

AGREEMENT

between the

**WEST CONTRA COSTA INTEGRATED WASTE
MANAGEMENT AUTHORITY**

and

WEST COUNTY RESOURCE RECOVERY, INC.

for

**POST-COLLECTION RECYCLING, AND DISPOSAL
SERVICES**

OCTOBER 2025 – FINAL DRAFT

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This Agreement (the “Agreement”) for the Transfer, Transport, Recycling, Composting, and Disposal of Solid Waste, Recyclable Materials, Organic Materials, Household Hazardous Waste Materials, and Construction and Demolition Materials is entered into by and between the West Contra Costa Integrated Waste Management Authority (the “Authority”) and West County Resource Recovery, Inc. (“Contractor”) (the Authority and the Contractor, together, are the “Parties”).

RECITALS, DETERMINATIONS, AND FINDINGS

This Agreement is entered into with reference to the following facts, circumstances, determinations, and findings made by the Board Members of the Authority:

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (Act) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for Solid Waste management within their jurisdiction; and

WHEREAS, the State of California has found and declared that the amount of refuse generated in California, coupled with diminishing Disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. The State has, through enactment of the Act, directed the responsible State agency, and all local agencies, to promote Diversion and to maximize the use of feasible waste reduction, re-use, Recycling, and Composting options in order to reduce the amount of refuse that must be Disposed; and

WHEREAS, the Authority and Member Agencies entered into a Joint Exercise of Powers Agreement dated April 2, 1991, (JPA Agreement”), which JPA Agreement was amended by the parties thereto on March 6, 1995, and 2018; and

WHEREAS, the Authority has an existing agreement for post-collection Services that expires effective December 31, 2025, pursuant to the terms of the First Amendment; and

WHEREAS, in October 2024, the Authority solicited requests for proposals from companies in the solid waste and recycling industry for the provision of these post-collection Services.

WHEREAS, Contractor submitted its response and on January 9, 2025, the Authority Board of Directors directed Authority staff to negotiate with Contractor for the provision of these services, with the result of such negotiation being this Agreement; and

WHEREAS, the Authority further declares its intent to approve and maintain reasonable

rates for the post-collection Services described in this Agreement; and

WHEREAS, the Authority selects Contractor to provide for the post-collection Services, after undertaking a competitive request for proposals process and having determined that Contractor's proposal provides the best overall value for the Authority rate payers, and that Contractor has the requisite experience, qualifications, reputation, and capacity to carry out such services; and

WHEREAS, local agencies like the Authority and the Franchise Agencies have generally been held liable under federal superfund laws for costs of cleaning up of Hazardous Waste sites that accepted Solid Waste generated within municipalities' jurisdictions. Therefore, the Authority is prudent to provide for terms and conditions of its Solid Waste Disposal in accordance with this Agreement; and

WHEREAS, pursuant to its police powers, obtaining a long-term commitment for Disposal of Solid Waste generated within the Authority in accordance with this Agreement is in the best interests of the public health, safety, and wellbeing of the citizens throughout the Authority and is fiscally prudent; and

WHEREAS, through enactment of the Act, the State of California also recognizes the important health and safety consideration to long-term planning for local governments adequate Disposal needs. The State requires local governments to make adequate provision for at least fifteen (15) years of Solid Waste Disposal capacity to preserve the health, safety, and wellbeing of the public; and

WHEREAS, this Agreement also advances the objectives of the federal government to encourage environmentally sound Solid Waste management (Resource Conservation and Recovery Act of 1976 (RCRA), 42, U.S.C. Section 6941 *et. seq.*); and

WHEREAS, Contractor's Keller Canyon Landfill facility included in Exhibit J is to be the primary Landfill for Solid Waste generated throughout the Authority; and

WHEREAS, the Parties agree that the goal of the non-disposal services performed under this Agreement is to further the recycling programs and recycling activities to support the achievement of the State Diversion Mandate and the recycling rate goal of 75% established by AB 341. The Parties agree that the 75% goal is a statewide target and not a statutory or contractually mandated requirement under this Agreement; and

WHEREAS, the Parties agree that the goal of the non-disposal services performed under this Agreement is to further the recycling programs and recycling activities to support the achievement of the mandates set forth in SB 1383.

WHEREAS, this Agreement helps the Authority achieve the following goals:

1. Securing rate stability over the long term and financial protection from environmental Liabilities;
2. Establishing service and performance standards to help assure that the Authority and all Franchise Agencies meet their respective obligations under law and to protect and preserve the health, safety, and financial assets of its citizens;
3. Giving the Authority tools to monitor Contractor's compliance with Service terms, administer Solid Waste, Recyclable Materials, Organic Materials, HHW Materials, and C&D Material management programs, and enforce the Authority's rights; and,

NOW, THEREFORE, in consideration of the mutual promises, promises, covenants, guaranties, and conditions contained in this Agreement and for other good and valuable consideration, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings specified in Exhibit A to this Agreement, which is attached hereto and incorporated by reference.

ARTICLE 2 TERMS OF AGREEMENT

2.1 Effective Date

This Agreement becomes effective on January 1, 2026. Except as specifically provided herein, Contractor shall make all necessary preparations required to provide all Services under this Agreement beginning on the commencement of the Term.

2.2 Term

The Services provided under this Agreement shall commence on January 1, 2026, and end on June 30, 2040 (the "Term"). The Agreement shall have two 5-year extensions based on the mutual written agreement of both Parties. The first 5-year extension will commence July 1, 2040, and end on June 30, 2045. The second 5-year extension will commence on July 1, 2045, and end on June 30, 2050.

2.3 Survival of Certain Provisions

The following provisions shall survive the expiration or termination of this Agreement:

1. All representations and warranties;
2. All Indemnities and insurance requirements;
3. Obligations to pay any due and payable monetary amounts, or claims for those amounts, including damages, any Disposal Rates, and payment of any amounts accrued and payable upon termination of the Agreement in accordance with Section 7.2;
4. Obligations to submit and maintain Records and any reports for periods (or portions thereof) concluded prior to the expiration or termination of this Agreement; and,
5. Any other rights and obligations of the Parties stated elsewhere in this Agreement which pertain to operations conducted during the term of this Agreement including, but not limited to, the following:
 - 4.2 Permits
 - 4.3 Facility Information
 - 4.4 Ownership of Authority Materials
 - 4.11 Billing of Franchised Collectors
 - 4.12 Reporting
 - 4.14 Closure and Post-Closure of Landfill
 - 6.1 General Defense and Indemnification
 - 6.6 Insurance Policies
 - 8.2 Compliance with Law
 - 8.8 Services Performed at Contractor's Sole Expense
 - 8.13 Maintenance and Retention of Records
 - 8.14 Right to Inspect Records
 - 8.15 Compilation of Information for State Law Purposes
 - 8.17 Dispute Resolution

- 8.22 Jurisdiction, Venue
- 8.23 Cost and Expenses

2.4 Conditions to Effectiveness of Agreement

2.4.1 New Agreement Supersedes All Others

Except as noted in this section 2.4.1, this Agreement shall completely and fully supersede and invalidate any and all prior or existing contracts, agreements and any amendments or understandings between the Authority and Contractor and its Affiliates, if any, whether written or oral, except for those identified provisions that survive expiration or termination as set forth in this Agreement. The foregoing notwithstanding, nothing in this section 2.4.1 or this Agreement shall in any way affect the provisions of the 2004 Exclusive Franchise Agreement between the City of Richmond and Golden Bear Transfer Services, Inc. for the exclusive right to accept City of Richmond solid waste and for operation of the Golden Bear Transfer Station, which Franchise Agreement remains in full force and effect through December 31, 2035 as of the date of this Agreement.

2.4.2 [DELETED]

2.4.3 Environmental Review

Prior to the effectiveness of this Agreement, the Parties shall have satisfied any applicable requirements for environmental review under the California Environmental Quality Act, to the extent that it applies to this Agreement.

2.4.4 Procurement Reimbursement

Contractor shall pay the Authority, as reimbursement for the Authority's actual cost of procuring and negotiating this Agreement, not to exceed one hundred thousand dollars (\$100,000). Such payment shall be made upon the Effective Date of this Agreement. Failure to timely make such payment may, in the Authority's sole discretion, subject to Contractor's right to cure within 30 Days, constitute a default subject to the provisions of Article 7 of this Agreement.

ARTICLE 3 OBLIGATIONS OF THE AUTHORITY

3.1 Facility Designation

Throughout the Term, the Authority shall direct:

1. All Solid Waste Collected by Franchise Agencies' Franchised Collector to be delivered to the Approved Facilities delineated in Exhibit J specified for

Solid Waste (except as necessitated by Section 4.10).

2. All Recyclable Materials Collected by Franchise Agencies' Franchised Collector to be delivered to the Approved Facilities delineated in Exhibit J specified for Recyclable Materials Processing.
3. All Organic Materials Collected by Franchise Agencies' Franchised Collector to be delivered to the Approved Facilities delineated in Exhibit J specified for Organic Materials Processing.
4. All Construction and Demolition (C&D) Materials Collected by Franchise Agencies' Franchised Collector to be delivered to the Approved Facilities delineated in Exhibit J specified for C&D Processing.

The Authority's obligations to direct Solid Waste, Recyclable Materials, Organic Materials and C&D Materials pursuant to this Section 3.1 include the obligation to direct all such materials received from the County of Contra Costa pursuant to the County Agreement. The County Agreement includes County's commitment to direct all of the Solid Wastes generated and collected within the specified area to the Authority. The County's existing franchise agreement provides that the County is participating in the Authority's pricing for post-collection services.

In the event that during the Term hereof, the County terminates the County Agreement, or any successor agreement for any reason and ends, in whole or in part, County's contractual commitment to exercise flow control and direct all Solid Waste, Recyclable Materials, Organic Materials and C&D Materials collected in the County's franchised service area be delivered to the Authority for handling pursuant to this Agreement, such event shall be a material event and treated as a Change in Law pursuant to Section 4.13 of this Agreement. The Parties shall meet and confer in good faith to determine the increase to the Rate in order to make the Contractor whole by reason of the County's termination of the County Agreement and the Contractor's loss of such tonnage from the Authority's reduced commitment in this section 3.1.

3.2 No Tonnage Obligation or Limit on Waste Prevention

Except as required in Section 3.1 above, neither the Authority nor the Franchise Agencies are obligated to deliver any minimum specified quantity of Solid Waste, Recyclable Materials, or Organic Materials to the Landfill or Approved Processing Facilities, but the Authority is obligated to deliver any and all such franchised Solid Waste, Recyclable Materials, C&D Materials and Organic Materials to the Landfill or Approved Processing Facilities. The Authority currently operates programs intended to reduce the amount of Solid Waste for Landfill Disposal as well as to reduce the total amount of materials generated by the community. Nothing in this Agreement shall prevent, penalize, or

impede Authority's discretion from continuing and expanding waste reduction programs, and developing new programs consistent with Applicable Law policy striving to achieve reducing material sent to Landfill Disposal prior to said materials entering the collection system so long as not in conflict with this Agreement.

ARTICLE 4 OBLIGATIONS OF CONTRACTOR

The Contractor shall be contractually responsible for the work performed by its Approved Affiliates and/or at the Approved Facilities and Alternate Facilities, together with their employees, agents, and representatives, to the same extent as if the Contractor were performing the work itself. The Contractor shall be responsible for requiring that the Approved Affiliates and/or Subcontractors, the Approved Facilities, and the Alternate Facilities listed in Exhibit J comply with the terms and conditions of this Agreement. Contractor shall remain the sole point of contact and shall be responsible for the management, coordination, and quality of all work performed by the Approved Facilities and Alternate Facilities.

4.1 Scope of Services

4.1.1 Solid Waste Transfer, Transport and Disposal

1. **Transfer and Transport.** The Contractor shall receive the Solid Waste Collected under the Franchise Agency Collection Franchise Agreements and direct the Solid Waste to the Approved Transfer Facility for Transfer and Disposal. Contractor shall load Solid Waste into Transfer trailers in an efficient and economical manner that reasonably minimizes the volume of traffic to and from the Approved Facilities listed in Exhibit J. Contractor shall safely and lawfully Transport all Solid Waste in accordance with Applicable Law.
2. **Disposal.** Contractor shall receive, accept, and safely and lawfully Dispose of at the Landfill, the Authority-directed Solid Waste delivered from the Approved Transfer Station in accordance with Applicable Law.

4.1.2 Recyclable Materials Processing

Contractor shall Process the Traditional Recyclable Materials Collected under the Collection Franchise Agreements for all Franchise Agencies with the exception of loads exceeding acceptable contamination levels pursuant to Section 4.1.4. The Approved Recycling Materials Processing Facility shall separate the commingled Traditional Recyclable Materials into marketable commodity types, prepare those commodities for market, market those commodities for sale, and dispose of the remaining Residue.

4.1.3 Organic Materials Processing

Contractor shall receive, accept, and safely and lawfully Process the Organic Materials collected under the Franchise Agencies' Collection Franchise Agreements at the Approved Organic Materials Processing Facility, with the exception of loads exceeding acceptable contamination levels pursuant to Section 4.1.4. Organic Materials Processing shall result in converting collected Organic Materials into products for beneficial use including, but not limited to, finished compost material products to be sold/donated for agriculture, community projects, blending with other soil enhancements, and other CalRecycle approved end uses. All compost, mulch and related products produced shall meet CalRecycle standards adopted pursuant to SB 1383 Regulations.

This Processing shall include, at a minimum, removing visually obvious contaminants, pre-processing, size reducing (i.e., chip and grind), and Composting the Organic Materials. Pre-Processing means screening feedstock that is generally less than ten-percent (10%) contaminated based on visual inspection. Contaminated materials produced by pre-processing, including the larger fraction of materials coming off of the pre-processing screens as Overs, will be disposed by Contractor.

4.1.4 Recyclable Materials, Organic Materials Contamination Monitoring

Load Monitoring and Classification

Contractor shall visually inspect inbound loads of Recyclable Materials and Organic Materials to determine if the load is unacceptable for processing due to excessive contamination. Excessive contamination shall be determined by a visual assessment of the volume of unacceptable material present in loads delivered to Contractor, and shall be defined as:

1. Exceeding twenty-five percent (25%) by volume of unacceptable materials in Traditional Recyclable Materials loads.
2. Exceeding ten-percent (10%) by volume of unacceptable materials in Organic Materials loads.

Contractor shall have the discretion to divert loads from Processing to Disposal if excessive contamination is present in said load. Contractor shall also have the discretion to Process said load, or to remove contamination and Process said load.

Contractor shall document loads diverted from Processing to Disposal for exceeding the above prescribed acceptable contamination levels and notify Authority within one (1) Working Day in writing via email. Contractor's

documentation shall include the following:

1. Date and time of delivery.
2. Route number.
3. Vehicle identification number.
4. Weight ticket (gross, tare, net weight, material type).
5. Jurisdiction(s) of origin, including percent allocation, if applicable.
6. Photographs of the tipped material demonstrating the excessive contamination (and vehicle number).

If any specific route-day delivers five (5) consecutive loads exceeding the acceptable contamination levels (over a five (5) week period), Contractor shall have the discretion to commence reclassifying said route from Processing to Disposal, until adequate measures have been pursued to reduce the contamination present in loads on said route prior to such loads being delivered to Contractor's facility(ies). If Contractor does so, Contractor will notify Authority within one (1) Working Day in writing via email.

After Contractor has been notified by the Franchised Collector or Authority that adequate measures to mitigate excessive contamination have been pursued, Contractor shall commence Processing the materials collected on this route. If Contractor documents this same route as delivering excessive contamination for three (3) consecutive loads (over a three (3) week period) after reclassifying it for Processing, Contractor shall have sole discretion to again reclassify the loads delivered from this route from Processing to Disposal following reclassification protocol.

The above process shall repeat as necessary and be reset annually for all loads delivered by the Franchised Collector.

Contractor acknowledges the load monitoring and classification procedures prescribed herein may be modified pursuant to mutual agreement between the Contractor and Authority. Under no circumstance shall the Approved primary or Alternate Recyclable Materials Processing Facility or Organic Materials Processing Facility refuse to Process any load of delivered Recyclable Materials or Organic Materials without providing the required load monitoring documentation prescribed herein.

4.1.5 Mattresses Processing

Contractor shall receive for recovery mattresses and box springs pursuant to Exhibit B at the WCRR facility located at 101 Pittsburg Ave., Richmond, CA.

4.1.6 Mixed Construction and Demolition Materials Processing

Contractor shall receive from any Member Agency's Franchised Collector all identified C&D loads and pre-process to remove contaminants and large dimensional/non-sizeable material (e.g., very large diameter tree trunks) or wet material (e.g., saturated sheet rock) for disposal or recovery. Contractor shall then Process the remainder of each load, using its mixed C&D sorting line or other processes in a manner that maximizes the Diversion of material from the Landfill. Sorting line(s) shall be equipped and/or staffed in a manner adequate to Divert the material from the Authority service area that is processed by this sorting line. Materials targeted for Diversion shall include, but are not necessarily limited to: porcelain, green waste, untreated dimensional lumber and wood products, ferrous and non-ferrous metals, concrete, brick, recyclable materials, aggregate, lath, asphalt, base rock, dirt/soil, and carpet/pad. The Parties acknowledge that a significant portion of the Diversion from this program is achieved by utilizing fines (unders) or by shredding wastes from this process to use as ADC or other beneficial use at a Solid Waste Disposal site or Biomass Conversion Plant. In the event of a Change in Law eliminating or significantly reducing Diversion credit associated with Mixed C&D Processing, the Parties shall meet and confer regarding appropriate modifications.

4.1.7 Household Hazardous Waste Receiving, Processing and Disposal

1. **Authority Service Area.** Contractor shall contract with a vendor mutually acceptable to the Authority and Contractor for the operation of a permanent Household Hazardous Waste drop-off facility that shall serve the Franchise Agencies. As of the date of this Agreement, the Contractor has contracted with such a vendor. The types of materials accepted as well as the days and hours of operation shall be determined and may be subject to change at any time by Contractor with approval from the Authority Board of Directors, with the exception of emergency situations per Section 4.16. The Contractor shall also provide a mobile collection service for residents with disabilities that prevent such resident from accessing the Household HHW Facility. Nothing in this Agreement should be inferred as conferring third party beneficiary rights to such vendor and the Contractor shall have the right to replace such vendor at any time for convenience provided that there is no decrease or degradation of services and the Authority is notified 30 days in advance. In order to comply with the Authority's Household Hazardous Waste Element (HHWE), the Authority and Contractor will agree on the types of materials accepted as

well as the days and hours of operation the permanent Household Hazardous Waste (HHW) drop-off facility services provided under this Agreement.

2. **Outside Authority Service Area.** The Parties may in their sole discretion enter into Agreements for HHW Services for the unincorporated Contra Costa County areas of Kensington, Crockett, Port Costa, Tormey and Rodeo, and/or other jurisdictions.

4.1.8 Compost Giveaway Events

Contractor shall provide compost giveaways to the Authority and its customers, as described in Exhibit B.

4.1.9 Data Processing and Reporting Staff

Contractor will provide the equivalent of two full-time positions (as determined by straight time hours of one headcount position equaling 2080 hours per year) in order to effectively track and process data, prepare reports, and respond to information requests. More than two Contractor staff members may be utilized to fill the required responsibilities, including tracking statistical information for reporting diversion and compliance activities related to the services provided in this Agreement. Report formatting and submittal frequency will be prepared in accordance with Section 4.12 of this Agreement.

4.1.10 Public Education and Outreach

Contractor's staff will take a proactive and integrated approach in assisting the Authority in meeting the requirements of reporting to CalRecycle and other regulatory agencies, providing flow and diversion statistics, and developing customer communications and education outreach information as related to activities covered under this Agreement. To the extent related to this Agreement, Contractor staff will work collaboratively with the Authority to assist in the development and implementation of outreach programs, including development of materials to support recycling, sustainability, and diversion activities. To the extent the Authority requires information relative to the franchise agreements, the Authority shall work with the Franchise Agencies to obtain such information. Contractor staff will work collaboratively with the Authority to schedule and facilitate student tours at WCRR. Contractor will assist the Authority in developing and disseminating information and promotional materials regarding the above-mentioned post collection outreach programs. Contractor will meet regularly with the Authority staff to discuss and review progress on these activities.

4.1.11 Cooperation with RFP and Transition to Next Contractor

If applicable, before expiration or earlier termination of this Agreement, Contractor will take direction from the Authority Contract Manager and/or subsequent contractor to assist in an orderly transition of services from Contractor to Authority or subsequent contractor. In response to the Authority Contract Manager's direction including to gather data necessary for the preparation of an RFP for replacement services at the expiration or earlier termination of this Agreement, Contractor shall provide information and data consistent with the requirements of Section 8.14 of this Agreement.

4.1.12 Limitations to Scope

The scope of this Agreement does not include Solid Waste, Organic Materials, Recyclable Materials, C&D, and/or other materials generated in the Authority area that are not collected by the Member Agencies' Franchised Collectors.

