customer’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Single-Family” means any detached or attached house or residence designed or used for occupancy by one family, and the owner or occupant of the independent unit is billed directly for the collection service. Single-family also includes residential units of a duplex or triplex residential structure.

“Small Multi-Unit Dwelling” means any building in the Franchise Area used for residential purposes with more than one and less than five units.

“Solid Waste” means solid waste as defined in the California Public Resources Code Section 40191 and regulations promulgated thereunder. Excluded from the definition of Solid Waste are excluded waste, C&D debris, source Separated (i.e., separated by the generator) Recyclable Materials, source separated Organic Waste, and radioactive waste. Notwithstanding any provision of the contrary, “Solid Waste” may include de minimis volumes or concentration of waste of a type and amount normally found in residential Solid Waste after implementation of programs for the safe collection, recycling, treatment and disposal of household hazardous waste in compliance with Sections 41500 and 41802 of the California Public Resources Code as may be amended from time to time. “Source Separated” means materials, including commingled Recyclable materials, that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return 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, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste and other Solid Waste for the purposes of Collection and Processing.

“Source Separated Blue Container Organic Waste” or “SSBCOW” means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(26.7).

“Source Separated Green Container Organic Waste” or “SSGCOW” means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, carpets, Non-Compostable Paper, and textiles.

“Source Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and SSBCOW.

“State” means the State of California.

“Subcontractor” means every person (other than employees of the Franchisee) employed or engaged by the Franchisee or any person directly or indirectly in privity with the Franchisee (including every Subcontractor of whatever tier) for any portion of the Franchise Services, whether for the furnishing of labor, materials, equipment, supplies, services or otherwise.

“Tax” means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or payment in lieu thereof imposed by a Governmental Body, and any related interest, penalties or additions to tax.

“Term” has the meaning specified in Article IX hereof.

“Tier One Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:

- A. Supermarket.
- B. Grocery Store with a total facility size equal to or greater than 10,000 square feet.
- C. Food Service Provider.
- D. Food Distributor.
- E. Wholesale Food Vendor.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

“Tier Two Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:

- A. Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
- B. Hotel with an on-site food facility and 200 or more rooms.
- C. Health facility with an on-site food facility and 100 or more beds.
- D. Large Venue.
- E. Large Event.
- F. A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
- G. A local education agency with an on-site food facility.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

“Ton” means a “short ton” of 2,000 pounds.

"Transaction Agreement Form" means any of the transaction agreement forms appended to this Agreement.

"Uncontrollable Circumstance" means only the following acts, events or conditions, whether affecting the Operating Assets, the County, or the Franchisee, to the extent that it materially and adversely affects the ability of either party to perform any obligation under this Franchise, if such act, event or condition is beyond the reasonable control and is not also the result of the willful or negligent act, error or omission or failure to exercise reasonable diligence on the part of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under this Franchise; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of either party:

- (1) an act of God (but not including reasonably anticipated weather conditions for the geographic area of the Facility), hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance;
- (2) a Change in Law;
- (3) the failure of any appropriate Governmental Body or private utility having operational jurisdiction in the area in which the Operating Assets are located to provide and maintain Utilities, services, water and sewer lines and power transmission lines to the Operating Assets, which are required for the performance of the Franchise Services and which directly results in a delay or curtailment of the performance of the Franchise Services;
- (4) pre-emption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets;
- (5) strikes, work stoppages or other labor disputes or disturbances of a duration less than 30 days in any Franchise Year (aggregating all such events in any Franchise Year) occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors; and
- (6) unavailability of the then current Designated Disposal Facility (until designation of another Designated Disposal Facility by the County).

It is specifically understood that none of the following acts or conditions shall constitute Uncontrollable Circumstances: (a) general economic conditions, interest or inflation rates, currency fluctuations or changes in the cost of fuel (other than as provided in subsection 7.2(B) hereof), the availability of commodities, supplies or equipment; (b) changes in the financial condition of the County, the Franchisee or any Subcontractor affecting their ability to perform their obligations; (c) the consequences of errors, neglect or omissions by the Franchisee, or any Subcontractor of any tier in the performance of the Franchise Services; (d) the failure of the Franchisee to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder; (e) union work rules, requirements or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets or otherwise increase the cost to the Franchisee of operating and maintaining the Operating Assets or providing the Franchise Services; (f) strikes, work stoppages or other labor disputes or disturbances of a duration in excess of 30 days in any Franchise Year (aggregating all such events in any Franchise Year) occurring with respect to any activity performed or to be performed by the Franchisee or any of the Franchisee's Subcontractors in connection with the Operating Assets or the Franchise Services; (g) any failure of any Subcontractor to furnish labor, materials, service or equipment for any reason (other than an Uncontrollable Circumstance); (h) equipment failure; (i) any impact of prevailing wage law, customs or practices on the Franchisee's construction or operating costs.

"Yard Trimmings" or "Yard Waste" means those discarded materials that will decompose and/or putrefy, including but not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, and small pieces of unpainted and untreated wood (Limbs, branches, trees and small pieces of wood material are limited to three inches in diameter and thirty-six inches in length), excluding excluded waste.

"Zone 1" means the area depicted in Appendix B.

"Zone 2" means the area depicted in Appendix B.

"Zone 3" means the area depicted in Appendix B.

SECTION 1.2. INTERPRETATION.

In this Franchise, unless the context otherwise requires:

(A) References Hereto.

The terms "hereby," "hereof," "herein," "hereunder" and any similar terms refer to this Franchise, and the term "hereafter" means after, and the term "heretofore" means before, the effective date of this Franchise.

(B) Gender and Plurality.

Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(C) Persons.

Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations, non-profit corporations and other legal entities, including Governmental Bodies, as well as individuals.

(D) Headings.

The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Franchise shall be solely for convenience of reference and shall not constitute a part of this Franchise, nor shall they affect its meaning, construction or effect.

(E) Entire Franchise.

This Franchise contains the entire agreement between the parties hereto with respect to the transactions contemplated by this Franchise and nothing in this Franchise is intended to confer on any person other than the parties hereto and their respective permitted successors and assigns hereunder any rights or remedies under or by reason of this Franchise.

(F) Reference to Days.

All references to days herein are to calendar days, including Saturdays, Sundays and holidays, except as otherwise specifically provided.

(G) Counterparts.

This Franchise may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Franchise.

(H) Applicable Law.

This Franchise shall be governed by and construed in accordance with the applicable laws of the State of California and the County of Madera.

(I) Severability.

If any clause, provision, subsection, Section or Article of this Franchise shall be determined to be invalid by any court of competent jurisdiction, then the parties hereto shall: (1) promptly meet and negotiate a substitute for such clause, provision, section or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein; (2) if necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a

judicial construction of the invalidated portion of this Franchise; (3) negotiate such changes in, substitutions for or additions to the remaining provisions of this Franchise as may be necessary in addition to and in conjunction with items (1) and (2) above to effect the intent of the parties in the invalid provision. The invalidity of such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Franchise shall be construed and enforced as if such invalid portion did not exist.

(J) Defined Terms.

The definitions set forth in Section 1.1 hereof shall control in the event of any conflict with the definitions used in the recitals hereto.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE

SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF THE FRANCHISEE.

The Franchisee, by acceptance of this Franchise, represents and warrants that:

(A) Existence and Powers.

The Franchisee is duly organized and validly existing as a limited liability company under the laws of the State of California, with full legal right, power and authority to enter into and perform its obligations under this Franchise.

(B) Due Authorization and Binding Obligation.

The Franchisee has duly authorized the execution and delivery of this Franchise. This Franchise has been duly executed and delivered by the Franchisee and constitutes the legal, valid and binding obligation of the Franchisee, enforceable against the Franchisee in accordance with its terms except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally.

(C) No Conflict.

Neither the execution nor the delivery by the Franchisee of this Franchise nor the performance by the Franchisee of its obligations hereunder (1) conflicts with, violates or results in a breach of any law or governmental regulations applicable to the Franchisee; (2) conflicts with, violates or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including, without limitation, the certificate of incorporation of the Franchisee) or instrument to which the Franchisee is a party or by which the Franchisee or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument, or (3) will result in the creation or imposition of any Encumbrance of any nature whatsoever upon any of the properties or assets of the Franchisee.

(D) No Litigation.

Except as disclosed to the County, to its knowledge, there is no action, suit or other proceeding as of the Franchise Date, at law or in equity, before or by any court or governmental authority, pending or, to the Franchisee's best knowledge, overtly threatened or publicly announced against the Franchisee which is likely to result in an unfavorable decision, ruling or finding which would materially and adversely affect the validity or enforceability of this Franchise or any such agreement or instrument entered into by the Franchisee in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Franchisee of its obligations hereunder or by the Franchisee under any such other agreement or instrument.

(E) No Legal Prohibition.

The Franchisee has no knowledge of any Applicable Law in effect on the Franchise Date which would prohibit the performance by the Franchisee of this Franchise and the transactions contemplated hereby.

(F) Information Supplied by the Franchisee.

The information supplied by the Franchisee in all submittals made in connection with negotiation and award of this Franchise is correct and complete to the knowledge of the Franchisee in all material respects.

SECTION 2.2. REPRESENTATIONS AND WARRANTIES OF THE COUNTY.

The County represents and warrants that:

(A) Existence and Powers.

The County has full legal right, power and authority to enter into and to perform its obligations under this Franchise;

(B) Due Authorization and Binding Obligation.

This Franchise has been duly authorized, executed and delivered by all necessary action of the County and constitutes a legal, valid and binding obligation of the County, enforceable against the County in accordance with its terms, except to the extent that its enforceability may be limited by constitutional, bankruptcy, insolvency or other similar laws affecting creditors' rights from time to time in effect and by equitable principles of general application;

(C) No Conflict.

To its knowledge, neither the execution nor delivery by the County of this Franchise nor the performance by the County of its obligations in connection with the transactions contemplated hereby or the fulfillment by the County of the terms or conditions hereof: (a) conflicts with, violates or results in a breach of any law or governmental regulation applicable to the County; or (b) conflicts with, violates or results in a breach of any term or condition of any order, judgment or decree, or any contract, agreement or instrument, to which the County is a party or by which the County or any of its properties or assets are bound, or constitutes a default under any of the foregoing;

(D) No Litigation.

Except as disclosed to the Franchisee, to its knowledge, there is no Legal Proceeding before or by any Governmental Body, or proceeding for referendum or other voter initiative, pending or, to the County's knowledge, overtly threatened or publicly announced against the County, in which

an unfavorable decision, ruling or finding could reasonably be expected to have a material and adverse effect on the execution and delivery of this Franchise by the County or the validity, legality or enforceability of this Franchise against the County, or any other agreement or instrument entered into by the County in connection with the transactions contemplated hereby, or on the ability of the County to perform its obligations hereunder or under any such other agreement or instrument;

(E) No Legal Prohibition.

The County has no knowledge of any Applicable Law in effect on the Franchise Date which would prohibit the performance by the County of this Franchise and the transactions contemplated hereby.

ARTICLE III
FRANCHISE

SECTION 3.1. GRANT AND ACCEPTANCE OF FRANCHISE.

(A) Franchise Service.

Subject to paragraph (C) below, the County hereby grants an exclusive franchise within the Franchise Area, on the terms and conditions set forth herein, to the Franchisee for the services described in Appendix A and Appendix D including, but not limited to, (1) collecting, transporting, and disposing of Franchise Solid Waste at the Designated Disposal Facility, (2) collecting and transporting to market Franchise Source-Separated Recyclable Materials and Franchise Commercial Fiber Materials, (3) collecting and transporting Organic Waste (SSBCOW and SSGCOW) to either Designated Recycling Facility, or Designated Organics Facility, (4) marketing Franchise Source-Separated Recycled Materials and Franchise Commercial Fiber Materials, (5) providing Containers to all Commercial Generators of Franchise Solid Waste, Franchise Source-Separated Commercial Recyclable Materials and Franchise Commercial Fiber Materials and (6) the Free Environmental Services and other services or options which the County has the right to implement pursuant to Appendix A and Appendix D (the "Franchise Services"). By its executed acceptance hereof the Franchisee accepts the franchise so granted by the County on the terms and conditions contained herein, and agrees to perform all of the duties and obligations described in this Franchise.

(B) Franchise Area.

The Valley franchise area as defined in Section 1.1 herein with respect to which this Franchise is granted and which is the entire territory within the geographical limits of Zones 1, 2 and 3 which constitutes the unincorporated area of the County as depicted in AppendixB.

(C) Exceptions to Exclusive Franchise.

The exclusive nature of the franchise, license and privilege granted in subsection 3.1(A) hereof shall be subject to the following exceptions:

- (1) Self-Haulers shall be permitted to transport their Self-Hauled Waste to licensed disposal or recycling facilities;
- (2) Generators of Hazardous Waste (including household Hazardous Waste), Medical Waste, Liquid Waste and Designated Waste may dispose of such materials in accordance with Applicable Law;
- (3) Yard Waste removed from a Residential or Commercial Premises by a gardening, landscaping or tree trimming contractor using its own employees and equipment as an incidental part of a comprehensive service offered by such contractor, rather than as a

hauling service, may be transferred by such contractor to any licensed disposal facility, recycling facility, or organics facility;

- (4) Construction and Demolition Waste removed from a Residential or Commercial Premises by a licensed construction or demolition contractor using its own employees and equipment as an incidental part of a comprehensive service offered by such contractor, rather than as a hauling service, may be transferred by such contractor to any licensed disposal facility, recycling facility, or organics facility until the County adopts a comprehensive Construction and Demolition Waste ordinance which provides exclusive rights to the Franchisee within the Franchise Area.
- (5) Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.
- (6) Franchise Source-Separated Recyclable Materials may be sold by the Generator thereof for a net, positive payment to any permitted recycler so long as such sales constitute a required exclusion from exclusive franchises under Applicable Law;
- (7) Franchise Source-Separated Recyclable Materials and Scrap Materials may be donated by the Generator thereof to any charitable organization; and
- (8) Franchise Source-Separated Recyclable Materials consisting of beverage containers may be recycled by the Generator thereof at authorized facilities under the California Beverage Container Recycling Litter Reduction Act.
- (9) Edible Food that is collected from a Generator by other Person(s), such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s), such as the location of a Food Recovery Organization, for the purposes of Food Recovery, regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the Edible Food from the Generator.
- (10) The hauling of byproducts from the processing of food or beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are Source Separated by the Generator of the byproducts, are hauled and transported by the generator themselves or at no cost to the generator, and are not discarded; and, if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

(D) Haulage by Third Parties.

This Franchise shall not prohibit haulers of Solid Waste collected outside of the Franchise Area from hauling such waste over County streets in accordance with Applicable Law.

SECTION 3.2. PERFORMANCE BOND.

On or before the Commencement Date, the Franchisee shall provide to the County an operations performance bond, in the amount of \$1,000,000, in a form acceptable to the County (the "Performance Bond".) The Performance Bond shall secure performance of the Franchisee's obligations hereunder, shall be renewed every year during the Term and shall remain in effect for 90 days following the expiration of this Franchise in the reduced amount of 50 percent of revenues collected by the Franchisee during the final full Franchise Year. The surety issuing the Performance Bond shall be acceptable to the County, and limited to those companies authorized to transact business in the State, having a resident agent in the State and meeting the following requirements and/or limits: surety shall be rated "A" as to management and "FSC XV" or better as to the strength by Best's Insurance Guide.

SECTION 3.3. GUARANTY.

Prior to the Commencement Date, the Franchisee provided the County with an irrevocable and unconditional guaranty of the performance of this Franchise which was executed by the Guarantor substantially in the form set forth in the Transaction Agreement Form B attached to the Original Franchise. The Franchisee shall maintain such Guaranty during the Term of this Franchise.

ARTICLE IV
FRANCHISE SERVICES

SECTION 4.1. FRANCHISE SERVICES GENERALLY.

(A) Generally.

The Franchisee shall perform the Franchise Services as set forth in Appendix A and Appendix D and in accordance with the Contract Standards and all requirements of this Franchise. The County shall have the right to exercise adjustments to the Franchise Services or may make certain services mandatory in accordance with applicable law in any Zone within the Franchise Area as described in Appendix A and Appendix D.

(B) Frequency of Collection Generally.

The Franchisee shall collect Franchise Solid Waste from each County facility as requested in writing by the County Public Works Director, each Residential Premise, and each Commercial Premises at least once per week; shall collect Franchise Organic Waste that includes Food Waste from each Residential Premise, and each Commercial Premises at least once per week, shall collect Franchise Source-Separated Residential Recyclable Materials and Source Separated Yard Waste (no food waste) from each Residential Premise at least once every other week; and shall collect Franchise Source-Separated Commercial Recyclable Materials from County facilities and Commercial Premises as requested from the Generator and shall collect Franchise Commercial Fiber Materials from each County facility and Commercial Premise as requested from the Generator, all as further provided in Appendix A and Appendix D.

The Franchisee shall provide the County within 30 days following the Franchise Date with a list of all Residential Premises and Commercial Premises in the County and the classification of service each receives. The Franchisee shall regularly monitor the amount of Franchise Solid Waste and Franchise Recyclable Materials generated from all Residential and Commercial Premises. The Approved Rates paid by the Generators (plus any revenues derived from the sale of Recyclable Materials which are permitted to be retained by the Franchisee hereunder) shall constitute the exclusive compensation to the Franchisee for the collection services provided to each Premises based on the service classification established pursuant to this Section.

(C) Ownership of Discarded Materials.

By operation of this Agreement, ownership and the right to possession of all Discarded Materials shall be transferred to Franchisee from the Person discarding the materials (Customer and/or Generator) once such materials are placed in Containers and properly placed for Collection. If Prohibited Container Contaminants are found in Containers set out for Collection, the materials shall be considered not properly placed for Collection, and Franchisee shall have the right to

reject Collection of the contaminated Containers, and the ownership of materials shall remain with the Person discarding the materials (Customer and/or Generator). Except as required in the County's sole discretion for law enforcement purposes, at no time shall the County obtain any right of ownership or possession of Discarded Materials placed for collection and nothing in this Agreement shall be construed as giving rise to any inference that County has such rights.

(D) Bulky Waste Collections from Residential Premises.

The Franchisee shall collect and remove Bulky Waste generated at any Residential Premises based upon a program to be agreed upon by the parties.

(E) Bulky Waste Collection from Public Areas.

The Franchisee shall, at the request of the Manager, collect and remove from the County's streets, alleys, parks and other public areas Bulky Waste in any volume which has been unlawfully abandoned or discarded. For any such collection the Franchisee shall receive compensation from the County at the Bulky Waste Collection Rate. The County shall set all specifications for unlawfully discarded Bulky Waste collections under which the Franchisee shall operate, and decisions of the County shall be final with respect to such operating specifications. Any such specifications shall be consistent with the other terms of this Franchise. The Franchisee shall respond within 5 business days to calls from the Manager to collect and dispose of such discarded or abandoned Bulky Waste. The Franchisee shall create a specific work order in response to each call received by the Manager with a monthly "Summary of Unlawfully Discarded Bulky Waste Work Orders Completed." The summary shall include in all circumstances the number of pickups, hours spent, and the date, time and location of such pickups and, if requested by the Manager, shall also include the types of unlawfully discarded Bulky Waste collected and disposed of and any other information related thereto requested by the Manager. The Franchisee shall also provide the County with weight records relating to Bulky Waste disposal.

(F) Christmas Trees.

The Franchisee shall collect all Christmas trees discarded by any Residential Premises based upon a program to be agreed upon by the parties.

(G) Special Services.

The Franchisee shall have the right, but not the obligation, to provide additional special services requested by any Customer which are directly related and ancillary to any of the other Franchise Services authorized hereunder. The County may add any special service at its option. The nature and terms of any such special services shall be approved by the Manager, and compensation therefor shall be paid by the requesting Customer at applicable rates or fees set

forth in the Rate and Fee Schedule attached as Appendix C or as otherwise agreed upon by the Franchisee and the County. If the parties are unable to agree upon rates for special services, the parties will resolve the matter in accordance with Section 8.4.

(H) Service Coordinator.

The County and the Franchisee each shall designate a person to transmit instructions, receive information and otherwise coordinate service matters arising pursuant to this Agreement (each a "Service Coordinator"). The County's Solid Waste Manager shall be the Manager. The Franchisee's Service Coordinator is the General Manager or Director of Collection Operations or their designee. The Franchisee acknowledges that, to the extent practicable, not fewer than 30 days prior to the date on which any candidate for Service Coordinator from time to time during the Term of this Franchise is proposed by the Franchisee to assume managerial responsibility for the Franchise Services, the Franchisee shall provide the County with a comprehensive resume of the candidate's licenses, training, experience, skills and approach to management and customer relations. The Franchisee shall provide the County with the name of the person serving from time to time as Service Coordinator, and the telephone and facsimile numbers and other means by which the Service Coordinator may be contacted, together with the contact information for a responsible Franchisee official to be contacted in the event of an emergency. The Franchisee shall replace the Service Coordinator at the request of the County, after notice and a reasonable opportunity for a meeting to discuss such request, in the event the County determines, in its sole discretion that an unworkable relationship has developed between the Service Coordinator and the County.

SECTION 4.2. COLLECTION SERVICE OPERATING REQUIREMENTS.

(A) General.

Franchise Collection Services shall be conducted in accordance with Appendix A for non-SB 1383 census designated areas of the County and in accordance with Appendix D for SB 1383 census designated areas. Appendix B contains maps that delineate Franchise Zones 1, 2 and 3 and the SB 1383 compliance boundaries.

(B) Collection Routes.

The Franchisee shall establish and maintain collection routes in such manner to provide for the uniform and efficient collection from all Residential Premises on a Monday through Friday basis and Commercial Premises on a Monday-through-Saturday basis. The Franchisee shall not schedule collection on Sundays, except as authorized by the Manager. At all Commercial Premises which require more than one (1) collection per week, the Franchisee shall schedule collections at equally spaced intervals throughout the work week, or as approved by the Manager. The County shall have the right at any time to direct the Franchisee to change, amend, modify

or otherwise revise the Baseline Routing and Collection System; provided, however that the Approved Rates shall be increased or decreased in an amount equal to any increased or decreased costs resulting from such amendment, modification or revision of the Baseline Routing and Collection System.

(C) Route Books and Maps.

The Franchisee shall prepare route books and maps for each route, which outline specific routing information regarding the daily collection of Franchise Solid Waste and Franchise Recyclable Materials. The books and maps shall be kept current and made available to the Manager for inspection and copying. The Franchisee may request the County to approve any such revision which the Franchisee may propose. The County's approval of any such request may be withheld or delayed at the County's sole and absolute discretion up to 180 days. Any such revision directed or approved by the County shall be incorporated in the Baseline Routing and Collection System and shall be evidenced by formal amendment thereto. Upon such direction or approval by the County, the Franchisee shall notify all affected Customers at least seven (7) days prior to implementing the revision. The Approved Rates shall be increased or decreased, as provided in paragraph A above, to take account of any such revision.

(D) Holidays.

Collection of Franchise Solid Waste shall not be required on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, except in case of emergency or as otherwise required by the Manager. Whenever a regular collection falls on such a holiday, the collection shall be made on the following working day, and collections throughout the County shall become current within one (1) week thereafter.

SECTION 4.3. CONTAINERS.

(A) County Regulations.

The Franchisee shall supply containers as set forth in Appendices A and D. The Franchisee shall not be required to collect Franchise Solid Waste, Franchise Organic Waste, or Franchise Recyclable Materials from Containers which do not conform to County requirements.

(B) General Requirements.

After emptying any Container, the Franchisee shall replace the Container in an upright position at the place where such Container was placed for collection. The Franchisee shall handle Containers in a manner so as to prevent damage or spillage, and shall not throw Containers after emptying them. The Franchisee shall repair or replace, at its own expense, any Container damaged by the Franchisee within five (5) days.

SECTION 4.4. COLLECTION LOCATIONS.

(A) General.

The Franchisee will establish the collection location for all Containers. The Franchisee is responsible for the collection, in a safe manner of all Franchise Solid Waste, Franchise Source Separated Recyclable Materials, and Franchise Organic Waste placed for collection at all such designated collection locations.

(B) Enclosures.

Where the collection location is within an enclosure constructed pursuant to the requirements of the County, the Franchisee shall be responsible for the removal and replacement of all Containers placed therein. The Franchisee shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Franchisee shall repair at its own expense and within thirty (30) working days after notification from the Manager, any such enclosure or adjacent facilities or improvements damaged by it.

SECTION 4.5. GENERAL REQUIREMENTS RELATING TO COLLECTION.

(A) Clean Up.

The Franchisee shall ensure all spills of Franchise Solid Waste, Franchise Source Separated Recyclable Materials, and Franchise Organic Waste occurring during the collection process to be cleaned up immediately upon the occurrence of the spill. Franchisee shall close all gates after making collections and shall avoid crossing private or public planting areas and grounds or jumping over hedges and fences.