4.2 Permits

4.2.1 Securing Permits

The Approved Facilities and Alternate Facilities shall be responsible for all permits and approvals required by Applicable Law to provide the services required by this Agreement ("Permits"). Contractor shall be responsible for requiring that all Approved Facilities and Alternate Facilities comply with the terms and conditions of such Permits. Within ten (10) Days of Authority's request, Contractor shall provide the Authority with access to links or copies of all Permits or Permit applications for the Approved Facilities and Alternate Facilities. Within two (2) Days of Contractor becoming aware of any impending Permit related or other Agency enforcement proceedings at the Approved Facilities and/or Alternate Facilities (to the extent utilized under this Agreement) that potentially affect or jeopardize the Contractor's ability to perform the services under this Agreement, the Contractor shall promptly provide notice to the Authority and provide supporting documentation regarding how such issue may affect the performance of this Agreement, the issue, and the steps the Approved Facilities and/or Alternate Facilities are taking to address the issues. In its Annual Report or more frequently, as necessary, Contractor shall inform the Authority of the status of securing, revising, modifying, extending, or renewing any Permits required to comply with the terms of this Agreement.

4.2.2 Complying with Permits

Approved Facilities shall comply with all Permits and environmental documents, including any mitigation measures related to the operation and maintenance of all of the Approved Processing Facilities at no additional cost to Contractor or the Authority. The Approved Facility is solely responsible for paying any fines or penalties imposed for noncompliance with or Violation of Permits or failure to

obtain Permits.

4.2.3 Hazardous Material Programs

All of the Approved Processing Facilities, Approved Transfer Station(s) and the Landfill shall maintain a Hazardous Waste screening, identification, and prevention protocol consistent with the Solid Waste Facility Permits for each. With the exception of the Household Hazardous Waste Facility, Contractor shall not knowingly deliver Hazardous Waste to any of the Approved Facilities and shall not knowingly or Process Hazardous Waste at any of the Approved Facilities.

4.3 Facility Information

The facilities used by Contractor to perform the services prescribed in this Agreement are listed in Exhibit J. These facilities include the primary facilities which Contractor intends to primarily use, and alternate facilities which Contractor is provided discretion to also use. Exhibit I is intended to provide information and general descriptions of Contractor's operations at these facilities as of the Effective Date of this Agreement and does not establish prescriptive or performance standards.

4.4 Ownership of Authority Materials

Once Solid Waste, Organic Materials, C&D Material, HHW, or Recyclable Material directed by the Authority is received and accepted by Contractor ownership and the right to possession of said materials shall Transfer directly from the Person delivering said materials to Contractor. Contractor may retain, Recycle, Process, Dispose of and otherwise use such Solid Waste, Organic Materials, C&D, HHW, and Recyclable Materials in any lawful fashion or for any lawful purpose.

Both benefits and Liabilities resulting from ownership and possession of Authority-directed materials shall accrue to Contractor.

The benefits and liabilities accruing to Contractor shall include all scrap values, all California Redemption Value (CRV) payments, all Curbside Supplemental payments, all environmental attribute value, all quality incentive payments, all Administrative fees, all Processing payments, and all program distributions of unspent program funds.

4.5 Material Acceptance and Rejection

4.5.1 Load Checking

In accordance with Section 4.17.1 of this Agreement, the Approved Facility(ies) and Alternate Facilities shall develop and implement load check programs that comply with the permit conditions and regulatory requirements, as defined in the facility's operating documents, to detect and reject Unpermitted Waste. The

Approved Facilities and Alternate Facilities shall not knowingly accept Unpermitted Waste. The Approved Facilities and Alternate Facilities shall comply with the load checking procedures contained in their Permit Documents and shall promptly modify procedures to reflect any changes in Permits or Applicable Law.

Nothing in this Agreement shall constrain or prevent the Approved Facilities and Alternate Facilities from periodically updating or changing the elements of the load checking program as may be necessary to be consistent with the sites' ongoing business activity, site documents, and regulatory requirements.

In the event that load check personnel or representatives at the Approved Facilities or Alternate Facilities identify Unpermitted Waste in materials delivered to the Approved Facilities or Alternate Facilities under this Agreement, the Approved Facility and/or Alternate Facility site personnel shall remove these materials for storage and disposal in accordance with site's load checking program.

4.5.2 Unpermitted Waste Cost Recovery

Except for circumstances where Unpermitted Wastes can be attributed to a Franchised Collector, waste generator, hauler, or other responsible party, the Contractor or Approved Affiliates managing the Approved Facility(ies) and Alternate Facilities shall arrange for handling, transportation, and disposal of Unpermitted Waste removed from the delivered wastes to a facility permitted to accept the such wastes in accordance with Applicable Law. Where Approved Facility or Alternate Facility can identify responsible parties associated with delivery of Unpermitted Wastes, the Contractor or its Approved Affiliates may, seek to recover damages and costs associated with the delivery and removal of the Unpermitted Waste from the Approved Facility(ies) or Alternate Facility(ies) from the Franchised Collector or other waste generator, hauler, or other party responsible for delivering the Unpermitted Waste.

If Unpermitted Waste is delivered to the Approved Facility(ies) or its Alternates, the Contractor or its Approved Affiliates shall be entitled to pursue whatever remedies, it deems necessary to recover damages and costs associated with the delivery of Unpermitted Waste to the Approved Facility(ies).

If the Contractor or the Approved Affiliates at Approved Facility(ies) and/or Alternate Facility(ies) identify Unpermitted Waste delivered to any of the Approved Facility(ies) or Alternate Facility(ies) by a Franchised Collector, the Approved Facility or its Alternate Facility shall notify the Franchised Collector and log the event in accordance with the Facility's load check program. The Approved Facility or Alternate Facility receiving the Unpermitted Waste may require the Franchised Hauler, or Transfer Facility that delivered the identified Unpermitted Waste, to the

extent feasible, appropriate, and legal to do so, to retain the Unpermitted Waste and manage the disposal of such waste, and/or remedy any damages that may have resulted from the delivery of Unpermitted Waste. In no event shall the Authority be required to bear the cost of the proper handling or remediation of Unpermitted Wastes that are delivered to the Approved Facilities.

In the event that the Franchised Collector(s) repeatedly delivers Unpermitted Waste, the Contractor and/or its Approved Affiliates may request to meet and confer with the applicable Franchised Collector and/or the Authority to discuss the issue and identify a mutually agreeable plan and corresponding obligation for the Franchised Collector to improve identification of Unpermitted Waste at the point of Collection and reduce delivery of Unpermitted Waste to the Approved Facility(ies).

4.6 Approved Facility and HHW Facility Days and Hours of Operation

4.6.1 Facilities Hours of Operation

Contractor will coordinate the hours of operation of the Approved Facilities to receive Solid Waste, Organic Material, C&D Material, and Recyclable Material from the Franchised Hauler from the Authority service area.

4.6.2 Approved HHW Facility Hours of Operation

The Approved HHW Facility hours of operation are determined by mutual consent by the Authority's Board of Directors and the Contractor and may be modified, by mutual consent, at any time during this Agreement, following sixty (60) days advanced notification and adjustment of Rates to reflect the cost of increased days and hours of service. The Authority Board of Directors has the right to reduce the future hours of HHW operations for cost control measures. The Contractor will not unreasonably withhold consent for such cost control measures.

4.7 Equipment and Supplies

Contractor shall provide all rolling stock, stationary equipment, material storage containers, spare parts, maintenance supplies, and other consumables as appropriate and necessary to operate the Approved Processing Facilities and Landfill. Contractor shall place the equipment in the charge of competent operators. Contractor shall repair and maintain all equipment at its own cost and expense.

4.8 Traffic Control and Direction

Contractor shall construct and maintain all areas on Contractor's property that are required to Transport Authority's Solid Waste, Recyclable Materials, and Organic Materials from the scale house at each of the Approved Processing Facilities to the point of

unloading at each of the Approved Processing Facilities. Contractor shall direct on-site traffic to appropriate unloading areas and provide a safe working environment for all of the Approved Processing Facilities and Landfill users, visitors, and employees. Contractor shall provide necessary signs and personnel to assist drivers to proper unloading areas. Contractor shall maintain all signs at all of the Approved Processing Facilities and Landfill in a clean and readable condition. The Contractor shall provide and maintain signs for the convenience of vehicles using the Approved Processing Facilities and Landfill to facilitate safe and efficient traffic flow.

4.9 Scale Operation

4.9.1 Weighing Standards and Procedures

Contractor shall weigh and record inbound weights of all vehicles delivering materials to the Approved Facilities and Alternate Facilities when the vehicles arrive and weigh and record outbound weights when the vehicles leave for vehicles for which Contractor does not maintain tare weight information. Upon request, Contractor shall provide each driver a receipt showing the date, time, origin, quantity (i.e. tons or yards), and material type that the vehicle delivered to the Approved Facility or Alternate Facility.

4.9.2 Maintenance and Operation

The Approved Facilities and Alternative Facilities shall maintain and utilize at least one (1) State-certified motor vehicle scales at each location in accordance with Applicable Law. Approved Facilities and Alternative Facilities shall provide documentary evidence of such certification within thirty (30) days of Authority's request. Approved Facilities and Alternative Facilities shall track all incoming material from route vehicles by jurisdictions of origin. Outgoing materials may be allocated at the end of the reporting period by destination and jurisdiction of origin. Contractor and/or its Affiliates shall operate those scales during the Approved Processing Facility receiving hours.

4.9.3 Vehicle Tare Weights

The Approved Facility(ies) and Alternate Facility(ies) shall weigh all vehicles associated with Contractor's performance under this Agreement in accordance with Applicable Law. The manner of weighing vehicles will either be using established tare weights (empty) that will be entered into the Approved Facility(ies) and Alternate Facility(ies) scale system(s) or by weighing each vehicle in (loaded) and out (empty) during each transaction (inbound and outbound). If the use of established tare weights are used for weighing purposes, upon request, the Contractor or Approved Facility(ies) and Alternate Facility(ies) shall provide the

Authority with established and stored tare weights used by the Approved Facility(ies) and Alternate Facility(ies) that includes recorded tare weights, hauler name, vehicle type, and vehicle identification for each vehicle weighed utilizing a tare weight in the last 12-month period.

Each Approved Facility and/or Alternate Facility may update tare weights at any time as needed. This provision shall apply to all vehicles used to deliver materials under this Agreement to the Approved Facility(ies) and Alternate Facility(ies). Authority may request re-determination of tare weights, which shall not be unreasonably withheld, annually, or more frequently if documented evidence of incorrect tare weights is presented to the Contractor. In such case, Contractor shall promptly re-determine tare weights for requested vehicles and update scale records at the Approved Facility(ies) and Alternate Facility(ies), as applicable. Contractor and its Affiliates shall provide the Authority a report listing vehicle tare weights for all vehicles delivering materials related to and/or providing services under this Agreement within ten (10) Working Days of Authority request.

4.9.4 Substitute Scales

If any facility scale is inoperable, being tested, or otherwise unavailable, Contractor shall use Reasonable Business Efforts to such that Approved Facilities weigh vehicles on the remaining operating scale. To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Contractor shall require that an Approved Facility substitute portable scales where feasible, utilize manual weight tickets, or develop a mutually agreeable alternative weighing methodology to weigh loads until the permanent scales are replaced or repaired, subject to the Uncontrollable Circumstances provisions of this Agreement. Contractor shall arrange for any inoperable scale to be repaired within a reasonably foreseeable timeframe and, in any event, within five (5) Working Days of the failure of the permanent scale.

4.9.5 Estimates

Pending substitution of portable scales or during power outages at any Approved Processing Facility or the Landfill, Contractor shall estimate the Tonnage of the material delivered to the Approved Processing Facility by utilizing the arithmetic average of each vehicle's recorded Tons of the subject material delivered on its preceding three (3) deliveries, on the same day of the week, to the respective facility.

All information required by Section 4.9.7 shall continue to be recorded for each delivery to the Landfill or the Approved Processing Facilities during any period the scales are out of service.

4.9.6 Testing

The Approved Facility(ies) and Alternative Facility(ies) where Authority materials are delivered shall test and calibrate all scales in accordance with Applicable Law or after completion of major repairs on the scales.

4.9.7 Scale Records

Contractor and/or its Affiliates shall maintain or be able to access scale information for the Approved Facility(ies) and Alternate Facility(ies) and provide information regarding each transaction that includes, at a minimum, date of receipt, inbound time, inbound and outbound weight of each vehicle or the inbound weight of each vehicle net of the tare weight, vehicle identification, origin of materials, type of material, hauler identification, and destination for all material flow received or sent outbound related to services provided under this Agreement. To the extent the Franchised Collector collects material from multiple jurisdictions of origin on a single route and that information is provided to the Contractor, the Contractor shall either incorporate such allocations into the scale system or shall apply a calculation at the end of each reporting period, in accordance with Exhibit C. Approved Facility(ies) and Alternate Facility(ies) shall also provide total inbound flows at Approved Facility(ies) and Alternate Facility(ies) by jurisdiction of origin and material type to the extent necessary for Authority to determine proportioning of costs, Change in Law calculations, determining diversion and residue rates, or other necessary reporting purposes related to this Agreement and under Applicable Law.

For the purposes of recording material origins delivered at the Approved Landfill and /or Alternate Landfill from the Approved Transfer Facility and/or Alternate Transfer Facility, the origin of waste received at the Landfill will be set as the location of the delivery to the transfer station. Any subsequent allocation of origins regarding materials delivered to the Approved Landfill and/or the Alternate Landfill for Disposal shall be proportionately allocated by origin as follows:

1. For materials received at the Approved Transfer Facility and/or Alternate Transfer Facility intended for direct transfer to the Approved Landfill and/or the Alternate Landfill for Disposal, the Contractor will allocate the origin of materials Disposed based on the inbound origin flow and applied to outbound loads leaving the Approved Transfer Facility and/or the Alternate Transfer Facility for each calendar month and reported to the Approved Landfill and/or the Alternate Landfill for Disposal.
2. For residual generated during Processing at each of the Approved Processing Facilities and the corresponding Alternate Processing

Facilities, the Contractor shall allocate the origin of Residue delivered to the Approved Disposal Facility and/or Alternate Disposal Facility based on the inbound origin of flow to each corresponding Approved Processing Facility and Alternate Processing Facility by material type and residual generated from each Approved Processing Facility and Alternate Processing Facility for each calendar month and reported to the Approved Landfill and/or the Alternate Landfill for Disposal.

Contractor acknowledges that the weights recorded in Approved or Alternate Facility scale system(s) or reports form the basis for Contractor's compensation under this Agreement, and therefore scale records pertaining to Authority materials related to this Agreement shall be subject to full disclosure to the Authority. Records provided to the Authority may include summaries and compilations from detailed scale records as needed to assist in the review and verification of compensation related documents, as reasonably determined by the Authority. Summaries and tables/breakdowns will provide information to match billing associated with Authority tonnage. Within ten (10) Working Days of a written request by Authority, Contractor shall provide the Authority with complete scale records for a specific time period pertaining to all services provided under this Agreement.

Notwithstanding Section 8.14 of this Agreement, and except as otherwise provided above, the Authority agrees that scale records of Contractor and its Approved Affiliates for Approved Facilities and Alternate Facilities, and any scale information related to non-Authority related material flow or records are designated and shall be kept confidential or shall be redacted from public reporting. Customer information and pricing information regarding material flows at Approved Facility(ies) and Alternate Facility(ies) that are not related to the services provided under this Agreement are not subject to the reporting requirements contained in this Agreement.

4.10 Alternate and Other Facilities

Contractor is provided discretion to use the alternate facilities listed in Exhibit J in lieu of the primary facilities. Contractor shall provide service through these alternate facilities at no additional cost to Authority and the Contractor shall be solely responsible for the alternate processing facility(ies) and/or Landfill compliance with this Agreement.

If Contractor's alternate facilities are unavailable or do not have adequate capacity to accept Authority's material timely, then Contractor shall identify other facilities with adequate capacity and provide notice to Authority. Authority may object to Contractor's use of other alternate facilities not identified in Exhibit J only if Contractor's proposed use of such other alternate facilities would violate Applicable Law. Contractor shall provide

service through these other facilities at no additional cost to Authority and the Contractor shall be solely responsible for the other processing facility(ies) and/or landfill compliance with this Agreement. If Authority objects to Contractor's first choice of another processing facility or landfill than those listed in Exhibit J based on specific objections that use of the other facility may violate Applicable Law, Contractor shall have ten (10) Working Days to arrange for processing at different facilities. If Contractor utilizes facilities objected to by the Authority pursuant to the requirements of this section, Authority may proceed pursuant to the provisions of Article 7.

If Contractor does not receive the materials at the primary or alternate facilities listed in Exhibit J due to Uncontrollable Circumstances, Contractor shall, to the extent it is legally able to do so in accordance with Applicable Law, use other similarly capable facilities owned by it or an Affiliate listed in Exhibit J at no additional cost to Authority. If Contractor is unable to provide service through other facilities owned by it or an Affiliate as a result of Uncontrollable Circumstances and such condition persists for a period of five (5) or more Working Days, Contractor shall have ten (10) Working Days to arrange for use of other facilities. Authority shall only object to Contractor's use of other facilities if Contractor's proposed use of such facilities may violate Applicable Law. If Contractor utilizes any other facility objected to by the Authority pursuant to this section, Authority may proceed pursuant to the provisions of Article 7.

4.11 Billing of Franchised Collectors

On a monthly basis or more frequently, Contractor shall digitally invoice or otherwise charge the Franchised Collectors in amounts equal to the Rate multiplied by Tons of the Authority's Solid Waste, Organic Materials, C&D Materials, and Recyclable Materials delivered by Franchised Collectors to the Landfill and Approved Processing Facilities during the previous month. The Authority shall have no obligation to provide compensation or make payments of any type to the Franchised Collectors authorized to transport Authority material to Contractor pursuant to this Agreement.

4.12 Reporting

4.12.1 General

Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

1. Determine and set rates and evaluate the financial efficacy of operations;
2. Evaluate past and expected progress towards achieving goals and objectives;
3. Determine needs for adjustment to programs;

4. Evaluate services;
5. Provide information needed by the Authority for the purpose of determining compliance with and fulfilling its State reporting requirements pursuant to AB 341, AB 1826, SB 1383, SB 54 and all Applicable Law; and
6. Provide concise and comprehensive operational information, Tonnage, sector, and program information and metrics for use in fulfilling reporting requirements under Applicable Law.

4.12.2 Quarterly and Annual Reports

The Contractor shall submit Quarterly and Annual Reports in the timeline described in Exhibit C. Quarterly and Annual Reports shall include at a minimum, all data and information described in Exhibit C, unless otherwise specified under this Agreement.

The Contractor shall submit reports in a spreadsheet format. The Contractor shall submit all reports to the Executive Director electronically via e-mail using software acceptable to the Authority. Said report shall include an executed cover letter on Contractor's letterhead, stating the information provided therein is complete and accurate information regarding the Services rendered.

The report format for the Quarterly and Annual Reports shall initially follow the template included in Exhibit C. The Authority and Contractor may meet and confer from time to time during the Term to review and change the Contractor's report format. Changes to the template must be mutually agreed upon, however neither party may unreasonably deny requested changes. Changes to the template must be documented in an email or letter with signatures, and a copy of the new template attached, to be stored by both parties.

4.12.3 Enforcement Action Reports

Contractor shall provide a copy of any Enforcement Action(s) received at any of the Approved Facility(ies) or Approved Alternate Facility(ies) from regulatory agencies within three (3) Working Days. The Contractor shall provide a narrative description of the steps to be taken to remedy the Actions and the associated timeline(s). "Enforcement Actions(s)" as used in this section means a regulatory agency administrative enforcement action or judicial action brought by a regulatory agency against a Primary or Alternative Facility that alleges material permit violations and (1) could adversely affect Contractor's ability to perform its obligations pursuant to this Agreement, (2) seeks the suspension or revocation of the operating permit of a Primary or Alternate Facility, or (3) could, in Contractor's

reasonable judgment, result in press inquiries, media coverage, or similar exposure. "Enforcement Actions" shall not include post inspection regulatory agency notices of violation or Areas of Concern or Notices of Violations listed in periodic inspection reports or regulatory agencies.

Contractor shall provide a copy of the notification from the enforcement agency to Contractor indicating that the Enforcement Action is resolved or dismissed.

4.12.4 Rate Setting Reports

In accordance with Section 5, Contractor Compensation, Contractor shall submit to Authority all data required to determine rate changes no later than September 1 annually, Contractor will facilitate the collection of updated service level metrics (can count) from affiliated Franchised Collectors and provide the updated service level metrics (can count) no later than October 1 annually. The Authority may collect updated service level metrics (can count) from non-affiliated Franchised Collectors.

4.12.5 Financial Records

The Parties agree that due to the nature of the Services provided by Contractor, Authority may from time to time request additional financial information that Contractor may not otherwise produce pursuant to the specific reporting related obligations prescribed herein. If Authority requires additional financial information due to changes in Applicable Law or other reasons, the Parties will meet and confer to discuss the need for said request, and Contractor will have the sole discretion to provide the requested information to meet the Authority's needs or agree on providing alternative information for said purpose.

4.12.6 Compliance Reports

Contractor shall provide to Authority data necessary for compliance reporting for CalRecycle Form 303 and Department of Toxic Substance Control (DTSC) annual report for Electronic Wastes. Contractor shall facilitate providing Affiliate generated compliance data for CalRecycle Electronic annual reports. Reports shall be submitted within ten (10) Working Days of Authority request, unless otherwise stated in the request. To the extent the Contractor is unclear about the nature, content, or format of the Authority's request, or requires additional time to provide the requested data, the Contractor shall notify the Authority within five (5) Working Days of the Authority's request and the Parties shall meet and confer to determine a reasonable extension for Contractor to submit the requested data if necessary.

4.12.7 CERCLA Reporting

The Authority's ability to defend itself against CERCLA, and related litigation as a matter of great importance and requires this Agreement provide the Authority with Transfer and Disposal records that sufficiently prove where collected franchised Solid Waste is taken for Transfer or Disposal. The Contractor shall maintain records that can establish the Disposal location of collected franchised Solid Waste. This provision shall survive the expiration or earlier termination of this Agreement. The Contractor shall maintain these records for a minimum of ten (10) years beyond expiration or earlier termination of the Agreement. The Contractor shall provide these records to the Authority (upon request or at the end of the record retention period) in an organized and indexed manner rather than destroying or disposing of them.

4.12.8 Other Information Requirements

Contractor agrees to conduct data collection and other reporting activities as needed to comply with Federal, State, and local laws and regulations, and the requirements of this Agreement. To the extent such requirements are set out in this and other Articles of this Agreement, they shall not be considered limiting or necessarily complete.

4.13 Change in Applicable Law Affecting Rates

In the event of a Change in Law or a new judicial interpretation of Applicable Law, including, but not limited to, Articles XIII C and D of the California Constitution by which a court of competent jurisdiction sets aside, invalidates, or stays any portion of the Rates approved by Authority in accordance with this Agreement, the Parties desire to establish a process by which services may be provided under alternative or revised rate structures, as follows. Contractor agrees to meet and confer with Authority to discuss the impact of such Change in Law on either Party's ability to perform under this Agreement. Contractor agrees to continue to perform the Services on an interim basis as otherwise set forth herein, and Authority and/or Contractor may take such other and/or urgency actions necessary to facilitate Contractor's continuation of Services, while the Parties meet and confer to discuss the impact of such change. In no event shall the interim period during which Contractor agrees to continue to perform the Services last longer than ninety (90) days.

Nothing herein is intended to imply that California Constitution Articles XIII(C) or (D) apply to the Rates established for Services provided under this Agreement. The foregoing paragraphs are merely intended as a contractual allocation of risks between the Parties.

This Section shall survive the expiration or earlier termination of this Agreement and shall not be construed as a waiver of rights by Authority to contribution or indemnity from third parties.

This provision is intended to be consistent with and limited by California Public Resources Code Section 40059.2.

4.14 Closure and Post-Closure of Landfill

The Landfill Primary Facility shall safely operate, maintain, and manage (including fulfillment of State funding requirements) the Landfill in compliance with Applicable Law not only during the Term but also thereafter until and during the Landfill Closure and Post-Closure period(s). Landfill is solely responsible, operationally and financially, for: (i) The appropriate Closure and Post-Closure activities of the Landfill; and, (ii) The establishment and funding of any reserve funds required by Applicable Law for the purposes of providing funds for the payment of costs of Closure of the Landfill (or any cell within the Landfill) or Post-Closure activities relating to the Landfill.

Contractor shall not hold the Authority or Franchise Agencies responsible for paying any deficiencies in required reserves. In addition, Contractor shall not hold the Authority or Franchise Agencies responsible for making any payments if actual Closure and Post-Closure costs relating to the Landfill exceed the amounts reserved by the Contractor for that purpose. This obligation survives expiration or termination of this Agreement.

4.15 Right to Enter Facility and Observe Operations

The Authority Contract Manager may request to enter, observe, and inspect any facilities listed in Exhibit J used by Contractor during normal hours of operations. Upon Authority Contract Manager's request, Contractor shall reasonably make personnel available to accompany the Authority Contract Manager on inspections. Contractor shall ensure that its employees cooperate with the Authority and respond to the Authority's reasonable inquiries to visit its facilities. Contractor shall facilitate similar observation and inspection at facilities listed in Exhibit J owned by it or an Affiliate upon Authority request and within ten (10) Working Days of receiving such request.

4.16 Provision of Emergency Services

Subject to Permit restrictions, Contractor shall provide emergency services, that are within the Scope of this Agreement, as set forth in this Section, at the Authority's request in the event of major accidents, disruptions, or natural calamities. Contractor shall provide emergency services within twenty-four hours (24) of Authority oral notice followed by Notice or as soon thereafter as is reasonably practical in light of the circumstances. Emergency services that exceed the Contractor's obligations under this Agreement include extending facility receiving hours and increasing the types and quantities of permitted materials accepted at any of the facilities listed in Exhibit J, if applicable.

Contractor and Authority shall meet and confer regarding what Direct Costs and reasonable profit are for emergency services work that are within the scope of this

Agreement. Contractor may also request reimbursement of any indirect costs which Contractor can demonstrate, to the satisfaction of the Authority, are: i) directly required for or beneficial to the provision of emergency services; and/or, ii) otherwise allowable and expected as reimbursement from an emergency management agency including, but not limited to, the Federal Emergency Management Agency. The Authority shall not unreasonably withhold consent to reimbursement of such indirect costs. Contractor shall document all such costs in an invoice to the Authority.

The Authority shall consider and conduct all necessary investigations to assure the appropriateness of the costs and shall endeavor to do so in as prompt a fashion as is accommodated by the conditions. Contractor shall cooperate fully with Authority's review, providing any documents the Authority Contract Manager and Contractor deem necessary in the review. Once Authority is satisfied that all charges are reasonable and appropriate, Authority shall pay Contractor the approved amount within thirty (30) Working Days.

4.17 Service Standards

Contractor shall perform Services in accordance with Applicable Laws and regulations, Standard Industry Practice, due diligence and specification, and other requirements of this Agreement.

4.18 [DELETED]

4.19 Annual Review Meeting

At least once annually during the Term or more often as mutually agreed upon by the Parties, generally during April or May, the Authority and Contractor shall meet to review the reports submitted pursuant to this Agreement during the previous year. At minimum, the Contractor's executive management personnel responsible for administering this Agreement shall attend said meeting(s). Should the Authority or Contractor find the time allotted for the annual meeting to be insufficient to address concerns, the parties will continue meeting until such concerns are resolved to the satisfaction of both Parties.

The purpose of these meetings will be to review all information provided to the Authority in the reports submitted pursuant to the Agreement, including, but not limited to, all reports required by Section 4.12 of this Agreement and to address any identified data shortcomings or discrepancies. The templates used for the Quarterly and Annual Reports may be updated during the annual review, as mutually agreed by both parties.

Should the Authority wish to review supporting data (e.g., scale tickets, tare weights), during a particular review meeting, the Authority shall notify the Contractor of its intent to review specific data at least two (2) weeks prior to the scheduled meeting date and request said data be provided timely to facilitate the schedule discussion. The Contractor shall make available the supporting data for review prior to the scheduled meeting.

4.20 Authority Directed Change in Scope

1. **Types of Changes**. Authority may, by written notice, request Contractor to perform additional services or modify existing services. For example, and without limitation, the Authority may request the following:
 - a. Processing of materials originally defined as Solid Waste or generated as Processing Residue, but during the Term can, in the reasonable opinion of the Authority, be economically Recycled, composted or Diverted from Disposal;
 - b. Inclusion of new Diversion programs, including but not limited to Extended Producer Responsibility Programs that impact Contractor or the Franchised Collectors;
 - c. Elimination of programs;
 - d. Modification of existing Services;
 - e. Performance of pilot programs;
 - f. Implementation of innovative services, which may entail new Processing methods;
 - g. Transportation of materials to an alternative processing facility;
 - h. Capital requirements related to an extension of the initial Term of the Agreement as defined in Section 2.2; and,
 - i. Implementation of one or more programs to support the waste reduction, climate action or related goals of Authority and its Member Agency's plans, programs, and reporting requirements of Applicable Law.
2. **Procedure for Making Changes in Scope**. Contractor shall present, within ninety (90) Days of the Authority's written request, a written proposal to perform additional services or modify existing services. Contractor shall not be compensated for the proposal preparation costs or costs incurred during the negotiation of its proposal for the change in scope of such services. At a minimum, the proposal shall contain a complete description of the following:
 - a. Processing methodology;
 - b. Proposed equipment;

- c. Labor requirements;
- d. Description of targeted materials;
- e. Recommended public education/marketing/messaging;
- f. Financial proforma - Five-year projection of the financial results of the program's operations in a balance sheet and operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions, giving full effect to the savings or costs to existing services; and,
- g. Implementation schedule.

The Authority shall review the Contractor's proposal for the change in scope of services. The Authority may negotiate with the Contractor and agree with Contractor to amend the Agreement to reflect the change in scope, or the Authority may choose not to agree to the terms of the Contractor's proposal, in which case the Agreement shall not be amended.

3. **Adjustment to Contractor's Compensation**. If the Authority directs a change in scope, Contractor may be entitled to an adjustment in its compensation in accordance with Section 5. Contractor shall not be compensated for the proposal preparation costs or costs incurred during the negotiation of its proposal for the change in scope of such services.
4. **Implementation of New Services**. The Contractor's implementation of the new services, or modification to existing service, shall occur in a timely, smooth, and seamless manner to ensure no disruption in services. Contractor shall be responsible for managing the implementation of new or modified services or change in the Designated Transfer Station, Primary Recyclable Materials Processing Facility, or Primary Composting Facility and other related services and shall do so in accordance with an implementation plan that has been approved by the Authority.
5. **Monitoring and Evaluation of Changes in Scope**. At the Authority's request, the Contractor shall meet with the Authority to describe the progress of implementing the change in scope. If applicable, the Contractor shall document the results of the new or modified services on a monthly basis, including, at a minimum, the Tonnage Diverted by material type, the end use or secondary and tertiary processing of the Diverted materials, the cost per Ton for Transporting and Processing each type of material, and other such information requested by the Authority that is

necessary to evaluate the performance of each program change.

At each status meeting, the Authority and Contractor shall have the opportunity to revise the program or services based on mutually agreed upon terms in accordance with provisions of this Section. The Authority shall have the right to terminate a program if, in its sole discretion, the Contractor is not cost effectively achieving the program's goals and objectives. Before such termination, the Authority shall meet and confer with the Contractor for a period not to exceed ninety (90) Days to resolve the Authority's concerns. Thereafter, the Authority may utilize a third party to perform these services if the Authority reasonably believes the third party can improve on Contractor's performance and/or cost.

Notwithstanding these changes, Contractor shall continue the program during the meet and confer period and, thereafter, until the third party takes over the program.

ARTICLE 5 CONTRACTOR COMPENSATION

5.1 General

The Contractor shall perform the Services and be solely responsible for all costs associated with performance of its obligations, responsibilities, and duties under this Agreement. In consideration of its performance of these duties, the Contractor shall charge and collect the post-collection rate for the Services provided under this Agreement by invoicing the Franchised Collectors or any Member Agency that provides collection service. This shall be the Contractor's only compensation allowed under this Agreement. Pursuant to Contractor's adherence to the annual compensation adjustment process described below, Contractor shall be entitled to an adjustment of the Rate annually for the Term.

5.2 Compensation

The Contractor's compensation shall be a blended per-Ton Rate (Rate) that is charged to the Franchised Collectors on all Tons of material regardless of type, delivered by the Franchised Collectors to Contractor. The Rate that includes the compensation paid to Contractor pursuant to this Agreement will consist of the sum of the "Material Specific," "HHW," "Government Fees" and "Authority" components described in 5.2.1 below. The revenue requirement for the Rate shall be divided by the actual Tonnage of Solid Waste, Recyclable Materials, C&D Materials, Organic Materials, and Dry Materials received by Contractor from the Franchise Agencies' Franchised Collector in the most recently completed August 1 to July 31 twelve-month period.

5.2.1 Components of the Rate

The components of the blended per-Ton Rate are as follows:

1. **Material Specific Component.** The Material Specific component of the Rate shall consist of fixed and variable amounts for the Term, as described below. The Rate shall be fixed at specific dollar amounts for the initial three (3) years of the Term, thereafter the Rate may be adjusted annually for the remainder of the Term based on the performance of the CPI. Table 1 in Exhibit K provides the rate adjustment schedule and method (i.e., fixed or variable).

The methodology to determine the variable Material Specific component of the Rate during Rate Years 4 through 15 of the Term is provided in Section 5.3 below. The Material Specific component for Rate Year 1 will be \$158.41.

2. **HHW Component.** The “HHW” component of the Rate shall be based on Contractor’s estimated proposed cost of HHW service for the following year. The methodology to determine the HHW component of the Rate during the Term is provided in Section 5.3.2.B below. The HHW component for Rate Year 1 will be \$13.78.
3. **Government Fees Component.** The “Governmental Fees” component of the rate shall be treated as a pass-through expense. The Governmental Fee component of the Rate shall be based on the Governmental Fees in place on the Effective Date and are listed in Exhibit L. The Governmental Fees component for Rate Year 1 will be \$11.07.
4. **Authority Component.** The “Authority” component of the Rate shall be based on the Authority’s approved annual budget. The Authority component for Rate Year 1 will be \$12.72.

5.3 Annual Adjustments to the Rate

The Rates for Rate Year 1 are provided in Section 5.2 above and Contractor shall invoice the Franchised Collectors said Rates commencing with the Services provided on the Effective Date. The Authority Board of Directors shall make all required adjustments to the Rates during the Term in accordance with the rate adjustment methodology described below and the examples included in Exhibit K.

The Parties agree that Contractor will calculate and submit its annual adjustments to each applicable component of the Rate in accordance with the methodology set forth

below. Contractor will submit to Authority a Rate Adjustment Application annually, and include its calculated adjustment(s) to the Material Specific, HHW and Governmental Fees components. The Authority will endeavor to approve its annual operating budget by July 1 each year, and the approved budget will include the Authority component of the Rate.

5.3.1 Contractor Rate Adjustment Application

Contractor shall submit its Rate Adjustment Application to Authority by September 1 each year of the Term for the subsequent Rate Year. The Application will include Contractor's proposed adjustment to the Material Specific, HHW and Governmental Fees components of the Rate. The Contractor will request current service level metrics (can counts) from the Franchised Collectors that are Affiliates, and the current tonnage by jurisdiction from the Franchised Collectors. The Application shall be submitted in a format approved by the Authority Contract Manager and include all required source files (i.e., Excel workbooks). Contractor's Application will document all calculations and assumptions applied, and include all supporting schedules, documentation of changes to Governmental Fees, and any other documentation or evidence determined by the Authority Contract Manager to be reasonably necessary to ensure that the calculation of the proposed Rate adjustment(s) has been performed in strict conformance to the requirements prescribed herein.

Authority Contract Manager shall endeavor to obtain said approval no later than December 1 each year. If the adjustment to Rates for any year is not approved by Authority by December 1 due to a delay caused solely by the Authority, the Authority and Contractor shall meet and confer to consider next steps and Authority will subsequently allow the Contractor to retroactively bill customers for the amount of the proposed adjustment to the Rate for any period of said delay. If the adjustment to Rates for any year is not approved by Authority by December 1 due to a delay caused solely by Contractor (e.g., Contractor's delay in submitting its application to Authority timely), the Authority and Contractor shall meet and confer to consider next steps and Contractor acknowledges absent of an agreeable outcome from said meeting(s) with Authority, Contractor shall ensure the existing Rate(s) remain in effect until a Rate adjustment is approved by Authority. In the event Contractor exhausts all reasonable efforts to obtain the service level metrics (can counts) from the Affiliate Franchised Collector and is unable to collect said metrics, the Parties shall meet and confer to consider next steps. This shall not be considered a delay solely caused by Contractor.

5.3.2 Adjustment to Components of the Rate

1. **Material Specific Component.** Contractor shall include in its Application

the adjustment to the Material Specific component of the Rate. Contractor's Material Specific component is established for the initial three (3) years of the Term as delineated in Table 1 in Exhibit K. Commencing with Rate Year 4, Contractor shall be entitled to request an adjustment to the Material Specific component in alignment with the allowable increase percentages prescribed in Table 1 in Exhibit K, with the exception of the one-time compensation increase for Rate Year 7, described below.

The Material Specific component of the Rate will be adjusted annually beginning on January 1, 2029 (Rate Year 4) based on one hundred percent (100%) of the year over year change in CPI for the prior twelve-month period of August 1 through July 31, rounded to the nearest hundredth of a percent, and subject to the allowable percent increases delineated in Table 1 in Exhibit K. Therefore, the first CPI related Rate adjustment, effective January 1, 2029, will be based on the percentage change in the CPI for the average value from August 1, 2028, through July 31, 2029, compared to the average CPI value from August 1, 2027, through July 31, 2028. Table 2 in Exhibit K provides an example of calculating the year-over-year percentage change in the CPI.

For 2032 (Rate Year 7), Contractor shall be entitled to a one-time compensation adjustment providing the amount of revenue associated with the CPI performance exceeding the allowable percent increase of the previous three (3) years (i.e., Rate Years 4 through 6). This one-time compensation adjustment shall be included in the Rate for Rate Year 7 only, unless an alternative arrangement to defer this compensation or portions of this compensation to subsequent years is agreed to in writing by the Parties. The calculation of the Rate for Rate Year 8 will be based on the originally calculated Rate for Rate Year 7 that was not subject to the one-time compensation adjustment applied to Rate Year 7. Table 3 in Exhibit K provides an example that uses the calculated CPI to make the annual Rate adjustment in alignment with the allowable percent increases and applying the annual CPI rollover described above. Table 4 in Exhibit K provides an example of the calculation to adjust Contractor's compensation to provide the one-time compensation adjustment for Rate Year 7 described above.

2. **HHW Component.** The Contractor and the Authority Contract Manager shall jointly prepare and draft a HHW Services budget for approval by the Authority Board of Directors. The initial draft budget prepared by Contractor will be submitted no later than September 1 for the next Rate Year's budget. The Authority and Contractor will meet and confer to

modify the budget, and the Authority Board of Directors will have sole discretion regarding the final budget and approval of said budget. Modifications may include but are not limited to requesting either an increase in service levels or a reduction or elimination of HHW services to reduce costs. Once approved, this budget and associated rate calculation shall be used as the HHW component for the coming year. Determination of the HHW Services budget, the annual cost reconciliation, and allowable costs are described in Exhibit D.

3. **Government Fees Component.** The revenue requirement for the Government Fees component will include adjusting any Governmental Fees which have changed in the prior year and updating the actual annual Tonnage values from the prior twelve (12) months that are used to calculate the sum of the Governmental Fees component.

When preparing its Application, Contractor shall include a table, consistent with the table of Governmental Fees presented in Exhibit L identifying the amount of each current, actual fee, the revised Tons for the fee using the prior twelve (12) months Tonnage, and the revised projected annual fee amount.

In the event that there is a change in any existing Governmental Fee or creation of any new Governmental Fee impacting the services provided under this Agreement, such change shall be considered a Change in Law with an adjustment made to the per Ton Rate to account for the new or increased Governmental Fee.

4. **Authority Component.** The “Authority” component will be established by Authority by September 1 each Calendar Year beginning in Rate Year 1 (2026) for the Rate Year 2 (2027) Rate. Authority will annually establish a budget for its operations and provide notice to Contractor of the Authority component for the subsequent Rate Year. Once approved by the Authority Board of Directors, this budget shall serve as the revenue requirement for the Authority component of the Rate.

5.3.3 Calculation of the Adjusted Rate

The adjusted components of the Rate, as described in Sections 5.3.3, shall be added together to determine the Rate for the following Rate Year. Using the example for the Rate Year 1 (2026) components delineated in Section 5.2.2, the Rate for Rate Year 1 is calculated below, and this process shall be adhered to in subsequent Rate Years.

1. Material Specific component; plus,
2. HHW component; plus,
3. Governmental Fee component; plus
4. Authority component; equals
5. Revised Rate = The total of 1 to 4 above will determine the new Rate per Ton.

5.4 Establishment of Post-Collection Rate

Pursuant to section 4.11, Contractor is obligated to bill the Franchised Collectors the established Rate. Based on the revised Rate, the Authority shall annually establish the post-collection rate (dollar amount for each service level for each Sector).

5.5 Other Adjustments to Compensation

In addition to and separate from the adjustments set forth in section 5.3, Contractor shall be entitled to an adjustment of the Rates as a result of:

1. **Change in Law.** Contractor shall be entitled to an adjustment of the Rates as a result of a Change in Law, where applicable:
 - a. **Governmental Fees and Charges.** For a Change in Law that enacts or increases a governmental fee or charge levied on a per ton basis affecting Contractor's disposition of Waste or Recyclable Materials or Organic Materials, such fees and charges shall be a pass through and included in the Rate.
 - b. **Change in Law Affecting Contractor's Agreement Obligations.** For a Change in Law that affects Contractor's performance of Services required pursuant to this Agreement, Contractor shall be entitled to an equitable adjustment of the Rate as a result of the Change in Law. Upon Contractor providing written notice to the Authority that a Change in Law has affected Contractor's performance of Services, Authority and Contractor shall meet and confer to determine the impacts of the Change in Law on Contractor's performance of Services and costs associated with performance of the Services, in order to determine the amount of adjustment to the Rate.