(B) Employees.

All employees engaged in the work of collecting and transporting under this Franchise must maintain a respectful attitude toward the public, customers and the County at all times. Upon notification by the Manager that an employee, for any reason, is unsatisfactory, Franchisee shall institute appropriate corrective action with the employee, subject to the terms of any applicable collective bargaining agreement. Employees of the Franchisee, while driving Franchisee's vehicles, shall at all times possess and carry an appropriate valid California driver license.

(C) Improper Loading or Placement of Containers.

The Franchisee may decline to collect any Franchise Solid Waste, Franchise Source-Separated Recyclable Materials, or Franchise Organic Waste that (1) has not been properly loaded into containers, (2) has been overloaded in containers by weight or volume, (3) has been compacted or otherwise placed, kept or accumulated in a manner such that the Franchise Solid Waste will

not, of its own weight, fall out of the Container in which it is placed when such Container is turned upside down, (4) is contaminated with Hazardous Materials, or (5) in the case of Recyclable Materials and Organic Waste, the inclusion of excessive quantities of non-recyclable Solid Waste. The Franchisee may also decline to collect any Franchise Solid Waste, Franchise Source-Separated Recyclable Materials, or Franchise Organic Waste if the Container in which it is contained has been placed (i) in a location which the Franchisee cannot readily access with its Operating Assets, or (ii) in a manner which would otherwise prohibit the safe pickup thereof.

(D) Authorized Non-Collection of Certain Waste.

The Franchisee will not be required to remove Construction and Demolition Waste except when presented for collection in approved debris containers.

(E) Record of Non-Collection.

When any Franchise Solid Waste, Franchise Source-Separated Recyclable Materials or Franchise Organic Waste deposited for collection is not collected by the Franchisee, the Franchisee shall leave a tag indicating in writing the reasons for such non-collection. The Franchisee shall maintain, at its place of business, a log book, or electronic record, listing all such circumstances in which collection is denied. The log book, or electronic record, shall contain the names of the Premises involved, the date of such tagging, the reason for non-collection, and the date and manner of disposition of each case. The log or record shall be kept so that it may be conveniently inspected by the Manager upon request. The log or record relating to any particular tagging shall be retained for a period of one year following such tagging.

(F) Fees and Gratuities.

The Franchisee 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 Franchise Services, except such compensation as is specifically provided for herein.

(G) Providing Personnel.

The Franchisee shall furnish such qualified equipment operators, drivers, laborers, mechanics, supervisors, clerical staff, and other personnel as may be necessary to provide the Franchise Services required in a safe, economical, and efficient manner in compliance with all Applicable Laws. Personnel shall operate environmentally safe and clean equipment and facilities, in compliance with all Applicable Laws. The ultimate goal is to meet and exceed customer expectations, environmental regulations and County Board of Supervisors directives, for efficient Franchise Services.

(H) Management and Supervisory Personnel Assigned to the Franchise.

- (1) The Franchisee shall select and hire the management team required to direct all of the operating, financial, and marketing activities. The management personnel will have the necessary experience to direct the Service(s), operating, and financial activities effectively.
- (2) The Franchisee shall designate qualified employees as supervisors of field operations. Supervisors will be in the field inspecting Franchisee's work and will be available to the County by radio or phone during the Franchisee's hours of operation to handle calls and complaints from customers or the County, or to follow up on problems and inspect Franchisee's operations. These supervisors shall have electronic communication with each vehicle working on the County's routes or Facility(s).
- (3) The Franchisee must maintain with the County a current list of all key management personnel who will be used under the Franchise by Franchisee or its Subcontractor.
- (4) During the Term of the Franchise, it shall be the Franchisee's responsibility to provide the Manager with at least two (2) weeks' notice in advance of any change of key management personnel. County reserves the right of approval of any key management personnel.

(I) Employee Behavior.

The Franchisee must direct its employees to avoid loud and/or profane language at all times during the performance of duties. The Franchisee must remove any employee of the Franchisee who engages in gross misconduct, is grossly incompetent or grossly negligent in the proper performance of duties or is disorderly, dishonest, intoxicated or discourteous from service under the Franchise. In the event of a complaint about employee behavior made by a customer or the County, the Franchisee must investigate the complaint and supply the Manager or a designee with a verbal report within two (2) business hours of complaint and a written report within 24 hours of the action taken by the Franchisee. The Franchisee shall take all appropriate corrective measures. The Franchisee will reassign the employee to duties not entailing contact with the public while the Franchisee is pursuing its investigation and corrective action process if requested by the County.

(J) Training of Employees.

The Franchisee will train its employees as to the County's rules and regulations. This training is to be ongoing and shall be provided to all new hires. The Franchisee shall require that its employees shall not trespass, loiter, cross property to adjoining premises, or tamper with property not covered by this Franchise. The Franchisee shall require that their employees have been properly trained to meet all federal, state, and local requirements, including but not limited

to Occupational Health and Safety Administration (OSHA) requirements. All equipment operators shall be trained and qualified in the operation of the applicable equipment and, if applicable, have an appropriate and valid driver's license issued by the California Department of Motor Vehicles. The Franchisee shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for any of the services performed under the Franchise. The Franchisee shall train its employees to identify, and not accept, Hazardous Waste or Medical Waste. The Franchisee must conduct training sessions to thoroughly instruct all employees as to their duties under the Franchise and the proper methods of performing them. Employees must receive adequate training from the Franchisee before starting work under the Franchise. Employee Training will be an on-going process by the Franchisee and the Franchisee, upon request, will provide the Manager the training policy and a schedule of specific classes or sessions. A County representative may attend any of these training sessions held by the Franchisee. It is the responsibility of the Franchisee to provide applicable training for all subcontractors, or include the subcontractors in their training sessions.

(K) Employee Uniforms.

All employees of the Franchisee performing work under the Franchise shall be appropriately uniformed pursuant to a uniform policy approved by the County.

(L) Substance Abuse Awareness Plan.

The Franchisee shall be responsible to institute and implement a comprehensive drug education and testing program, which shall cover all safety sensitive employees (as that term is defined in applicable regulations and case law) utilized to perform any duties under the Franchise with the County. Within 30 days after the Franchise Amendment Date, the Franchisee shall submit the most recent mandatory substance abuse awareness plan to the County, which shall include the implementation of a random testing plan. This plan shall require that each safety sensitive employee be given a copy of the workplace substance abuse policy; the dangers of substance abuse in the workplace; available counseling, rehabilitation, and employee assistance programs; and the penalties that may be imposed upon employees for substance abuse violations. Franchisees found not to have a drug- and alcohol-free workplace shall be subject to penalties or termination under the Franchise.

SECTION 4.6. OTHER WASTES.

The County acknowledges that this Franchise is exclusive only with respect to those services described in subsection 3.1(A) hereof and does not include the exclusive right of collection, transportation, processing or disposal of the materials described in Section 3.1(C). This Franchise does not, however, limit the right of the Franchisee to provide any such other services.

If the Franchisee elects to provide any such other services, it shall not be governed by the terms of this Franchise, but shall be subject to Applicable Law.

SECTION 4.7. TRANSPORTATION AND TRANSFER.

(A) Solid Waste.

The Franchisee shall transport all Franchise Solid Waste collected pursuant to this Franchise to the Designated Disposal Facility, unless otherwise directed or approved by the County's Manager, which approval will not be unreasonably withheld or delayed.

(B) Recyclable Materials.

The Franchisee shall transport all Franchise Recyclable Materials collected pursuant to this Franchise to the Designated Disposal Facility or to the Designated Recycling Facility, unless otherwise approved by the County's Manager. Franchisee's Designated Recycling Facility shall be a Facility or operation that processes Single-Family, Multi-Family, and Commercial Source Separated Recyclable Materials to Recover materials designated for Collection in the Blue Container.

(C) Organic Waste.

The Franchisee shall transport all Franchise SSGCOW and SSBCOW collected pursuant to this Franchise to the Designated Recycling Facility or Designated Organics Facility, unless otherwise approved by the County's Manager. Franchisee's Designated Organics Facility shall be a Facility that Processes Single-Family, Multi-Family, and Commercial SSGCOW to recover Source Separated Organic Waste.

(D) Discarded Materials.

If Franchisee Transports Discarded Materials to a type of Facility that is not described above, Franchisee shall obtain written approval from the County Contract Manager and such Facilities or activities shall constitute a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b). If Franchisee uses a Facility, operation, or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility's process or technology constitutes a reduction in Landfill Disposal prior to the County's final approval of such Facility or activity.

(E) Guaranteed Capacity and Facility Standards.

Franchisee shall guarantee Transfer, Processing, and Disposal capacity at the Designated Facility(ies) to receive all Discarded Materials Collected by the Franchisee throughout the Term of the Agreement.

(F) Transportation and Facility Costs.

Franchisee shall pay all costs for the Transport, Transfer, Processing, and/or Disposal of Discarded Materials Collected in accordance with this Agreement. Franchisee's compensation for such services is included in the Rates charged to Customers.

SECTION 4.8. DISPOSAL.

(A) Disposal Location.

The County shall have the right during the Term hereof to approve any change in the Designated Disposal Facility in its sole and absolute discretion. The County shall notify the Franchisee in writing of any changes in or additions to the Designated Disposal Facility. The Franchisee shall dispose of all Franchise Solid Waste which it collects at the Designated Disposal Facility in accordance with the requirements of Applicable Law, and shall comply with the requirements, rules and regulations of the owner or operator of the Designated Disposal Facility.

(B) Disposal Records.

The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Manager may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise and shall retain all weight slips or other call information provided to the Franchisee's drivers by the owner or operator of the Designated Disposal Facility.

(C) Payment of Disposal Fees.

The Franchisee shall pay all tipping fees and other disposal charges imposed by the owner or operator of the Designated Disposal Facility for the disposal of Franchise Solid Waste at the time and in the manner required by the owner or operator.

SECTION 4.9. RECYCLING.

(A) Recycling Location.

The County shall have the right during the Term hereof to approve any change in the Designated Recycling Facility. The Franchisee shall notify the County in writing of any proposed changes in the Designated Recycling Facility. The County shall notify the Franchisee in writing of its acceptance or rejection of the proposed changes within 14 days of receipt of the Franchisee's request. The Franchisee shall dispose of all Franchise Recyclable Materials and Organic Waste collected pursuant to this Franchise at the Designated Disposal Facility, Designated Organics Facility, Designated C&D Facility, or at the Designated Recycling Facility in accordance with Applicable Law.

(B) Disposal Records.

The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Manager may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise and shall retain all weight slips or other call information regarding Recyclable Materials and Organic Waste. The County shall have the right to review the records of the Designated Recycling Facility, to periodically inspect the Designated Recycling Facility and to confirm the calibration of the scales at the Designated Recycling Facility as required by Applicable Law. The Franchisee shall send to the Manager the monthly weight records of all Franchise Recyclable Materials no later than the 15th day of the following month.

(C) Diversion.

All diversion credits for the diversion of Recyclable and Organic Materials shall go towards the County's requirements for diversion as required by Applicable Law.

SECTION 4.10. ORGANICS PROCESSING

(A) Processing Location. The County shall have the right during the Term hereof to approve any change in the Designated Organics Facility. The Franchisee shall notify the County in writing of any proposed changes in the Designated Organics Facility. The County shall notify the Franchisee in writing of its acceptance or rejection of the proposed changes within 14 days of receipt of the Franchisee's request. The Franchisee shall dispose of all Franchise Organic Waste collected pursuant to this Franchise at the Designated Organics Facility in accordance with Applicable Law.

(B) Disposal Records. The Franchisee shall keep and maintain such logs, records, manifests, bills of lading or other documents as the Manager may deem to be necessary or appropriate to confirm compliance by the Franchisee with this Franchise and shall retain all weight slips or other call information regarding Organic Waste. The County shall have the right to review the records of the Designated Organics Facility, to periodically inspect the Designated Organics Facility and to confirm the calibration of the scales at the Designated Organics Facility as required by Applicable Law. The Franchisee shall send to the Manager the monthly weight records of all Franchise Organic Waste no later than the 7th day of the following month.

(C) Diversion. All diversion credits for the diversion of Organic Waste shall go towards the County's requirements for diversion as required by Applicable Law. In the event that any monetizable credits or benefits become available in the future in connection with the diversion of Organic Waste, the County shall have the right to all such credits or benefits.

ARTICLE V
OPERATING ASSETS

SECTION 5.1. FRANCHISEE OPERATING ASSETS.

(A) Obligation to Provide.

The Franchisee shall acquire and maintain at its own cost and expense Franchisee Operating Assets which in number, nature and capacity, shall be sufficient to enable the Franchisee to provide the Franchise Services in accordance with the terms hereof.

(B) Vehicle and Equipment Identification.

The Franchisee's name, phone number and vehicle or equipment number shall be visibly displayed on both sides of its Collection Vehicles or other collection equipment used by the Franchisee as required by the Municipal Code. No other signs or markings shall be placed on the Franchisee's Collection Vehicles or other collection equipment without the prior approval of the Manager except signs or markings relative to use of such equipment including traffic safety signs or markings or instructions regarding filling or placement of collection Bins.

(C) Vehicle Specifications, Maintenance and Appearance.

All Collection Vehicles used by the Franchisee in providing the Franchise Services shall be registered with the Department of Motor Vehicles of the State of California, shall be approved by the Manager, which approval shall not be unreasonably withheld or delayed, shall be kept clean and in good repair, and shall be uniformly painted. Collection Vehicles used to collect or transport Franchise Solid Waste, Franchise Recyclable Materials and Franchise Organic Waste shall be kept covered at all times except when such material is actually being loaded or unloaded or when the Collection Vehicles are moving along a collection route in the course of collection. Any cover or screen shall be so constructed and used that Solid Waste, Recyclable Materials and Organic Materials shall not blow, fall or leak out of the vehicle onto the street. Collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required to maintain a like-new appearance. No advertisement or other display shall be carried on any collection vehicle without the written approval of the Manager. All Franchisee vehicles used in connection with this Franchise may be inspected and approved by the County on a yearly basis.

(D) Inventory of Operating Assets.

The Franchisee shall furnish the Manager with an inventory of Franchisee Operating Assets used by the Franchisee to provide Franchise Services under this Franchise, and shall update the inventory so provided at least annually. Such inventory shall indicate the type, capacity and location of each vehicle and of each piece of equipment, and the date of acquisition and disposition.

(E) Computer System Compatibility.

In the event that either the County or the Franchisee changes its computer system from that utilized on the Franchise Date, it shall take all action and bear all expense necessary to assure that the computer systems of the other party continue to be fully compatible with those of the party initiating the change and are capable of receiving, storing and processing all data which the County may reasonably request or which is required to be delivered in electronic form hereunder. Such obligation shall include, as necessary in the circumstance, the replacement or upgrading of the other party's data processing and other computer equipment.

SECTION 5.2. OPERATION AND MAINTENANCE OF THE FRANCHISEE OPERATING ASSETS.

The Franchisee, at its cost and expense, shall at all times operate, or cause to be operated, the Franchisee Operating Assets properly and in a sound and economical manner; shall maintain, preserve, and keep the Franchisee Operating Assets or cause the Franchisee Operating Assets to be maintained, preserved and kept in good repair, working order and condition; shall staff the Franchisee Operating Assets with the appropriate number of hourly and salaried employees consistent with good management practice; and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Franchisee Operating Assets may be properly and advantageously conducted. The Franchisee shall maintain the safety of the Franchisee Operating Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent solid waste management practices.

SECTION 5.3. TAXES AND UTILITY CHARGES.

The Franchisee shall pay all Taxes lawfully levied or assessed upon or in respect of the Franchisee Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues of the Franchisee therefrom, and provide and pay the cost of all Utilities necessary for the operation of the Franchisee Operating Assets and the provision of the Franchise Services, when the same shall become due. The Franchisee recognizes and understands that this Franchise may create a possessory interest subject to taxation and in such a case the Franchisee agrees to pay any possessory interest taxes levied on such interest, and expressly indemnifies the County from liability for payment of such taxes.

SECTION 5.4. INSURANCE.

The Franchisee shall at all times during the Term of this Franchise, at its own cost and expense, obtain and maintain insurance on all the Franchisee Operating Assets (other than the Automated Collection Containers) and shall maintain all other insurance meeting the requirements set forth in Appendix E hereto. If any useful part of the Franchisee Operating Assets shall be damaged

or destroyed, the Franchisee shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use to the extent required to perform the Franchise Services in accordance with this Franchise.

ARTICLE VI
GENERAL REQUIREMENTS

SECTION 6.1. PUBLIC ACCESS TO THE FRANCHISEE.

(A) Office Facilities.

The Franchisee shall establish and maintain an office within the territorial limits of the County until such time as the Manager determines such an office is not reasonably necessary.

(B) Office Hours.

The Franchisee's office hours shall be, at a minimum, from 8:00 a.m. to 5:00 p.m. daily, except Saturdays, Sundays and holidays.

(C) Availability of Representatives.

A representative of the Franchisee shall be available at the Franchisee's office during office hours for communication with the Manager or the public.

(D) Emergency Telephone Number.

The Franchisee shall maintain an emergency telephone number for use other than normal business hours. The Franchisee shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

(E) Customer Bill Payment Methods.

The Franchisee shall provide convenient options for Customer bill payments including online, Automated Clearing House (ACH), check via mail, and cash in-person at Franchisee's office. With the exception of credit card payments, Franchisee shall not charge a service fee for bill payments.

SECTION 6.2. SERVICE COMPLAINTS.

(A) Non-performance Damages.

Non-performance by the Franchisee will cause damage to the County by undermining the County's solid waste management goals. The County reserves the right to assess contractual penalties for violations of this Franchise, including, but not limited to the types of violations listed below in amounts ranging from \$100 to \$2,500 per occurrence, and continuing each day until cured. This contractual penalty will be in addition to any other damages available to the County by Contract or under Applicable Law. In no event will any such damages be assessed until the Franchisee has had the opportunity to present its case to the Manager.

- (1) Failure to clean up all spilled waste resulting from loading and/or transporting – each incident at the same premises: \$100.
- (2) Failure to return a container to its proper storage location after collection – each incident at the same premises: \$100.
- (3) Failure or neglect to Collect Solid Waste from any premise at those times as provided by the Contract within 36 hours – each failure or neglect or repeated instance at same premises: \$500.
- (4) Failure or neglect to correct chronic problems in any category of service at the same premises (chronic shall mean three or more similar incidents at the same premises) – each instance: \$1,500.
- (5) Failure to provide Solid Waste Collection service to a group (e.g., an entire route, large portions of a route, more than 50 accounts) of accounts (missed area or non-completed route) at least once per week (per occurrence): \$2,500.
- (6) Failure to report an accident, incident or complaint by close of business on the same day: \$1,500 per occurrence; \$2,500 per additional day until resolved.
- (7) Failure to submit complete, accurate reports and payment in the specified format and timeframe: \$500 per occurrence; \$500 per additional day until submission of said report and payment. This is in addition to any interest payment required.
- (8) If, during the performance of their duties, any employee of the Franchisee is found to possess or be under the influence of alcohol or illegal drugs or to be under the influence of any prescription drug which could impair the employee's ability: \$100 per employee, per occurrence.
- (9) In the event CalRecycle imposes fees on the County for SB 1383 non-compliance that fall within the scope of the obligations set forth in this Agreement and are based on the Franchisee's failure to act, payment of such fees becomes the responsibility of the hauler.

SECTION 6.3. ACCOUNTING AND RECORDS.

(A) General.

The Franchisee shall maintain records and reports in accordance with this Section and Appendix A and Appendix D, and shall allow the County to audit and inspect records.

(B) Maintenance and Audit of Records.

The Franchisee shall prepare and maintain in its principal office proper, accurate and complete books, records and accounts regarding the operations and financial or other transactions related

to the Franchise Services to the extent necessary to verify data with respect to any operations or transactions in which the County has a financial or other material interest hereunder. The Franchisee shall prepare all financial and accounting records on an accrual basis in accordance with generally accepted accounting principles. Such books, records and accounts shall be subject to audit and inspection, by the County and its authorized officers, agents or employees, at any reasonable time at the Franchisee's principal office. The gross receipts derived from the Franchise Services under this Franchise, whether such services are performed by the Franchisee or by a Subcontractor or Subcontractors, shall be recorded as revenues in the accounts of the Franchisee. The Franchisee shall maintain and preserve all financial and accounting records for a period of not less than five (5) years following the close of each of the Franchisee's fiscal years.

(C) Delivery of Financial Reports to County.

The Franchisee shall furnish complete audited annual financial statements of the Franchisee to the Manager, including its balance sheet, statement of revenues and expenses, and statement of changes in cash position, with a copy to the County Auditor-Controller.

(D) Recycling Information.

The Franchisee shall furnish the County with monthly and annual reports setting forth all information required under the Act or otherwise by the County pertaining to the recycling and diversion of Franchise Solid Waste, Franchise Recyclables, and Franchise Organic Waste which are collected by the Franchisee. The report shall be prepared in the form required by the Act, and shall categorize recycling activity in the manner required by the Act. In addition, the Franchisee and the County shall share equally in the cost of preparation and distribution of a bilingual recycling newsletter to be prepared by the County and the Franchisee once each Franchise Year, and the cost of all additional public education programs which the Manager and the Franchisee mutually agree to conduct.

(E) Confidentiality.

The County agrees to hold financial statements delivered pursuant to this Agreement as confidential and shall not disclose the same unless and only to the extent disclosure is deemed required by County counsel pursuant to Applicable Law. The County shall promptly notify the Franchisee of any open public records request or other such request or requirement to disclose the financial statements so that the Franchisee may seek a protective order or other appropriate remedy to limit or prevent disclosure or waive its right to seek a protective order or other remedy. If, in the absence of a protective order or other remedy or the receipt of a waiver by the Franchisee, the County is nonetheless, after consultation with County counsel, required to disclose financial statements, the County may disclose hereunder only that portion of the financial statements which is legally required to be disclosed as determined by County counsel, provided that the

County uses its commercially reasonable efforts at the request and expense of the Franchisee to preserve the confidentiality of the financial statements, including, without limitation, by reasonably cooperating with the Franchisee at the Franchisee's request and expense to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the financial statements. Further, the County shall reasonably cooperate with the Franchisee in communicating with the party requesting production of the financial records, including informing the party that an extension of the period for production of the records is required to allow the Franchisee time required to seek a court order limiting or prohibiting the disclosure of the financial records, but in any event in compliance with Applicable Law. Notwithstanding the foregoing, the Franchisee acknowledges and agrees that, if disclosure of the financial statements is based on an opinion from County counsel concluding that such disclosure is required pursuant to Applicable Law and absent gross negligence, intentional misconduct, or other breach of this Agreement on the part of the County, the County shall not be responsible or liable in any way for any loss, cost or expense that the Franchisee may suffer from the disclosure of any financial statement(s), information, or materials submitted to the County or for any loss, cost or expense incurred by the Franchisee in attempting to limit or prohibit such disclosure.

SECTION 6.4. RULES AND REGULATIONS OF MANAGER.

The Manager shall have the power to establish rules and regulations relating to the accumulation, collection, recycling and disposal of Franchise Solid Waste not inconsistent with the provisions of this Franchise, providing such rules and regulations are found to be reasonably necessary by the Manager for enforcement of the provisions of this Franchise, or any and all Applicable Laws, and for the preservation of the public peace, health and safety. The Franchisee agrees to comply with any and all such rules and regulations, subject to the provisions of Article VII hereof relating to adjustments in the Approved Rates as a result of Changes in Law.

SECTION 6.5. SUBCONTRACTORS.

The Franchisee shall not utilize any Subcontractors for the performance of the Franchise Services except with the consent of the Manager, which may be withheld or delayed in its sole and absolute discretion.

SECTION 6.6. ANNUAL CERTIFICATIONS.

(A) Certifications to be Provided.

Within thirty days after the end of each Franchise Year, the Franchisee shall certify to the County as of such date that:

- (1) a list of all Residential Premises and Commercial Premises in the County and the classification of service each premises receives has been provided to the County;
- (2) all rates to be charged for special services have been provided to the County and all required Manager approvals have been obtained;
- (3) all rates to be charged for roll-off service have been provided to the County and all required Manager approvals have been obtained;
- (4) the current Baseline Routing and Collection System has been provided to the County;
- (5) the current route books and maps have been provided to the County;
- (6) a logbook or record is being maintained;
- (7) all logs, records, manifests, bills of lading or other documents have been maintained;
- (8) all Recyclable Materials marketing activities have been undertaken, including the maintenance of any records or other documents required therein;
- (9) the County has received all diversion credits (non-monetary) derived from the sale or barter of Franchise Recyclable Materials that the County is entitled to receive;
- (10) all unprofitable Franchise Recyclable Materials marketed or disposed of by the Franchisee have been transferred to the Secondary Materials Market and have been landfill diverted;
- (11) the waste screening practices and procedures have been complied with;
- (12) the current inventory of Franchisee Operating Assets has been provided to the County;
- (13) insurance has been maintained in accordance with Appendix E;
- (14) a record of all service and billing complaints received by the Franchisee has been maintained;
- (15) all annual financial statements of the Franchisee have been provided to the County;
- (16) all recycling information has been provided to the County;
- (17) the consent of the Manager has been received for all Subcontractors utilized for the performance of the Franchise Services; and
- (18) a Franchisee Event of Default has not occurred due to a failure of the Franchisee to perform the Franchise Services during the recently ended Franchise Year.