2. **Authority-requested changes in the scope of Services provided by the Contractor.** In the event of any Authority-requested changes in the Contractor's Services provided pursuant to this Agreement, Authority and Contractor shall meet and confer to determine the impacts of the requested change on Contractor's performance of Services and costs associated with performance of the Services, in order to determine the amount of adjustment to the Rate.
3. **Changes in Services Required as a Result of Force Majeure Events.** For a Change in Contractor's performance of Services as a result of an event of Force Majeure, Contractor shall be entitled to an equitable adjustment of the Rate as a result of such event(s). Upon Contractor providing written notice to the Authority that an event of Force Majeure has affected Contractor's performance of Services or the cost of providing the Services, Authority and Contractor shall meet and confer to determine the impacts of the events of Force Majeure on Contractor's performance of Services and costs associated with performance of the Services, in order to determine the amount of adjustment to the Rate.
4. **Changes in Services due to Extended Producer Responsibility Programs.** Authority and Contractor acknowledge that the requirements under existing Extended Producer Responsibility Programs (e.g., SB 54) may be applicable to the Services provided by Contractor, and that additional or amended Extended Producer Responsibility Programs may be established in the future. Notwithstanding the foregoing the Contractor shall be expressly precluded from requesting a compensation adjustment to the extent Contractor is compensated for Processing costs associated with such participation under Extended Producer Responsibility Programs.

5.6 Special Circumstances/Extraordinary Adjustments

Independent of and separate from the adjustments for a Change in Law outlined herein, Authority and Contractor acknowledge that there may be circumstances and events, which, although may not prevent either party from performing, nevertheless increase the cost of providing services above the current Rate. The obligation of the Parties in such event is to act reasonably toward each other in arriving at an appropriate adjustment to the Rate.

Accordingly, at its discretion, Contractor may apply to the Authority for an extraordinary rate adjustment should events or circumstances arise which negatively impact the economic operation of Contractor and which is in excess of the Rate adjustment resulting from an annual adjustment.

In the event of a special circumstances request for an adjustment to Rates, the Contractor shall document its estimate of the incremental change in costs associated with the special circumstance. The Authority may reasonably request additional information from the Contractor if needed complete its review of the application. Items eligible for special circumstance requests shall include, but are not limited to: California State Fuel taxes, fees and excise fees or surcharges, including tariff costs; increases in the costs of Solid Waste, Recyclable Materials, Organic Materials, or C&D Material Processing not incurred as a result of Changes in Law; increases in transportation time and/or costs related to provision of Services provided under the Agreement.

The following items shall not be considered in an application filed under this Section 5.6 the adjustment of the Rate established under this Agreement:

1. Changes in the price of fuel;
2. Decreases in Recycling revenues for any reason;
3. Increases in the costs of Solid Waste, Recyclable Materials, Organic Materials, or C&D Material Processing not incurred as a result of Changes in Law;
4. Increases in transportation time and/or costs related to provision of Services provided under the Agreement if not related to governmental changes to Contractor's use of public roads;
5. Changes in the number of customers due to changes in population or housing/business development or annexations;
6. Changes in customer subscription levels (e.g., as customers subscribe to Recycling and Organics collection Services they may be able to reduce Solid Waste collection, resulting in a potential revenue loss to the Contractor);
7. Changes in the volume or composition of materials;
8. Changes in the Primary or Alternate Processing Facilities used to perform Services, unless those changes to facilities are the direct result of an Authority directed change in scope.

ARTICLE 6 INDEMNITY, INSURANCE, AND PERFORMANCE BOND

6.1 General Defense and Indemnification

Without in any way limiting the more specific provisions below, Contractor and

Subcontractors shall hold harmless, defend and indemnify Authority Parties from and against any and all claims (including challenges to the Authority's legal authority to enter into this Agreement or to contract for the services required under this Agreement, regardless of the legal theory advanced), liability, loss, damage, expense, costs (including, without limitation, litigation costs and fees, including attorneys' and expert witness fees incurred in connection with defending against any of the foregoing or in enforcing this Indemnity) of every nature arising out of or in connection with the Contractor or Subcontractor's performance of work hereunder or its failure to comply with any of their obligations contained in this Agreement. The foregoing shall not apply to the extent any of the above-referenced loss or damage was caused by the active negligence or willful misconduct of the Authority Parties. However, if a final judgment or resolution of any Action allocates Liabilities by determining that any portion of Liability is attributable to a wrongful or active negligent act, error or omission of the Authority, the Authority shall pay those allocated portions of Liabilities and of defense costs in accordance with principles of comparative fault. The Contractor and Subcontractors' various duties to indemnify and defend under this Article and elsewhere in this Agreement shall survive the expiration or earlier termination of this Agreement, unless expressly specified.

In any circumstance in this Agreement where Contractor or a Subcontractor owes the Authority a duty of defense, the Authority reserves the right to retain, at its sole cost and expense, co-counsel, and the Contractor and Subcontractors shall direct Contractor or Subcontractor's counsel, as the case may be, to assist such co-counsel with respect to Authority's defense.

The Contractor shall cause all Subcontractors to execute a Subcontractor Indemnification Agreement in substantially the form attached hereto as Exhibit 6.1 or provide evidence of an indemnity from the Subcontractor that is acceptable to the Authority. Contractor's Affiliate entities and alternate facilities listed in Exhibit J owned or operated by Contractor's Affiliate entities are not Subcontractors of Contractor.

6.2 Hazardous Substance Indemnification

In addition to any other indemnity obligations set forth herein and to the extent allowed by law, Contractor and Subcontractors shall indemnify, defend with counsel acceptable to Authority (provided that such acceptance shall not be unreasonably withheld), and hold harmless Authority Parties from and against any and all claims, damages (including but not limited to special, consequential, natural resources, and punitive damages), injuries, costs (including but not limited to all response, remediation, and removal costs), losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, and expenses (including attorneys' and expert witness' fees incurred in connection with defending against any of the foregoing or in enforcing this Indemnity (collectively, "damages")) of any nature whatsoever paid, incurred, suffered by, or asserted against Authority Parties, arising from or attributable to

any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure, or other plan concerning any Hazardous Substances or Hazardous Waste released, spilled, or disposed of by Contractor pursuant to this Agreement. Notwithstanding the foregoing, however, the Contractor is not required to indemnify the Authority Parties against claims arising from Contractor's Delivery of Franchised Materials to a Processing Facility, Disposal Site, or Transfer Facility owned or operated by a third party, unless such claims are a direct result of Contractor's negligence or willful misconduct. The foregoing Indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA, 42 U.S.C. Section 9607(e), California Health and Safety Code Section 25364, and the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. to defend, protect, hold harmless, and indemnify Authority Parties from liability, and shall survive the expiration or earlier termination of this Agreement.

6.3 Unpermitted Waste

In addition to any other indemnity obligations set forth herein, Contractor and Subcontractors shall defend, indemnify, and hold the Authority Parties harmless against and from any and all claims, suits, losses, penalties, damages, and liability for damages of every name, kind and description, including attorneys' fees and costs incurred, attributable to the negligence or willful misconduct of Contractor in handling Unpermitted Waste. Nothing herein limits the ability of Contractor to seek recovery from persons or entities responsible for the presence of Unpermitted Waste in materials delivered to Contractor pursuant to this Agreement, including without limitation, Member Agencies and Franchising Agencies.

6.4 HHW Services Indemnity and Insurance

In addition to any other indemnity obligations set forth herein, Contractor shall require its HHW services Subcontractor to fully indemnify, defend, and hold harmless both the Authority and Contractor from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with HHW services Subcontractor's performance of activities, operations, and final disposal or recycling associated with the Household Hazardous Waste Facility, except such loss or damage which was caused by the active negligence or willful misconduct of the Authority or Contractor. Furthermore, the Subcontractor shall maintain certificates of insurance for Professional and Pollution Legal Liability naming both the Authority and Contractor as an additional insured, to the extent available, in the minimum amounts of three million dollars (\$3,000,000) per occurrence and five million dollars (\$5,000,000) in the aggregate. In the event that the HHW services Subcontractor is unable to meet the required minimum insurance amounts, then Contractor shall take all reasonable actions to provide an equivalent indemnity of the Authority in the interim, while the Authority and Contractor meet and confer to develop an alternative that

adequately protects the Authority.

6.5 CalRecycle Indemnification

In addition to any other indemnity obligations set forth herein, Contractor and Subcontractors agree to indemnify, defend, and hold harmless Authority Parties from and against any and all fines and/or penalties imposed by CalRecycle or the Local Enforcement Agency (“LEA”), in proportion to their fault, and subject to other restrictions set forth in California Public Resources Code Section 40059.1, if the requirements of AB 939, SB 1016, AB 341, AB 1826, SB 1383 are not met with respect to the Services performed by Contractor or Subcontractors under this Agreement, and such failure is due to the failure of Contractor or a Subcontractor to meet an obligation or obligations under this Agreement or due to Contractor or Subcontractor delays in providing information that prevents the Contractor, a Subcontractor, or the Authority from submitting accurate reports required by CalRecycle in a timely manner. The Contractor and Subcontractors’ duties to indemnify and defend shall survive the expiration or earlier termination of this Agreement.

6.6 Insurance Policies

6.6.1 Types and Amounts; Deductibles and Self-Insured Retentions

As of July 1, 2025, Contractor shall secure and maintain, and cause its Subcontractors to secure and maintain (or alternatively provide that Subcontractors are insureds under Contractor’s policies), in full force and effect the types and amounts of insurance coverage, together with related specified deductibles and endorsements, listed in Exhibit E or required by Applicable Law, whichever is greater, in a form acceptable to Authority.

Regardless of the existence or amount of any deductibles or self-insured retentions that may exist under Contractor’s insurance policies, Contractor shall provide to the Authority the benefits of policy coverages, so that the policy coverage shall apply starting with the first dollar of any covered defense cost or Indemnity obligation.

If any third Person makes a claim against Contractor or any Subcontractors exceeding the amount of any deductibles, self-insured reserves, letters of credit, or bonds guaranteeing payment thereof, Contractor shall promptly Notify the insurer, bond surety or letter of credit provider and Authority thereof.

6.6.2 Required Provisions

1. **Primary.** Policies shall always be primary with respect to the Contractor’s Services and the Authority, the Authority’s Affiliated employees, the Board

of Directors, officers, officials, agents, assigns and volunteers (Authority insureds).

2. **Additional Insureds.** Authority insureds must be included as additional insureds by endorsement under the Comprehensive General, Automobile Liability, Environmental Impairment Liability Policies and any other pollution policies secured by Contractor or by Subcontractors. A copy of the endorsement or evidence of blanket or contractual additional insured status must be submitted with the certificate(s) of insurance.
3. **Excess, Not Contributory.** Insurance coverage written specifically for the Authority must be considered excess and not contributory and any insurance or self-insurance maintained by Authority insureds is in excess of Contractor's insurance and shall not contribute with it.
4. **Separate Application.** All insurance must apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. **No Special Limitations.** Coverage shall contain no special limitations on the scope of protection afforded to Authority insureds, except in cases of fraud perpetrated by the Authority.
6. **Reporting Provisions.** Any failure to comply with reporting provisions of policies shall not affect coverage provided to Authority insureds.
7. **Waiver of Subrogation.** Insurer, including workers compensation and general liability policy insurers, by endorsement must waive all rights of subrogation against Authority insureds for losses arising from performance of Services by Contractor, except for the sole negligence of the Authority.
8. **Insurers.** Contractor shall procure insurance from insurers approved by Authority Risk Manager, an admitted company in California and authorized to do business there, having not less than size category VII and a rating of A or better ("A-VII") by A.M. Best Company, Inc.
9. **Endorsements; Notices to Authority of Cancellation.** Policies must bear endorsements in substantially the form provided in Exhibit E, providing that coverage shall not be suspended, voided, canceled by either Party, reduced in coverage or limits, not renewed, or otherwise changed or modified except after prior written notice by e-mail, to the Authority thirty (30) Days in advance, or if the reason for cancellation is non-payment of premiums, ten (10) Days in advance. Endorsements shall not contain mere "best effort" modifiers or relieve the insurer from its

responsibility to give the Authority notice.

10. **Evidence of Coverage.** As of January 1, 2026, Contractor shall provide certificates of insurance and original endorsements required under this Agreement, signed by an authorized representative of the insurance company and including the signatory's company affiliation and title. Upon Authority's request, Contractor shall provide, or cause to be provided, to the Authority documentation acceptable to the Authority verifying that the individual signing those documents are authorized by the insurer to bind coverage on the insurer's behalf. At that time and thereafter simultaneously with renewal of the policies, Contractor shall file with the Authority a certificate of insurance and endorsements, in form and substance satisfactory to the Authority (including type and amount of coverage, effective dates, and expiration dates) signed or countersigned by an authorized officer of the broker, certifying that the coverage has not lapsed and shall remain in effect at all times during the term of the policy.
11. **Contractor Compliance.** Contractor shall comply with all requirements of policies and the insurers. Carrying insurance shall not relieve Contractor from any obligations under this Agreement. Nothing in this Agreement may be construed as limiting in any way the extent to which the Contractor may be held responsible for payments of damages to Persons or property resulting from Contractor's or any Subcontractors' performance of Services.
12. **Worker's Compensation.** Contractor shall provide workers' compensation coverage as required by State law, and prior to January 1, 2026 pursuant to this Agreement, Contractor shall file the following statement with the Authority:

"I am aware of the provisions of Paragraph 3700 of the Labor Code that require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I shall comply with such provisions before commencing any Services required by this Agreement.

The Person executing this Certificate on behalf of Contractor affirmatively represents that she/he has the requisite legal authority to do so on behalf of Contractor, and both the Person executing this Agreement on behalf of Contractor and Contractor understand that the Authority is relying on this representation in entering into this Agreement."

6.7 Performance Surety

Prior to commencement of the Services pursuant to this Agreement, Contractor shall file with the Authority a letter of credit or a performance bond, payable to the Authority, securing the Contractor's performance of their obligations, including the obligations of Subcontractors, under this Agreement and such bond shall be renewed annually if necessary so that the performance bond is maintained at all times during the Term. The surety shall be in the amount of two million dollars (\$2,000,000) and shall be used to secure the performance of the Contractor's post-collection Services obligations under the Agreement. The bond shall be executed as surety by a corporation authorized to issue surety bonds in the State of California that has a rating of A or better in the most recent edition of Best's Key Rating Guide, and that has a record of service and financial condition satisfactory to the Authority.

ARTICLE 7 DEFAULT BY CONTRACTOR AND TERMINATION

7.1 Events of Breach

Contractor's failure to perform any material provision of this Agreement shall constitute an Event of Breach.

Section 7.2 provides Contractor with a right to cure Events of Breach and establishes different time periods and processes for curing Material Events of Breach and all other Events of Breach. Each of the following Events of Breach shall constitute a Material Event of Breach.

1. **Failure to Maintain Coverage.** The Contractor fails to provide or maintain in full force and affect the Workers' Compensation, liability, or indemnification coverage as required by this Agreement.
2. **Violations of Applicable Law.** The Contractor violates Applicable Law governing the specific Services provided in this Agreement, which actually prevents or impedes the performance of such Services, and provided that Contractor may contest any such orders or filings in good faith, in which case no breach or default of this Agreement shall be deemed to have occurred upon final resolution of the contest or appeal in favor of Contractor. The Parties agree that notices of violation or areas of concern within inspection reports issued by County, State or Federal regulatory agencies shall not be construed as regulatory actions resulting in a violation of Applicable Law, unless said violation actually prevents or impedes the performance of Services.
3. **Failure to Pay or Report.** The Contractor fails to make any payments to the Authority required under this Agreement, and/or refuses to provide Authority with required information, reports, and/or records in a timely

manner as provided for in this Agreement.

4. **Seizure or Attachment.** There is a seizure or attachment of, or levy on, some or all of Contractor's operating equipment used to provide the Services required by this Agreement, including, without limitation, its maintenance or office facilities, or any part thereof, so as to substantially impair Contractor's ability to timely and fully perform Services, and which cannot be released, bonded, or otherwise lifted within seventy-two hours (72), excepting weekends and Holidays.
5. **Failure to Provide Capacity.** The Contractor fails to provide adequate capacity with Primary and Alternate Facilities in accordance with Section 9.1.
6. **Failure to Accept Authority-Directed Material.** Contractor is unable to accept any one of the material types directed to Contractor pursuant to Section 3.1 of this Agreement at either its Primary or Alternate facilities identified in Exhibit J for more than 120 consecutive hours as a result of Labor Unrest.
7. **Failure to Pay Liquidated Damages.** The Contractor fails to pay Liquidated Damages within the period allowed by Section 8.19.3.

7.2 Contractor's Right to Cure Breach

For any Material Event of Breach, except for such a breach caused by Labor Unrest, the Authority shall promptly, or as soon as practicable, provide Contractor written notice of a Material Event of Breach. Upon receipt of written notice, Contractor shall have ten (10) Days to cure the breach. However, if Contractor demonstrates that: (a) the breach is curable; and, (b) ten (10) Days is insufficient to cure the breach, then Contractor shall receive an adequate extension of time to cure the breach giving due consideration to the nature of the Material Event of Breach and time required to cure.

A Material Event of Breach described in Section 7.1.6 shall not require any written notice by the Authority. Beginning on the first Day of such Material Event of Breach, Contractor shall have seven (7) Days to cure the Breach. Such a Material Event of Breach shall not be allowed any extension of time beyond this initial seven (7) Day cure period.

For all other Events of Breach, the Authority shall promptly, or as soon as practicable, provide Contractor written notice of an Event of Breach. Upon receipt of written notice, Contractor shall have thirty (30) Days to cure the breach. However, if Contractor demonstrates that: (a) the breach is curable; and, (b) thirty (30) Days is insufficient to cure the breach, then Contractor may receive thirty (30) Days or an adequate extension of time to cure the breach giving due consideration to the nature of the Event of Breach

and time required to cure.

7.3 Acts Necessary to Perform Service

The Authority's failure to specifically require an act necessary to perform any of the services required under this Agreement and/or comply with law does not relieve Contractor of its obligation to perform such act, or the service(s) dependent on such act, or comply with all Federal, State, and local law and regulation at all times throughout the Term of this Agreement.

7.4 Event of Default

Each of the following shall constitute an Event of Default, upon which Authority shall promptly or as soon as practicable provide Contractor written notice of the default:

1. **Failure to Cure Breach.** The Contractor fails to cure an Event of Breach as provided above in Section 7.2.
2. **Repeated Breach.** The Contractor fails or refuses to perform any of its obligations under this Agreement repeatedly or habitually, as documented in writing, whether or not specific instance of failure or refusal has been previously cured. Repeated breaches under this provision are limited to breaches of the same provision that occur three or more times in a twelve-month period.
3. **Fraud or Deceit.** The Contractor practices, or attempts to practice, any fraud or deceit upon the Authority as determined by a court of competent jurisdiction after entry of a final judgment, and after the exhaustion of all appeals.
4. **False or Misleading Statements.** The Contractor (a) makes any false or materially misleading representation or written disclosure made to the Authority by Contractor in connection with or as an inducement to entering into this Agreement, or any future amendment to this Agreement, which is false or misleading in any material respect as of the time such representation or disclosure is made or (b) provides a report containing a misstatement, misrepresentation, data manipulation, or an omission of fact or content explicitly defined by the Agreement, excepting typographical and grammatical errors, that the Contractor refuses to correct within 5 days of after being notified by the Authority.
5. **[RESERVED]**
6. **Criminal Activity.** Pursuant to Section 8.18, the Contractor fails to comply

with the requirements of Section 8.18.2 upon the occurrence of any Convictions or Pleas.

7. **Assignment without Approval.** The Contractor transfers or assigns this Agreement without express written approval of the Authority, pursuant to Section 8.5.
8. **Insolvency, Bankruptcy, Liquidation.** The Contractor files a voluntary claim for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or shall consent to the appointment of or taking of possession by a receiver, liquidator, Assignee (other than as a part of a transfer of assets no longer used to provide Services or backup Services), trustee (other than as security of an obligation under a deed of trust), custodian, sequestration, administrator (or similar official) of Contractor for any part of Contractor's operating assets or any substantial part of Contractor's property, or shall make any general Assignment for the benefit of Contractor's creditors, or shall fail generally to pay Contractor's debts as they become due or shall take any action in furtherance of any of the foregoing. The foregoing notwithstanding, nothing herein shall or is intended to affect the jurisdiction and authority of any trustee or receiver in connection with bankruptcy proceedings pursuant to the federal Bankruptcy court, having jurisdiction, enters a decree or order for relief in respect of the Agreement, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Contractor consents to or fails to oppose any proceeding, or that court enters a decree or order appointing a receiver, liquidator, Assignee, custodian, trustee, sequestrator, administrator (or similar official) of the Contractor or for any part of the Contractor's operating equipment or assets, or orders the winding up or liquidation of the affairs of the Contractor.
9. **Failure to Provide Assurances of Performance.** Contractor fails to timely provide performance in accordance with section 8.16.