(B) Failure to Certify.

If the Franchisee is unable to provide any of the certifications requested in subsection 6.6(A) hereof within thirty days after the end of any Franchise Year, the Franchisee shall identify such certifications to the County with a reasonable explanation for the delay. The Franchisee shall provide these specifically identified certifications to the County within a reasonable period of time thereafter.

SECTION 6.7. PUBLIC EDUCATION.

The Franchisee shall provide transitional and ongoing public education and outreach programs in accordance with Appendix A and Appendix D and in accordance with the County's requirements under Applicable Law. Public education may include written, print, or electronic education outreach information. The Franchisee must work with the County to develop public education of residents and commercial entities regarding its refuse and recycling programs and management of Solid Waste. The Franchisee will involve the County in developing promotional programs. The Franchisee shall support and coordinate with any County programs and shall attend neighborhood association meetings, events, etc. to help promote programs when directed by the County.

ARTICLE VII
STANDARDS OF PERFORMANCE

SECTION 7.1. CONTAINER REQUIREMENTS.

(A) Provision of Containers by Franchisee and Color Standards.

Franchisee shall provide all Customers subject to SB1383 with Collection Containers that comply with the Container color requirements as specified in 14 CCR Section 18982; 14 CCR, Division 7, Chapter 12, Article 3; or other Applicable Law.

Franchisee shall use the Franchisee-provided Collection Containers that are currently located at Customers' Premises or provide Customers with Collection Containers from Franchisee's current inventory.

No later than July 1, 2025, Franchisee shall provide all Customers with Collection Containers that comply with the Container color requirements specified in this Section or as otherwise specified in 14 CCR Section 18982; 14 CCR, Division 7, Chapter 12, Article 3; or other Applicable Law. If an existing Container breaks or is otherwise rendered non-functional on or after July 1, 2025, the Franchisee shall replace the non-functional Container with a Container that complies with the color requirements of this Section. Notwithstanding this Section, the Franchisee is not required to replace functional Containers, including Containers purchased prior to July 1, 2025, that do not comply with the color requirements of this Section prior to the end of the useful life of those Containers, or prior to January 1, 2036, whichever comes first.

(1) Gray Containers (Solid Waste). The Franchisee must comply with one of the following options:

Option 1: Gray Containers must have a lid that is gray in color. Hardware such as hinges and wheels on the Gray Container may be any color.

Option 2: Gray Containers must have a lid and body that are entirely gray or black in color. Hardware such as hinges and wheels on the Gray Container may be any color.

(2) Green Containers (SSGCOW). The Franchisee must comply with one of the following options:

Option 1: Green Containers must have a lid that is green in color. Hardware such as hinges and wheels on the Green Containers may be any color.

Option 2: Green Containers must have a body that is green in color, and a lid that is green, gray, or black in color. Hardware such as hinges and wheels on the Green Containers may be any color.

Option 3: Green Containers must have a lid and body that are green in color. Hardware such as hinges and wheels on the Green Containers may be any color.

- (3) Blue Containers (Source Separated Recyclable Materials). The Franchisee must comply with one of the following options:

Option 1: Blue Containers must have a lid that is blue in color. Hardware such as hinges and wheels on the Blue Containers may be any color.

Option 2: Blue Containers must have a body that is blue in color, and a lid that is either blue, gray, or black in color. Hardware such as hinges and wheels on the Blue Containers may be any color.

Option 3: Blue Containers must have a lid and body that is blue in color. Hardware such as hinges and wheels on the Blue Containers may be any color.

- (4) Colors for Other Organic Streams. Additional Containers provided for Collection of additionally Source Separated Organic Waste not specified in this Section may be provided in any color, provided that the colors do not conflict with the Container color requirements of this Section.

- (5) Construction and Demolition Waste Bins and Roll-Off Boxes. Bins and Roll-Off Boxes for Collection of Construction and Demolition Waste may be in any color, provided that the colors do not conflict with the Container color requirements of this Section 7.1 and provided that the Construction and Demolition Waste Container colors are consistent for all Construction and Demolition Waste Containers. The Construction and Demolition Waste Container color shall be reviewed and approved by the County's Manager.

(B) Labeling Requirements.

SB 1383 Regulations (14 CCR Section 18984.8) specify that commencing on July 1, 2025, the Franchisee shall place a label on each new Container or lid provided to the Generators specifying what materials are allowed to be placed in each Container and shall clearly indicate primary items that are Prohibited Container Contaminants for each Container. Compliance may be achieved with labels or imprinted text or graphics images.

- (1) Labels on New Containers or New Lids. Commencing on or before July 1, 2025, Franchisee shall place a label on each new Container body or lid that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that Container. Labels shall clearly indicate items that are Prohibited Container Contaminants for each Container. Prior to ordering labels for Containers, Franchisee shall submit a copy of its proposed label, proposed location(s) for

placement of labels on each type of Container, and its labeling plan to the County's Manager for approval.

- (2) Labels for Existing Containers. No later than January 1, 2036, Franchisee shall place a label on the body or lid of each Container that has been provided to a Customer that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that Container. Labels shall clearly indicate items that are Prohibited Container Contaminants for each Container. Prior to ordering labels for Containers, Franchisee shall submit a copy of its proposed label, proposed location(s) for placement of labels on each type of Container, and its labeling plan to the County's Manager for approval.

SECTION 7.2. PERSONNEL

Franchisee shall furnish such qualified equipment operators, drivers, laborers, mechanics, supervisors, clerical staff, and other personnel as may be necessary to provide the Franchise Collection Services required in a safe, economical, and efficient manner in compliance with all Applicable Laws. Personnel shall operate environmentally safe and clean equipment and facilities, in compliance with all Applicable Laws. See Appendix A and Appendix D for more details on personnel requirements.

SECTION 7.3. DIVERSION REQUIREMENTS

SB 1383 establishes targets to achieve a 50 percent (50%) reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent (75%) reduction by 2025. SB 1383 does not include any numeric Organic Waste Disposal reduction targets or Diversion targets for the County. The County expects the Franchisee to comply with the goals of SB 1383 and achieve maximum extent of landfill diversion for organic waste as practically feasible. The County will not establish independent diversion goals as part of this Agreement.

SECTION 7.4. RECORDKEEPING REQUIREMENTS

Franchisee shall maintain records that demonstrate ongoing compliance with these requirements, including, but not limited to, copies of receipts, invoices, or other proof of purchase that describe the products purchased, by volume and type for all products specified in this Section; and copies of certifications or other verifications. Franchisee shall submit these records, upon County request, in accordance with Appendix A and Appendix D.

SECTION 7.5. DELEGATION OF AUTHORITY TO ENFORCE VIOLATIONS

County hereby expressly delegates authority to Franchisee, as County's designee, to enforce applicable provisions of Article 1 of Chapter 7.24 of Title 7 of the Madera County Code as authorized by applicable sections in the SB 1383 regulations promulgated by CalRecycle in 14

CCR, Division 7, Chapter 12, including without limitation Sections 18981.2(b)(1) and 18982(a)(15), and such delegation is not exclusive as County retains the right to also enforce in combination with Franchisee. Such enforcement may include, without limitation, conducting inspections, route reviews, issuing cart tags, and issuing notices of violation, and other enforcement as authorized by the Madera County Code, including without limitation Section 7.24.146.

ARTICLE VIII
COMPENSATION

SECTION 8.1. FRANCHISE FEE.

Commencing with the first calendar month following the Commencement Date and for each month thereafter during the Term of this Franchise, the Franchisee shall pay to the County a monthly Franchise Fee equal to six (6) percent of the gross collections received for all services provided by the Franchisee in the Franchise Area (not including revenues received by the Franchisee for the sale of Franchise Recyclable Materials). County and Franchisee acknowledge and declare that this Franchise Fee bears a reasonable relationship to the value of the exclusive rights granted Franchisee by this Franchise, including but not limited to the exclusive rights to enter upon, over, and use the County's roads for the purpose of driving heavy vehicles on, over and across the County's roads and placing waste containers and Bins in the County's right-of-way for the purpose of providing Solid Waste collection services for a fee in the Franchise Area; and the value of the Franchise and the Franchise Fee Franchisee pays County for the Franchise has been determined and agreed upon based on bona fide negotiations between the County and Franchisee in 2012 when the franchise fee was first established, and subsequent negotiations occurring each time the Original Franchise has been amended, and County and Franchisee acknowledge and declare that the Franchise Fee set forth herein bears a reasonable relationship to the value of the exclusive rights granted Franchisee by this Franchise. Notwithstanding the bona fide negotiations surrounding the Franchise and the Franchise Fee Franchisee pays County for the Franchise, to the extent the Franchise Fee is deemed imposed by County, County and Franchisee acknowledge and agree the Franchise Fee is imposed for the specific benefit conferred or privilege granted directly to Franchisee - the exclusive rights to enter upon, over, and use the County's roads for the purpose of providing Solid Waste collection services for a fee in the Franchise Area - that is not provided to those not charged the Franchise Fee, and the Franchise Fee does not exceed the reasonable costs to County of conferring the benefit or granting the privilege, and bears a fair or reasonable relationship to the benefit Franchisee receives from the Franchise.

SECTION 8.2. FRANCHISEE COMPENSATION.

(A) Generally.

The sole compensation of the Franchisee for performing the Franchise Services and special services authorized pursuant this Agreement shall be the right to charge and collect fees based upon the Approved Charges from Customers within the Franchise Area to whom Franchise Services and special services are provided. Such Approved Charges are defined in Section 1.1 and are set forth in the Rate and Fee Schedule attached hereto as Appendix C, which may be

adjusted as approved by the County or as otherwise authorized in accordance with this Franchise.

(B) Adjustments.

The Approved Rates shall be increased or decreased, as the case may be, in accordance with the Index and the Fuel Index in accordance with Appendix C. The Approved Rates shall also be increased or decreased, as the case may be, to take into account costs incurred or saved due to the following circumstances. All such cost adjustments shall be subject to cost substantiation, and shall be allowable only to the extent the Franchisee is unable through reasonable preventive or responsive measures to mitigate the financial impact of the circumstance on its performance of the Franchise Services:

- (1) Change in Tipping Fee at Designated Disposal Facility. Any change by the County in the tipping fee charged to the Franchisee for disposal at the Designated Disposal Facility may only be used to adjust Approved Rates which have a disposal component and which are directly affected by change(s) in the Franchisee's cost(s) resulting from change(s) in such tipping fees.
- (2) Change in Law. Any Change in Law. One example of this is the introduction of legislation regarding the use of Electric Vehicles (EV). Should Franchisee be forced to integrate into, replace, and/or add EV vehicles, then the added expense of capital depreciation may be added to the rate structure and the depreciable amount shall be amortized over the remaining term of the Agreement or through some other cost recovery methodology.
- (3) Franchise Fee Adjustments. Any adjustments by the County in the Franchise Fee or any other fee imposed by the County on the Franchisee in connection with the Franchise Services.
- (4) Change in Scope. Any adjustment in accordance with Section 4.2(A) above.
- (5) Extraordinary Circumstances. Any extraordinary circumstances beyond the Franchisee's control that could not have been reasonably anticipated by the Franchisee and that unavoidably adversely affects the Franchisee, provided however that those items that are expressly excluded from Uncontrollable Circumstances shall not constitute an extraordinary circumstance for purposes of this subsection.
- (6) Other Adjustments. Any other adjustments to the Approved Rates agreed to in writing by the County and the Franchisee.

SECTION 8.3. PAYMENT OF THE MONTHLY FRANCHISE FEE.

For each month the Franchisee shall render a statement to the County by the 30th day following the end of the month. Payment of the Franchise Fee due to the County based upon that month's Franchise Service accompanied by a statement which fully substantiates the amount of the Franchise Fee ("Franchise Fee Statement"). The Franchisee shall pay the County the monthly Franchise Fee, in the form of a direct wire transfer to the designated depository of the County, cashier's check, or a Franchisee check, depending on the preference of the County. The Franchise Fee shall be included in the charges to all Residential and Commercial Customers in the County, except as explicitly waived in writing by the County's Representative. The Franchisee agrees to maintain financial records in sufficient detail to itemize billings and collections from any and all sources and to also include any and all other fees, charges for services and revenue derived by the Franchisee within the County limits to which the Franchise Fee has been applied. Within forty-five (45) calendar days of the close of each Franchise Year, the Franchisee shall prepare a final report for the preceding year, and such report shall be sworn to as being based upon audited performance of the Franchisee for the period for which the report is filed. The Franchisee shall submit a monthly report by the 30th day following the end of the month that provides the Franchisee's total gross collections from billings to the County's franchise customers. Should any payment due date required by this Franchise fall on a weekend or declared bank holiday, payment shall be delivered to the County no later than the close of business of the working day prior to any specifically required due date contained within the Franchise.

SECTION 8.4. DISPUTES.

If the County disputes any amount in any Franchise Fee Statement, it shall provide written objection to the Franchisee. If the County and the Franchisee are not able to resolve such dispute within 30 days after the County's objection, either party may refer such dispute to administrative review pursuant to Section 9.8 hereof. If any such amount is adjusted in the County's favor pursuant to agreement, mediation or otherwise, the Franchisee shall pay the amount of such adjustment to the County, with interest thereon at the Overdue Rate from the date such disputed amount was due the County to the date of payment in full of such amount. If any such amount is adjusted in the Franchisee's favor, the County shall pay the amount of such adjustment to the Franchisee, with interest thereon at the Overdue Rate from the date the Franchisee notified the County of the overpayment to the date of payment in full of such amount.

ARTICLE IX
DEFAULT, TERMINATION FOR CAUSE AND
DISPUTE RESOLUTION

SECTION 9.1. REMEDIES FOR BREACH.

The parties agree that, in the event that either party breached any obligation under this Franchise, the other party shall have the right to take any action and seek any remedy at law or in equity it may have to enforce the payment of any damages for the performance of such other obligation hereunder. The Franchisee acknowledges that the County intends to rely on the Franchisee to provide the Franchise Services for the protection of the public health, safety and welfare, and that therefore the County may enforce by specific performance the Franchisee's obligations hereunder to provide the Franchise Services on the terms and conditions provided herein. Neither party shall have the right to terminate this Franchise for cause except after an Event of Default determined in accordance with the provisions of this Article VX shall have occurred and be continuing.

SECTION 9.2. RIGHT OF THE COUNTY TO PERFORM SERVICES IN CERTAIN CIRCUMSTANCES.

(A) Franchisee Failure to Collect for any Reason.

Should the Franchisee, due to Uncontrollable Circumstances or any other reason whatsoever, fail, refuse or be unable to collect, transport for disposal any or all Franchise Solid Waste which it is herein obligated to collect and transport to the County Designated Facility for disposal of in the time and manner and as herein in this Franchise provided, for a period of more than forty-eight (48) hours, or if in any lesser time period Franchise Solid Waste should accumulate in the County to such an extent, in such manner, or for such time that the Manager or County Board of Supervisors should find that such accumulation endangers or menaces the public health, safety or welfare, then, in any of those events, County shall have the right, upon notice to the Franchisee, during the period of such emergency, to take possession of any or all of the Franchisee Operating Assets necessary in the collection and transportation for disposal of the Franchise Solid Waste produced, kept or accumulated in the County, and to use such property to collect and transport to disposal of any or all Franchise Solid Waste which the Franchisee would otherwise be obligated to collect and transport for disposal of pursuant to this Franchise. The Franchisee agrees that in such event it will fully cooperate with County to effect such a transfer of possession of the Franchisee Operating Assets for County's use of the same for the collection, transportation and disposal of Franchise Solid Waste. The Franchisee agrees that, in such event, the County may take possession of and use all of the Franchisee Operating Assets for the above-mentioned purposes without paying the Franchisee or any other person any rental or any other charges or compensation whatsoever for such possession and use. The County may

in such circumstances operate the Franchisee Operating Assets with municipal employees, or cause the Franchisee Operating Assets to be operated by Subcontractors to the County.

(B) Franchisee Repair.

The Franchisee further agrees that, in the circumstances described in subsection (A) above, the Franchisee shall, if County so requests, keep in good repair and condition all of the Franchisee Operating Assets, service all motor vehicles necessary for continued operations with gasoline, oil and other necessary service, and provide such other service as may be necessary to render the Franchisee Operating Assets operational and ready for use in collecting and transporting of Franchise Solid Waste, all free of any and all costs or expenses to the County.

(C) County Use of Franchisee Personnel.

The Franchisee further agrees that, in such an event, the County, if it so desires, may immediately engage any or all personnel necessary for the collection and transportation of Franchise Solid Waste produced, kept or accumulated in the County, and that such employees or personnel may include, if the County so desires, employees or personnel theretofore or then employed by the Franchisee. The Franchisee further agrees that, if the County should so request, the Franchisee shall furnish to the County, free of cost, services of any or all management or office personnel then in the employ of the Franchisee whose services are necessary for such operations.

(D) Franchisee Reimbursement.

The Franchisee further agrees that, in such an event, it shall reimburse the County for any and all costs and expenses incurred by the County in taking over possession of the Franchisee Operating Assets and in the collection, transportation and disposal of Franchise Solid Waste in such manner and to such an extent as would otherwise be required of the Franchisee under the terms of this Franchise, which costs and expenses are in excess of the amount that the County would have been required to pay the Franchisee for providing services (except that no such reimbursement shall be required if the failure of the franchisee to provide Franchise Services was caused by Uncontrollable Circumstances). In such event the County shall submit a reimbursement statement to the Franchisee. Each statement shall list such costs and expenses, and the reimbursement shall be made no later than ten (10) days from and after each such submission.

(E) Franchisee Resumption of Service.

It is further agreed that the County may at any time, at its discretion, relinquish possession of any or all of the Franchisee Operating Assets to the Franchisee and thereupon demand that the

Franchisee resume the collection and transportation of Franchise Solid Waste as provided in this Franchise, whereupon the Franchisee shall be bound to resume the same.

(F) County Performance Not a Taking.

It is specifically understood and agreed that the County's exercise of its rights under this Section: (1) does not constitute a taking of private property for which payment must be made; (2) shall not create any liability on the part of the County to the Franchisee; and (3) that the indemnity provisions of Section 11.1 of this Franchise are meant to include circumstances arising under this Section.

(G) Duration of County's Rights.

The County's right under Section 9.2 hereof to retain temporary possession of the Franchisee Operating Assets , and to render collection and transportation for disposal services, shall terminate at the earlier of: (1) the time when such services can, in the judgment of the County, be resumed by the Franchisee, or (if earlier), (2) the time when the County no longer reasonably requires such Franchisee Operating Assets , as determined by the County, or (3) the expiration of twelve (12) months from the date the County took possession.

SECTION 9.3. EVENTS OF DEFAULT OF FRANCHISEE.

(A) Event of Default Not Requiring Notice or Further Cure Opportunity for Termination.

Each of the following shall constitute an Event of Default on the part of the Franchisee upon which the County, by notice to the Franchisee, may terminate this Franchise without any requirement of having given notice previously or of providing any cure opportunity:

- (1) Certain Events of Non-Compliance. Any transaction, without any requirement of notice or cure opportunity, not complying with the requirements of Section 3.2 or Section 3.3 hereof.
- (2) Missed Collections. The chronic failure of the Franchisee, except as may be excused by Uncontrollable Circumstances (or failure of the Generator to appropriately deposit Containers for collection), to make scheduled collections of Franchise Solid Waste, Franchise Recyclable Materials or Franchise Organic Materials from Residential Premises and Commercial Premises in any Franchise Year.
- (3) Curtailement of an Essential Service. Failure or refusal or malfeasance of Franchisee which contributes to the curtailement of an essential service or which raises an immediate threat to life, health or property.
- (4) Voluntary Bankruptcy. The written admission by the Franchisee or either Guarantor that it is bankrupt, or the filing by the Franchisee or either Guarantor of a voluntary

petition under the Federal Bankruptcy Code, or the consent by the Franchisee or either Guarantor to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Franchisee or either Guarantor of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Franchisee's or either Guarantor's property or business.

- (5) Involuntary Bankruptcy. The final adjudication of the Franchisee or either Guarantor as a bankrupt after the filing of an involuntary petition under the Bankruptcy Act, but no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication shall be regarded as final unless and until the same is no longer being contested by the Franchisee nor until the order of the adjudication is no longer appealable.
 - (6) Failure to Pay. The Franchisee fails, refuses or otherwise defaults in its duty to pay any amount required to be paid to the County under this Franchise within 60 days following the due date for such payment.
- (B) Event of Default Requiring Notice or Cure Opportunities for Termination.
- (1) Other Failure to Perform. Failure or refusal of the Franchisee to perform any term, covenant, obligation or condition contained in this Franchise other than a failure or refusal described in items (1)—(6) above, except that no such failure or refusal shall give the County the right to terminate this Franchise under this Section unless:
 - (a) The County has given prior written notice to the Franchisee, stating that a specific failure or refusal to perform exists which will, unless corrected, constitute a material breach of this Franchise on the part of the Franchisee and which will, in its opinion, give the County a right to terminate this Franchise for cause under this Section unless such default is corrected within 30 days, and
 - (b) The Franchisee has neither challenged in an appropriate forum the County's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Franchise nor corrected or diligently taken steps to correct such default within such 30 day period from receipt of the notice given pursuant to the clause (a) of this subsection (but if the Franchisee shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Franchisee is continuing to take such steps to correct such default).

(C) Waiver of Defenses.

Subject to the provisions of this Franchise relating to Uncontrollable Circumstances, the Franchisee acknowledges that it is solely responsible for providing the Franchise Services described herein, and hereby irrevocably and unconditionally waives the following defenses to the payment and performance of its obligations under this Franchise: any defense based upon failure of consideration, contract of adhesion, impossibility or impracticability of performance, commercial frustration of purpose, or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event or contingency that may be a basic assumption of the Franchisee with regard to any provision of this Franchise.

(D) Enforcement Costs.

The Franchisee agrees to pay to the County all fees and expenses reasonably incurred by or on behalf of the County in enforcing payment or performance of the Franchisee's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Franchisee.

(E) Other Remedies Upon Franchisee Event of Default.

The right of termination provided under this Section upon an Event of Default by the Franchisee is not exclusive. If this Franchise is terminated by the County for an Event of Default by the Franchisee, the County shall have the right to pursue a cause of action for actual damages and to exercise all other remedies which are available to it under this Franchise, under the Security Instruments and under Applicable Law. In the event that the County successfully pursues an action to enforce any remedy provided in this Article, the Franchisee shall be liable to the County for payment of all Loss-and-Expenses which are incurred by the County in connection with such action not including attorneys' fees.

SECTION 9.4. EVENT OF DEFAULT BY THE COUNTY.

(A) Events of Default Permitting Termination.

Each of the following shall constitute an Event of Default by the County upon which the Franchisee, by notice to the County, may terminate this Franchise:

- (1) Failure to Pay or Perform. The failure, refusal or other default by the County in its duty:
 - (a) to pay an amount required to be paid to the Franchisee under this Franchise within 60 days following the due date for such payment; or
 - (b) to perform any other material obligation under this Franchise; or
- (2) Voluntary Bankruptcy. The filing by the County a petition of voluntary bankruptcy under the Bankruptcy Code; the consenting of the County to the filing of any bankruptcy or

reorganization petition against the County under the Bankruptcy Code; or the filing by the County of a petition to reorganize the County pursuant to the Bankruptcy Code; or

- (3) Involuntary Bankruptcy. The issuance of an order of a court of competent jurisdiction appointing a receiver, liquidator, custodian or trustee of the County, respectively, or the filing against the County of a petition to reorganize the County pursuant to the Bankruptcy Code, which order shall not have been discharged or which filing shall not have been dismissed within 90 days after such issuance or filing, respectively.

(B) Notice and Cure Opportunity.

No such default described in subsections (A)(1), (A)(2) or (A)(3) of this Section shall constitute an Event of Default giving the Franchisee the right to terminate this Franchise for cause under this subsection unless:

- (1) The Franchisee has given prior written notice to the County stating that a specified default exists which gives the Franchisee a right to terminate this Franchise for cause under this Section, and describing the default in reasonable detail; and
- (2) The County has not initiated within a reasonable amount of time (in any event not more than 30 days from the initial default notice) and continued with due diligence to carry out to completion all actions reasonably necessary to correct the default and prevent its recurrence.

If the County shall have initiated within such reasonable time and continued with due diligence to carry out to completion all such actions, the default shall not constitute an Event of Default during such period of time (in any event more than 30 days from the initial default notice) as the County shall continue with due diligence to carry out to completion all such actions.

(C) Other Remedies Upon County Event of Default.

The right of termination provided under this Section upon an Event of Default by the County is not exclusive. If this Franchise is terminated by the Franchisee for an Event of Default by the County, the Franchisee shall have the right to pursue a cause of action for actual damages and to exercise all other remedies which are available to it under this Franchise and under Applicable Law. In the event that the Franchisee successfully pursues an action to enforce any remedy provided in this Article, the County shall be liable to the Franchisee for payment of all Loss-and-Expenses which are incurred by the Franchisee in connection with such action other than attorneys' fees. In no event shall any remedy of the Franchisee include recovery of costs incurred by the Franchisee prior to the initial Franchise Date other than equipment costs and subcontracts purchased by the Franchisee for the Franchise Services prior to the Franchise Date.

SECTION 9.5. NO WAIVERS.

No action of the County or Franchisee pursuant to this Franchise (including, but not limited to, any investigation or payment), and no failure to act, shall constitute a waiver by either party of the other party's compliance with any term or provision of this Franchise. No course of dealing or delay by the County or Franchisee in exercising any right, power or remedy under this Franchise shall operate as a waiver thereof or otherwise prejudice such party's rights, powers and remedies. No single or partial exercise of (or failure to exercise) any right, power or remedy of the County of the Franchisee under this Franchise shall preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

SECTION 9.6. NO CONSEQUENTIAL OR PUNITIVE DAMAGES.

In no event shall either party hereto be liable to the other or obligated in any manner to pay to the other any special, incidental, consequential, punitive or similar damages based upon claims arising out of or in connection with the performance or non-performance of its obligations or otherwise under this Franchise, or the material inaccuracy of any representation made in this Franchise, whether such claims are based upon contract, tort, negligence, warranty or other legal theory.

SECTION 9.7. FORUM FOR DISPUTE RESOLUTION.

It is the express intention of the parties that all legal actions and proceedings related to this Franchise or to the Franchise Services or to any rights or any relationship between the parties arising therefrom shall be solely and exclusively initiated and maintained in courts of the State of California, located in Madera County, having appropriate jurisdiction.

SECTION 9.8. ADMINISTRATIVE REVIEW OF DISPUTES.

Either party hereto may give the other party written notice of any dispute with respect to this Franchise. Such notice shall specify a date and location for a meeting of the parties hereto at which such parties shall attempt to resolve such dispute. The Manager shall keep a record of the proceedings conducted and information presented during such meeting. In the event that such dispute cannot be resolved by the parties hereto within 30 days, the matter may be referred by either party for non-binding mediation or to Legal Proceedings.

ARTICLE X
TERM

SECTION 10.1. TERM.

This Franchise has been effective since the Franchise Date, and the obligations of the parties under this Franchise commenced on the Commencement Date and shall continue in effect until October 31, 2037.

ARTICLE XI
MISCELLANEOUS PROVISIONS

SECTION 11.1. INDEMNIFICATION.

The Franchisee shall indemnify, defend and hold harmless the County, and its appointive officers, directors, employees, representatives, agents and employees (each, a "County Indemnatee"), from and against (and pay the full amount of) any and all Loss-and-Expense arising from or in connection with (or alleged to arise from or in connection with) (1) any failure by the Franchisee to perform its obligations under this Franchise; (2) the negligence or willful misconduct of the Franchisee or any of its officers, directors, employees, representatives, agents or Subcontractors in connection with this Franchise; (3) Franchisee Fault; or (4) the performance of the Franchisee's obligations under this Franchise. The Franchisee shall also indemnify the County as and to the extent provided elsewhere in this Franchise. The Franchisee's indemnity obligations hereunder shall not be limited by any coverage exclusions or other provisions in any insurance policy maintained by the Franchisee which is intended to respond to such events. The Franchisee shall not, however, be required to reimburse or indemnify any County Indemnatee for any Loss-and-Expense to the extent caused by the negligence or willful misconduct of any County Indemnatee. A County Indemnatee shall promptly notify the Franchisee of the assertion of any claim against it for which it is entitled to be indemnified hereunder, and the Franchisee shall have the right to assume the defense of the claim in any Legal Proceeding and to approve any settlement of the claim. These indemnification provisions are for the protection of the County Indemnitees only and shall not establish, of themselves, any liability to third parties. The provisions of this Section shall survive termination of this Franchise.

Notwithstanding any other provision in this Franchise, to the extent permitted by Applicable Law, the County shall indemnify, defend and hold harmless the Franchisee, and its Affiliates, officers, directors, managers, employees, representatives and agents (each, a "Franchisee Indemnatee"), from and against (and pay the full amount of) any and all Loss-and-Expense arising from or in connection with (or alleged to arise from or in connection with) any successful challenge to the County's right and authority to enter into this Franchise and/or to authorize the Franchisee to perform any of the Franchise Services, without regard to Uncontrollable Circumstances; provided, however, that the County shall not be obligated to indemnify, defend or hold harmless any Franchisee Indemnatee for any Loss-and-Expense to the extent caused by the willful misconduct of such Indemnatee. The County's indemnity obligations hereunder shall not be limited by any coverage exclusions or other provisions in any insurance policy maintained by the Franchisee which is intended to respond to such events. A Franchisee Indemnatee shall promptly notify the County of the assertion of any claim against it for which it is entitled to be indemnified hereunder, and the County shall have the right to assume the defense of the claim

in any Legal Proceeding and to approve any settlement of the claim. These indemnification provisions are for the protection of the Franchisee Indemnitees only and shall not establish, of themselves, any liability to third parties. The provisions of this Section shall survive the invalidation or other termination of this Franchise.

SECTION 11.2. UNCONTROLLABLE CIRCUMSTANCES GENERALLY.

(A) Performance Excused.

Except as otherwise specifically provided in this Franchise, neither the Franchisee nor the County shall be liable to the other for any failure or delay in the performance of any obligation under this Franchise (other than any payment at the time due and owing) to the extent such failure or delay is due to the occurrence of an Uncontrollable Circumstance.

(B) Notice, Mitigation.

The party experiencing an Uncontrollable Circumstance shall notify the other party by telecommunication or telephone and in writing, on or promptly after the date the party experiencing such Uncontrollable Circumstance first knew of the commencement thereof, followed within two days by a written description of (1) the Uncontrollable Circumstance and the cause thereof (to the extent known), (2) the date the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such party's obligations hereunder will be delayed, (3) the estimated amount, if any, by which the Franchise Fee may be affected as a result of such Uncontrollable Circumstance, (4) its estimated impact on the other obligations of such party under this Franchise and (5) potential mitigating actions which might be taken by the Franchisee or County and any areas where costs might be reduced and the approximate amount of such cost reductions. Each party shall provide prompt written notice of the cessation of such Uncontrollable Circumstance. Whenever such act, event or condition shall occur, the party claiming to be adversely affected thereby shall, as promptly as reasonably possible, use its best efforts to eliminate the cause therefor, reduce costs and resume performance under this Franchise. While the delay continues, the Franchisee or County shall give daily notice to the other party updating the information previously submitted.

SECTION 11.3. ASSIGNMENT AND CHANGE IN CONTROL.

(A) By the Franchisee.

The Franchisee shall not assign, transfer, convey, lease, encumber or otherwise dispose of this Franchise, its right to execute the same, or its right, title or interest in all or any part of this Franchise or any monies due hereunder whatsoever, whether legally or equitably, nor shall the Franchisee merge, transfer stock, transfer assets, be acquired or reorganized in such a manner that control of the Franchisee is materially changed, without the prior written consent of the

County. Any such approval given in one instance shall not relieve the Franchisee of its obligation to obtain the prior written approval of the County to any further assignment. Any assignment of this Franchise which is approved by the County shall require the assignee of the Franchisee to assume the performance of and observe all obligations, representations and warranties of the Franchisee under this Franchise, and no such assignment shall relieve the Guarantor of any of its obligations under the Guaranty Agreement, which shall remain in full force and effect during the Term hereof. The approval of any assignment, transfer or conveyance shall not operate to release the Franchisee in any way from any of its obligations under this Franchise unless such approval specifically provides otherwise.

(B) By the County.

The County may not assign its rights or obligations under this Franchise without the prior written consent of the Franchisee.

SECTION 11.4. RELATIONSHIP OF THE PARTIES.

Neither party to this Franchise shall have any responsibility whatsoever with respect to services provided or contractual obligations or liabilities assumed by the other party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Franchisee is an independent contractor and franchise holder and nothing in this Franchise shall be deemed to constitute either party a partner, agent or legal representative of the other party or to create any fiduciary relationship between the parties.

SECTION 11.5. NO DISCRIMINATION.

The Franchisee shall not discriminate nor permit discrimination by any of its officers, employees, agents and representatives against any person because of age, race, color, religion, national origin, sex, sexual orientation or physical or mental disability. The Franchisee will take all actions reasonably necessary to ensure that applicants are employed, and that employees are treated during employment, without regard to their age, race, color, religion, national origin, sex, sexual orientation or physical or mental disability. Such action shall include, without limitation, recruitment and recruitment advertising; layoff or termination; upgrading, demotion, transfer, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Franchisee shall impose the non-discrimination provisions of this Section by contract on all Subcontractors hired with the County's consent to perform work related to performance of its obligations hereunder and shall take all reasonable actions necessary to enforce such provisions. The Franchisee will post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

SECTION 11.6. ACTIONS OF THE COUNTY IN ITS GOVERNMENTAL CAPACITY.

Nothing in this Franchise shall be interpreted as limiting the rights and obligations of the County in its governmental or regulatory capacity, or as limiting the right of the Franchisee to bring any legal action against the County, not based on this Franchise, arising out of any act or omission of the County in its governmental or regulatory capacity.

SECTION 11.7. BINDING EFFECT.

This Franchise shall bind and inure to the benefit of the parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

SECTION 11.8. AMENDMENTS.

Neither this Franchise nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both parties.

SECTION 11.9. NOTICE OF LITIGATION.

Each party shall deliver written notice to the other of any Legal Proceeding to which it is a party and which questions the validity or enforceability of this Franchise or any other related agreement executed by the County or the Franchisee or any Legal Entitlement issued in connection herewith.

SECTION 11.10. NOTICES.

All notices, consents, approvals or written communications given pursuant to the terms of this Service Contract shall be: (1) in writing and delivered in person; (2) transmitted by certified mail, return, receipt requested, postage prepaid or by overnight courier utilizing the services of a nationally recognized overnight courier service with signed verification of delivery; or (3) sent by email or facsimile transmission, if a signed original is deposited in the United States mail within two days after transmission. Notices shall be deemed given only when actually received at the address first given below with respect to each party. Either party may, by like notice, designate further or different addresses to which subsequent notices shall be sent. Notices required to be given to the Franchisee shall be addressed as follows:

Attn: Richard Caglia
P. O. Box 446
Fresno, CA 93709
email: richard@caglia.com
Fax: 559-650-1111
Tel: 559-650-1153

With a copy to: Current General Manager

Notices required to be given to the County shall be addressed as follows:

Attn: County Solid Waste Manager
Department of Public Works
200 West 4th Street
Madera, CA 93637
email: boom.phouthavong@maderacounty.com
Office (559) 675-7811
Fax (559) 675-7639

SECTION 11.11. FURTHER ASSURANCES.

Each party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Franchise.

SECTION 11.12. EQUAL EMPLOYMENT OPPORTUNITY.

The Franchisee agrees that in the performance of the services in the Franchise, it will comply with Applicable Law prohibiting the discrimination against any person or persons because of race, color, religion, ancestry, national origin, local custom, habit, sex, age, sexual orientation, disability, veteran's status, medical condition (as defined in Section 12926 of the California Government Code), marital status or citizenship, including, but not limited to, Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. Section 2000d); the Age Discrimination Act of 1975 (42 U.S.C. Section 6102); the Rehabilitation Act of 1973, as amended (29 U.S.C. Section 794); the Fair Housing Act of 1988 (42 U.S.C. Section 3601); and the Americans with Disabilities Act (3 U.S.C. Section 421) all applicable local, state, and federal laws.

SECTION 11.13. RIGHT TO INSPECT.

The County shall, at all reasonable times, have access to and the right to inspect, audit, examine, and copy all such books, records, and other documents of the Franchisee for the purpose of ensuring compliance with the terms of the Franchise for the current fiscal year plus the past five years.

SECTION 11.14. FINANCIAL STATEMENTS.

Beginning with the Franchisee's 2019 business year (which is the calendar year), the Franchisee shall provide financial statements of the Franchisee's business activities, audited by a Certified Public Accountant according to standards promulgated by the American Institute of Certified Public Accountants and the California Board of Accountancy, to the County's Auditor-Controller annually within two hundred twenty-five (225) days of the close of the Franchisee's business year, which statements shall include the Franchisee's business activities in connection with the Franchise Services. For any business year prior to 2019, the Franchisee must provide reviewed financial statements of the Franchisee's business activities in connection with the Franchise services, including its balance sheet, statement of revenues and expenses, and statement of

changes in cash position. The County agrees to hold financial statements delivered pursuant to this Section as confidential and subject to the same requirements under Section 6.3 of this Agreement.

SECTION 11.15. DOCUMENTS AND RECORDS.

The Auditor-Controller of the County, or his or her designee, shall have the right to review and/or audit any and all books, accounts, financial and accounting records, bills and the like of the Franchisee in connection with or related to those business activities identified herein. The Franchisee shall retain and make available for inspection, review and/or audit by the County's Auditor-Controller, or his or her designees, for at least a five (5) year period, all of the documents and records described in the preceding sentence.

SECTION 11.16. DRUG-FREE WORKPLACE.

The Franchisee shall maintain a drug-free workplace.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Franchise to be executed by their duly authorized representatives as of the day and year first above written.

[County Seal]

ATTEST:

THE COUNTY OF MADERA

By: Karen Scivica

By: [Signature]

CAGLIA ENVIRONMENTAL, LLC

Signature: [Signature]

Printed Name: Richard Caglia

APPROVED AS TO FORM:

COUNTY COUNSEL

By: [Signature]

Date: 8/23/24

APPENDIX A

GENERAL FRANCHISE COLLECTION SERVICES (NON-SB 1383)

1.0 General Services

1.1 Providing Personnel

Franchisee shall furnish such qualified equipment operators, drivers, laborers, mechanics, supervisors, clerical staff, and other personnel as may be necessary to provide the Franchise Collection Services required in a safe, economical, and efficient manner in compliance with all Applicable Laws. Personnel shall operate environmentally safe and clean equipment and facilities, in compliance with all Applicable Laws. The ultimate goal is to meet and exceed customer expectations, environmental regulations and County directives, for efficient Franchise Collection Services.

1.2 Management and Supervisory Personnel Assigned to the Contract

Franchisee shall select and hire the management team required to direct all of the operating, financial, and marketing activities. This includes at least one (1) Diversion Program Manager or Recycling Coordinator. The management personnel will have the necessary experience to direct the Franchise Collection Service(s) effectively.

Franchisee shall designate qualified employees as supervisors of field operations. Supervisors will be in the field inspecting Franchisee's work and will be available to the County by radio or phone during the Franchisee's hours of operation to handle calls and complaints from customers or the County, or to follow up on problems and inspect Franchisee's operations. These supervisors shall have electronic communication with each vehicle working in the Franchise Collection Service.

The Franchisee must submit a list of all key management personnel who will be used under the Contract by Franchisee or its Subcontractor. This list, which updates the key management personnel list provided in the Proposal, must be submitted within thirty (30) days after notification of selection of award from the County. In the event of a change in key management personnel for this Contract, the County has the right to accept or reject the Franchisee's use of any personnel for cause.

During the Contract period, it shall be the Franchisee's responsibility to provide the County Solid Waste Manager with at least two (2) weeks' notice in advance of any change of key management personnel. In the event of a change, the replacement must have qualifications equal to or better than the prior key management personnel.

1.3 Employee Uniforms

All employees of the Franchisee performing work under the Contract shall be uniformed showing their association with the Franchisee while providing Franchise Collection Services, as follows:

- The Franchisee must furnish each Collector with an appropriate uniform identifying him or her as employees of the Franchisee. The uniform shall be a complete set of clothing, including but not limited to pants, shirt, and jacket, and must ensure easy identification.
- Employees of the Franchisee are required to wear the uniform at all times while on duty.
- All field employees must wear a reflective safety vest with the name of their company affixed.
- Regardless of uniform, Collector's personnel must wear a short-sleeved or long-sleeved shirt at all times during the performance of the Contract. County reserves the right to approve the uniform furnished by the Franchisee.

1.4 Substance Abuse Awareness Plan

The Franchisee shall be responsible to institute and implement a comprehensive drug education and testing program, which shall cover all safety sensitive employees (as that term is defined in applicable regulations and case law) utilized to perform any duties under the Solid Waste Services Contract with the County.

Within 30 days after the Franchise Amendment Date, the Franchisee shall submit the most recent mandatory substance abuse awareness plan to the County, which shall include the implementation of a random testing plan. This plan shall require that each safety sensitive employee be given a copy of the workplace substance abuse policy; the dangers of substance abuse in the workplace; available counseling, rehabilitation, and employee assistance programs; and the penalties that may be imposed upon employees for substance abuse violations.

1.5 Providing Commodities and Equipment

The Franchisee shall provide all required electricity, natural gas and other fuels, water, chemicals, oils, and detergents necessary to provide the Franchise Collection Services and supporting facilities; provide all necessary mobile equipment, tools, rental tools, testing and other equipment for Franchise Collection Services, etc.; and provide fuel management services and identify access to reliable fuel sources for the applicable equipment.

1.6 Providing Maintenance

The Franchisee shall maintain all of its properties, facilities and equipment used in providing Franchise Collection Services in a safe, neat, clean and operable condition at all times. The

Franchisee is responsible for all costs incurred for maintenance. Maintenance must be provided according to a schedule that conforms to the manufacturer specifications. Franchisee is responsible for prompt repairs to any damages incurred. Maintenance can be provided internally by operating personnel or externally via a Contract(s) with others. Within 30 days after Start Date, Franchisee will provide County with a copy of their Operations and Maintenance Manual.

Franchisee shall inspect each piece of equipment daily to ensure that all equipment is operating properly as specified in the Operations and Maintenance Manual. Equipment which is not operating properly shall be taken out of service until they are repaired and do operate properly. Franchisee shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Franchisee shall keep accurate records of all vehicle maintenance, recorded according to date and mileage, and shall make such records available to County upon request to the extent necessary to ensure compliance of manufacturer's recommended schedule for vehicle service.

Franchisee shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so that all equipment is maintained in a safe and operable condition. Franchisee shall maintain accurate records of repair, which shall include the date, mileage, and nature of repair and the signature of a maintenance supervisor that the repair has been properly performed.

Franchisee shall arrange to store all vehicles and other equipment in safe and secure location(s), where applicable, in accordance with the County's zoning regulations, as applicable.

The Franchisee shall ensure that all routine maintenance requirements are performed according to the Operating and Maintenance Manual, including preventive maintenance and major overhauls. The Franchisee shall provide plans and the resources necessary to deal successfully with all known contingencies, should equipment or facility problems occur. These shall be documented in an Operating and Maintenance Manual that will be made available to County within thirty (30) days after the Start Date, and be subject to the County's approval. Such approval will not be unreasonably withheld. The Operating and Maintenance Manual shall be updated periodically by Franchisee as agreed upon in the Contract.

1.7 Addressing Space Requirements

The Franchisee shall provide the necessary and appropriate space including temporary buildings for the operating, financial, and marketing personnel required to support the Franchise Collection Services being provided.

1.8 Furnishing Office Equipment, Materials and Supplies

The Franchisee shall provide all of the necessary furniture and electronic equipment for efficient operations. The electronic equipment will include, but is not limited to, computers, printers, network equipment, telephones, cellular phones, laptops, copiers, etc. The Franchisee shall provide all required fixtures, paper and other office supplies and materials.

1.9 Creating and Implementing a Company Identity

The Franchisee shall create and implement a company identity for the business that establishes a positive image for the service needs of the County, subject to the approval of the County. This is important to support and augment the public information program conducted by County to enhance program participation. The company identity will be used on brochures, business cards, letterhead, etc. The Franchisee shall produce all printed and other media necessary to implement the company identity program. The Franchisee shall allow, at no additional cost, the County to utilize the company identity materials in the County public information program.

2.0 Collection Services

2.1 Collection Equipment

All Franchisee vehicles will be licensed in the State of California and will operate in compliance with all applicable federal, state, and municipal regulations. All vehicles will be manufactured and maintained to conform to the United States Department of Transportation (DOT) and California Air Resources Board (CARB) Standards. The Franchisee will be responsible for meeting the vehicle maintenance requirements.

Vehicles will be maintained in good repair, which reduces emissions and prevents leaking, spilling, or scattering of the materials. All collection vehicles will be of a size and type not to exceed the maximum legal limit for gross vehicle weight (GVW) at any time, even when loaded. The collection vehicle will include The Franchisee's name, phone number, and the unit number on the front and rear of the Vehicle on both sides. A back-up warning system with visual and audible alerts will be permanently mounted on the rear of all collection vehicles.

The Franchisee will provide a fleet of collection vehicles sufficient in number and capacity to efficiently perform the work required by the Contract in strict accordance with its terms. The Franchisee will have available on collection day, sufficient back-up vehicles for each type of Collection Vehicle used to respond to complaints and emergencies. County representatives may inspect all vehicles to be used in servicing this Contract prior to the start date and each year of the Contract. County will notify the Franchisee about the failure of any Vehicle to meet this requirement within ten days of inspection.

All vehicles will comply with U.S. Environmental Protection Agency noise emission regulations and other applicable noise control regulations. All vehicles will be enclosed compaction vehicles.

If alternatives to this are proposed, specifications of the vehicle and the procedures using the vehicle must be provided in the proposal.

The Franchisee will furnish County with a written inventory of all vehicles used in providing service and update the inventory whenever it is modified and confirm this inventory annually. The inventory will list all vehicles used to provide the service in the County by manufacturers (chassis and body,) ID number, date of acquisition, type, capacity, and route(s) in which the vehicles are utilized.

2.2 Automated Cart – Waste, Recycling, and Organics Collection Service

The Franchisee will offer Residential and Commercial Waste, Recycling, and Organics Collection Services in Zone 1, Zone 2 and Zone 3.

The standard Residential and Commercial Waste, Recycling Collection Service in all Zones include a 96-gallon Solid Waste cart and a 96-gallon Recycling cart. For Commercial Waste customers subject to AB 1826, the Franchisee shall also provide a 96-gallon Organics cart. The Solid Waste and Organics Waste carts (for AB 1826 regulated customers) will be serviced weekly and the Recycling cart serviced every other week. These containers will be serviced, separately by an Automated Side Loader or other vehicle capable of servicing or exchanging empty carts for full.

Residential and Commercial Waste and Recycling Collection Service will include single-family dwellings, multifamily dwellings of up to four (4) residential units per building and commercial properties. Residential and Commercial Solid Waste and Organics Waste (for AB 1826 regulated customers) will be collected at least once per week. Residential and Commercial Recycling will be collected every other week. The Solid Waste, Recycling and Organics Collection Service will operate five days-per-week, Monday through Friday, 6:00 a.m. to 6:00 p.m. for residential collection and six days-per-week, Monday through Saturday, 6:00 a.m. to 6:00 p.m. for commercial collection. Collection will be provided on all holidays, except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, unless otherwise negotiated differently with the County.

96-gallon carts are provided to the customers by the Franchisee. Additionally, residents or commercial properties may request front load or roll-off service where such services are reflected in section(s) 2.5 and 2.7 below.

Residential and Commercial Recycling will include materials such as but not limited to; paper, newspaper, cardboard, glass, ferrous and non-ferrous metals (steel, aluminum), and plastics. The Franchisee will leave customer service notices on any containers with excessive contamination. The Franchisee will provide for the collection, transportation, processing,

marketing, and sales of the Recycling. All Recycling will be sold to end-user, processing facilities or intermediate brokers.

2.3 Planned Unit Developments – Homeowners Associations

Planned Unit Developments and/or Homeowners Associations will be provided a 3-cart automated collection service and shall obtain these services through the Franchisee. These PUD's/HOA's will follow a separate price schedule as listed in Appendix C. The standard service will include one 96-gallon Solid Waste cart serviced weekly along with one 96-gallon Recycling and one 96-gallon Yard Waste cart serviced every other week.

2.4 Front Load Bin - Waste Collection Services

Front Load Bin Waste Collection Service will include commercial accounts, multi-family dwellings with greater than 4 residential units per building, and single-family residences that elect to subscribe to these services. Front Load Bins may be collected anywhere from one to six times per week, with specific days of services to be determined. The Solid Waste Collection Service will operate six days per week, Monday through Saturday 6:00 a.m. to 6:00 p.m.