7.5 Event of Default Not Curable

Authority may allow Contractor to cure an Event of Default, but is not required to do so. Contractor shall have no right to cure an Event of Default.

7.6 Authority's Remedies in the Event of Default

Upon a determination by Authority that an Event of Default has occurred, Authority has the following remedies:

1. **Waiver of Default.** The Authority may waive any Event of Default if Authority determines that such waiver would be in the best interest of the Member Agencies. The Authority's waiver of an Event of Default is not a waiver of future events of default that may have the same or similar conditions.
2. **Right to Terminate.** The Authority Board may terminate this Agreement. The Authority Board shall conduct a hearing upon ten (10) Days written notice to the Contractor to determine if termination is in the best interests of the public health, safety, and welfare of the Authority, its Member Agencies, and their constituents. The determination must be supported by evidence in the record of the hearing. The Parties agree the termination hearing and the decision shall be subject to the provisions of Code of Civil Procedure section 1094.5, except that the questions on review shall not extend to whether the Authority has proceeded without, or in excess of its jurisdiction, or in the manner required by law, and shall extend to whether the Authority has proceeded in the manner required by this Section 7.6. In the event the Authority Board decides to terminate this Agreement, termination shall be effective thirty (30) Days, or such other period determined by the Authority Board, after Authority has given written notice to Contractor.
3. **Other Available Remedies.** The Authority's election of one (1) or more remedies described herein shall not limit Authority from any and all other remedies at law and in equity, such as a right to immediately contract with another service provider.

7.7 Specific Performance

By virtue of the nature of this Agreement, the urgency of timely, continuous, and high-quality service, the lead time required to effect alternative service, and the rights granted by Authority to Contractor, the remedy of damages for a breach hereof by Contractor may be inadequate and Authority shall be entitled to seek appropriate injunctive relief. Contractor reserves all rights and defenses in the event any Authority action is initiated seeking equitable relief.

7.8 Authority's Remedies Cumulative

Authority's rights to suspend or terminate this Agreement, to obtain specific performance, and to perform under this Article are not exclusive, and Authority's exercise of one (1) such right shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies that the Authority may have, including a legal action for damages or imposition of Liquidated Damages under Section

8.19 and Exhibit F.

7.9 [RESERVED]

7.10 Excuse from Performance

In the event that a Party is prevented from performing all or some of its obligations under this Agreement by an Uncontrollable Circumstance, it shall not constitute an Event of Breach or Event of Default, or otherwise form the basis to assess Liquidated Damages under, this Agreement, so long as the Party in good faith has used its best efforts to perform its respective obligations. The Party claiming excuse from performance shall, within five (5) Days after such Party has notice of the effect of such cause, give the other Party notice of the facts constituting such cause and asserting its claim to excuse under this Section. Specifically, such information shall include the following:

1. The Uncontrollable Circumstance and the cause thereof (to the extent known).
2. The date the Uncontrollable Circumstance began, its estimated duration if capable of estimation, and the estimated time during which the Party's performance of its obligations hereunder will be delayed.
3. If known, potential mitigating actions that might be taken by either Party and any areas where costs might be reduced and the approximate amount of such cost reductions.

In the event that either Party validly exercises its rights under this Section, the Parties hereby waive any claim against each other for any damages sustained thereby.

In no event shall Contractor be excused from performance of a payment obligation under this Agreement.

7.11 Waiver of Defenses

The Authority's waiver of any breach or Contractor Default shall not be deemed to be a waiver of any other breach or Contractor Default including ones with respect to the same obligations under this Agreement; provided however, that nothing herein abrogates applicable statutes of limitations for any claims which were or could have been brought. The Authority's decision not to demand damages shall not be deemed a waiver of any Contractor breach under this Agreement. The Authority's subsequent acceptance of any damages or other money paid by Contractor shall not be deemed to be a waiver by the Authority of any pre-existing or concurrent breach or Contractor Default; provided however, that nothing herein abrogates applicable statutes of limitations or the equitable doctrine of laches for any claims which were or could have been brought.

Contractor acknowledges that it is solely responsible for providing Services and except as provided below in this paragraph, by this Agreement irrevocably and unconditionally waives defenses to the payment and performance of its obligations under this Agreement based upon failure of consideration; contract of adhesion; 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 Contractor with regard to any provision of this Agreement; provided, however that Contractor does not waive defenses to impossibility or impracticability of performance; commercial frustration of purpose; or the existence, non-existence, occurrence or non-occurrence of any unforeseeable fact, event, or contingency that may arise during the Term of this Agreement. Contractor does not waive any defenses of Force Majeure or Uncontrollable Circumstances at any time.

7.12 Guaranty of Contractor's Performance

The Guarantor has agreed to guaranty Contractor's performance of this Agreement, including Contractor's indemnification obligations hereunder pursuant to a Guaranty Agreement in the form attached as Exhibit L. The Guaranty Agreement is provided to the Contractor concurrently with this Agreement.

ARTICLE 8 OTHER AGREEMENTS OF THE PARTIES

8.1 Relationship of Parties

The Parties intend that Contractor shall perform the Services required by this Agreement as an independent Contractor engaged by the Authority and not as an officer or employee of the Authority, nor as a partner of or joint venture with the Authority. No employee or agent of Contractor shall be or shall be deemed to be an employee or agent of the Authority. Contractor shall have the exclusive control over the manner and means of conducting Services, and all Persons performing those Services, except for prescriptive requirements in this Agreement established by the Authority or Authority's right to change the scope of Services in accordance with Section 4.20. Contractor is solely responsible for the acts and omissions of its officers, employees, Subcontractors, and agents, none of whom is deemed an officer, employee, Subcontractor, or agent of the Authority. Neither Contractor nor its officers, employees, Subcontractors, or agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits that accrue to the Authority employees. Contractor expressly waives any claim it may have or acquire to those benefits and shall defend and indemnify the Authority if any of its officers, employees, Subcontractors, or agents make claims for such benefits.

8.2 Compliance with Law

Contractor shall perform, and shall cause any Contractors or Subcontractors to perform, all Services in accordance and compliance with Applicable Law, whether or not

referenced specifically in the text of this Agreement and regardless of whether specified Service obligations may be stated less stringently than Applicable Law. If any provision of this Agreement is more stringent than Applicable Law, Contractor must comply with that provision.

Reference in this Agreement to particular provisions or requirements of Applicable Law shall not be construed to limit Contractor's obligation to comply with all provisions of Applicable Law that govern the Services provided herein. They are deemed to include reference to implementing rules and regulations. They are intended to facilitate Contractor's satisfaction of its performance obligations and Authority's administration and specific enforcement of this Agreement and may not be construed to imply lack of obligation to comply with other provisions or requirements of Applicable Law not referred to or cited in this Agreement. If any Applicable Law specifically referenced or cited in this Agreement is modified, amended or repealed, that reference or citation shall be deemed a Change in Applicable Law and refer to that amendment or modification, or to any re-codified or substituted Applicable Law.

8.3 Governing Law

This Agreement shall be governed by, and construed and enforced in, accordance with the Applicable Laws of the State of California, without giving effect to the State's principles of conflicts of laws.

8.4 Further Assurances

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

8.5 Assignment

8.5.1 Assignment by Authority

1. **Voluntary Assignment.** The Authority shall have the right to Assign this Agreement to a successor joint powers authority and the Agreement shall remain in full force and effect.
2. **Assignment Resulting From Member Agency Withdrawal.** In the event a Member Agency withdraws from the Authority before the end of the Agreement's Term, this Agreement shall be deemed to have been assigned by the Authority to the Member Agency and assumed by the Member Agency and shall remain in full force and effect. The Authority Board of Directors shall take such actions as may be necessary to ensure its obligations hereunder are properly assumed by the Assignee Member

Agencies.

3. **Assignment by Dissolution.** The Authority acknowledges that it must in any termination or other action leading to the dissolution of the Authority, pursuant to Section 16 of the JEPA, condition any such action upon the agency(ies) or successor joint power authority's individual or collective acceptance of Assignment of this Agreement and the assumption of the respective obligations of the Authority. The Authority Board of Directors shall take such actions as may be necessary to ensure its obligations hereunder are properly assumed by the Assignee Member Agencies.

8.5.2 Assignment by Contractor

1. **Permitted Assignments.** Contractor shall have the right to Assign this Agreement to any other company which is owned and controlled by Contractor, provided that: (i) such company is qualified to do business in California, and assumes in writing all of Contractor's obligations under this Agreement prior to, or concurrently with, such Assignment; and, (ii) the corporate guaranty described in Section 8.20 remains in full force and effect and that such Assignment shall have no adverse impact on the Rates charged or quality services provided under this Agreement. Contractor shall not otherwise Assign its rights nor delegate or otherwise transfer its obligations under this Agreement to any other Person without the prior written consent of the Authority, provided consistent with the requirements of this Section 8.5.2. Any such Assignment made without the written consent of Authority shall be void and the attempted Assignment shall constitute a breach of this Agreement.
2. **Assignment Defined.** For the purpose of this section when used in reference to Contractor, "Assignment" shall include, but not be limited to: (i) a sale, exchange or other transfer of substantially all of Contractor's assets dedicated to Service under this Agreement to a third party; (ii) a sale, change or other transfer of outstanding common stock of Contractor to a third party provided said sale, exchange or transfer results in a change of control of Contractor; (iii) any dissolution, organization, consolidation, merger, re-capitalization, stock issuance or reissuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction to which results in a change of Ownership or control of Contractor; (iv) any Assignment by operation of law, including insolvency or bankruptcy, making Assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; and, (v) any

combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of Ownership, or change of control of Contractor.

Contractor acknowledges that this Agreement involves rendering a vital service to the Authority's residents and businesses, and that the Authority has selected Contractor to perform the Services specified Herein based on: (i) effective and responsible fashion, at all times in keeping with applicable environmental laws, regulations, and best management practices, and (ii) Contractor's obligations to the Authority under this Agreement. The Authority has relied on each of these factors, among others, in choosing Contractor to perform the Services to be rendered by Contractor under this Agreement.

3. **Contractor Request for Assignment.** If Contractor requests the Authority's consideration of and consent to an Assignment, the Authority may reasonably deny or approve such requests. No request by Contractor for consent to any Assignment need be considered by Authority unless and until Contractor has met the following requirements:
 - a. Contractor shall pay Authority its reasonable expenses for attorney's fees and investigation costs necessary to investigate the suitability of any proposed Assignee, and to review and finalize any documentation required as a condition for approving any such Assignment. An initial, retainer deposit payment to reimburse such costs shall be made in the amount of fifty thousand dollars (\$50,000) (the "Deposit Amount"), as adjusted pursuant to this Subsection, to the Authority by Contractor or the proposed assignee along with Contractor's formal request for the Authority's consideration of an Assignment. Authority shall draw against the retainer for its actual reasonable costs of the Assignment review. In the event such costs exceed the deposit amount, but not to exceed one hundred thousand dollars (\$100,000) (the "Cap"), as adjusted pursuant to this paragraph, Contractor shall make the additional payment, beyond the initial deposit amount, upon approval of the Assignment. In the event that the actual costs of the review are less than the retainer deposit amount, such unused portion of the retainer shall be returned upon the conclusion of the review of the Assignment. The Deposit Amount and the Cap set forth in this paragraph shall be adjusted by the change in the CPI used for compensation adjustments between January 2026 and the then-most recently published month of the CPI.

- b. Contractor shall furnish Authority with audited financial statements of the proposed Assignee's operations for the Immediately preceding three (3) operating years.
- c. Contractor shall furnish Authority with satisfactory proof: (i) that the proposed Assignee has at least five (5) years of Solid Waste management experience on a scale equal to or exceeding the sale of operations conducted by Contractor under this Agreement; (ii) that in the last five (5) years, the proposed Assignee has not suffered any significant citations or other censure from any federal, State, or local agency having jurisdiction over its Solid Waste management operations due to any significant failure to comply with State, federal, or local Environmental Laws and that the Assignee has provided Authority with a complete list of such citations and censures; (iii) that the proposed Assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed Assignee conducts its Solid Waste management practices in accordance with sound Solid Waste management practices in full compliance with all federal, State, and local laws regulating the collection and Disposal of Solid Waste including Hazardous Materials; and, (v) of any other information required by Authority to ensure the proposed Assignee can fulfill the terms of this Agreement in a timely, safe, and effective manner.

The Authority shall not be obligated to consider any proposed Assignment if Contractor is in default at any time during the period of consideration, unless both Contractor and Assignee expressly agree that they would both be liable for the obligation for which Contractor is in default.

8.6 Binding on Successors

The provisions of this Agreement shall insure to the benefit of and be binding on the successors and permitted Assigns of the Parties.

8.7 Parties in Interest

Nothing in this Agreement, whether expressed or implied, is intended to confer any rights on any Persons other than the Parties to it and their representatives, successors and permitted Assigns.

8.8 Services Performed at Contractor's Sole Expense

Contractor shall perform Services solely for the compensation expressly provided for

herein.

8.9 Notices and Communication

Parties must present and express all reports, demands, requests, directions, selections, option exercises, orders, requests, proposals, reviews, comments, acknowledgments, approvals, consents, waivers, certifications and other communications made to each other under this Agreement in writing.

Parties must provide Notices at the address provided in this Section below, in any of the following manners:

1. Personal delivery to a representative of the Parties, with signed receipt,
2. Deposit in the United States mail, first class postage prepaid (certified mail, return receipt requested),
3. Via email submission to the Executive Director or his/her designee, or
4. Deposit with a commercial delivery service providing delivery verification.

If to Authority:	West Contra Costa Integrated Waste Management Authority Executive Director 3220 Blume Drive Suite 139 Richmond, CA 94806
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With Copy to:	West Contra Costa IWMA Counsel Redwood Public Law 409 13th Street, Suite 600 Oakland, CA 94612
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If to Contractor:	West County Resource Recovery, Inc. Attn.: General Manager 101 Pittsburg Avenue Richmond, CA 94801
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With Copy to:	Chief Legal Officer Republic Services, Inc. 18500 North Allied Way Phoenix, AZ 85054
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Parties may change their address upon written Notice to the other Party.

8.10 Authority Contract Manager

The Authority has designated a staff person, the Authority Contract Manager, to be responsible for the monitoring and administration of this Agreement. The Authority may change the designee from time to time as it sees fit. Contractor shall meet and confer with the Authority Contract Manager to resolve differences of interpretation and implement and execute the requirements of this Agreement in an efficient, effective, manner that is consistent with the stated objectives of this Agreement.

In the event of dispute between the Authority Contract Manager and the Contractor regarding the interpretation of or the performance of Services under this Agreement, the provisions of Section 8.17 shall apply.

8.11 Duty of Contractor Not to Discriminate

In the performance of all work and Services under this Agreement, Contractor shall not discriminate against any Person on the basis of that Person's race, color, religion, national origin, ancestry, age, physical handicap, medical condition, religion, marital status, sex or sexual orientation. Contractor shall comply with all Applicable Law regarding nondiscrimination, including those prohibiting discrimination in employment.

8.12 Uncontrollable Circumstances

Neither Party is deemed in breach or default of its duties, obligations (other than a payment obligation at the time due and owing), responsibilities or commitments under this Agreement to the extent that the breach or default is due to an Uncontrollable Circumstance.

The Party experiencing an Uncontrollable Circumstance and relying thereon shall give notice thereof to the other Party within five (5) Days, including describing performance under this Agreement for which it seeks to be excused; the expected duration of the Uncontrollable Circumstance; the extent Services may be curtailed; or any requests or suggestions to mitigate the adverse effects of the Uncontrollable Circumstance.

Notwithstanding that Contractor's failure to timely and fully provide Services due to Uncontrollable Circumstances does not constitute a Contractor Default, following the continuance of the failure for ninety six (96) hours, Authority and Contractor shall meet and confer to discuss alternative facilities available and thereafter Authority may at its sole discretion temporarily secure alternative services limited to the duration of the Uncontrollable Circumstance. Following the continuance of an Uncontrollable Circumstance lasting for thirty (30) Days, the Authority and Contractor shall meet and confer in good faith to determine alternative means to provide Services.

8.13 Maintenance and Retention of Records

Contractor shall maintain such accounting, statistical, and other records required to conduct its operations at the Approved Facilities and perform all services required under this Agreement, to support requests it may make to the Authority, to respond to requests from Authority, and as shall be necessary to develop the financial statements and other reports required by this Agreement. Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Adequate record security shall be maintained by the Contractor to preserve records from events that can be reasonably anticipated such as fire, theft, and earthquakes. Electronically maintained data/records shall be protected, and a second copy of data/records shall be saved to a protected source.

Unless otherwise herein required, Contractor shall retain all records and data required by this Agreement for five (5) years after the expiration or early termination of this Agreement.

8.14 Right to Inspect Records

Contractor agrees to provide or make available its non-confidential records of all operations addressed in this Agreement to the Authority for review during normal business hours. During the Term of this Agreement, the Authority shall have the right to conduct inspections of the records relevant to the Services provided in this Agreement, and request copies of any documents required for review of Services provided in this Agreement. In the event the custodian of such records and systems is not on the premises at the time of inspection, the Authority shall then give notice to Contractor requesting access to the records, and Contractor shall make arrangements to allow for inspection within two business days of such notice, or within an alternative timeframe discussed and acceptable to the Authority.

The Authority's right to inspection of records under this paragraph shall continue for five (5) years after the expiration or early termination of this Agreement. After expiration or early termination of this Agreement, the Authority shall provide Contractor with a written request to inspect records, and Contractor shall make records available for inspection within two (2) weeks of such request.

Notwithstanding the foregoing, Contractor shall not be required to provide to Authority any Records containing or consisting of:

1. Business information or documents (e.g. financial accounting reports, Contractor confidential business systems information, processes, patents, or other intellectual property, customer lists, customer data and information, Contractor human resources and employee information);
2. Cost of service information which is not otherwise provided for in this Agreement.

8.15 Compilation of Information for State Law Purposes

Contractor shall compile information on amounts of Solid Waste delivered to the Landfill and Organic Materials, Recyclable Materials, and C&D delivered by Contractor to any facility including those listed in Exhibit Ju and other information, which the Authority may reasonably request, in order to meet its obligations under the Act.

8.16 Right to Demand Assurances of Performance

1. The parties acknowledge that it is of the utmost importance to Authority and the health and safety of the public residing or doing business within Authority service area who could be adversely affected by interrupted post collection waste management services that there be no material interruption in the services provided under this Agreement.
2. If Contractor: (i) appears in the reasonable judgment of the Authority to be unable to regularly pay its bills as they become due; or, (ii) is the subject of a civil or criminal or administrative proceeding or order entered by a regulatory agency, and Authority believes in good faith that prevents Contractor's ability to perform the Services required under this Agreement, Authority may, at its sole option and in addition to all other remedies it may have, demand from Contractor reasonable assurances of timely performance of this Agreement, in such form and substance as Authority believes in good faith is reasonably necessary in the circumstances presented to evidence Contractor's continued ability to perform under the Agreement. If Contractor fails or refuses to provide reasonably satisfactory assurances of timely and proper performance in the form and by the date required by Authority, or disputes the basis for the demanded assurance, such disputes concerning an Authority demand for assurances of performance shall be subject to Section 8.17.

8.17 Dispute Resolution

8.17.1 Informal Resolution

Should a dispute arise with respect to the performance and obligations of the Parties hereunder, at any time during the term of this Agreement, the provisions of Section 8.17 shall apply. Either Party shall give the other written notice of such dispute. Such notice shall specify a date and location for the Parties to meet and confer in good faith to resolve any dispute that may arise in a cooperative and mutually satisfactory manner. The Parties shall attempt to resolve their disputes informally to the maximum extent possible.

8.17.2 Mediation

In the event the Parties cannot resolve such dispute within thirty (30) Days of such

notice, either Party may propose the appointment of a mediator for advice and non-binding mediation, and the other Party shall attend such mediation. If the mediator is unable, within thirty (30) Days thereafter, to reach a determination as to the matter in dispute in a manner acceptable to the Parties hereto, then either Party may refer the matter to a Court of competent jurisdiction.

8.17.3 Tolling During Pendency of Dispute

During the pendency of any dispute under Section 8.17, all applicable time periods directly related to the dispute shall be tolled until its resolution; provided, however, that no tolling shall apply to any matters other than those directly related to the dispute and such tolling shall not entitle a Party to breach, default, or fail to perform its obligations under this Agreement. In addition, the pendency of any dispute shall not stay or affect the Authority's remedies under this Agreement.

8.18 Criminal Activity of Contractor

8.18.1 Notice of Convictions or Pleas

The Contractor shall Immediately Notify the Authority upon the occurrence of any Convictions or Pleas with respect to its management, employees, or representatives of Contractor, Affiliate entities listed in Exhibit J, Subcontractors, and use Reasonable Business Efforts to Immediately Notify the Authority with respect to Contractor or any of its representatives.