The Franchisee will collect the Solid Waste from these accounts using a front-end loader. Bins range in size from one (1) to six (6) cubic yards for Solid Waste and are collected at a minimum of one time per week. The service also includes a 96-gallon Recycling cart that is collected every other week.

2.5 Front Load Bin - Recycling Collection Services

Front Load Bin Recycling Collection Service will include commercial accounts, multifamily units of greater than 4 units, and single-family dwellings that elect to subscribe to these services. Recycling may be collected anywhere from one to six times per week with specific days of services to be determined. The Recycling Collection Service will operate six days per week, Monday through Saturday 6:00 a.m. to 6:00 p.m.

The Franchisee will collect Recyclables from these accounts using a front-end loader. Recycling programs can be tailored to various size commercial accounts. The Franchisee will provide for the collection, transportation, processing, marketing, and sales of Recycling. All Recycling will be sold to end-user, processing facilities or intermediate brokers.

2.6 Roll Off Services

Roll Off Service will include commercial accounts, multi-family dwellings with greater than 4 residential units per building, and single-family residences that elect to subscribe to these services. Roll Offs may either be scheduled for service one to six days per week or set as on-call

where the customer calls for service when the bin is full. The Roll Off Collection Service will operate six days per week, Monday through Saturday 6:00 a.m. to 6:00 p.m.

The Franchisee will service the Roll Offs from these accounts using a Roll Off collection vehicle. Bins range in size from ten (10) to forty (40) cubic yards. These Bins are used for various materials including but not limited to: Solid Waste, Recycling, Yard Waste, Wood Waste, Concrete, Asphalt, Organic Waste, Food Waste, and Construction and Demolition Debris. The rates for these services are outlined in Appendix C and include a pass-through on disposal based on the Franchisee's rate for these services. Franchise Fees are paid on gross receipts as the haul rate covers the Franchise Fee paid on disposal.

Commercial Waste Compactors, either self-contained or stationary, will be serviced in the same fashion as Roll Off bins and will follow the separate pricing outlined in Appendix C. If the Compactor is owned by the customer, no rental fees will apply. If the customer wishes to have these provided by the Franchisee, a reasonable amount, based on the cost of the equipment, will be charged for daily or monthly rental. Other specialty containers such as fully covered Roll Off bins will be charged a reasonable amount in daily or monthly rental based on the cost of the specialty equipment.

Illegal Roll Off Containers from other Haulers that are found to be in violation of Madera County Code section 7.24.300-7.24.304 shall be impounded following the criteria outlined in those sections. The fees outlined in Appendix C are those to be charged by and paid to the Franchisee prior to the bin being released. The County will assist the Franchisee with enforcement and administration.

2.7 Construction and Demolition Services

Construction and Demolition Services will include commercial accounts, multi-family dwellings with greater than 4 residential units per building, and single-family residences that elect to subscribe to these services.

Both Front Load and Roll Off containers are options under this service. Front Load Bins are scheduled for service one to six days per week. Roll Off bins are scheduled for service one to six days per week or set as on-call where the customer calls for service when the bin is full. Construction and Demolition Service will operate six days per week, Monday through Saturday 6:00 a.m. to 6:00 p.m.

Bins range in size from six (6) to forty (40) cubic yards. Construction and Demolition materials include but are not limited to; Wood Waste, Drywall, Concrete, Metal, and Plastics. The materials collected from these services are sent to Cedar Avenue Recycling and Transfer Station for processing and recycling. Initial residual of 25% will be sent back to Fairmead Landfill and

disposed of at Franchisees rates. Periodically, The Franchisee will perform composition studies to determine and if applicable, reset the residual rate based on these composition studies. The Franchisee will provide written notification of these results to The County. If requested, The Franchisee shall provide the customer with a Diversion Report on a monthly basis.

2.8 AB 1826 Compliant Organics Waste Recycling Services

Organics Waste Recycling Services will include commercial accounts and multi-family dwellings with greater than 4 residential units per building that are subject to AB 1826 compliance.

Both Front Load Bins and Automated Carts are options under this service and are used for the collection of mixed Organic Waste. These containers are scheduled for service one to six days per week and containers range in size from 64-Gallons to 3 Cubic Yards. The material types have different weights which may limit the size of the container. Organics Waste Recycling Service will operate six days per week, Monday through Saturday 6:00 a.m. to 6:00 p.m. Material will be collected separate from other materials such as Solid Waste or commingled Recyclables.

Source separated Wood will be delivered and processed at the Fairmead Landfill. Source separated Yard Waste may be delivered to the Designated Organics Facility or the Fairmead Landfill. Organic waste containing Food Waste will be delivered to the Designated Facility. This includes but not limited to: compost facilities, anaerobic digesters, and animal feedstock. Wood and Yard Waste will be sent for biomass fuel, used as anaerobic digestion feedstock or composted. Roll Off Services for Wood and Yard Waste are also service options available to customers with those specific needs.

The Franchisee will always follow the most preferred options in the Food Recovery Hierarchy, starting with the advertisement and capturing of Food Products to salvage to feed the hungry through the Central Valley's "Waste to Share" program or other similar programs.

AB 1826 requires that businesses or multifamily dwellings with five (5) or more units, generating two (2) or more cubic yards of Organic Waste material per week shall arrange for the recycling of that material. The Franchisee will assist the County in satisfying the requirements of AB 1826 and provide the following:

- Development of educational materials to inform the businesses and management of multifamily complexes about AB 1826 and Organic Waste Collection Services.
- Conduct waste audits to confirm the amount of Organic Waste generated by businesses.
- Conduct outreach campaigns to help the businesses and multifamily complexes comply.
- Participate in local events to promote Organic Waste Recycling.
- Dedicate a contact person or persons to handle communications with customers.

- Assist businesses and multifamily complexes in the development of a program for the source separate collection of Organics.
- Newsletters, billing inserts, invoice notes, and direct mailings will be some of the outreach materials used.
- Provide detailed reports to the County including at a minimum: a list of subscribers, non-participating businesses, amount of Organic Waste collected, where the material was recycled.

The Franchisee understands that the need for continuous program development is crucial to complying with State Law in landfill disposal reduction and is open to future enhancements to the Organic Waste Recycling Services.

2.9 Rent-A-Bin Services

Rent-A-Bin Services will include commercial accounts, multi-family dwellings with greater than 4 residential units per building, and single-family residences that elect to subscribe to these services.

This service provides a 3 Cubic Yard Front Load Bin for temporary cleanup projects. Customers that elect for this service pay a flat rate as listed in Appendix C that covers; delivery, rental for 7 days, and removal of the full container. These containers will be collected six days per week, Monday thru Saturday 6:00 a.m. to 6:00 p.m.

These Bins are serviced using a Front Load Collection Vehicle and materials are disposed of at the Fairmead Landfill.

2.10 Free Environmental Services

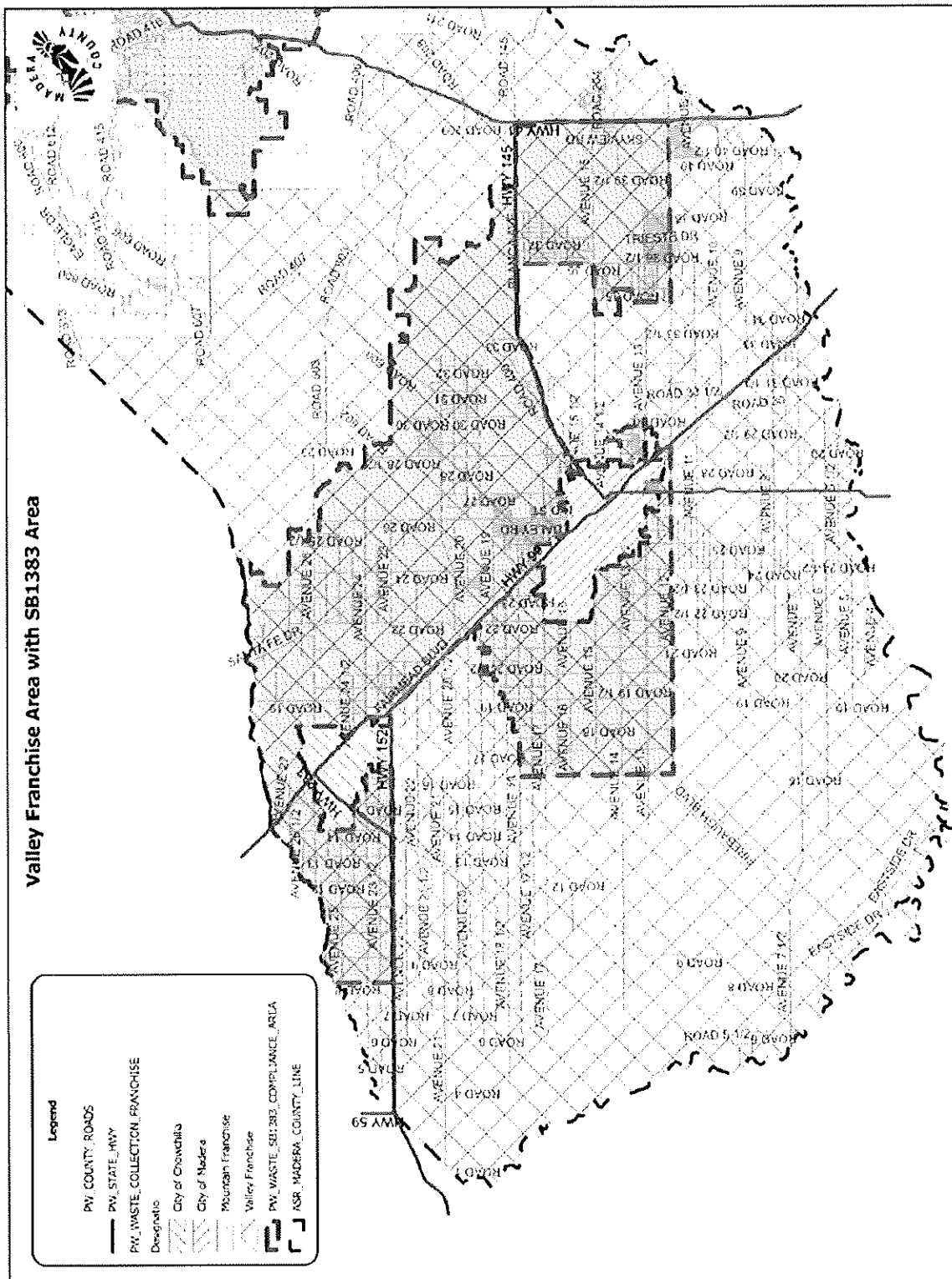
The Franchisee will provide the following Free Environmental Services to the County each calendar year throughout the term of the Contract consistent with the County's obligations in accordance with A.B. 939:

- Join Keep California Beautiful's Clean Community campaign to "Keep Madera Beautiful"
- Provide free outreach, monitoring, and reporting services on the commercial recycling program to ensure that the County can show compliance with the mandated commercial recycling program.
- Assist in developing a mixed construction and demolition debris recycling ordinance to promote the development of green building standards and LEED certification, which will complement the proposed mixed C&D program being proposed at the Fairmead Landfill.
- Provide free recycling education services upon demand to Madera County residents.

- Provide up to 150 tons of free illegal dumping areas and roadside clean-up services (labor and transportation to the Landfill) around the County.
- Provide two (2) single day household hazardous waste collection events annually at locations to be determined by the County at no cost to the County or participants.
- Provide two (2) single day residential Bulky Waste, e-waste, mattress collection, and confidential paper shredding events annually at locations to be determined by the County at no cost to the County or participants.

APPENDIX B

MAP OF ZONES 1, 2, and 3 and SB 1383 COMPLIANCE BOUNDARY



APPENDIX C

RATE AND FEE SCHEDULE

The Franchisee may charge rates and fees in accordance with the schedule of rates and fees attached hereto. Such rates and fees must be approved by the County, and may be adjusted as approved by the County or as otherwise authorized in accordance with this Franchise.

APPROVED RATES ADJUSTMENT

Each Approved Rate is comprised of a fixed component, fuel component, and variable component, as follows:

Fixed Component % = 20%

Fuel Component % = 15%

Variable Component % = 65%

In addition to any adjustments to the Approved Rates as authorized by Section 8.2(B))(1) through (6) of the Franchise, the Fuel Component and the Variable Component of each Approved Rate shall be adjusted annually on each July 1st (commencing July 1, 2013) in accordance with the relevant index as set forth below. The Fixed Component of each Approved Rate shall not be adjusted in accordance with an index during the Term or any extension of the Franchise.

The relevant period for determining the change in the Fuel Index or the Index will be the comparison of the average of the 12 months ending prior to March 1st of each year for which the Fuel Index or the Index, as the case may be, is published, compared to the average of the prior 12 months ending prior to March 1st of the prior year. For example, for the Contract Year beginning July 1, 2023, the adjustment will be based on the average Fuel Index and Index from March 1, 2022, through February 28, 2023 over the average Fuel Index and Index from March 1, 2021 through February 28, 2022. This calculation shall be made no later than April 1st of each year.

The index used to adjust the Fuel Component of each Approved Rate is the Department of Labor, Bureau of Labor Statistics, Producer Price Index – Commodities, Not Seasonally Adjusted, No. 2 Diesel Fuel (“the “Fuel Index”). The annual adjustment of the Fuel Component of each Approved Rate in accordance with the Fuel Index will not be limited and may be positive or negative. If the percentage change in the Fuel Index for the relevant period is a negative value, such negative value shall be applied as the adjustment to the Fuel Component of each Approved Rate for the Contract Year in question.

The index used to adjust the Variable Component of each Approved Rate is the U.S. Bureau of Labor Statistics-Consumer Price Index-All Urban Consumers-Series Id: CUUR0400SAO-Not

Seasonally Adjusted-West Urban-All Items-Base Period 1985-1984=100 (the "Index"). The annual adjustment of the Variable Component of each Approved Rate in accordance with the Index shall not exceed 4.0% in any year. Subject to the foregoing, in the event the Index results in the calculated adjustment in a year being greater than 4.0%, any unused adjustment portion above 4.0% shall not be applied in the year of calculation but shall be carried forward to the next annual adjustment and subsequent annual adjustments until such time as it may be applied without exceeding the 4.0% annual cap. Nothing herein shall create any right to compensation for any unused adjustment at the time this Agreement expires or is terminated in accordance with its terms.

In the event that the Fuel Index or the Index shall be discontinued or materially modified during the Term of the Franchise, the parties shall use their best efforts to substitute a replacement index so as to replicate, as nearly as possible, the mutual intention of the parties to rely on the results of the Fuel Index or the Index, as the case may be, as in effect on the Franchise Date.

BASED ON LANDFILL DISPOSAL (TIPPING) FEE

Any adjustment to the Approved Rates as authorized by Section 8.2(B)(1) of the Franchise shall only apply to adjust such Approved Rates which have a disposal component and which are directly affected by change(s) in the Franchisee's cost(s) resulting from change(s) in such tipping fees, and shall be calculated as follows: for every 1% increase or decrease in the tipping fee at the Designated Disposal Facility, each applicable Approved Rate shall be increased or decreased, respectively, by 15% of 1% or 0.15%. Each such adjustment shall be made effective as of the change in the tipping fee.

Example calculation: if the tipping fee decreases from \$60/ton to \$50/ton (16.7% decrease), for a hypothetical Approved Rate of \$18.53, the Approved Rate would be decreased by $(0.15\% \times 16.7\% = 2.5\%)$. Therefore, the revised Approved Rate would be $\$18.53 \times (1 - 0.025) = \18.07 .

BASED ON ORGANICS MANAGEMENT (TIPPING) FEE

Any adjustment to the Approved Rates as authorized by Section 8.2(B) of the Franchise Agreement shall only apply to adjust such Approved Rates which have an Organic Waste fee component and which are directly affected by change(s) in the Franchisee's cost(s) resulting from change(s) in such tipping fees, and shall be calculated as follows: for every 1% increase or decrease in the tipping fee at the Designated Organics Management Facility, each applicable Approved Rate shall be increased or decreased, respectively, by 10% of 1% or 0.10%. Each such adjustment shall be made effective as of the date of the change in the tipping fee. This calculation shall be made no later than May 1st of each year.

Example calculation: If the Organic Waste tipping fee increases from \$30/ton to \$36/ton (20% increase), the Approved Rate would be increased by $(0.1\% \times 20\% = 2.0\%)$. Therefore, the revised Approved Rate for residential Zone 1 would be $\$44.26 \times (1+0.02) = \45.15 .

BASED ON RECYCLING MARKETS

Beginning July 1, 2025, and applied annually on July 1st thereafter, the Approved rates shall be adjusted by a calculated change in value of the Recyclables collected from Franchise Customers. The Recycling Markets Index will reference the Bureau of Labor Statistics, PPI Commodity Data for Pulp, paper, and allied products-Corrugated recycle paper, not seasonally adjusted. Group: Pulp, paper, and allied products. Item: Corrugated recyclable paper. (WPU091203-Index).

The relevant period for determining the change in the recycling markets will be the average of the 12 months ending prior to March 1st of each year. For example, for the Contract Year beginning July 1, 2023, the adjustment will be based on the average Recycling Markets Index from March 1, 2022, through February 28, 2023. The 12-month index average for the measured year will be divided by the 12-month index average for the calendar year 2012, which is 335.7.

The change in the index average from the measured year compared to 2012 shall be expressed as a percentage change. That percentage change will then be multiplied by the base value of \$150/ton (from 2012) to arrive at a change in the value per ton of Recyclables each year, rounded to the nearest dollar. The change in value per ton will be multiplied by the tons collected from franchise customers in the measured year to determine the total change in value of all franchise recyclable tons collected. The total change in value of Recyclables collected will be divided by the total gross billing to franchise customers for all services in the measured year in order to develop an adjustment percentage that will be applied to the new customer rates. An increase in the adjustment percentage will result in a decrease in rates to franchise customers equal to the adjustment percentage. A decrease in the adjustment percentage will result in an increase in rates to the franchise customers equal to the adjustment percentage. This adjustment will be applied annually for one year. The adjustments are not to be accumulated from year to year. Each year the prior year's adjustment will be eliminated, and the new adjustment will be applied.

Example calculation: The average per the Index for the measured year of 2019 is 154.0. 154.0 divided by the 2012 Index average of 335.7 = 45.9%. Thus, the index for the measured year (2019) decreased 54.1% compared to 2012. 54.1% multiplied by \$150 = \$81/ton decrease in value compared to 2012. \$81/ton decrease in value multiplied by 1,596 tons of Recyclables collected from franchise customers in 2019 results in a total decrease in value of \$129,276. \$129,276 divided by \$8,795,000 gross billing to franchise customers in 2019 results in a 1.47% increase to the new customer rates per this

adjustment. For the year after the example above, the prior year's 1.47% increase would be eliminated and replaced by a new recyclable adjustment.

This calculation shall be made no later than April 1st of each year.

SB 1383 RATE REVIEW

On an annual basis for the 12 months ending prior to March 1st, the Franchisee shall provide actual cost and operational data to compare against the cost substantiation assumptions and calculation provided to the County in establishing Organics collection rates. The Franchisee shall submit this information to the County no later than April 1st of each year. The County and Franchisee will meet and review this information during the month of April. The County and Franchisee agree that this information may be used to adjust Organics collection rates up or down based on actual costs. This rate review may be waived by written consent of both parties

CAGLIA ENVIRONMENTAL

RATE SCHEDULE
AS OF 07/01/2024

CAGLIA ENVIRONMENTAL UPDATE FOR 7.1.24 CPI INCREASE - FRANCHISE - DRAFT 06.04.24

NOTES:
No Landfill Component Present - No Landfill Rate Adjustment
Greenwaste/Foodwaste/Organics do have a disposal component - Increase mechanism not outlined in latest 12.18.18 version of contract

		13.038% Combined Landfill CPI/FPI Increase				
		7/1/2023	7/1/2024	7/1/2024	7/1/2024	7/1/2024
			12.749%	0.289%		
Monthly Billing	# Weekly PU	Total Rate	Landfill Adjustment	CPI/Fuel Adjustment	No Recycling Surcharge Applied to 7.1.24 Rates	Total Rate
Zone 1 - Automated Non-Mandatory Refuse & Recyclables	1	\$ 34.25	\$ 4.37	\$ 0.10	\$ -	\$ 38.72
Zone 2 - Automated Non-Mandatory Refuse & Recyclables	1	\$ 38.77	\$ 4.94	\$ 0.11	\$ -	\$ 43.82
Zone 3 - Automated Non-Mandatory Refuse & Recyclables	1	\$ 45.56	\$ 5.81	\$ 0.13	\$ -	\$ 51.50
Zone 1 - 3-Cart PUD Residential Service	1	\$ 45.19	\$ 5.76	\$ 0.13	\$ -	\$ 51.08
Zone 2 - 3-Cart PUD Residential Service	1	\$ 51.14	\$ 6.52	\$ 0.15	\$ -	\$ 57.81
Zone 3 - 3-Cart PUD Residential Service	1	\$ 60.12	\$ 7.66	\$ 0.17	\$ -	\$ 67.95
1 Yard - Commercial Refuse with Recycle	1	\$ 90.51	\$ 11.54	\$ 0.26	\$ -	\$ 102.31
1 Yard - Commercial Refuse with Recycle	2	\$ 181.56	\$ 23.15	\$ 0.52	\$ -	\$ 205.23
1 Yard - Commercial Refuse with Recycle	3	\$ 237.24	\$ 30.25	\$ 0.69	\$ -	\$ 268.18
1 Yard - Commercial Refuse with Recycle	4	\$ 297.45	\$ 37.92	\$ 0.86	\$ -	\$ 336.23
1 Yard - Commercial Refuse with Recycle	5	\$ 356.16	\$ 45.41	\$ 1.03	\$ -	\$ 402.60
1 Yard - Commercial Refuse with Recycle	6	\$ 413.34	\$ 52.70	\$ 1.19	\$ -	\$ 467.23
1.5 Yard - Commercial Refuse with Recycle	1	\$ 108.23	\$ 13.80	\$ 0.31	\$ -	\$ 122.34
1.5 Yard - Commercial Refuse with Recycle	2	\$ 225.21	\$ 28.71	\$ 0.63	\$ -	\$ 254.57
1.5 Yard - Commercial Refuse with Recycle	3	\$ 303.48	\$ 38.69	\$ 0.88	\$ -	\$ 343.05
1.5 Yard - Commercial Refuse with Recycle	4	\$ 384.75	\$ 49.05	\$ 1.11	\$ -	\$ 434.91
1.5 Yard - Commercial Refuse with Recycle	5	\$ 467.53	\$ 59.61	\$ 1.35	\$ -	\$ 528.49
1.5 Yard - Commercial Refuse with Recycle	6	\$ 545.84	\$ 69.59	\$ 1.58	\$ -	\$ 617.01
2 Yard - Commercial Refuse with Recycle	1	\$ 154.48	\$ 19.69	\$ 0.45	\$ -	\$ 174.62
2 Yard - Commercial Refuse with Recycle	2	\$ 268.86	\$ 34.28	\$ 0.78	\$ -	\$ 303.92
2 Yard - Commercial Refuse with Recycle	3	\$ 360.73	\$ 47.14	\$ 1.07	\$ -	\$ 417.94
2 Yard - Commercial Refuse with Recycle	4	\$ 472.04	\$ 60.18	\$ 1.36	\$ -	\$ 533.58
2 Yard - Commercial Refuse with Recycle	5	\$ 574.43	\$ 73.23	\$ 1.66	\$ -	\$ 649.32
2 Yard - Commercial Refuse with Recycle	6	\$ 678.27	\$ 86.47	\$ 1.96	\$ -	\$ 766.70
3 Yard - Commercial Refuse with Recycle	1	\$ 196.62	\$ 25.07	\$ 0.57	\$ -	\$ 222.26
3 Yard - Commercial Refuse with Recycle	2	\$ 354.68	\$ 45.22	\$ 1.03	\$ -	\$ 400.93
3 Yard - Commercial Refuse with Recycle	3	\$ 500.66	\$ 63.83	\$ 1.45	\$ -	\$ 565.94
3 Yard - Commercial Refuse with Recycle	4	\$ 648.17	\$ 82.64	\$ 1.87	\$ -	\$ 732.68
3 Yard - Commercial Refuse with Recycle	5	\$ 794.15	\$ 101.25	\$ 2.30	\$ -	\$ 897.70
3 Yard - Commercial Refuse with Recycle	6	\$ 941.68	\$ 120.03	\$ 2.72	\$ -	\$ 1,064.45
4 Yard - Commercial Refuse with Recycle	1	\$ 240.28	\$ 30.63	\$ 0.69	\$ -	\$ 271.60
4 Yard - Commercial Refuse with Recycle	2	\$ 441.95	\$ 56.34	\$ 1.28	\$ -	\$ 499.57
4 Yard - Commercial Refuse with Recycle	3	\$ 633.10	\$ 80.71	\$ 1.83	\$ -	\$ 715.64
4 Yard - Commercial Refuse with Recycle	4	\$ 827.75	\$ 104.89	\$ 2.38	\$ -	\$ 930.02
4 Yard - Commercial Refuse with Recycle	5	\$ 1,013.90	\$ 129.26	\$ 2.93	\$ -	\$ 1,146.09
4 Yard - Commercial Refuse with Recycle	6	\$ 1,205.06	\$ 153.63	\$ 3.48	\$ -	\$ 1,362.17
5 Yard - Commercial Refuse with Recycle	1	\$ 283.91	\$ 36.20	\$ 0.82	\$ -	\$ 320.93
5 Yard - Commercial Refuse with Recycle	2	\$ 530.74	\$ 67.66	\$ 1.53	\$ -	\$ 599.93
5 Yard - Commercial Refuse with Recycle	3	\$ 764.06	\$ 97.41	\$ 2.21	\$ -	\$ 863.68
5 Yard - Commercial Refuse with Recycle	4	\$ 998.87	\$ 127.35	\$ 2.89	\$ -	\$ 1,129.11
5 Yard - Commercial Refuse with Recycle	5	\$ 1,224.66	\$ 156.13	\$ 3.54	\$ -	\$ 1,384.33
5 Yard - Commercial Refuse with Recycle	6	\$ 1,466.98	\$ 187.03	\$ 4.24	\$ -	\$ 1,658.25
6 Yard - Commercial Refuse with Recycle	1	\$ 329.04	\$ 41.93	\$ 0.95	\$ -	\$ 371.94
6 Yard - Commercial Refuse with Recycle	2	\$ 631.59	\$ 80.52	\$ 1.83	\$ -	\$ 713.94
6 Yard - Commercial Refuse with Recycle	3	\$ 916.09	\$ 116.79	\$ 2.65	\$ -	\$ 1,035.53
6 Yard - Commercial Refuse with Recycle	4	\$ 1,200.55	\$ 153.06	\$ 3.47	\$ -	\$ 1,357.08
6 Yard - Commercial Refuse with Recycle	5	\$ 1,486.54	\$ 189.32	\$ 4.30	\$ -	\$ 1,680.36
6 Yard - Commercial Refuse with Recycle	6	\$ 1,769.52	\$ 225.60	\$ 5.11	\$ -	\$ 2,000.23
1 Yard - Commercial Recycle	1	\$ 59.44	\$ -	\$ 0.17	\$ -	\$ 59.61
1 Yard - Commercial Recycle	2	\$ 130.57	\$ -	\$ 0.38	\$ -	\$ 130.95
1 Yard - Commercial Recycle	3	\$ 174.09	\$ -	\$ 0.50	\$ -	\$ 174.59
1 Yard - Commercial Recycle	4	\$ 221.13	\$ -	\$ 0.64	\$ -	\$ 221.77
1 Yard - Commercial Recycle	5	\$ 266.99	\$ -	\$ 0.77	\$ -	\$ 267.76
1 Yard - Commercial Recycle	6	\$ 311.70	\$ -	\$ 0.90	\$ -	\$ 312.60