8.18.2 Contractor Cure

Upon the occurrence of any Convictions or Pleas, the Contractor shall do or cause to be done both of the following:

1. As soon as permitted under Applicable Law, terminate from employment or remove from office the offending employee who is an individual, or, with respect to an employee that is the Contractor or an Affiliate, the individual or individuals responsible for the Criminal Activity; and
2. Immediately eliminate the participation by that employee who is an individual or, with respect to an employee that is the Contractor or Affiliate of the individual or individuals responsible for the Criminal Activity, or in any position of influence.

Should Contractor be unable to terminate the offending employee, said individual(s) shall be replaced in their capacity as relative to this Agreement.

8.18.3 Authority Remedies

Subject to Section 7.1.1, the Authority, at its sole discretion, may terminate the Agreement upon thirty (30) Days' Notice to the Contractor, or may impose those other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it shall deem proper, if the following event is continuing at the end of those thirty (30) Days: The occurrence of any Criminal Activity defined in Section 8.18.1, except that Contractor may cure the breach by terminating any and all individuals involved in the Criminal Activity per Section 8.18.2.

Contractor must be given the opportunity to present to Authority Contract Manager evidence in mitigation during the preceding Notice period and Authority must consider that evidence.

8.18.4 Prohibited Transfers

The Contractor shall not hire or transfer from any Affiliate any employee, officer or director of an Affiliate who is the subject of any Criminal Activity as an employee under this Agreement and shall not allow its Affiliates to do so.

8.19 Liquidated Damages

8.19.1 General

The Parties acknowledge that Authority incurred considerable time and expense procuring this Agreement in order to secure an improved level of service quality and increased Authority satisfaction. Therefore, consistent and reliable Services are of utmost importance to the Authority, Franchise Agencies and Customers. Authority has considered and relied on Contractor's representations as to its quality-of-service commitment in entering into this Agreement, and Contractor's failure to timely deliver its Service obligations prescribed in the Agreement represents a decrease in the reliability of critical service and a loss to the Authority. The Parties recognize that quantified standards of performance are necessary and appropriate to ensure quality, consistent and reliable Service, and if Contractor fails to meet Service obligations under this Agreement, Authority shall suffer damages (including inconvenience, complaint by Generators, lost time for the Authority and the Board of Directors, deprivation of the benefits of the Agreement and loss of bargain) in subjective ways and in varying degrees of intensity that are incapable of measurement in precise monetary terms, and that it is and shall be impracticable and extremely difficult to ascertain and determine the value thereof. Therefore, the Parties agree that the liquidated damages listed in Exhibit F represent a reasonable estimate of the amount of damages, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to Authority that reasonably could be anticipated and

anticipation that proof of actual damages would be costly or inconvenient.

In no event shall liquidated damages apply in the event of an Uncontrollable Circumstance. The Parties agree that the liquidated damages listed represent a reasonable estimate of the amount of damages, considering all the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to Authority that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient. In signing this Agreement, each Party specifically confirms the accuracy of the statements made above and the fact that each Party had ample opportunity to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this Agreement was made.

8.19.2 Implementation of Liquidated Damages

Contractor shall pay (as liquidated damages and not as a penalty) the amounts set forth in this Section. The Authority Contract Manager may determine the occurrence of events giving rise to liquidated damages through the investigation or observation of such events. In addition, these liquidated damages shall be in addition to any other remedy the Authority may have, which may include, but are not necessarily limited to: a determination of breach of contract, termination of the Agreement, or litigation.

Prior to assessing liquidated damages, Authority Contract Manager shall give Contractor Notice of its intention to do so. The Notice shall include a description of the incident(s) of non-performance. Contractor shall have the opportunity to cure such incidents and/or cases of non-performance as prescribed herein. If Contractor is able to cure such occurrences within the timeline(s) prescribed herein, the Assessment of liquidated damages by Authority shall be rescinded. The Contractor may, within ten (10) Working Days after receiving the Notice of the incident of non-performance resulting in Authority's assessment of liquidated damage, request a meeting with Authority Contract Manager. Upon Contractor's request, the Authority Contract Manager shall present evidence of non-performance if pertinent details are not included in Authority's notice. Authority shall provide the requested additional information in writing and through testimony of its employees and others relevant to the incident(s) to the Contractor prior to the meeting with Authority.

Authority Contract Manager shall provide Contractor with a written explanation of his or her determination on each incident(s) and non-performance prior to authorizing the assessment of liquidated damages. Nothing in this Agreement shall require the Authority to issue liquidated damages. Authority shall not assess multiple liquidated damages for the same incident of non-performance.

8.19.3 Payment of Liquidated Damages

Contractor shall pay any liquidated damages assessed by Authority Contract Manager within thirty (30) Days after a final determination or dispute resolution of the issue is made. If Authority is not paid by Contractor within that period, Authority may proceed against the Performance Surety.

8.19.4 Administrative Nature of Liquidated Damages

The assessment of liquidated damages as described in this Section 8.19 shall be an administrative function within the sole discretion of the Authority Contract Manager and shall not be subject to appeal to the Authority Board of Directors. In the event that the liquidated damages assessed by the Authority Contract Manager exceed the monetary limits of the Authority Contract Manager's administrative discretion, as described in Section 8.10, Contractor may appeal the Authority Contract Manager's decision to the Authority's Board of Directors and their determination shall be conclusive. Notwithstanding the foregoing, the Authority's assessment of Liquidated Damages shall not preclude Contractor from seeking judicial relief to challenge the assessment of Liquidated Damages.

8.20 Guaranty of Contractor's Performance

The Guarantor has agreed to guaranty Contractor's performance of this Agreement including Contractor's Indemnification obligations Hereunder pursuant to a Guaranty Agreement in substantially the form attached as Exhibit G. The Guaranty Agreement is being provided concurrently with Contractor's execution of this Agreement.

8.21 Exercise of Discretionary Actions.

The Parties shall exercise any approval, disapproval, consent, option, discretion, election, opinion, judgment, or choice under this Agreement, make a requirement under this Agreement or interpret this Agreement ("Discretionary Action") reasonably and in writing. Unless otherwise provided in this Agreement, Authority's Discretionary Actions shall be deemed disapproved or denied, as the case may be, if Authority has not otherwise taken that Discretionary Action within three (3) weeks of Contractor's request.

8.22 Jurisdiction, Venue

To the extent permitted by Applicable Law and subject to choice of venue laws, venue is appropriate in courts sitting in Contra Costa County, California. For cases adjudicated in Federal Court, the appropriate venue is the United States District Court for the Northern District of California.

The site of any other hearing or action, whether mediation, arbitration, or non-judicial, of

whatever nature or kind regarding this Agreement, shall be conducted in the County of Contra Costa, California, or as otherwise mutually agreed upon by the Parties.

8.23 Costs and Expenses

Each Party, regardless of the decision of the court, shall pay their own expenses incurred in the process of adjudication.

ARTICLE 9 REPRESENTATIONS AND WARRANTIES OF CONTRACTOR

9.1 Accuracy of Representations

The Contractor has made, and the Authority is relying on the accuracy of, certain representations in its response to the Authority's requirements regarding its: corporate authorization to enter the Agreement; ability to do so without causing a breach of any agreement or Violation of any Applicable Law or judicial decision; current or pending litigation; regulatory compliance with regard to the Landfill and Approved Processing Facilities; and, ability to provide the proposed Services in accordance with the permitted capacity of the Landfill and Approved Processing Facilities.

The Contractor understands that the Authority and Franchise Agencies are relying upon the accuracy of the Contractor's representations with regard to the legal and regulatory matters described above as well as with regard to the Contractor's operational plans and costs for implementing the Services described Herein. would be in default of this Agreement, pursuant to Section 7.1.3, in the event that the Authority or Contractor were to determine that any material representation made as an inducement to or explanation of the costs incurred by Contractor under this Agreement was inaccurate.

9.2 Representations and Warranties Regarding Negotiation of Agreement

This Agreement contains all material and required terms to be effective and there shall be no conditions precedent, conditions subsequent, or other conditions or qualifications required or imposed by the Authority or any Franchise Agency, including without limitation, any other or different amendments or modifications to Franchise Agency Collection Franchise Agreements for purposes of that Franchise Agency's approval and execution of the Agreement.

9.2.1 Status.

Contractor is a corporation duly organized, validly existing and in good standing under the laws of California and is qualified to do business in the State.

9.2.2 Authority and Authorization.

The Contractor has full legal right, power and authority to execute and deliver this Agreement and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by the Contractor and constitutes a legal, valid and binding obligation of the Contractor enforceable against the Contractor in accordance with its terms.

9.2.3 Statements and Information.

That portion of the Contractor's Proposal compiled, drafted, made or otherwise delivered by the Contractor, Subcontractors and Affiliates is correct and complete in all material respects at the time originally submitted by Contractor to the Authority.

9.2.4 No Conflicts.

Neither the execution or delivery by the Contractor of this Agreement, the performance by the Contractor of its Service obligations, nor the fulfillment by the Contractor of the terms and conditions of this Agreement: (1) conflicts with, violates or results in a breach of any Applicable Law; or (2) conflicts with, violates or results in a breach of any term or condition of any judgment, order or decree of any court, administrative agency or other governmental authority. or any agreement or instrument to which the Contractor or any of its Affiliates is a Party or by which the Contractor or any of its Affiliates' properties or assets are bound, or constitutes a default thereunder.

9.2.5 No Approvals Required.

No approval, authorization, license, permit, order or consent of, or declaration, registration or filing with any governmental or administrative authority, commission, board, agency or instrumentality is required for the valid execution and delivery of this Agreement by the Contractor, except those as have been duly obtained from its Board of Directors.

9.2.6 No Litigation.

As of January 1, 2026 there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency or instrumentality pending or, to the best of the Contractor's knowledge, threatened, against the Contractor wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by the Contractor of its obligations under this Agreement or in connection with the transactions contemplated by this Agreement, or which, in any way, would adversely affect the validity or enforce ability of this Agreement or any other agreement or instrument entered into by the Contractor in connection with the

transactions contemplated by this Agreement.

9.2.7 Due Diligence.

Contractor has made an independent investigation, examination and research satisfactory to it of the conditions and circumstances surrounding the Agreement and best and proper method of providing Services (including Service types) and labor, equipment and materials for the volume of Services to be provided.

Contractor agrees that it shall make no claim against the Authority based on any estimates, statements or interpretations made by any officer, employee, agent or consultant of the Authority in connection with the procurement of this Agreement which proves to be in any respect erroneous.

9.2.8 Compliance with Applicable Law.

Contractor further represents and warrants that it has fully complied with all Applicable Law, including without limitation law relating to conflicts of interest, in the course of procuring this Agreement.

9.2.9 Ability to Perform.

Contractor warrants that it possesses the business, professional and technical capabilities to provide Services; has secured and maintains in full force and effect Permits; and possesses the equipment, facility and employee resources required to fully and timely perform Services.

9.2.10 Capacity.

Contractor warrants that as of January 1, 2026 it has capacity at the Landfill and the Approved Processing Facilities to perform the services required under this Agreement throughout the Term and that it shall maintain that capacity through the Term.

ARTICLE 10 MISCELLANEOUS PROVISIONS

10.1 Exhibits

If any provisions contained in the text of Articles 1 through 10 are inconsistent or conflict with any Exhibits to this Agreement, then the provisions of the text shall govern.

10.2 Section Headings

Any captions or headings following the Exhibit, Section, subsection, paragraph and Article numbers and preceding the operative text of this Agreement is for convenience of reference only and do not control or affect the scope, intent, meaning, construction,

interpretation, or effect of this Agreement.

10.3 Interpretation and Construction

10.3.1 Drafting

This Agreement must be interpreted and construed reasonably and neither for nor against either Party, regardless of the degree to which either Party participated in its drafting. Contractor acknowledges that it determined to participate in the procurement of this Agreement upon its own choice and initiative and during the course of that procurement Authority solicited Contractor's comments, exceptions and proposals with respect to provisions in the Agreement. The Parties have negotiated this Agreement at arms length and with advice of their respective attorneys, and no provision Herein is construed against the Authority solely because it prepared this Agreement in its executed form.

10.3.2 Gender and Plurality

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

10.3.3 Font

Any underlined, italicized, bold-faced, upper captioned or other font style are for ease of reading and contract administration only and do not imply relative importance or unimportance of any provision of this Agreement.

10.3.4 References to Parts

References to Sections and Articles refer to Sections and Articles of this Agreement, unless specified otherwise. References to Exhibits refer to Exhibits attached to this Agreement.

Reference to "subsections" refers to the subsection contained in the same Section in which the reference occurs, unless otherwise provided.

10.3.5 Examples

Examples are for purpose of illustration only. If any example is ambiguous or is inconsistent or conflicts with the text that it illustrates, the text governs.

10.3.6 Specifics No Limitation on Generalities

The mention of any specific duty or liability imposed upon the Contractor may not be construed as a limitation or restriction of any general liability or duty imposed

upon the Contractor by this Agreement or Applicable Law.

10.4 Amendment

The Parties may change, modify, supplement, or amend this Agreement only upon written agreement duly authorized and executed by both Parties. However, wherever reports, forms, or other documents are attached to this Agreement in substantially the form provided in the Exhibits, the Authority Representative and Contractor Representative may edit and revise them upon their agreement or otherwise provided in the related sections of this Agreement, evidenced in writing *unless* this Agreement or Applicable Law specifically requires approval of the Authority Board of Directors pursuant to resolution or otherwise.

10.5 Severability

If any clause, sentence, provision, subsection, Section, or Article of this Agreement or Exhibit to this Agreement (an Agreement Provision) is ruled unconstitutional, illegal, invalid, non-binding, or unenforceable by any court of competent jurisdiction, then the Parties shall:

1. Promptly meet and negotiate a substitute for those Agreement Provisions and any related amendments, deletions, or additions to other provisions of this Agreement, which together effect the Parties' original intent to the greatest extent allowable under Applicable Law; and,
2. If necessary or desirable to accomplish preceding item (1), apply to the court that made that ruling for a judicial construction of the substituted Agreement Provision and any amendments, deletions, or additions to this Agreement. Contractor shall pay Authority half of the Direct Costs of that application within twenty (20) Days of Authority's request if Contractor or a third Person other than the Authority instituted proceedings resulting in the ruling.

The unconstitutionality, illegality, invalidity, non-binding nature, or unenforceability of any Agreement Provision shall not affect any of the remaining provisions of this Agreement. This Agreement shall be construed and enforced as if that Agreement Provision did not exist.

10.6 Authority

Authority warrants that the officers listed below have been duly authorized by the Authority to execute this Agreement on behalf of the Authority. Contractor warrants that the individuals listed below have been duly authorized by the Contractor to execute this Agreement on behalf of the Contractor.

The Authority and Member Agencies represent and warrant that the Authority and Member Agency negotiating team consisting of representatives from the Cities of Richmond, El Cerrito, Pinole, Hercules and San Pablo, and the Authority Executive Director each and collectively have the full right and authority from the Authority Board or the Member Agencies' city councils, as the case may be, to negotiate fully and in good faith a mutually acceptable Agreement.

10.7 Counterparts

This Agreement may be executed in any number of counterparts, some of which may not bear the signatures of all Parties to this Agreement. Each counterpart, when so executed and delivered, is deemed to be an original and all counterparts, taken together, shall constitute one and the same instrument; *provided, however*, that in pleading or proving this Agreement, it shall not be necessary to produce more than one (1) copy (or sets of copies) bearing the signature of the Contractor or Authority.

IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed as of the latter of the date written below.

West Contra Costa Integrated Waste
Management Authority

West County Resource Recovery, Inc.,
a California corporation

By:

By:

Cliff Feldman
Executive Director

Yasser Brenes
Area President

Approved as to Form:

Approved as to Form:

By:

By:

John Bakker
Authority Counsel

Scott W. Gordon
Contractor Counsel

EXHIBIT A DEFINITIONS

For purposes of this Agreement, unless a different meaning is clearly required, the following words and phrases shall have the following meanings respectively ascribed to them by this Exhibit and shall be capitalized throughout this Agreement. Any definition in the singular or plural shall, if appropriate in the context, include both the singular and the plural.

“Act” or “AB 939” means the California Integrated Waste Management Act of 1989 set forth in PRC Section 40000, *et seq.*

“Actions” means all actions including claims, demands, causes of action, suits, mediation, arbitration, hearings, investigations, inquiries and proceedings, whether legal, judicial, quasi-judicial, governmental or administrative in nature and whether threatened, brought, instituted or settled.

“Affiliate” means all businesses (including corporations, limited and general partnerships, and sole proprietorships) which are directly or indirectly related to Contractor by virtue of direct or indirect Ownership interests or common management shall be deemed to be “Affiliated with” Contractor and included within the term “Affiliates” as used herein. An Affiliate shall include a business in which Contractor Owns a direct or indirect Ownership interest, a business which has a direct or indirect Ownership interest in Contractor and/or a business which is also Owned, controlled, or managed by any business or individual which has a direct or indirect Ownership interest in Contractor. For purposes of determining whether an indirect Ownership interest exists, the constructive Ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date of this Agreement, shall apply; provided, however, the (i) “ten percent (10%)” shall be substituted for “fifty percent (50%)” in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining Ownership under this paragraph and constructive or indirect Ownership under Section 318(a), Ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the Ownership interest represents, whichever is greater.

“Application” means Contractor’s annual compensation and rate adjustment submittal pursuant to section 5.3.1.

“Authority Contract Manager” means the Authority’s Executive Director or his/her designee who is responsible for the administrative management of this Agreement.

“Authority Parties” refers singularly and collectively to the Authority and the Authority’s Board of Directors, officers, staff, agents, employees, and independent contractors

engaged by the Authority in connection with this Agreement.

“Agreement” means this Agreement between the Authority and Contractor, including all exhibits, schedules and attachments, which are incorporated in this Agreement by reference, as this Agreement may be amended and supplemented.

“Alternative Daily Cover” or **“ADC”** means cover material, including without limitation Compost Overs and C&D MRF fines, used to cover compacted Solid Wastes in a Landfill, other than Organic Materials and other than at least six (6) inches of earthen material, placed on the surface of the active face of the refuse fill area at the end of each operating day to control vectors, fires, odors, blowing litter, and scavenging, as defined in Section 20164 of the California Code of Regulations as may be amended from time to time.

“Annual Report” is the Annual Report described in Section 4.12.2.

“Applicable Law” means laws, statutes, rules, regulations, guidelines, Permit conditions, Permits, Actions, determinations, orders, approvals or requirements of the United States, State, regional or local government authorities, agencies, boards, commissions, courts or other bodies having applicable jurisdiction, that from time to time apply to or govern Services or the performance of the Parties’ respective obligations under this Agreement, *including* any of the foregoing which concern health, safety, fire, environmental protection, labor relations, mitigation conditions and monitoring plans in accordance with environmental impact statements, conditional use permits; building codes, zoning, non-discrimination; and the Transfer or Disposition of Solid Waste, Organic Materials, and Recyclable Materials, and including but not limited to:

1. The Comprehensive Environmental Response, Compensation and Liability Act of 1980, (42 U.S.C. Section 9601 et seq.);
2. The Resource Conservation and Recovery Act, (42 U.S.C. Section 6901 et seq.);
3. The Clean Air Act, (42 U.S.C. Section 7401 et seq.); and the California Clean Air Act (Health and Safety Code Sections 39000 et seq.);
4. The Emergency Planning and Community Right to Know Act, (42 U.S.C. Section 11001 et seq.)
5. The Occupational Safety and Health Act, (29 U.S.C. Section 651 et seq.), including the Solid Waste Disposal Facility Criteria promulgated by the U.S. EPA on October 9, 1991 (40 C.F.R., Parts 257 and 258); and the California Occupational Safety and Health Act (California Labor Code, Division 5, Parts 1-10, Section 6300 et seq.);

6. The California Hazardous Waste Control Act, (California Health & Safety Code, Section 25100 et seq.);
7. California Hazardous Materials Release Response Plan and Inventory Act (California Health & Safety Code Section 25500 et seq.);
8. The Carpenter-Presley-Tanner Hazardous Substance Account Act, (California Health & Safety Code Section 25300 et seq.);
9. California Underground Storage Tank Act, (California Health & Safety Code, Section 25280 et seq.);
10. The Clean Water Act (33 U.S.C. Section 1251 et seq.) and the Porter-Cologne Water Quality Control Act, (California Water Code Section 13000 et seq.);
11. The Safe Drinking Water and Toxic Enforcement Act "Proposition 65" , (California Health and Safety Code Section 25249.5 et seq.);
12. California Public Resources Code Sections 45300-04, 45700, California Health & Safety Code Sections 40511, 41805.5, and 42311.5, and California Water Code Section 13273);
13. Title 14 California Code of Regulations;
14. Title 22 California Code of Regulations;
15. Title 23 California Code of Regulations, Chapter 15, Sections 2510-2610; and
16. Title 27 California Code of Regulation.

Any other government required rules, laws, statutes, regulations, guidelines, or policies which are imposed upon Contractor and not discretionary, governing the provision of the Services outlined within this Agreement.

"Approved Processing Facilities" or "Approved Processing Facility" means each of the Primary and Alternate Facilities listed in Exhibit J, either individually or collectively.

"Primary Processing Facility" means the facilities listed in Exhibit J as a "Primary Facility."

"Alternate Processing Facility" means the facilities listed in Exhibit J as an "Alternate Facility."

"Assign" or "Assignment" means:

1. Selling, exchanging or otherwise transferring effective control of management of the Contractor (through sale, exchange or other transfer of outstanding stock or otherwise);
2. Issuing new stock or selling, exchanging or otherwise transferring 20% or more of the then outstanding common stock of the Contractor;
3. Any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of Ownership or control of Contractor;
4. Any Assignment by operation of law, including insolvency or bankruptcy, making Assignment for the benefit of creditors, writ of attachment of an execution, being levied against Contractor, appointment of a receiver taking possession of any of Contractor's tangible or intangible property;
5. Any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any that transfer or change of Ownership or control of Contractor.

“Authority” means the West Contra Costa Integrated Waste Management Authority, its Board of Directors, staff, and/or agents.

“Calendar Year” means a successive period of twelve (12) months commencing on January 1 and ending on December 31.

“CalRecycle” means the California Department of Resources Recycling and Recovery.

“CCR” means California Code of Regulations.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, (42 U.S.C. Section 9601 et seq.).

“Change in Law” means the occurrence of any event or change in Applicable Law as follows:

1. The adoption, promulgation, repeal, modification, amendment or other change in Applicable Law or change in judicial or administrative interpretation thereof occurring after November 1, 2025, other than laws with respect to taxes based on or measured by net income, or any unincorporated business, payroll, franchise taxes levied by any tax board (other than franchise fees levied by the Authority) or employment taxes; or
2. Any order or judgment of any federal, State or local court, administrative

agency or governmental body issued after November 1, 2025, and the order or judgment is not also the result of the willful misconduct or negligent action or inaction of the Party relying thereon or of any third party for whom the Party relying thereon is directly responsible; or

3. The imposition by a governmental authority or agency of any new or different material conditions in connection with the issuance, renewal, update or modification of any Permit after the date of this Agreement; or
4. The failure of a governmental authority or agency to issue or renew, or delay in the issuance or renewal of, or the suspension, interruption or termination of, any Permit after the date of this Agreement; provided the failure to issue or the suspension or termination of any Permit is not the result of negligent action or inaction of the Party relying thereon or any third party for whom the Party relying thereon is directly responsible.

“Closure” means closure of the Landfill or portions of the Landfill in accordance with Applicable Law, including all planning, design, regulatory approvals, plan implementation, construction and monitoring.

“Collection Franchise Agreements” refers to the collection services franchise agreements between the Franchise Agencies and their Franchised Collector, either individually or collectively.

“Commencement Date” means the date commencing the new Term of this Agreement.

“Commercial” shall mean of, from or pertaining to non-Residential premises where business activity is conducted, including, but not limited to, retail sales, services, wholesale operations, manufacturing, and industrial operations, but excluding businesses conducted upon Residential property which are permitted under applicable zoning regulations and are not the primary use of the property.

“Compost” and its derivations means a controlled biological decomposition of organic materials that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized facility.

“Contractor” means West County Resource Recovery, Inc.

“Contractor Default” has the meaning provided in Section 7.4.

“Construction and Demolition (C&D) Materials” or **“C&D”** includes, but is not limited to: concrete, cinder blocks, brick, mortar, wood, glass, dirt and rock, cardboard, tile, porcelain, ceramics, ferrous and non-ferrous metals, recyclable plastics, aggregate, wallboard, sheetrock, plaster, lath, asphalt, shingles, carpet/pad, and other material

removed and discarded during the alteration, renovation, remodeling, repair, construction or demolition of pavements, houses, commercial buildings or structures which can be separated from Solid Waste for the purpose of reuse, Processing or re-manufacture.

“Consumer Price Index” or **“CPI”** means the series CUSR0000SEHG, Water and Sewer and Trash Collection Services in U.S. City Average, Index Dec 1997=100, Monthly, Not Seasonally Adjusted, and published monthly by the United States Bureau of Labor Statistics (available at: <https://data.bls.gov/dataViewer/view/timeseries/CUSR0000SEHG>), or its successor index.

“Conviction” means a Plea, criminal Conviction, permanent mandatory or prohibitory injunction, or a final judgment or order from a court or regulatory agency of competent jurisdiction with respect to Criminal Activity.

“County Agreement” means the May 25, 1993 Contract Between the West Contra Costa Integrated Waste Management Authority and Contra Costa County by which the County has covenanted that it shall direct all of the Solid Waste generated and collected within the County’s unincorporated service area (formerly franchised by the West County Wastewater District [WCWD]) to the Authority as required by the Authority.

“Criminal Activity” means:

1. Any criminal offense of Contractor in connection with obtaining, attempting to obtain, procuring or performing a public or private agreement related to Solid Waste, Organic Materials, or Recyclable Materials Services of any kind (including collection, hauling, Transfer, Processing, Composting, or Disposal), including this Agreement; or
2. Bribery or attempting to bribe a public officer or employee of a local, State, or federal agency with respect to the Services provided pursuant to this Agreement; or
3. Extortion, racketeering, false claims, false statements, forgery, falsification or destruction of Records, obstruction of justice, theft, or misprision (failure to disclose) of a felony by Contractor; or
4. Fraud, embezzlement, or knowingly receiving stolen property with respect to the Services provided pursuant to this Agreement; or
5. Unlawful Disposal of Hazardous or Designated Waste with respect to the Services provided pursuant to this Agreement as determined by the Department of Toxic Substances Control or the Regional Water Quality Control Board, subject to the provisions of Applicable Law; or

6. Contractor's violation of antitrust laws, including laws relating to price-fixing, bid-rigging and sales and market allocation, and of unfair and anti-competitive trade practice laws pursuant to a final judgment or order from a court or regulatory agency of competent jurisdiction, including with respect to inflation of waste collection, hauling or Disposal fees. The foregoing notwithstanding, this Agreement, Contractor's response to, and negotiations with, the Authority with respect to the RFP for the Services set forth in this Agreement shall not be subject to this subsection 6.

"Day(s)" means calendar day(s).

"Designated Waste" means non-Hazardous Material 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 or pursuant to applicable Permits. Designated Waste consists of those substances classified as Designated Waste by the State, in CCR Title 23, Section 2522.

"Direct Costs" means the sum of:

1. Payroll costs directly related to the Contractor's performance, or supervision of any obligation pursuant to the provisions of this Agreement, or Authority's administration and enforcement of this Agreement, comprised of compensation and fringe benefits, including vacation, sick leave, holidays, retirement, workers compensation insurance, federal and State unemployment taxes and all medical and health insurance benefits, plus
2. The costs of materials, Services, direct rental costs and supplies, plus
3. The reasonable costs of any payments to Subcontractors necessary to and in connection with the performance under or administration and enforcement of this Agreement; plus
4. Any other cost or expense which is directly or normally associated with the task performed.

Such Direct Costs are to be substantiated by (i) a certificate signed by the principal financial officer of the Contractor or the authorized representative of the Authority or his or her designee, as the case may be, setting forth the amount of the cost and the reason why the cost is properly chargeable to the Authority or the Contractor, as the case may be, and representing that the cost is an arm's length and competitive price, if there are competitive prices, for Service or materials supplied; and (ii) if the Authority or the Contractor requests, as the case may be, additional back-up documentation as may be

available to reasonably substantiate any Direct Cost, including invoices from suppliers and Subcontractors. Direct Costs excludes Non-Allowable Costs.

“Disposal” or **“Dispose** (or other variation thereof)” means the final Disposition of Solid Waste in accordance with this Agreement at the Landfill.

“Diversion” or **“Divert”** means to Divert from landfill Disposal or transformation through source reduction, reuse, Recycling, Composting, or other means within the meaning of the Public Resources Code Section 41780. To the extent consistent with Public Resources Code Section 41780, the use of ADC in or on a landfill constitutes diversion and shall not be considered disposal.

“Effective Date” means January 1, 2026.

“Extended Producer Responsibility Program” means statutory or regulatory programs that impose on materials producers the environmental and/or processing costs of such materials, including but not limited to SB 54.

“Franchise Agencies” means the County of Contra Costa (with respect to the unincorporated area subject to a covered by the County Agreement, specifically including East Richmond Heights, North Richmond, Montalvin Manor, Tara Hills, and El Sobrante) and the cities of Hercules, Pinole, Richmond, El Cerrito and San Pablo, collectively.

“Franchised Collector(s)” means the company given the exclusive or limited right, by a Member Agency, to collect Solid Waste, Organic Materials, and/or Recyclable Materials within the physical jurisdiction of that agency. For the purposes of this Agreement, to the extent a Member Agency provides direct collection services to its customers, it shall be considered a Franchised Collector.

“Generator” means any Person whose act or process produces Solid Waste or Unpermitted Waste or other material that becomes part of the overall waste stream.

“Goods or Services” means subcontracted Goods or Services used in providing Services, specifically labor, equipment, and supplies related to furnishing Services.

“Governmental Fees” are federal, state or local fees or general or special taxes, including a business license tax, imposed on Solid Waste management and handling facilities, including the Landfill and any and all Approved Processing Facilities pursuant to this Agreement. Governmental Fees do not include any costs imposed upon or incurred by the Landfill or Approved Processing Facility(ies) in connection with a governmentally required repair, remediation and improvement of the subject facility, except to the extent that such requirement is the result of a Change in Law under this Agreement.

“Gross Receipts” shall mean total cash receipts collected from Customers by the

Contractor for the provision of Services pursuant to this Agreement, without any deductions. Gross Receipts do not include revenues from the sale of Recyclable Materials.

“Guarantor” means Republic Services, Inc.

“Guaranty Agreement” is the agreement in substantially the form attached as Exhibit G executed by the Guarantor.

“Hazardous Materials” or **“Hazardous Waste(s)”** are materials that by reason of their quality, concentration, composition or physical, chemical or infectious characteristics may cause or significantly contribute to an increase in mortality or an increase in serious illness or pose a substantial threat or potential hazard to human health or the environment when improperly treated, stored, Transported or Disposed of or otherwise mismanaged; or any waste which is defined and/or regulated as a Hazardous Waste, toxic waste, hazardous chemical substance or mixture, or asbestos under Applicable Law, and:

1. “Hazardous Waste” pursuant to Section 40141 of the California Public Resources Code; regulated under Chapter 7.6 (commencing with Section 25800) of Division 20 of the California Health and Safety Code; all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by Sections 25110.02, 25115, and 25117 of the California Health and Safety Code (the California Hazardous Waste Control Act), California Health and Safety Code Section 25100 et seq., including 23 CCR Sections 2521 and 2522;
2. Materials regulated under the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., as amended (including amendments thereto made by the Solid Waste Disposal Act Amendments of 1980),
3. Materials regulated under the Toxic Substance Control Act, 15 U.S.C. Section 2601 et seq., as amended, and related federal, State and local laws and regulations, including the California Toxic Substances Account Act, California Health and Safety Code Section 25300 et seq.;
4. Materials regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601, et seq.;
5. Materials regulated under any future additional or substitute federal, State or local laws and regulations pertaining to the identification, Transportation, treatment, storage or Disposal of toxic substances or Hazardous Waste; and Any substance the presence of which at the Landfill is prohibited by Applicable Law.

If two (2) or more governmental agencies having concurrent or overlapping jurisdiction over Hazardous Waste adopt conflicting definitions of “Hazardous Waste”, for purposes of collection, Transportation, Processing and/or Disposal, the broader, more restrictive definition is employed for purposes of this Agreement.

“Holidays” are defined as New Year’s Day, Martin Luther King Holiday, President’s Day Holiday, Easter Sunday, Memorial Day, Fourth of July, Labor Day, Columbus Day, Thanksgiving Day, and Christmas Day, or any other recognized State or Federal Holiday that both Parties mutually agree should be observed.

“Household Hazardous Waste(s)” or **“HHW”** means any Hazardous Waste generated incidental to owning or maintaining a place of residence, excluding any Hazardous Waste generated in the course of operation of a business concern at a residence, in accordance with Section 25218.1 of the California Health and Safety Code.

“HHW Services” means the HHW services provided by Contractor described in Exhibit D at the permanent HHW facility at WCRR, any satellite HHW facilities, one-day collection events, and any additional HHW services/programs services agreed to by Contractor and Authority.

“Immediate” or **“Immediately”** means within twelve (12) hours.

“Indemnities” or **“Indemnification”** means all defense and indemnities under this Agreement.

“Labor Unrest” means a strike, work stoppage or slowdown, sickout, picketing, or other concerted job action resulting in Contractor’s both the Primary Facility and the Alternate Facility not remaining open for the acceptance of any one of material types directed to Contractor pursuant to section 3.1 that is conducted by the Contractor’s employees or directed at the Contractor or an Affiliate, expressly including a circumstance in which Contractor’s employees refuse to work due to picketing or labor action by third parties at Contractor Primary Facilities and/or Alternate Facilities. “Labor Unrest” also includes any labor action initiated by Contractor including, but not limited to, a lock-out.

“Landfill” means the Approved or Alternate Disposal Facility listed in Exhibit J.

“Liabilities” means all Liabilities, including:

1. Actions;
2. Awards, judgments and damages, both: (i) actual damages, whether special and consequential, in contract or in tort, such as natural resource damages, damage for injury to or death of any Person; and damage to property; and (ii) punitive damages;

3. Contribution or indemnity claimed by Persons other than the Parties;
4. Injuries, losses, debts, liens, Liabilities;
5. Costs, such as response remediation and removal costs;
6. Interest;
7. Fines, charges, penalties, forfeitures; and
8. Expenses such as attorney's and expert witness fees, expenditures for investigation and remediation, and costs incurred in connection with defending against any of the foregoing or in enforcing Indemnities.

“Medical Waste” means those waste materials that have disease transmission potential and are classified as Hazardous Wastes by the State Department of Health Services, including pathological and surgical wastes, medical clinic wastes, wastes from biological laboratories, syringes, needles, blades, tubing, bottles, drugs, patient care items that as linen or personal or food service items from contaminated areas, chemicals, personal hygiene wastes, and carcasses used for medical purposes or with known infectious diseases, where “Infectious Waste” means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities and other similar establishments that are identified in the California Health and Safety Code Section 25117.5;

“Member Agency” or **“Member Agencies”** means member agencies of the Authority on the effective date of this Agreement, specifically the cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo, individually, as the case may be in a particular context, or all of them, collectively.

“Non-Allowable Costs” include the following:

1. Fines, penalties, assessments and other amounts paid for Violations or noncompliance with Applicable Law or in settlement of claims or allegations of noncompliance with Applicable Law;
2. Any contributions or donations to any Person (including charitable, non-profit, service or other community groups, and elected officials), including cash, property and services in kind;
3. Lobbying costs, unless approved in advance by the Authority Contract Manager, whether cash, property or services in kind; and
4. Costs of preparing documentation at the reasonable request of Authority

to audit the Contractor's unsubstantiated Direct Costs, or the allocation thereof.

“Notice” means a Notice given in accordance with Section 8.9.

“Organic Materials” means green material, food material and vegetative food material as defined in the California Code of Resources, yard trimmings, and food scraps as defined in the in Health and Safety Code which are specifically accepted at the Approved Organic Materials Processing Facility. No Discarded Material shall be considered to be Organic Materials, however, unless it is separated from Solid Waste and Recyclable Material.

“Overs” means portion(s) of Organic Material that is/are not suitable for Composting. Also called Compost-Overs, these are large, woody parts of the Compost pile that have not completely broken down during the Composting process. Overs also include plastics and other non-Compostable items in the Organic Material.

“Ownership” has the meaning provided under the constructive Ownership provisions of Section 318(a) of the Internal Revenue Code of 1986 *except* that (1) “10 percent” is substituted for “50 percent” in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; (2) Section 318(a)(5)(C) is disregarded; (3) Ownership interest of less than ten percent (10%) is disregarded; and, (4) percentage interests are determined on the basis of the percentage of voting interest or value which the Ownership interest represents, whichever is greater.

“Party or Parties” refers to the Authority and Contractor, individually or together.

“Permits” means applicable federal, State, Authority, other local or regional governmental unit Permits, orders, licenses, approvals, authorizations, consents and entitlements that are required under Applicable Law to be obtained or maintained by Contractor in order to perform the Services, as renewed or amended from time to time.

“Person” includes a natural person, an individual, firm, association, organization, partnership, corporation, trust, joint venture, the United States, the State, local governments and municipalities and special purpose districts and other entities.

“Pleas” means the Contractor or any of its representatives has pled “guilty” or entered a plea of “*nolo contendere*” or “no contest” to Criminal Activity relating to this Agreement.

“Post-Closure” means Post-Closure of the Landfill or portions of the Landfill in accordance with Applicable Law, including all maintenance and monitoring.

“Process(ing)” means to inspect, handle, prepare, treat, sort, or convert through one or more methods for the purposes of Diverting materials from Landfill Disposal.

“PRC” means the California Public Resources Code.

“Quarterly Report” is described in Section 4.12.2.

“Rate” means the blended per ton rate, expressed as a dollar unit per ton, approved by the Authority as initially established in Section 5.2 and annually adjusted consistent with the requirements of Section 5.3 of this Agreement.

“Rate Year” means a successive period of twelve (12) months commencing on January 1 and ending on December 31.

“RCRA” means the Resource Conservation and Recovery Act (42 U.S.C. Section 6900 *et. seq.*).

“Reasonable Business Efforts” means those efforts a reasonably prudent business Person would expend under the same or similar circumstances in the exercise of that Person’s business judgment, intending in good faith to take steps calculated to satisfy the obligation that that Person has undertaken to satisfy.

“Records” means all ledgers, books of account, invoices, vouchers, canceled checks, logs, correspondence and other Records or documents evidencing or relating to Rates, Tonnages, satisfaction of Contractor’s obligations under this Agreement and performance of the terms of this Agreement, damages payable under this Agreement and Contractor Defaults, including those Records described in Sections 4.3, 4.4, 4.14, 4.16, 4.17, 8.14, 8.15 and 10.1.

“Recovered Material” means Recyclable Materials, Organic Materials, and C&D materials that are Recovered.

“Recover” and its derivations means the picking, pulling, sorting, separating, classifying and Recovery of Recyclable Materials from Solid Waste whether by manual or mechanical means, after acceptance of the materials and before marketing of Recovered Materials, including Recycling, material reuse and Recovery, mulching, Composting, land application or transformation.

“Recycle” and its derivations means the process of sorting, cleansing, treating and reconstituting materials that would otherwise be Disposed of at a Landfill for the purpose of returning such materials to the economy in the form of raw materials for new, reused or reconstituted products.

“Recyclable Materials” means materials that are reused, remanufactured, or processed. This definition is inclusive of both Traditional Recyclable and Specialty Recyclable Materials.

“Residential” shall mean of, from, or pertaining to a single-family premises or multi-family premises including single-family homes, apartments, condominiums, townhouse complexes, mobile home parks, cooperative apartments, and yacht harbors and marinas where residents live aboard boats.

“Residue” means Solid Waste remaining as non-marketable commodities following Processing of Recyclable Materials.

“Sector” means Residential, Commercial and industrial customers.

“Senate Bill 1383 Regulations” or “SB 1383 Regulations” means the Short-lived Climate Pollutants Act of 2016 (SLCP): Organic Waste Reductions Regulations adopted by CalRecycle, pursuant to Chapter 13.1 of Part 3 of Division 30 of the Public Resources Code.

“Senate Bill 54” or “SB 54” means the Plastic Producer Prevention and Packaging Producer Responsibility Act (Allen, Chapter 75, Statutes of 2022), codified in Public Resources Code sections 42040-42084.

“Services” means all obligations of Contractor under and in accordance with this Agreement to Authority.

“Solid Waste” means and includes all putrescible and non-putrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, rubbish, ashes, industrial wastes, demolition and construction wastes, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes, as defined in California Public Resources Code §40191 as that section may be amended from time to time. For the purposes of this Agreement, “Solid Waste” does not include abandoned vehicles and parts thereof, Hazardous Waste, or low-level radioactive waste, medical waste, Recyclable Materials, C&D Materials, or Organic Materials.

“Specialty Recyclable Materials” means Recyclable Materials that are not specified as Traditional Recyclable Materials that can be collected by the Franchised Collector for purposes of Recycling by any Person, including the Authority or the Franchised Collector. For example, Specialty Recyclable Materials include, but are not limited to, large pieces of scrap metal, mattresses, C&D material, pallets, tires, plastic film, carpet, used motor oil, and used motor oil filters.

“Standard Industry Practice” means (1) the then-current development and operations practices and standards of the northern California Solid Waste management industry with respect to Recovery, Diversion, Transfer, Transport and Disposal Services, and (2) the then-current development, operations, Closure, and Post-Closure practices and Solid Waste Association of North America (or any successor organization) Manager of Landfill Operations standards in meeting Contractor’s obligations under this Agreement for

Recovery, Diversion, and Disposal Services.

“State” means the State of California.

“State Diversion Mandate” means the requirement prescribed in Public Resources Code section 41780 that jurisdictions shall divert fifty percent (50.0%) of all solid waste through source reduction, recycling, and Composting activities, as that provision is interpreted and enforced by CalRecycle. The State Diversion Mandate is distinct from the State policy goal, set out in Public Resources Code section 41780.01, that seventy-five percent (75.0%) of solid waste be source reduced, recycled, or composted.