1.5 Yard - Commercial Recycle	1	\$ 73.26	\$ -	\$ 0.21	\$ -	\$ 73.47
1.5 Yard - Commercial Recycle	2	\$ 164.68	\$ -	\$ 0.48	\$ -	\$ 165.16
1.5 Yard - Commercial Recycle	3	\$ 225.82	\$ -	\$ 0.65	\$ -	\$ 226.47
1.5 Yard - Commercial Recycle	4	\$ 289.35	\$ -	\$ 0.64	\$ -	\$ 290.19
1.5 Yard - Commercial Recycle	5	\$ 354.04	\$ -	\$ 1.02	\$ -	\$ 355.06
1.5 Yard - Commercial Recycle	6	\$ 415.22	\$ -	\$ 1.20	\$ -	\$ 416.42
2 Yard - Commercial Recycle	1	\$ 109.39	\$ -	\$ 0.32	\$ -	\$ 109.71
2 Yard - Commercial Recycle	2	\$ 198.79	\$ -	\$ 0.57	\$ -	\$ 199.36
2 Yard - Commercial Recycle	3	\$ 277.58	\$ -	\$ 0.80	\$ -	\$ 278.38
2 Yard - Commercial Recycle	4	\$ 357.57	\$ -	\$ 1.03	\$ -	\$ 358.60
2 Yard - Commercial Recycle	5	\$ 437.55	\$ -	\$ 1.26	\$ -	\$ 438.81
2 Yard - Commercial Recycle	6	\$ 518.72	\$ -	\$ 1.50	\$ -	\$ 520.22
3 Yard - Commercial Recycle	1	\$ 142.31	\$ -	\$ 0.41	\$ -	\$ 142.72
3 Yard - Commercial Recycle	2	\$ 249.54	\$ -	\$ 0.72	\$ -	\$ 250.26
3 Yard - Commercial Recycle	3	\$ 379.94	\$ -	\$ 1.10	\$ -	\$ 381.04
3 Yard - Commercial Recycle	4	\$ 495.20	\$ -	\$ 1.43	\$ -	\$ 496.63
3 Yard - Commercial Recycle	5	\$ 609.31	\$ -	\$ 1.76	\$ -	\$ 611.07
3 Yard - Commercial Recycle	6	\$ 724.57	\$ -	\$ 2.09	\$ -	\$ 726.66
4 Yard - Commercial Recycle	1	\$ 176.43	\$ -	\$ 0.51	\$ -	\$ 176.94
4 Yard - Commercial Recycle	2	\$ 334.04	\$ -	\$ 0.97	\$ -	\$ 335.01
4 Yard - Commercial Recycle	3	\$ 483.44	\$ -	\$ 1.40	\$ -	\$ 484.84
4 Yard - Commercial Recycle	4	\$ 631.64	\$ -	\$ 1.83	\$ -	\$ 633.47
4 Yard - Commercial Recycle	5	\$ 781.03	\$ -	\$ 2.26	\$ -	\$ 783.29
4 Yard - Commercial Recycle	6	\$ 930.41	\$ -	\$ 2.69	\$ -	\$ 933.10
5 Yard - Commercial Recycle	1	\$ 223.86	\$ -	\$ 0.65	\$ -	\$ 224.51
5 Yard - Commercial Recycle	2	\$ 416.79	\$ -	\$ 1.20	\$ -	\$ 417.99
5 Yard - Commercial Recycle	3	\$ 599.10	\$ -	\$ 1.73	\$ -	\$ 600.83
5 Yard - Commercial Recycle	4	\$ 782.57	\$ -	\$ 2.26	\$ -	\$ 784.83
5 Yard - Commercial Recycle	5	\$ 959.01	\$ -	\$ 2.77	\$ -	\$ 961.78
5 Yard - Commercial Recycle	6	\$ 1,148.39	\$ -	\$ 3.32	\$ -	\$ 1,151.71
6 Yard - Commercial Recycle	1	\$ 245.84	\$ -	\$ 0.71	\$ -	\$ 246.55
6 Yard - Commercial Recycle	2	\$ 482.26	\$ -	\$ 1.39	\$ -	\$ 483.65
6 Yard - Commercial Recycle	3	\$ 704.56	\$ -	\$ 2.04	\$ -	\$ 706.60
6 Yard - Commercial Recycle	4	\$ 926.88	\$ -	\$ 2.68	\$ -	\$ 929.56
6 Yard - Commercial Recycle	5	\$ 1,150.39	\$ -	\$ 3.32	\$ -	\$ 1,153.71
6 Yard - Commercial Recycle	6	\$ 1,371.49	\$ -	\$ 3.96	\$ -	\$ 1,375.45
32/64 Gal - Commercial Food Waste	1	\$ 76.17	\$ -	\$ 0.22	\$ -	\$ 76.39
32/64 Gal - Commercial Food Waste	2	\$ 144.72	\$ -	\$ 0.42	\$ -	\$ 145.14
32/64 Gal - Commercial Food Waste	3	\$ 217.07	\$ -	\$ 0.63	\$ -	\$ 217.70
32/64 Gal - Commercial Food Waste	4	\$ 282.19	\$ -	\$ 0.82	\$ -	\$ 283.01
32/64 Gal - Commercial Food Waste	5	\$ 338.62	\$ -	\$ 0.98	\$ -	\$ 339.60
32/64 Gal - Commercial Food Waste	6	\$ 372.48	\$ -	\$ 1.08	\$ -	\$ 373.56
96 Gal - Commercial Organics	1	\$ 76.17	\$ -	\$ 0.22	\$ -	\$ 76.39
96 Gal - Commercial Organics	2	\$ 144.72	\$ -	\$ 0.42	\$ -	\$ 145.14
96 Gal - Commercial Organics	3	\$ 217.07	\$ -	\$ 0.63	\$ -	\$ 217.70
96 Gal - Commercial Organics	4	\$ 282.19	\$ -	\$ 0.82	\$ -	\$ 283.01
96 Gal - Commercial Organics	5	\$ 338.62	\$ -	\$ 0.98	\$ -	\$ 339.60
96 Gal - Commercial Organics	6	\$ 372.48	\$ -	\$ 1.08	\$ -	\$ 373.56
1 Yard - Commercial Organics	1	\$ 110.67	\$ -	\$ 0.32	\$ -	\$ 110.99
1 Yard - Commercial Organics	2	\$ 210.26	\$ -	\$ 0.61	\$ -	\$ 210.87
1 Yard - Commercial Organics	3	\$ 315.39	\$ -	\$ 0.91	\$ -	\$ 316.30
1 Yard - Commercial Organics	4	\$ 410.01	\$ -	\$ 1.18	\$ -	\$ 411.19
1 Yard - Commercial Organics	5	\$ 492.01	\$ -	\$ 1.42	\$ -	\$ 493.43
1 Yard - Commercial Organics	6	\$ 541.21	\$ -	\$ 1.56	\$ -	\$ 542.77
1.5 Yard - Commercial Organics	1	\$ 132.32	\$ -	\$ 0.38	\$ -	\$ 132.70
1.5 Yard - Commercial Organics	2	\$ 251.42	\$ -	\$ 0.73	\$ -	\$ 252.15
1.5 Yard - Commercial Organics	3	\$ 377.14	\$ -	\$ 1.09	\$ -	\$ 378.23
1.5 Yard - Commercial Organics	4	\$ 490.25	\$ -	\$ 1.42	\$ -	\$ 491.67
1.5 Yard - Commercial Organics	5	\$ 588.32	\$ -	\$ 1.70	\$ -	\$ 590.02
1.5 Yard - Commercial Organics	6	\$ 647.13	\$ -	\$ 1.87	\$ -	\$ 649.00
2 Yard - Commercial Organics	1	\$ 188.87	\$ -	\$ 0.55	\$ -	\$ 189.42
2 Yard - Commercial Organics	2	\$ 358.84	\$ -	\$ 1.04	\$ -	\$ 359.88
2 Yard - Commercial Organics	3	\$ 538.26	\$ -	\$ 1.56	\$ -	\$ 539.82
2 Yard - Commercial Organics	4	\$ 699.73	\$ -	\$ 2.02	\$ -	\$ 701.75
2 Yard - Commercial Organics	5	\$ 839.68	\$ -	\$ 2.43	\$ -	\$ 842.11
2 Yard - Commercial Organics	6	\$ 923.65	\$ -	\$ 2.67	\$ -	\$ 926.32
3 Yard - Commercial Organics	1	\$ 239.69	\$ -	\$ 0.69	\$ -	\$ 240.38

3 Yard - Commercial Organics	2	\$ 455.39	\$ -	\$ 1.32	\$ -	\$ 456.71
3 Yard - Commercial Organics	3	\$ 683.11	\$ -	\$ 1.97	\$ -	\$ 685.08
3 Yard - Commercial Organics	4	\$ 888.03	\$ -	\$ 2.57	\$ -	\$ 890.60
3 Yard - Commercial Organics	5	\$ 1,065.63	\$ -	\$ 3.08	\$ -	\$ 1,068.71
3 Yard - Commercial Organics	6	\$ 1,172.20	\$ -	\$ 3.39	\$ -	\$ 1,175.59
4 Yard - Commercial Organics	1	\$ 293.74	\$ -	\$ 0.85	\$ -	\$ 294.59
4 Yard - Commercial Organics	2	\$ 558.14	\$ -	\$ 1.61	\$ -	\$ 559.75
4 Yard - Commercial Organics	3	\$ 837.20	\$ -	\$ 2.42	\$ -	\$ 839.62
4 Yard - Commercial Organics	4	\$ 1,088.37	\$ -	\$ 3.15	\$ -	\$ 1,091.52
4 Yard - Commercial Organics	5	\$ 1,306.04	\$ -	\$ 3.77	\$ -	\$ 1,309.81
4 Yard - Commercial Organics	6	\$ 1,436.65	\$ -	\$ 4.15	\$ -	\$ 1,440.80
5 Yard - Commercial Organics	1	\$ 348.04	\$ -	\$ 1.01	\$ -	\$ 349.05
5 Yard - Commercial Organics	2	\$ 661.30	\$ -	\$ 1.91	\$ -	\$ 663.21
5 Yard - Commercial Organics	3	\$ 991.93	\$ -	\$ 2.87	\$ -	\$ 994.80
5 Yard - Commercial Organics	4	\$ 1,289.50	\$ -	\$ 3.73	\$ -	\$ 1,293.23
5 Yard - Commercial Organics	5	\$ 1,547.40	\$ -	\$ 4.47	\$ -	\$ 1,551.87
5 Yard - Commercial Organics	6	\$ 1,702.16	\$ -	\$ 4.92	\$ -	\$ 1,707.08
6 Yard - Commercial Organics	1	\$ 402.33	\$ -	\$ 1.16	\$ -	\$ 403.49
6 Yard - Commercial Organics	2	\$ 764.41	\$ -	\$ 2.21	\$ -	\$ 766.62
6 Yard - Commercial Organics	3	\$ 1,146.61	\$ -	\$ 3.31	\$ -	\$ 1,149.92
6 Yard - Commercial Organics	4	\$ 1,490.59	\$ -	\$ 4.31	\$ -	\$ 1,494.90
6 Yard - Commercial Organics	5	\$ 1,788.71	\$ -	\$ 5.17	\$ -	\$ 1,793.88
6 Yard - Commercial Organics	6	\$ 1,967.58	\$ -	\$ 5.69	\$ -	\$ 1,973.27
1 Yard - Commercial Fiber Recycling	1	\$ 59.44	\$ -	\$ 0.17	\$ -	\$ 59.61
1 Yard - Commercial Fiber Recycling	2	\$ 130.57	\$ -	\$ 0.38	\$ -	\$ 130.95
1 Yard - Commercial Fiber Recycling	3	\$ 174.09	\$ -	\$ 0.50	\$ -	\$ 174.59
1 Yard - Commercial Fiber Recycling	4	\$ 221.13	\$ -	\$ 0.64	\$ -	\$ 221.77
1 Yard - Commercial Fiber Recycling	5	\$ 266.99	\$ -	\$ 0.77	\$ -	\$ 267.76
1 Yard - Commercial Fiber Recycling	6	\$ 311.70	\$ -	\$ 0.90	\$ -	\$ 312.60
1.5 Yard - Commercial Fiber Recycling	1	\$ 73.26	\$ -	\$ 0.21	\$ -	\$ 73.47
1.5 Yard - Commercial Fiber Recycling	2	\$ 164.68	\$ -	\$ 0.48	\$ -	\$ 165.16
1.5 Yard - Commercial Fiber Recycling	3	\$ 225.82	\$ -	\$ 0.65	\$ -	\$ 226.47
1.5 Yard - Commercial Fiber Recycling	4	\$ 289.35	\$ -	\$ 0.84	\$ -	\$ 290.19
1.5 Yard - Commercial Fiber Recycling	5	\$ 354.04	\$ -	\$ 1.02	\$ -	\$ 355.06
1.5 Yard - Commercial Fiber Recycling	6	\$ 415.22	\$ -	\$ 1.20	\$ -	\$ 416.42
2 Yard - Commercial Fiber Recycling	1	\$ 109.39	\$ -	\$ 0.32	\$ -	\$ 109.71
2 Yard - Commercial Fiber Recycling	2	\$ 198.79	\$ -	\$ 0.57	\$ -	\$ 199.36
2 Yard - Commercial Fiber Recycling	3	\$ 277.58	\$ -	\$ 0.80	\$ -	\$ 278.38
2 Yard - Commercial Fiber Recycling	4	\$ 357.57	\$ -	\$ 1.03	\$ -	\$ 358.60
2 Yard - Commercial Fiber Recycling	5	\$ 437.55	\$ -	\$ 1.26	\$ -	\$ 438.81
2 Yard - Commercial Fiber Recycling	6	\$ 518.72	\$ -	\$ 1.50	\$ -	\$ 520.22
3 Yard - Commercial Fiber Recycling	1	\$ 142.31	\$ -	\$ 0.41	\$ -	\$ 142.72
3 Yard - Commercial Fiber Recycling	2	\$ 249.54	\$ -	\$ 0.72	\$ -	\$ 250.26
3 Yard - Commercial Fiber Recycling	3	\$ 379.94	\$ -	\$ 1.10	\$ -	\$ 381.04
3 Yard - Commercial Fiber Recycling	4	\$ 495.20	\$ -	\$ 1.43	\$ -	\$ 496.63
3 Yard - Commercial Fiber Recycling	5	\$ 609.31	\$ -	\$ 1.76	\$ -	\$ 611.07
3 Yard - Commercial Fiber Recycling	6	\$ 724.57	\$ -	\$ 2.09	\$ -	\$ 726.66
4 Yard - Commercial Fiber Recycling	1	\$ 176.43	\$ -	\$ 0.51	\$ -	\$ 176.94
4 Yard - Commercial Fiber Recycling	2	\$ 334.04	\$ -	\$ 0.97	\$ -	\$ 335.01
4 Yard - Commercial Fiber Recycling	3	\$ 483.44	\$ -	\$ 1.40	\$ -	\$ 484.84
4 Yard - Commercial Fiber Recycling	4	\$ 631.64	\$ -	\$ 1.83	\$ -	\$ 633.47
4 Yard - Commercial Fiber Recycling	5	\$ 781.03	\$ -	\$ 2.26	\$ -	\$ 783.29
4 Yard - Commercial Fiber Recycling	6	\$ 930.41	\$ -	\$ 2.69	\$ -	\$ 933.10
5 Yard - Commercial Fiber Recycling	1	\$ 223.86	\$ -	\$ 0.65	\$ -	\$ 224.51
5 Yard - Commercial Fiber Recycling	2	\$ 416.79	\$ -	\$ 1.20	\$ -	\$ 417.99
5 Yard - Commercial Fiber Recycling	3	\$ 599.10	\$ -	\$ 1.73	\$ -	\$ 600.83
5 Yard - Commercial Fiber Recycling	4	\$ 782.57	\$ -	\$ 2.26	\$ -	\$ 784.83
5 Yard - Commercial Fiber Recycling	5	\$ 959.01	\$ -	\$ 2.77	\$ -	\$ 961.78
5 Yard - Commercial Fiber Recycling	6	\$ 1,148.39	\$ -	\$ 3.32	\$ -	\$ 1,151.71
6 Yard - Commercial Fiber Recycling	1	\$ 245.84	\$ -	\$ 0.71	\$ -	\$ 246.55
6 Yard - Commercial Fiber Recycling	2	\$ 482.26	\$ -	\$ 1.39	\$ -	\$ 483.65
6 Yard - Commercial Fiber Recycling	3	\$ 704.56	\$ -	\$ 2.04	\$ -	\$ 706.60
6 Yard - Commercial Fiber Recycling	4	\$ 926.88	\$ -	\$ 2.68	\$ -	\$ 929.56
6 Yard - Commercial Fiber Recycling	5	\$ 1,150.39	\$ -	\$ 3.32	\$ -	\$ 1,153.71
6 Yard - Commercial Fiber Recycling	6	\$ 1,371.49	\$ -	\$ 3.96	\$ -	\$ 1,375.45
6 Yard - Commercial C&D Recycling	1	\$ 475.92	\$ 60.65	\$ 1.38	\$ -	\$ 537.98
6 Yard - Commercial C&D Recycling	2	\$ 913.47	\$ 116.46	\$ 2.64	\$ -	\$ 1,032.57

6 Yard - Commercial C&D Recycling	3	\$ 1,324.91	\$ 168.91	\$ 3.81	\$ -	\$ 1,497.65
6 Yard - Commercial C&D Recycling	4	\$ 1,736.31	\$ 221.36	\$ 5.02	\$ -	\$ 1,962.69
6 Yard - Commercial C&D Recycling	5	\$ 2,149.95	\$ 274.10	\$ 6.21	\$ -	\$ 2,430.26
6 Yard - Commercial C&D Recycling	6	\$ 2,559.20	\$ 326.27	\$ 7.40	\$ -	\$ 2,892.87
Roll-Off Commercial C&D Recycling - Removal Fee (All sizes)	n/a	\$ 279.66	\$ -	\$ 0.81	\$ -	\$ 280.47
Roll-Off Pre Pay	each	\$ 699.12	\$ -	\$ 2.02	\$ -	\$ 701.14
Roll-Off Removal Fee - Solid Waste, Fiber, Commingle (All sizes)	n/a	\$ 235.15	\$ -	\$ 0.68	\$ -	\$ 235.83
Roll-Off Trip Fee	occurrence	\$ 158.74	\$ -	\$ 0.46	\$ -	\$ 159.20
Roll-Off Delivery Fee - (All Materials) (All sizes)	n/a	\$ 154.66	\$ -	\$ 0.45	\$ -	\$ 155.11
Roll-Off Rental Fee - All materials	per day	\$ 3.27	\$ -	\$ 0.01	\$ -	\$ 3.28
Roll-Off Wash Out	occurrence	\$ 407.01	\$ -	\$ 1.18	\$ -	\$ 408.19
Roll-Off Liner Small Thin	each	\$ 24.42	\$ -	\$ 0.07	\$ -	\$ 24.49
Roll-Off Liner Small Thick	each	\$ 40.70	\$ -	\$ 0.12	\$ -	\$ 40.82
Roll-Off Liner Medium Thin	each	\$ 56.98	\$ -	\$ 0.16	\$ -	\$ 57.14
Roll-Off Liner Medium Thck (standard liner)	each	\$ 73.26	\$ -	\$ 0.21	\$ -	\$ 73.47
Roll-Off Liner Large Thin	each	\$ 89.56	\$ -	\$ 0.26	\$ -	\$ 89.82
Roll-Off Liner Large Thick	each	\$ 105.83	\$ -	\$ 0.31	\$ -	\$ 106.14
Roll-Off Relocation Fee	occurrence	\$ 170.94	\$ -	\$ 0.49	\$ -	\$ 171.43
Roll-Off Damage Fee (per hour + materials)	n/a	\$ 146.54	\$ -	\$ 0.42	\$ -	\$ 146.96
Compactor Service/Pull	occurrence	\$ 336.85	\$ -	\$ 0.97	\$ -	\$ 337.82
Illegal Roll-Off Bin Removal	n/a	\$ 381.33	\$ -	\$ 1.10	\$ -	\$ 382.43
Storage	per day	\$ 63.55	\$ -	\$ 0.18	\$ -	\$ 63.73
Release/Admin fee	n/a	\$ 63.55	\$ -	\$ 0.18	\$ -	\$ 63.73
Rent-A-Bin (delivery, 1-week service, and removal)	n/a	\$ 294.55	\$ 37.55	\$ 0.85	\$ -	\$ 332.95
Rent-A-Bin DNR	n/a	\$ 132.82	\$ 16.93	\$ 0.38	\$ -	\$ 150.13
Rent-A-Bin Extra Week	n/a	\$ 40.70	\$ -	\$ 0.12	\$ -	\$ 40.82
Contamination Fee (minimum charge)	n/a	\$ 32.74	\$ 4.17	\$ 0.09	\$ -	\$ 37.00
Delivery Fee (per bin)	each	\$ 73.26	\$ -	\$ 0.21	\$ -	\$ 73.47
Delivery Fee (per cart)	each	\$ 36.62	\$ -	\$ 0.11	\$ -	\$ 36.73
Extra Pick Up (1 yd)	n/a	\$ 44.28	\$ 5.65	\$ 0.13	\$ -	\$ 50.06
Extra Pick Up (1.5 yd)	n/a	\$ 53.13	\$ 6.77	\$ 0.15	\$ -	\$ 60.05
Extra Pick Up (2 yd)	n/a	\$ 61.98	\$ 7.90	\$ 0.18	\$ -	\$ 70.06
Extra Pick Up (3 yd)	n/a	\$ 70.83	\$ 9.03	\$ 0.20	\$ -	\$ 80.06
Extra Pick Up (4 yd)	n/a	\$ 79.70	\$ 10.16	\$ 0.23	\$ -	\$ 90.09
Extra Pick Up (5 yd)	n/a	\$ 88.11	\$ 10.72	\$ 0.24	\$ -	\$ 95.07
Extra Pick Up (6 yd)	n/a	\$ 88.53	\$ 11.29	\$ 0.26	\$ -	\$ 100.08
Extra Pick Up (any size cart)	n/a	\$ 44.28	\$ 5.65	\$ 0.13	\$ -	\$ 50.06
Double Dump (96 gal any material)	each	\$ 13.26	\$ 1.69	\$ 0.04	\$ -	\$ 14.99
Additional Cart (refuse)	month	\$ 21.26	\$ 2.71	\$ 0.06	\$ -	\$ 24.03
Additional Cart (recycling)	month	\$ 9.79	\$ -	\$ 0.03	\$ -	\$ 9.82
Additional Cart (green waste)	month	\$ 13.38	\$ -	\$ 0.04	\$ -	\$ 13.42
Replacement Cart Fee (32 gal)	n/a	\$ 73.26	\$ -	\$ 0.21	\$ -	\$ 73.47
Replacement Cart Fee (64 gal)	n/a	\$ 97.68	\$ -	\$ 0.28	\$ -	\$ 97.96
Replacement Cart Fee (96 gal)	n/a	\$ 122.10	\$ -	\$ 0.35	\$ -	\$ 122.45
Replacement Cart Fee (1 yd)	n/a	\$ 814.03	\$ -	\$ 2.35	\$ -	\$ 816.38
Replacement Cart Fee (1.5 yd)	n/a	\$ 976.80	\$ -	\$ 2.82	\$ -	\$ 979.62
Replacement Cart Fee (2 yd)	n/a	\$ 1,139.61	\$ -	\$ 3.29	\$ -	\$ 1,142.90
Replacement Cart Fee (3 yd)	n/a	\$ 1,302.41	\$ -	\$ 3.76	\$ -	\$ 1,306.17
Replacement Cart Fee (4 yd)	n/a	\$ 1,465.23	\$ -	\$ 4.23	\$ -	\$ 1,469.46
Replacement Cart Fee (5 yd)	n/a	\$ 1,546.60	\$ -	\$ 4.47	\$ -	\$ 1,551.07
Replacement Cart Fee (6 yd)	n/a	\$ 1,628.01	\$ -	\$ 4.70	\$ -	\$ 1,632.71
Wait Time	per hour	\$ 203.50	\$ -	\$ 0.59	\$ -	\$ 204.09
Push/Pull Charge (per 25 feet)	n/a	\$ 32.56	\$ -	\$ 0.09	\$ -	\$ 32.65
Swap Out Fee	each	\$ 48.85	\$ -	\$ 0.14	\$ -	\$ 48.99
Lock Lid Service	each	\$ 40.70	\$ -	\$ 0.12	\$ -	\$ 40.82
Enclosure Fee	each	\$ 16.29	\$ -	\$ 0.05	\$ -	\$ 16.34
Container Deodorizing	each	\$ 48.85	\$ -	\$ 0.14	\$ -	\$ 48.99
Stuck Load Fee	occurrence	\$ 162.82	\$ -	\$ 0.47	\$ -	\$ 163.29
Resume Service Fee	occurrence	\$ 32.56	\$ -	\$ 0.09	\$ -	\$ 32.65
Private Road Access	month	\$ 32.56	\$ -	\$ 0.09	\$ -	\$ 32.65
Private Gate Access	month	\$ 32.56	\$ -	\$ 0.09	\$ -	\$ 32.65
Side Yard Service (no charge, seniors/disabled)	month	\$ 16.29	\$ -	\$ 0.05	\$ -	\$ 16.34
Return Check Fee	occurrence	\$ 48.85	\$ -	\$ 0.14	\$ -	\$ 48.99
Emergency Fee (premium)*	n/a	50%				50%
Finance Charge (per month)*	n/a	1.50%				1.50%
Credit Card Fee (per transaction)*	n/a	3.50%				3.50%

CAGLIA ENVIRONMENTAL

ORGANICS ADDITIONAL SERVICE RATE SCHEDULE

AS OF 07/01/2025

\$19.82 per month
(Assumes 96 G Cart Once Per Week Service)

APPENDIX D

FRANCHISE COLLECTION SERVICES IN AREAS SUBJECT TO SB 1383

1.0 General Services

1.1 Providing Personnel

Franchisee shall furnish such qualified equipment operators, drivers, laborers, mechanics, supervisors, clerical staff, and other personnel as may be necessary to provide the Franchise Collection Services required in a safe, economical, and efficient manner in compliance with all Applicable Laws. Personnel shall operate environmentally safe and clean equipment and facilities, in compliance with all Applicable Laws. The ultimate goal is to meet and exceed customer expectations, environmental regulations and County directives, for efficient Franchise Collection Services.

1.2 Management and Supervisory Personnel Assigned to the Contract

Franchisee shall select and hire the management team required to direct all of the operating, financial, and marketing activities. This includes at least one (1) diversion program manager or coordinator. The management personnel will have the necessary experience to direct the Franchise Collection Service(s) effectively.

Franchisee shall designate qualified employees as supervisors of field operations. Supervisors will be in the field inspecting Franchisee's work and will be available by radio or phone during the Franchisee's hours of operation to handle calls and complaints from customers or the County, or to follow up on problems and inspect Franchisee's operations. These supervisors shall have electronic communication with each vehicle working in the Franchise Collection Service.

During the Contract period, it shall be the Franchisee's responsibility to provide the County Solid Waste Manager with at least two (2) weeks' notice in advance of any change of key management personnel. In the event of a change, the replacement must have qualifications equal to or better than the prior key management personnel.

1.3 Employee Uniforms

All employees of the Franchisee performing work under the Contract shall be uniformed showing their association with the Franchisee while providing Franchise Collection Services, as follows:

- The Franchisee must furnish each Collector with an appropriate uniform identifying him or her as employees of the Franchisee. The uniform shall be a complete set of clothing, including but not limited to pants, shirt, and jacket, and must ensure easy identification.
- Employees of the Franchisee are required to wear the uniform at all times while on duty.

- All field employees must wear a reflective safety vest with the name of their company affixed.
- Regardless of uniform, Franchisee's personnel must wear a short-sleeved or long-sleeved shirt at all times during the performance of the Contract.

1.4 Substance Abuse Awareness Plan

The Franchisee shall be responsible to institute and implement a comprehensive drug education and testing program, which shall cover all safety sensitive employees (as that term is defined in applicable regulations and case law) utilized to perform any duties under the Solid Waste Services Contract with the County.

Within 30 days after the Franchise Amendment Date, the Franchisee shall submit the most recent mandatory substance abuse awareness plan to the County, which shall include the implementation of a random testing plan. This plan shall require that each safety sensitive employee be given a copy of the workplace substance abuse policy; the dangers of substance abuse in the workplace; available counseling, rehabilitation, and employee assistance programs; and the penalties that may be imposed upon employees for substance abuse violations.

1.5 Providing Commodities and Equipment

The Franchisee shall provide all required electricity, natural gas and other fuels, water, chemicals, oils, and detergents necessary to provide the Franchise Collection Services and supporting facilities; provide all necessary mobile equipment, tools, rental tools, testing and other equipment for Franchise Collection Services, etc.; and provide fuel management services and identify access to reliable fuel sources for the applicable equipment.

1.6 Providing Maintenance

The Franchisee shall maintain all of its properties, facilities and equipment used in providing Franchise Collection Services in a safe, neat, clean and operable condition at all times. The Franchisee is responsible for all costs incurred for maintenance. Maintenance must be provided according to a schedule that conforms to the manufacturer specifications. Franchisee is responsible for prompt repairs to any damages incurred. Maintenance can be provided internally by operating personnel or externally via a Contract(s) with others.

Franchisee shall inspect each piece of equipment daily to ensure that all equipment is operating properly as specified in the Operations and Maintenance Manual. Equipment which is not operating properly shall be taken out of service until they are repaired and do operate properly. Franchisee shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Franchisee shall keep accurate records of all vehicle maintenance, recorded according to date and mileage, and shall make such records available to County upon

request to the extent necessary to ensure compliance of manufacturer's recommended schedule for vehicle service.

Franchisee shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so that all equipment is maintained in a safe and operable condition. Franchisee shall maintain accurate records of repair, which shall include the date, mileage, and nature of repair and the signature of a maintenance supervisor that the repair has been properly performed.

Franchisee shall arrange to store all vehicles and other equipment in safe and secure location(s), where applicable, in accordance with the Comity's zoning regulations, as applicable.

The Franchisee shall ensure that all routine maintenance requirements are performed according to the Operating and Maintenance Manual, including preventive maintenance and major overhauls. The Franchisee shall provide plans and the resources necessary to deal successfully with all known contingencies, should equipment or facility problems occur.

1.7 Addressing Space Requirements

The Franchisee shall provide the necessary and appropriate space including temporary buildings for the operating, financial, and marketing personnel required to support the Franchise Collection Services being provided.

1.8 Furnishing Office Equipment, Materials and Supplies

The Franchisee shall provide all of the necessary furniture and electronic equipment for efficient operations. The electronic equipment will include, but is not limited to, computers, printers, network equipment, telephones, cellular phones, laptops, copiers, etc. The Franchisee shall provide all required fixtures, paper and other office supplies and materials.

2.0 Collection Services

2.1 Collection Equipment

All Franchise vehicles will be licensed in the State of California and will operate in compliance with all applicable federal, state, and municipal regulations. All vehicles will be manufactured and maintained to conform to the United States Department of Transportation (DOT) and California Air Resources Board (ARB) Standards. The Franchisee will be responsible for meeting the vehicle maintenance requirements.

Vehicles will be maintained in good repair, which reduces emissions and prevents leaking, spilling, or scattering of the materials. All collection vehicles will be of a size and type not to exceed the maximum legal limit for gross vehicle weight (GVW) at any time, even when loaded. The collection vehicle will include The Franchisee's name, phone number, and the unit number on the front and

rear of the Vehicle on both sides. A back-up warning system with visual and audible alerts will be permanently mounted on the rear of all collection vehicles.

The Franchisee will provide a fleet of collection vehicles sufficient in number and capacity to efficiently perform the work required by the Contract in strict accordance with its terms. The Franchisee will have available on collection day, sufficient back-up vehicles for each type of Collection Vehicle used to respond to complaints and emergencies. County representatives may inspect all vehicles to be used in servicing this Contract prior to the start date and each year of the Contract. County will notify the Franchisee about the failure of any Vehicle to meet this requirement within ten days of inspection.

All vehicles will comply with U.S. Environmental Protection Agency noise emission regulations and other applicable noise control regulations. All vehicles will be enclosed compaction vehicles. If alternatives to this are proposed, specifications of the vehicle and the procedures using the vehicle must be provided in the proposal.

The Franchisee will furnish County with a written inventory of all vehicles used in providing service and update the inventory whenever it is modified and confirm this inventory annually. The inventory will list all vehicles used to provide the service in the County by manufacturers (chassis and body,) ID number, date of acquisition, type, capacity, and route(s) in which the vehicles are utilized.

2.2 Automated Cart – Waste, Recycling and Organics Collection Service

2.2.1 General

The Franchisee will offer Residential and Commercial Waste, Recycling, and Organics Collection Services in Zone 1, Zone 2 and Zone 3 and areas subject to SB 1383.

The standard Residential and Commercial Waste, Recycling, and Organics Collection Service in all Zones include a 96-gallon Solid Waste cart and a 96-gallon Recycling cart. Residential and Commercial Customers may request a 96-gallon Organics cart. The Solid Waste and Organic Waste carts will be serviced weekly, and the Recycling cart serviced every other week. These containers will be serviced, separately, by either an Automated Side Loader or another vehicle capable of emptying or swapping out full carts for empty carts as the collection vehicle.

Residential and Commercial Waste, Recycling, and Organics Collection Service will include single-family dwellings, multifamily dwellings of up to four (4) residential units per building and commercial properties. Residential and Commercial Solid Waste and Organic Waste will be collected at least once per week. Residential and Commercial Recycling will be collected every other week. The Solid Waste, Recycling, and Organics Collection Service will operate five days-per-week, Monday through Friday, 6:00 a.m. to 6:00 p.m. Collection will be provided on all

holidays, except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, unless otherwise negotiated differently with the County.

96-gallon carts are provided to the customers by the Franchisee. Additionally, residents or commercial properties may request front load or roll-off service where such services are reflected in section below.

2.2.1 Gray Container Waste

General: Franchisee shall collect Gray Container Waste placed in Franchisee-provided Gray Containers (or otherwise placed in accordance with this Section) at least one (1) time per week from Residential and Commercial Customers and transport all gray container waste to the Designated Disposal Facility for Disposal.

Acceptable Materials: Gray Container Waste

Prohibited Materials: Materials designated as acceptable Source Separated recyclable Materials, materials designated for acceptable SSGCOW, and Excluded Waste.

2.2.2 SSGCOW Collection (Green Container Collection)

General: Franchisee shall collect SSGCOW placed in Franchisee-provided Green Containers (or otherwise placed in accordance with this Section) at least one (1) time per week from Residential and Commercial Customers, excluding Customers with applicable waivers, and shall transport all SSGCOW to the Designated Organics Facility for processing.

Acceptable Materials: SSGCOW such as, but not limited to, food scraps, food waste, and Yard Waste. Should the Designated Organics Facility begin to accept food-soiled paper, Franchisee shall inform the County and begin to accept this material.

Prohibited Materials: Materials designated as acceptable Source Separated recyclable Materials, materials designated for the Gray Container, and Excluded Waste.

Other Requirements: Contamination: The Franchisee will leave customer service notices on any containers with excessive contamination. Franchisee may refuse to Collect a Green Container that contains Prohibited Container Contaminants. For Customers with repeated incidents of contamination, Franchisee may assess a contamination Processing fee in accordance with this Agreement.

Minimum Services: The Franchisee will provide for the collection and transportation of the Organic Waste. All Organic Waste will be transferred to an Organics Facility for processing into an Organic Waste product (e.g., compost, biogas).

Special pick-ups: Special pick-ups requested by a Commercial Customer, on days other than their regularly scheduled Collection day, shall be provided by Franchisee at County-approved Rates.

2.2.3 Source Separated Recyclable Materials Collection (Blue Container Collection)

General: Franchisee shall collect source separated Recyclable Materials placed in Franchisee-provided Blue Containers (or otherwise placed in accordance with this Section) at least biweekly from Residential and Commercial Customers, excluding Customers with applicable waivers, and shall transport all source separated Recyclable Materials to the Designated Recycling Facility for processing.

Acceptable Materials: Source Separated Recyclable Materials such as, but not limited to, paper, newspaper, cardboard, glass, ferrous and non-ferrous metals (steel, aluminum), and plastics.

Prohibited Materials: Materials designated for the Grant Container, materials designated as acceptable SSGCOW, and Excluded Wastes.

Other Requirements: Contamination: The Franchisee will leave customer service notices on any containers with excessive contamination. Franchisee may refuse to Collect a Blue Container that contains Prohibited Container Contaminants. For Customers with repeated incidents of contamination, Franchisee may assess a contamination Processing fee in accordance with this Agreement.

Minimum Services: The Franchisee will provide for the collection, transportation, processing, marketing, and sales of the Recycling. All Recycling will be sold to end-user, processing facilities or intermediate brokers.

2.3 Front Load Bin - Waste Collection Services

Front Load Bin Waste Collection Service will include commercial accounts, multi-family dwellings with greater than 4 residential units per building, and single-family residences that elect to subscribe to these services. Front Load Bins may be collected anywhere from one to six times per week, with specific days of services to be determined. The Solid Waste Collection Service will operate six days per week, Monday through Saturday 6:00 a.m. to 6:00 p.m.

The Franchisee will collect the Solid Waste from these accounts using a front-end loader. Bins range in size from one (1) to six (6) cubic yards for Solid Waste and are collected at a minimum of one time per week. The service also includes 96-gallon Recycling cart that is collected every other week. Customers may request a 96-gallon Organic Waste cart.

2.4 Front Load Bin - Recycling Collection Services

Front Load Bin Recycling Collection Service will include commercial accounts, multifamily units of greater than 4 units, and single-family dwellings that elect to subscribe to these services. Recycling may be collected anywhere from one to six times per week with specific days of services to be

determined. The Recycling Collection Service will operate six days per week, Monday through Saturday 6:00 a.m. to 6:00 p.m.

The Franchisee will collect Recyclables from these accounts using a front-end loader. Recycling programs can be tailored to various size commercial accounts. The Franchisee will provide for the collection, transportation, processing, marketing, and sales of Recycling. All Recycling will be sold to end-user, processing facilities or intermediate brokers.

2.5 Roll Off Services

Roll Off Service will include commercial accounts, multi-family dwellings with greater than 4 residential units per building, and single-family residences that elect to subscribe to these services. Roll Offs may either be scheduled for service one to six days per week or set as on-call where the customer calls for service when the bin is full. The Roll Off Collection Service will operate six days per week, Monday through Saturday 6:00 a.m. to 6:00 p.m.

The Franchisee will collect the Roll Offs from these accounts using a Roll Off collection vehicle. Bins range in size from ten (10) to forty (40) cubic yards. These Bins are used for various materials including but not limited to: Solid Waste, Recycling, Yard Waste, Wood Waste, Concrete, Asphalt, Organic Waste, Food Waste, and Construction and Demolition Debris. The rates for these services are outlined in Appendix C and include a pass-through on disposal based on the Franchisees rate for these services. Franchise Fees are paid on gross receipts as the haul rate covers the Franchise Fee paid on disposal.

Commercial Waste Compactors, either self-contained or stationary, will be serviced in the same fashion as Roll Off bins and will follow the separate pricing outlined in Appendix C. If the Compactor is owned by the customer, no rental fees will apply. If the customer wishes to have these provided by the Franchisee, a reasonable amount, based on the cost of the equipment, will be charged for daily or monthly rental. Other specialty containers such as fully covered Roll Off bins will be charged a reasonable amount in daily or monthly rental based on the cost of the specialty equipment.

Illegal Roll Off Containers from other Haulers that are found to be in violation of Madera County Code section 7.24.300-7.24.304 shall be impounded following the criteria outlined in those sections. The fees outlined in Appendix C are those to be charged by and paid to the Franchisee prior to the bin being released. The County will assist the Franchisee with enforcement and administration.

2.6 Construction and Demolition Services

Construction and Demolition Services will include commercial accounts, multi-family dwellings with greater than 4 residential units per building, and single-family residences that elect to subscribe to these services.

Both Front Load and Roll Off containers are options under this service. Front Load Bins are scheduled for service one to six days per week. Roll Off bins are scheduled for service one to six days per week or set as on-call where the customer calls for service when the bin is full. Construction and Demolition Service will operate six days per week, Monday through Saturday 6:00 a.m. to 6:00 p.m.

Bins range in size from six (6) to forty (40) cubic yards. Construction and Demolition materials include but are not limited to; Wood Waste, Drywall, Concrete, Metal, and Plastics. The materials collected from these services are sent to Cedar Avenue Recycling and Transfer Station for processing and recycling. Initial residual of 25% will be sent back to Fairmead Landfill and disposed of at Franchisees rates. Periodically, the Franchisee will perform composition studies to determine and if applicable, reset the residual rate based on these composition studies. The Franchisee will provide written notification of these results to The County. If requested, the Franchisee shall provide the customer with a Diversion Report on a monthly basis.

2.7 Organics Waste Recycling Services

Organics Waste Recycling Services will include commercial accounts, multi-family dwellings with greater than 4 residential units per building, and single-family residences that elect to or are required to subscribe to these services.

Both Front Load Bins and Automated Carts are options under this service. These containers are scheduled for service one to six days per week and containers range in size from 64-Gallon to 6 Cubic Yard. Organics Waste Recycling Service will operate six days per week, Monday through Saturday 6:00 a.m. to 6:00 p.m. Material will be collected separate from other materials such as Solid Waste or commingled Recyclables.

Source separated Wood will be delivered and processed at the Fairmead Landfill. Source separated Yard Waste may be delivered to the Designated Organics Facility or the Fairmead Landfill. Organic waste containing Food Waste will be delivered to the Designated Facility. This includes but not limited to: compost facilities, anaerobic digesters, and animal feedstock. Wood and Yard Waste will be sent for biomass fuel, used as anaerobic digestion feedstock or composted. Roll Off Services for Wood and Yard Waste are also service options available to customers with those specific needs.

The Franchisee will always follow the most preferred options in the Food Recovery Hierarchy, starting with the advertisement and capturing of Food Products to salvage to feed the hungry through the Central Valley's "Waste to Share" or similar program.

AB 1826 requires that businesses or multifamily dwellings with five (5) or more units, generating two (2) or more cubic yards of Solid Waste per week shall arrange for the recycling of Organic

Waste. SB 1383 requires that residential and commercial customers arrange for the recycling of Organic Waste unless the Customer qualifies for an applicable waiver.

The Franchisee will assist the County in satisfying the requirements of AB 1826 and SB 1383 and provide the following:

- Development of bilingual educational materials to inform the businesses and management of multifamily complexes about AB 1826, SB 1383, and Organic Waste Collection Services.
- Conduct waste audits to confirm the amount of Organic Waste generated by businesses.
- Conduct waste audits to confirm the amount of contamination in the Organics cart.
- Conduct outreach campaigns to help the businesses and multifamily complexes comply.
- Assist the County in edible food recovery efforts and coordination with local food rescue and food recovery service organizations
- Participate in local events to promote Organic Waste Recycling.
- Dedicate a contact person or persons to handle communications with customers.
- Assist businesses and multifamily complexes in the development of a program for the source separate collection of Organics.
- Newsletters, billing inserts, invoice notes, and direct mailings will be some of the outreach materials used.
- Provide detailed reports to the County including at a minimum: a list of subscribers, non-participating businesses, amount of Organic Waste collected, where the material was recycled.

The Franchisee understands that the need for continuous program development is crucial to complying with State Law in landfill disposal reduction and is open to future enhancements to the Organic Waste Recycling Services.

2.8 Rent-A-Bin Services

Rent-A-Bin Services will include commercial accounts, multi-family dwellings with greater than 4 residential units per building, and single-family residences that elect to subscribe to these services.

This service provides a 3 Cubic Yard Front Load Bin for temporary cleanup projects. Customers that elect for this service pay a flat rate as listed in Appendix C that covers; delivery, rental for 7 days, and removal of the full container. These containers will be collected six days per week, Monday thru Saturday 6:00 a.m. to 6:00 p.m.

These bins are serviced using a Front Load Collection Vehicle and materials are disposed of at the Fairmead Landfill.

2.9 Processing, Transfer, and Disposal Services and Facility Standards

Franchisee has selected and arranged for Discarded Materials to be Transported to Designated Facilities for Transfer, Processing, and/or Disposal in accordance with this Section. The Designated Facilities shall comply with the standards specified in this Section.

2.10 General Requirements

General. Franchisee agrees to Transport Discarded Materials it collects in the County to an appropriate Approved and/or Designated Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Designated Facilities, which were selected by Franchisee and reviewed and approved by the County, are listed in the table on the following page. Franchisee will perform all Transfer, Processing, and Disposal services at Designated Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement.

Designated Facilities

Material Type	Approved and/or Designated Facility (Processing and/or Disposal Facility)
Source Separated Recyclable Materials and Construction and Demolition Debris (C&D)	Designated Recycling Facility: Facility Name: Cedar Avenue Recycling and Transfer Station SWIS: 10-AA-0187 Owner: Caglia Environmental, LLC Address: 3457 South Cedar Avenue in Fresno, California
SSGCOW	Designated Organics Facility: Facility Name: Green Valley Recycling SWIS: 10-AA-0232 Owner: Kochergen Farms Composting, Inc. Address: 2962 S. Cedar Avenue, Fresno, California
Gray Container Waste	Designated Disposal Facility: Facility Name: Fairmead Solid Waste Disposal Site SWIS: 20-AA-0002 Owner: Madera County Address: 21739 Road 19/Avenue 22 at Road 19, Madera, CA 93610

Facility Capacity Guarantee. Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transport and Process all Source Separated Recyclable Materials and SSGCOW Collected under this Agreement and to Transport and Dispose all Gray Container Waste Collected under this Agreement. Franchisee shall provide the County, upon request, with

documentation demonstrating the availability of such Transport, Processing, and Disposal capacity.

Facility Permits. Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved and/or Designated Facility(ies), in full regulatory compliance. Franchisee, or Facility operator shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County. Franchisee warrants throughout the Term that the Approved and/or Designated Facility(ies) are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

Franchisee -Initiated Change in Facility(ies). Franchisee may change its selection of one or more of the Approved Facility(ies) following County Contract Manager's written approval.

Discarded Materials Monitoring/Waste Evaluation Requirements. Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further to meet or exceed SB 1383 Regulatory requirements.

Records and Investigations. Franchisee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Designated Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

Inspection and Investigations. An authorized County employee or agent shall be allowed to enter each Facility that the Franchise owns and operates during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities.

2.10.1 Processing Standards - General

Recovery. Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, SSBCOW, and SSGCOW Collected under this Agreement to an Approved and/or Designated Facility for Processing as applicable for each material type. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383 Regulations. Franchisee may Dispose of Organic Waste from homeless encampments and illegal disposal sites and quarantined Organic Waste rather than Process such materials.

Separate Handling Requirements. Franchisee shall keep Source Separated Recyclable Materials, SSBCOW, and SSGCOW separate from each other and separate from any other material streams and shall Process the materials separately from each other.

Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW

for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.

Residue Disposal. Franchisee or Facility Operator from Approved and/or Designated Facilities shall be responsible for Disposal of Residue from Processing activities at its own expense.

2.10.2 Processing Standards – Gray Container Waste

Disposal of Gray Container Waste Collected. Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Designated Disposal Facility.

Disposal at Designated Facility. Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

2.10.3 Processing Standards – SSGCOW

SSGCOW Processing Standards. Franchisee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and, in a manner, deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC). Franchisee's compliance with the ADC and AIC prohibition shall occur no later than January 1, 2020, in recognition of AB 1594, under which Yard Trimmings and green material used ADC shall not constitute diversion as of that date.

Franchisee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:

- a. A "Compostable Material Handling Operation or Facility" as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16), demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
- b. An "In-vessel Digestion Operation or Facility" as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and,

- ii. On and after January 1, 2024, less than 10 percent (10%).
- c. A "Biomass Conversion Operation" as defined in Section 40106 of the California Public Resources Code.
- d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).
- e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).
- f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.
- g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Franchisee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility's Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County's final approval of such operation, Facility, or activity.

Preparation of Materials for Processing. The Franchisee's Designated Organics Facility shall be responsible for preparing materials for Processing at the Designated Organics Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.

Limits on Incompatible Materials in Recovered Organic Waste. Except as described in this Section, Franchisee's designated Processing Facility or operation shall make its best-faith efforts to only send offsite that Organic Waste recovered after Processing the SSGCOW that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):

- i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
- ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.

Measurement. Franchisee's designated Processing Facility shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).

2.10.4 Processing Standards – Source Separated Recyclable Materials

Source Separated Recyclable Materials Processing Standards. Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a).

2.10.5 Contamination Monitoring Procedures

General. This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring.

(A) Container Contamination Monitoring Inspection Methods.

Option 1: Route Reviews. A jurisdiction may meet its container contamination minimization requirements by conducting a route review for prohibited container contaminants on containers in a manner that results in all hauler routes being reviewed annually. Containers may be randomly selected along a hauler route. There are two ways to perform a route review. (1) field staff performing lid flips on containers, or (2) Collection vehicles with automated Collection service and the Collection vehicle hopper is equipped with a video camera and monitoring system. The Franchisee's Hauler Route personnel shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. This shall be done pursuant to 14 CCR Section 18984.5 (b).

Option 2: Waste Evaluations. A jurisdiction that implements a performance-based source separated collection service shall monitor containers through waste evaluations pursuant to 14 CCR Section 18984.5 (c).

(B) Contamination Monitoring

I Hauler Route Review Option

Methodology and Frequency. Commencing on or before January 1, 2022, the Franchisee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by the Franchisee; is approved by the County; and is conducted in a manner that results in all Hauler Routes being reviewed annually.

The Franchisee shall conduct Hauler Route Reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that a minimum of five percent (5%) of Containers on each and every Hauler Route are inspected annually.

Franchisee shall develop a Hauler 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). Franchisee shall submit its proposed Hauler Route Review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route Reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology meets the requirements of 14 CCR Section 18984.5(b), but has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The County's Contract Manager may request, and Franchisee shall accept, modifications to the schedule to permit observation of the Hauler Route Reviews by the County. In addition, Franchisee shall provide an email notice to the County's Contract Manager no less than ten (10) Working Days prior to each scheduled Hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

Noticing of Generators with Contamination, Non-Collection, and Disposal of Materials. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols outlined herein.

Monthly Reporting Requirements. Franchisee shall maintain records and report to the County monthly on contamination monitoring activities and actions taken, in accordance with Appendix D.

II. Waste Evaluation Option

General. Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). The County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than January 15 of each calendar year, provide the County with a proposed waste evaluation methodology and a schedule of waste evaluations for the calendar year for review and approval by County. The County's Contract Manager may request, and Franchisee shall accept modifications to the schedule to permit observation by the County. In addition, Franchisee shall provide an email notice to the County's Contract Manager no less than ten (10) Working Days prior to each scheduled waste evaluation that includes the specific time(s),

which shall be within the County's normal business hours, and location(s) for the waste evaluation.

Sampling Method, Study Protocols. The Franchisee shall conduct waste evaluations for Prohibited Container Contaminants by sampling the contents of Containers on Hauler Routes in the following manner:

1. The Franchisee shall conduct waste evaluations at least twice per year and the studies shall occur in two distinct seasons of the year.
2. The Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste.
3. The waste evaluations shall include samples from each Container type served by the Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.
4. The waste evaluations shall include at least the following minimum number of samples from all the Hauler Routes included in the studies:
 - a. For Hauler Routes with less than 1,500 Generators, the study shall include a minimum of 25 samples;
 - b. For Hauler Routes with 1,500-3,999 Generators, the study shall include a minimum of 30 samples;
 - c. For Hauler Routes with 4,000-6,999 Generators, the study shall include a minimum of 35 samples; and,
 - d. For Hauler Routes with 7,000 or more Generators, the study shall include a minimum of 40 samples.
5. The Franchisee shall Transport all of the material Collected for sampling to a sorting area at a Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Franchisee shall use the following protocol:
 - a. The Franchisee shall take one sample of at least a 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples.
 - b. The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream.

- c. For each 200-pound sample, the Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited Container Contaminants.
- d. The Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample.
- e. All weights shall be recorded in pounds.

Contamination Response. If the sampled weight of Prohibited Container Contaminants exceeds ten percent (10%) of the measured sample for any material stream, the Franchisee shall:

1. Notify the County within fifteen (15) Working Days of the waste evaluation.
2. Within fifteen (15) Working Days of the waste evaluation, notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, email, or electronic message to the Generators. The format of the warning notice shall be approved by the County.

OR

Within fifteen (15) Working Days of the waste evaluation, perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. The Franchisee may provide this information to these Generators by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning notice shall be approved by the County.

Noticing of Generators with Contamination, Non-Collection, and Disposal of Materials. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols outlined herein, which include protocols for non-Collection and Disposal of contaminated materials.

Monthly Reporting Requirements. Franchisee shall maintain records and report to the County on a monthly basis on contamination monitoring activities and actions taken.

(C) Actions Upon Identification of Prohibited Container Contaminants

Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log, database (e.g., Recyclist), or in the on-board computer system including date, time, Customer's address, type of Container (Blue, Green, or Gray Container); and maintain photographic evidence, if required.

Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall issue a non-Collection notice for this Container and shall not Collect the Discarded Materials that contain Excluded Waste. Franchisee's personnel shall record that observation and immediately inform their route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (i) inform the Customer of the observed presence of Prohibited Container Contaminants; (ii) include the date and time the Prohibited Container Contaminants were observed; (iii) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in the Blue Container, Green Container, and/or Gray Container; (iv) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances Franchisee may assess contamination Processing fees or issue a non-Collection notice; and, (v) may include photographic evidence. For residential Customers, Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, subject to County's approval, may deliver the notice by mail, e-mail, text message, or other electronic message. For commercial Customers, the Franchisee shall notify the Customer by telephone to discuss the contamination, or shall provide written notice that may be delivered by mail, e-mail, text message, or other electronic message.

Franchisee shall Collect the contaminated Source Separated Recyclable Materials or SSGCOW and Transport the material to the appropriate Approved Facility for Processing; or Franchisee may Collect the contaminated materials with Gray Container Waste and Transport the contaminated materials to the appropriate Designated Facility for Disposal/ Processing.

Notice of Assessment of Contamination Processing Fees. If the Franchisee observes Prohibited Container Contaminants in a Generator's Container on more than three (3) occasions and issued courtesy pick-up notices on each of those occasions, the Franchisee charge a contamination Processing fee (which will be specified and adjusted annually pursuant to Appendix C). Franchisee shall notify the County in its monthly report of Customers for which contamination Processing fees were assessed. Franchisee shall leave a contamination Processing fee notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, subject to County's approval, may deliver the notice by mail, e-mail, text message, or other electronic message. The contamination Processing fee notice shall describe the specific material(s) of issue, explain how to correct future set outs, and indicate that the

Customer will be charged a contamination Processing fee on its next bill. The format of the contamination Processing fee notice shall be approved by the County Contract Manager.

Franchisee shall Collect the contaminated Source Separated Recyclable Materials or SSGCOW and Transport the material to the appropriate Designated Facility for Processing.

Non-Collection Notices. Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Franchisee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (i) inform the Customer of the reason(s) for non-Collection; (ii) include the date and time the notice was left or issued; (iii) describe the premium charge to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination; and, (iv) provide a warning statement that a contamination Processing fee may be assessed if Prohibited Container Contaminants are observed on more than three (3) occasions. The non-Collection notice may include photographic evidence of the violation(s).

For residential Customers, the Franchisee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or subject to County's approval, may be delivered by mail, e-mail, text message, or other electronic message. For commercial Customers, the Franchisee shall notify the Customer by telephone to discuss the non-Collection, or shall provide written notice that may be delivered by mail, e-mail, text message, or other electronic message.

Franchisee shall submit a sample of its non-Collection notice to the County Contract Manager for approval prior to implementing use of it with Customers.

Franchisee Return for Collection. Upon request from Customer, Franchisee shall Collect Containers that received non-Collection notices within one (1) Working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable County-approved Rates only if Franchisee notifies Customer of the premium Rate for this service at the time the request is made by Customer.

(D) Disposal of Contaminated Materials.

If the Franchisee observes Prohibited Container Contaminants in a Generator's Container(s), Franchisee may Dispose of the Container's contents, provided Franchisee complies with the noticing requirements outlined herein.

2.10.6 Rejection of Excluded Waste

Inspection. Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Designated Facility(ies). Franchisee will comply with the inspection procedure contained in

its permit requirements or the permit requirements of the Designated Facility(ies). Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.

Excluded Waste Handling and Costs. Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Designated Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

2.10.7 Discarded Materials Evaluations at Approved and/or Designated Facilities

Gray Container Waste Evaluations. If applicable pursuant to 14 CCR Section 17409.5.7, Franchisee shall conduct waste evaluations of Gray Container Waste at the Designated Processing Facilities that receives Gray Container Waste in accordance with 14 CCR 17409.5.7.

Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Franchisee shall conduct waste evaluations at Designated Processing Facility(ies) or other Facility (e.g., Cedar Avenue Recycling and Transfer Station) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.

Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Franchisee shall conduct compliance evaluations of Organic Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).

Record Keeping and Reporting. For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and 14 CCR Sections 18815.5 and 18815.7, as applicable. Franchisee shall report this information to the County on a monthly basis.

Scheduling of Evaluations. Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide County notice of its intent to conduct evaluations at the Designated Facility(ies) at least fourteen (14) days in advance of the evaluations.

Observance of Study by County and/or CalRecycle. Franchisee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Section, conducted at the Designated Facility(ies).

2.11 Record Keeping and Reporting

2.11.1 General

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. The County may require Franchisee to utilize County specified software (e.g., Recyclist) for record keeping and reporting. At the written direction or approval of County, the records and reports to be maintained and provided by Franchisee in accordance with this Section and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Franchisee's Diversion goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

2.11.2 Record Keeping

General. Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Section is intended to highlight the general nature of records and reports and their minimum content and is not meant

to comprehensively define the scope and content of the records and reports that Franchisee is required to maintain and report by Applicable Law or this Agreement.

Franchisee shall maintain adequate records, and corresponding documentation, such that the Franchisee is able to produce accurate monthly and annual reports and is able to provide records to verify such reports. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed ten (10) Business Days from the time of County's request to Franchisee.

Record Retention and Security. Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed, pursuant to this Section. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. Unless otherwise required in this Section, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Compilation of Information for State Law Purposes. Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data to produce reports as needed. Franchisee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

2.11.3 Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within ten (10) workdays of a written request, Franchisee shall make available to the County for examination the Franchisee's data and records with respect to the matters covered by this Agreement and the County Code. Franchisee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the County Code. Franchisee shall maintain such data and records in an accessible location and condition for a period of not less than three (3) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County, or his designee, shall maintain the confidentiality

of the Franchisee's Customer list and other proprietary information, to the extent allowed by law. The County agrees to hold any data, records, and financial statements obtained pursuant to this Section as confidential and subject to the same requirements under Section 6.3 of this Agreement.

2.11.4 Reporting

General. Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the County's Manager.

All reports shall be submitted to the County, County's Manager or as directed by the County's Manager. Reports shall be submitted electronically via email, or as approved by the County's Manager.

Monthly reports shall be submitted within fifteen (15) days after the end of the reporting month; and annual reports shall be submitted within forty-five (45) days after the end of the reporting year.

Monthly Reports. Monthly reports shall be submitted by Franchisee to County and shall include the following information pertaining to the most recently completed calendar month. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Franchisee shall report the information included in the following subsections.

A. Tonnage Report

1. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section E.4 of Exhibit E. Tonnage shall be reported separately by:
 - a. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, mixed Construction and Demolition Waste, dirt, rock, metals, cardboard, wood waste, Reusable Items, etc.);

- b. Customer/sector type (Single-Family, Multi-family, Commercial Roll-off, Construction and Demolition Waste) based on estimates if necessary; and,
 - c. Approved Facility and Facility type.
- 2. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
- 3. Source Separated Recyclable Materials Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
- 5. A summary of abandoned materials incidents, including total number of incidents, the address of each incident, and a copy of all abandoned materials reports submitted to the County pursuant to Section 6.12 of this Agreement.

B. Collection and Subscription Report

- 1. Number of Containers at each Service Level by Customer Type and program, including:
 - a. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
 - b. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
- 2. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
- 3. List of all Commercial and Multi-Family Customers with a Gray Container Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
- 4. For applicable AB1826 Commercial Businesses, the number of waiver reverifications performed by the Franchisee in the month, if any, including a copy of documentation for each reverification inspection, which shall include, at a minimum: the Generator's name, address, and Generator type; the type of waiver being verified; any photographic or other evidence collected during the inspection; and the resulting recommended conclusion by the Franchisee regarding the validity of the waiver. The Franchisee shall provide a summary of recommendations to the County of all waivers which the Franchisee concludes to no longer be warranted.
- 5. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

C. Contamination Monitoring Report

Option 1: Hauler Route Reviews

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted:

1. The number of Hauler Route reviews conducted;
2. Description of the Franchisee's process for determining the level of contamination;
3. Summary report of non-Collection notices, courtesy Collection notices, and/or contamination processing fee assessment notices issued, which for each notice shall include the date of issuance, Customer name, and service address.
4. A record of each inspection and contamination incident, which shall include, at a minimum:
 - a. Name of the Customer
 - b. Address of the Customer
 - c. The date the contaminated Container was observed
 - d. The staff who conducted the inspection
 - e. The total number of violations found, and a description of what action was taken for each
 - f. Copies of all notices issued to Generators with Prohibited Container Contaminants
 - g. Any photographic documentation or supporting evidence.
5. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
6. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations

The Franchisee shall submit the following information regarding waste evaluations:

1. A description of the Franchisee's process for conducting waste evaluations.
2. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source

sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process

3. Copies of all notices issued to Generators with Prohibited Container Contaminants.
4. Documentation of the number of loads or Containers where the contents were Disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed, and proof of consent from the County to dispose of such material.
5. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

D. Customer Service Report

1. Number of Complaints listed separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
2. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County during the previous reporting period.
3. Number of new service requests for each Customer type and requested service(s).
4. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses and submit the following information:
 - a. Total number of complaints received, and total number of complaints investigated
 - b. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - i. The complaint as received;
 - ii. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - iii. The identity of the alleged violator, if known;
 - iii. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - iv. Any relevant photographic or documentary evidence submitted to support the

allegations in the complaint; and,

- v. The identity of any witnesses, if known.

F. Education Program Report

The monthly status of activities identified in the annual public education plan.

G. Discarded Materials Evaluation Reports

Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

2.11.5 Annual Reports

In addition to the monthly reporting requirements in this Appendix D the Franchisee shall provide an Annual Report, covering the most recently completed calendar year, in accordance with the format and submittal requirements of this Exhibit. The Annual Report shall include the information in the following subsections.

A. Collection and Subscription Report

1. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
2. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
3. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
4. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

B. Public Education and Outreach Report

1. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 6.3 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.

2. A record of the date and to whom the information was disseminated or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
3. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
4. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.
5. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
6. Franchisee shall maintain a record of all technical assistance efforts conducted, including:
 - a. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - b. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - c. A copy of any written or electronic educational materials distributed during the technical assistance process.
7. A copy of all special event reports submitted to the County.

C. **Compliance Monitoring and Enforcement Report**

1. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Non-Compliant Notices issued based on investigation of those complaints.
2. The total number of Hauler Route reviews conducted.
3. The number of inspections conducted by type for Commercial Businesses.
4. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted.
5. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee, and the number of violations found and corrected through compliance reviews, including a list with each Generator's name or account name, address, and Generator type.

6. The total number of Non-Compliant Notices issues, categorized by type of Generator.
7. The number of notices that were resolved, categorized by type of Generator.
8. Copies of all Non-Compliant Notices and educational materials issued to non-compliant Generators.

D. Food Recovery Program Support

1. The results of the quarterly or other frequency examinations of Hauler Routes to identify Commercial Edible Food Generators with food recovery and donation opportunities, pursuant to Section 6.5 of the Agreement.

E. Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage on December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchise vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount used in Franchise vehicles in the calendar year, if these values are different.

2.11.6 Additional Reports

- A. **Upon Incident Reporting.** County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Manager, which shall not to exceed ten (10) days.
- B. **Facility Capacity Planning Information.** County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within 60 days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis (such as monthly, quarterly, or annually). If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee will make efforts to secure any County-requested

Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:

1. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials, SSGCOW, SSBCOW, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.
 2. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.
 3. Be submitted using a form or format approved by the County Contract Manager.
- C. **Customized Reports.** County reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain.

3.0 Effective Date of SB 1383 Services

The effective date of SB 1383 Services shall be July 1, 2025.

APPENDIX E

INSURANCE REQUIREMENTS

Minimum Amounts and Type of Insurance

Commercial General Liability and Umbrella Liability Insurance: Franchisee shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$10,000,000 each occurrence/\$10,000,000 in the annual aggregate. Limits may be provided in a "layered" program, by means of primary and umbrella policies.

Business Auto and Umbrella Liability Insurance: Franchisee shall maintain business auto liability and, if necessary, commercial umbrella insurance with a limit not less than \$10,000,000 each accident. Limits may be provided in a "layered" program, by means of primary and umbrella policies.

Pollution Liability Insurance: Contactor shall maintain pollution liability coverage with a limit of not less than \$3,000,000 each occurrence/\$3,000,000 in the general aggregate.

Workers' Compensation and Employer's Liability Insurance: Franchisee shall maintain workers' compensation insurance as required by the State of California and Employer's Liability Insurance in the amount of \$1,000,000 per accident for bodily injury or disease.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:6 unless otherwise approved by County's Risk Manager.

Additional Insured

The Franchisee shall name the County and its officers, agents, and employees as additional insured (the "Additional Insured") on all insurance policies.

Insurance Certificates

Insurance, and any renewals thereof, shall be evidenced by certificates of insurance issued or countersigned by a duly authorized representative of the issuer and delivered to the County for its approval 10 days prior to the Start Date or, in the case of a renewal, as reasonably provided by the insurer. The certificates of insurance shall require 30 days written notice to the County, of cancellation, intent not to renew, or reduction in its coverage by the insurance company.

Non-Recourse Provision

All insurance policies shall provide that the insurers shall have no recourse against the Additional Insured for payment of any premium or assessment and shall contain a severability of interest provision in regard to mutual coverage liability policies. The coverages provided by

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mutual coverage liability insurance policies required pursuant to this Agreement shall be the primary source of any restitution or other recovery for any injuries to or death of persons or loss or damage to property incurred as a result of an action or inaction of the Franchisee or its Subcontractors, or their respective suppliers, employees, agents, representatives, or invitees, that fall within these coverages and also within the coverages of any liability insurance or self-insurance program maintained by the County.

APPENDIX F
CALRECYCLE LOW POPULATION WAIVER

If any Low Population Density Waiver expires or is modified during the term of this Agreement, the County and Franchisee agree to meet and confer regarding any amendments to this Agreement as necessary to address any Franchise Services that may need to be offered in the Franchise Area previously not offered due to any Low Population Density Waiver.



Subject: SB 1383 Waiver Approval

Your waiver request is approved.

All Department approved waivers and the date effective will be posted on CalRecycle's website: <https://www.calrecycle.ca.gov/organics/slcp/waivers/approved>.

Please keep this notification and a copy of your submitted waiver request for your records.

If you have any questions, please contact your LAMD representative at (916) 341-6199.

Low Population Waiver Application for Unincorporated Portions of Counties (Special Districts Providing Solid Waste Collection Services)

CalRecycle is providing this form as a convenience to assist unincorporated portions of counties (or special districts providing solid waste collection services that are located in unincorporated counties) providing solid waste collection services in applying for low population waiver under 14 CCR 18984.12(a). Use of this form is optional and not a regulatory requirement.

Unincorporated counties (or special districts providing solid waste collection services that are located in unincorporated counties) may apply to CalRecycle for a waiver for some or all of the generators within the unincorporated county from some or all of the requirements of Article 3 (14 CCR 18984 through 18984.13).

To qualify for a low population waiver, the following must apply:

- The identified census tracts have a population density of less than 75 people per square mile within the jurisdiction and are located in unincorporated portions of the county.

CalRecycle-approved waivers are valid for a period of up to five years. A jurisdiction may apply to renew a waiver at any time up to 180 days prior to the expiration of an existing approved waiver. An approved waiver does not waive a jurisdiction from its obligation to comply with the other requirements of the SB 1383 regulations including, but not limited to, promoting and providing information to generators about waste prevention, community composting, managing organic waste on-site, and other means of recovering organic waste.

Please clearly print or type your responses. Attach additional pages as necessary.

Jurisdiction Name: Madera County	County: Madera
Person Completing the Application:	
First Name: Boom	Last Name: Phouthavong
Title: Solid Waste Manager	
Mailing Address: 200 W. 4th Street, Suite 3100	
City: Madera	
Zip Code: 93637	
E-mail Address: boom.phouthavong@maderacounty.com	
Phone Number: 559-675-7811	

1. List all of the census tracts that are included in this waiver request.

Census Tract 1.02, 1.03, 1.09, 1.11, 2.03, 5.17, 11

2. How many generators are included in this waiver request?
(This total includes all generators, such as residential, commercial, industrial, etc.)

24,685

3. What duration are you requesting? (Requests cannot be longer than 5 years)	<input type="checkbox"/> 1 year	<input type="checkbox"/> 2 years	<input type="checkbox"/> 3 years	<input type="checkbox"/> 4 years	<input checked="" type="checkbox"/> 5 years
4. What requirements of Article 3 in 14 CCR Section 18984 are you requesting be waived? (Select all that are applicable to this request.)					
<input checked="" type="checkbox"/> 14 CCR 18984 Combined Organic Waste Collection Services	<input checked="" type="checkbox"/> 14 CCR 18984.1 Three-Container Organic Waste Collection Services	<input checked="" type="checkbox"/> 14 CCR 18984.2 Two-Container Organic Waste Collection Services			
<input checked="" type="checkbox"/> 14 CCR 18984.3 Unsegregated Single Container Collection Services	<input checked="" type="checkbox"/> 14 CCR 18984.4 Recordkeeping Requirements for Compliance with Organic Waste Collection Services	<input checked="" type="checkbox"/> 14 CCR 18984.5 Container Contamination Minimization			
<input checked="" type="checkbox"/> 14 CCR 18984.6 Recordkeeping Requirements for Container Contamination Minimization	<input checked="" type="checkbox"/> 14 CCR 18984.7 Container Color Requirements	<input checked="" type="checkbox"/> 14 CCR 18984.8 Container Labeling Requirements			
<input checked="" type="checkbox"/> 14 CCR 18984.9 Organic Waste Generator Requirements	<input checked="" type="checkbox"/> 14 CCR 18984.10 Commercial Business Owner Responsibilities	This box is blank			

I hereby certify under penalty of perjury that the information provided herein is true and correct to the best of my knowledge.



Boom Phouthavong

Solid Waste Manager 3/10/2022

Signature

Printed Name

Title

Date