“Subcontractors” includes any Person that provides Goods or Services to Contractor, whether pursuant to formal, written agreement or merely in fact; subcontract means any arrangement, formal or informal, written or otherwise, between Contractor and a Subcontractor for providing Goods or Services. In no case shall the Contractor’s use of a Subcontractor confer upon that Subcontractor any third party beneficiary rights under this Agreement.

“Term” is defined in Section 2.2.

“Ton(nage)” means a short Ton of two-thousand (2,000) standard pounds where each pound contains sixteen (16) ounces.

“Traditional Recyclable Materials” means Recyclable Materials that are included in the Processing and marketing plan of the Primary Recyclable Materials Processing Facility. The initial list of Traditional Recyclable Materials includes: All mixed paper, cardboard, #1 - #7 plastic beverage and food containers, mixed rigid plastic packaging and other food containers, glass containers (no Pyrex, windows, or mirrors), aluminum cans, tin cans, small pieces of scrap metal, plastic bags (properly bagged together), all mixed plastics, paper cartons, and milk and juice cartons.

“Transfer” and its derivations means transferring Solid Waste at the Primary Transfer Facility, if any, from Residential collection vehicles, Commercial collection vehicles and self-haulers into Transfer Vehicles.

“Transfer Vehicle” means a tractor and trailer designed to haul Solid Waste from any Transfer Station to the Landfill.

“Transport” and its derivations means the transportation of Solid Waste, Organic Materials, and/or Recyclable Materials from any Transfer Station to the Landfill in accordance with Section 4.1.1.

“Uncontrollable Circumstance” means any act, event or condition, whether affecting (i) Services or (ii) either Party, that is beyond the reasonable control of the Party relying

thereon and not the result of willful or negligent action or inaction of that Party (other than the contesting in good faith or the failure in good faith to contest that action or inaction), which materially affects or prevents the ability of either Party to perform any obligation under this Agreement, that includes one or more of the following:

1. Events of force majeure, including an act of nature, landslide, lightning, earthquake, fire, tsunami, flood, or other natural disaster (excluding standard weather patterns within the jurisdictional Service Area of the Authority), explosion, sabotage, terrorism, war, blockade or insurrection, riot, civil disturbance, or other similar catastrophic events;
2. Epidemics, Pandemics and federal, state and local emergency orders and declarations related thereto;
3. The failure of any appropriate federal, State or local public agency or private utility having operational jurisdiction in the area in which the Landfill or Approved Processing Facility is located to provide and maintain utilities, services, water, sewer or power transmission lines thereto;
4. A Change in Law other than a Change in Law excluded in item B below;
and
5. Strikes, work stoppages or other labor disputes or disturbances of Persons other than Contractor or any Affiliates performing Services;
6. Labor Unrest of one hundred and twenty (120) hours or less.
7. Emergency government orders and restrictions established by federal, state or local government authorities.

Without in any way limiting the foregoing or altering its meaning, the following are expressly deemed *not* to be **“Uncontrollable Circumstances”**:

1. Either Party’s own breach of its obligations under this Agreement;
2. Adverse changes in the financial condition of either Party or any Change in Law with respect to any taxes based on or measured by net income, or any unincorporated business, payroll, franchise or employment taxes;
3. Labor Unrest lasting longer than one hundred and twenty (120) hours.

“Unpermitted Waste” means waste or other material that the Landfill may not receive under their Permits, including:

All materials that the Landfill is not permitted to accept;

1. Asbestos, including friable materials that can be crumbled with pressure and are therefore likely to emit fibers, being a naturally occurring family of carcinogenic fibrous mineral substances, which may be Hazardous Materials if it contains more than one percent (1%) asbestos;
2. Ash residue from the incineration of solid wastes, including Solid Waste, infectious waste described in Item (8) below, wood waste, sludge not meeting at a minimum Class B standards as defined by Title 40 of the Code of Federal Regulations, Part 503 (The Standards for the Use or Disposal of Sewage Sludge) and agricultural wastes;
3. Hazardous Materials;
4. Medical Waste;
5. Liquid wastes that are not spadeable, usually containing less than fifty percent (50%) solids, including cannery and food Processing wastes, Landfill leachate and gas condensate, boiler blowdown water, grease trap pumpings, oil and geothermal field wastes, septic tank pumpings, rendering plant byproducts, sewage sludge not meeting certain quality criteria (i.e., unclassified sludge less than B), and those liquid wastes that may be Hazardous Wastes;
6. Radioactive wastes under Chapter 7.6 (commencing with Section 25800) of Division 20 of the State Health and Safety Code, and any waste that contains a radioactive material, the storage or Disposal of which is subject to any other state or federal regulation;
7. Sewage sludge comprised of human (not industrial) residue, excluding grit or screenings, removed from a wastewater treatment facility or septic tank, whether in a dry or semi-dry form not meeting certain quality criteria (i.e., unclassified sludge less than "B"); and/or
8. Designated Waste, but only if not permitted at the Landfill under Applicable Law, including Permits.

This definition shall be promptly amended to reflect any applicable changes in permits or Applicable Law.

“Violation” means any Notice, assessment or determination of non-compliance with Applicable Law from any Regulatory Agency to Contractor, after the exhaustion of all appeals and judicial processes, if applicable, whether or not a fine or penalty is included, assess, levied or attached, where Regulatory Agency means any federal, State or local governmental agency that regulates Transfer, Transportation and Disposal of Solid

Waste, including California Department of Transportation, California Department of Motor Vehicles, EDD, U.S. Immigration and Naturalization Services, California Air Resources Board, regional water quality management districts, California Department of Toxic Substances, CalRecycle, the Local Enforcement Agency, federal and State Environmental Protection Agencies and other federal or State health and safety department, applicable to Services.

“Working Day(s)” means each day of the week except Saturdays, Sundays, and Holidays.

EXHIBIT B

MATTRESS & COMPOST GIVEAWAY PROGRAMS

Mattress Program

Contractor shall Recycle mattresses and box springs received from residential customers and individual tenants of multi-family dwellings within the Authority's jurisdiction at the Contractor's HHW Facility located at 101 Pittsburg Ave, Richmond during regular HHW business hours. Mattresses and box springs will be recycled via the Mattress Recycling Council's Bye Bye Mattress program. Funding provided by the Mattress Recycling Council for collected mattresses and boxsprings will be remitted to and retained by the Contractor. The Contractor shall be responsible for applying for the Mattress and Recycling Council's annual producer price index (PPI) increase. Should the Bye Bye Mattress program end or change significantly, Authority and Contractor will meet and confer on how the mattress collection program will continue or discontinue.

The Authority shall pay the Contractor \$20.00 per mattress or box spring for each mattress or box spring the program accepts. This rate shall be adjusted in accordance with the CPI rate adjustment mechanism listed in this Agreement in Article 5 Contractor Compensation. Billing frequency shall be quarterly unless changed by mutual consent. This program shall not be available to public entities or commercial users and is limited to three (3) individual items (i.e., mattresses and box springs) per residential household or multi-family dwelling tenant per month. Contractor is only obligated to accept clean, whole mattresses and box springs Contractor shall require proof of current residency within the Authority's jurisdiction from Authority customers seeking to participate in the mattress recycling program.

Compost Giveaway Program

Monthly Compost Giveaway

Contractor shall provide a one-day compost giveaway event at its WCRR IRRF monthly on a date agreed to by Contractor and Authority, whereby Member Agencies residential Customers will have the opportunity to pick up compost at no additional cost. The event will be held during regular business hours on a date agreed to by the Parties. Each participant shall be limited to two (2) cubic yards of compost per event. Contractor shall implement the same proof of residency protocol used for the HHW Facility for residents participating in the compost Giveaway events to ensure only eligible customers participate. Customers are responsible for providing their own tools, containers, and loading compost into their vehicles. Contractor reserves the right to require eligible participants to sign an assumption of risk/waiver in order to participate, in a form reasonably acceptable to the Authority.

Compost Distribution to Authority

Contractor shall provide finished compost for use by the Authority or the Member Agencies at no additional cost and said compost shall not be sold to a third party. The distribution of compost by Contractor to Member Agencies will be organized by Authority and Contractor will cooperate with Authority to facilitate this compost distribution by Authority's third-party haulers or Franchised Collector. Said cooperation shall include, but not be limited to, agreeing to reasonable days and times to transport compost, loading compost into vehicles, weighing vehicles and recording weights. The Parties may meet and confer if it is determined to be cost-effective to use Contractor to haul compost for use by Member Agencies.

Contractor shall allocate compost to Authority annually pursuant to Authority notifying Contractor by March 1 each year. The maximum amount of Compost allocated to Authority annually for use by Member Agencies will be two-thousand (2,000) tons. Commencing in 2028, the amount of Compost denoted in Authority's notice to Contractor to allocate Compost for that and subsequent years of the Term, will require the Authority to organize distribution of no less than said amount, subject to an adjustment. The Parties will meet and confer to potentially adjust the initial request by September 1. The Parties agree that the amount requested by Authority for 2026 and 2027 will be estimated while distribution infrastructure and process is developed by Authority, thus Contractor agrees to ensure the requested allocation is made available to Authority, but the Authority is not obligated to distribute the specified amount. Contractor will ensure the Compost is made available to Authority for distribution within ten (10) Working Days upon request.

Compost Distribution to Third-Parties

In the event the Authority (and Member Agencies) determines a need to distribute compost outside their Member Agencies' jurisdiction to comply with CalRecycle Compost procurement requirements, Contractor and Authority will meet and confer to facilitate distribution of Contractor's Compost for this purpose. The Parties shall discuss the Authority's needs during the annual review meeting using one of the following Compost distribution scenarios:

1. The Parties agree that, should Authority have the ability to procure Compost for delivery to third parties at better terms than offered by Contractor, Contractor shall have the right to match or better such offer, provided that Contractor can timely provide the same quality of Compost product.
2. Parties agree to meet and confer to determine the amount to be paid to Contractor for its distribution of Compost to third parties in exchange for SB 1383 compost procurement compliance credit to Authority's Member Agencies.

EXHIBIT C REPORTING

Compliance Data Monitoring

Contractor shall facilitate providing Authority login credentials to Affiliate's CalRecycle compliance data tracker software to allow Authority staff to view and download necessary compliance data for the Authority's jurisdiction (such as AB 341, AB 1826, SB 1383 and SB 54 requirements, and outreach notes). Contractor may limit Authority's permissions within the software to prevent customer data from being shared. If at any time, the Contractor deems the Contractor data has been misused, shared with unauthorized persons, used in a manner that harms the Contractor, or is used in a manner inconsistent with its intended use, the Contractor and Authority shall meet and confer, and thereafter Contractor may revoke login credentials if the evidence provided is sufficient to confirm the alleged misuse.

Reporting

Quarterly Reports

The Contractor shall submit Quarterly Reports as described in section 4.12.2, and within thirty-five (35) Days after the end of the reporting quarter. The format of the Quarterly Report shall initially follow the attached template and may be amended as described in section 4.12.2. Quarterly Reports shall be completed by the Contractor to show the tonnage and information described below for each month, aggregated for the quarter. Except if otherwise specified, all tonnages are to be net weights of the payload contents of the collection vehicle or Transfer Vehicle.

All reports shall include, at a minimum, the following information for each Approved Facility as appropriate, separated by material type, jurisdiction of origin, and sector as appropriate:

1. Recyclable Materials, Organics Materials, Solid Waste and C&D Materials Tonnage Report
 - a. Inbound Tons to the Approved Facility(ies)
 - i. Total Tons of material Delivered by Franchised Collector to each of the Approved Facilities by material type (i.e. Recyclable Materials, Organics Materials, Solid Waste, and C&D Materials), jurisdiction of origin and Sector type (i.e. Residential, Commercial, industrial), where appropriate.
 1. The Franchise Agencies shall be allocated in this report as

separate jurisdictions rather than reported as a single origin. As applicable, include the methodology of tonnage allocation for Member Agencies as provided to the Approved Facilities by the Franchised Collectors for cross-jurisdictional routes.

- ii. Total Tons of all materials Delivered by all facility users to the Approved Facilities by material type (i.e. Recyclable Materials, Organics Materials, Solid Waste, and C&D Materials).
- iii. Percent allocation of Recyclable Materials, Organic Materials, Solid Waste, and C&D Materials to each Member Agency including the methodology of how allocations were calculated

2. Processing/ Compost Tonnage

- a. Total Tons of materials Processed/Composted during the reporting period at each Approved Facility, by material type, allocated to the Authority as separate jurisdictions rather than reported as a single origin.
- b. Percent allocation of materials Processed/Composted to each Member Agency including methodology of how allocations were calculated, and how cross-jurisdictional routes are allocated to each Member Agency.
- c. Total Tons of Recovered Recyclable Materials, Organic Materials and C&D Mixed Materials Marketed by commodity type, and Tons allocated to the Authority.
 - i. Recovered Recyclable Materials shall be reported by marketed commodities.
 - ii. Organic Materials shall be reported as two commodities: finished Compost and Compost Overs/beneficial reuse.
 - iii. C&D Mixed Materials shall be reported by commodity type, fines/beneficial reuse, and on-site application.

3. Outbound Residue

- a. Total Tons of Residue generated during the reporting period at each Approved facility, from Processing all materials Delivered to the Approved Processing Facilities
- b. Tons of Residue allocated to the Authority as separate jurisdictions rather than reported as a single origin.

- c. Percent allocation of Residue to each Member Agency including methodology of how allocations were calculated, and how cross-jurisdictional routes are allocated to each Member Agency
- 4. Copy of reports and documentation submitted to the Disposal facility operator allocating the tons of Residue Delivered from the Approved Processing Facilities to the Approved Disposal Facility for Disposal by Franchise Agency jurisdiction of origin.
- 5. Outbound Disposal
 - a. Total Tons of outbound Solid Waste material that the Contractor Transports from the Approved Transfer Facility to the Approved Disposal Facility, and Tons allocated to the Authority as separate jurisdictions rather than reported as a single origin.
 - b. Tons of outbound Solid Waste material allocated to the Authority as separate jurisdictions rather than reported as a single origin.
 - c. Percent allocation of outbound Solid Waste to each Member Agency including methodology of how allocations were calculated, and how cross-jurisdictional routes are allocated to each Member Agency.
 - d. Copy of reports and documentation submitted to the Disposal Facility operator allocating the Tons of Solid Waste Delivered from the Approved Transfer Facility to the Approved Disposal Facility for Disposal by Franchise Agency jurisdiction of origin.

Annual Reports

The Contractor shall submit Annual Reports by March 31 following the reporting year and as described in section 4.12.2. The format of the Annual Report shall initially follow the attached template and may be amended as described in section 4.12.2. Annual Reports shall be presented by the Contractor to show the tonnage and information described below for each month, aggregated for the year.

All reports shall include, at a minimum, the following information for each Approved Facility as appropriate:

- 1. Tonnage Summary
 - a. All Inbound Tonnage data as required in the Quarterly Report, aggregated for the Calendar Year.
 - b. All Processed Tonnage data as required by the Quarterly Report, aggregated for the Calendar Year.

- c. All Residue Tonnage data as required by the Quarterly Report, aggregated for the Calendar Year.
 - d. All Outbound Tonnage data, as required by the Quarterly Report, aggregated for the Calendar Year.
- 2. Approved Processing Facilities Diversion
 - a. Each Approved Processing Facility's diversion for the Calendar Year:
 - i. Recyclable Materials recovery facility diversion
 - ii. Compost facility diversion
 - iii. Construction and Demolition facility diversion
 - b. Parties will meet and confer to agree on diversion rate calculations and any future revisions.
- 3. Tonnage Summary of Materials sent to Alternate Approved Facilities

All Tonnage collected by Franchise Collectors transferred to an Alternate Facility. Report must list the Alternate Facility that accepted the Material, and include the same information required in the Quarterly Report for Inbound Tonnage, Processing/Composting Tonnage, Residue Tonnage, and Outbound Disposal Tonnage.
- 4. Alternate Processing Facilities Diversion
 - a. Required on Annual Report if any tonnage was processed at an Alternate Processing Facility.
 - b. For each Alternate Processing Facility used during the Calendar Year, report on the Alternate Processing Facility's diversion performance for the Calendar Year.
 - c. Parties will meet and confer to agree on diversion rate calculations and any future revisions.
- 5. Quarantined Materials
 - a. Required on Annual Report if any Inbound Tonnage subject to this Agreement was treated as quarantined material and disposed of as permitted by 14 CCR Section 18984.13 Emergency Circumstances, Abatement, Quarantined Materials and Federally Regulated Waste.

- b. Tonnage shall be reported by jurisdiction of origin.

6. Permit Report

List all permits held by the Approved Facilities, including permit status, and permit expiration dates.

7. RDRS Reports

Provide copies of all Recycling and Disposal Reporting System (RDRS) Quarterly Report Summaries submitted to CalRecycle during the reporting year and all corrections or amendments to such reports, including restated reports.

8. Recovered Material Sales

- a. By Recovered Material type, list upstream destination regions.
- b. By finished compost, a list of counties where materials are sold to.

9. WCRR Mattress Collection Program

Number of mattresses and boxsprings collected per month by jurisdiction and number of participants during the reporting period. If challenges arise regarding tracking participation by jurisdiction, the Parties will meet and confer to determine best practices to obtain reporting information.

10. Compost Giveaway Program

- a. Monthly Compost Giveaway. Cubic yards of compost provided for giveaway during each designated giveaway day.
 - i. Number of residents that participated in the program during each designated giveaway day, reported by jurisdiction.
- b. Compost Distribution to Authority. Tons of compost provided for use by the Authority or Member Agencies over the Calendar Year.
- c. Compost Distribution to Third-Parties. Tons of SB 1383 compost procurement compliance credits provided to Member Agencies for compost distributed to third parties over the Calendar Year.

11. Education and Outreach

- a. Number of student tours provided at WCRR, by month and jurisdiction.
- b. Any new public education and outreach materials created by the Contractor

for public education and outreach programs subject to this Agreement.

12. News and Announcements

- a. Description of any advances in environmental mitigation measures at the Approved Facilities over the Calendar Year (i.e. new technologies utilized for increased diversion), as applicable.
- b. Description of any new 3rd party certification for processes, materials, or Facilities subject to this Agreement, as applicable.
- c. Description of any plans related to the use of the Primary Facilities for the following year that anticipates the need for use of Alternative Facilities, as applicable.
- d. Any performance increases or beneficial impacts to this Agreement that Contractor would like to share.

EXHIBIT D HOUSEHOLD HAZARDOUS WASTE

HOUSEHOLD HAZARDOUS WASTE (HHW) SERVICES DESCRIPTION

1. General

Contractor currently (prior to the Effective Date) operates two permanent Household Hazardous Waste (HHW) collection facilities as defined by the Department of Toxic Substance Control (DTSC) as part of the post-collection Services under the Agreement. Contractor's Richmond HHW Facility, located at 101 Pittsburg Avenue in Richmond, is currently open to accept waste on Wednesdays, Thursdays, Fridays, and Saturdays. The El Cerrito HHW Facility, pursuant to the June 17, 2017 agreement, as may be amended or replaced, between the Parties and the City of El Cerrito, located at the City of El Cerrito Recycling and Environmental Resource Center at 7501 Schmidt Lane and is currently open on Tuesdays.

Both these HHW facilities are currently operated under a Subcontract to a third-party vendor. Although these HHW facilities are currently operated by a third party, the Contractor may decide, through a meet and confer process with the Authority, to replace the Subcontractor for convenience or operate the facility or facilities itself, provided that there is no reduction in the services provided.

In order to comply with the Authority's Household Hazardous Waste Element (HHWE), the Authority and Contractor shall meet and confer to determine the types of materials accepted at each facility and the days of the week and hours of operation each HHW drop-off facility will provide. With the exception of emergency situations per Section 4.16, changes to the HHW Facility operating days will require approval by the Authority Board of Directors. The operation of the HHW facilities are intended to serve primarily the Franchise Members community and unincorporated County residents. The HHW is not intended to be a Commercial business drop off location; however, the Richmond facility may engage in this type of activity from time to time for an additional charge to customers.

2. Waste Acceptance

Waste acceptance at both facilities is determined by Contractor and the Authority. Future services may be added or omitted to meet the service needs as determined mutually by the Contractor and the Authority. At the time of this Agreement, acceptable wastes that may be delivered to the facilities include:

- Automotive fluids and batteries
- Paints, stains, and solvents
- Household cleaners, aerosols, and sprays
- Pesticides and garden chemicals

- Pool chemicals
- Electronic wastes
- Household batteries
- Fluorescent lamps
- Cooking oil
- Architectural paint under the Paint Stewardship program
- Residential smoke alarms
- Home-generated sharps and pharmaceuticals
- Other wastes as approved by Contractor and Authority

At the time of this Agreement, the following wastes from residential sources are not accepted:

- Explosives (except road flares)
- Radioactive materials (except residential smoke alarms)
- Pressurized gas cylinders over 5-gallons and large quantities of cylinders under 5-gallons
- Medical oxygen pressured cylinders
- Medical waste (except home-generated sharps and pharmaceuticals)
- Hazardous construction and demolition debris
- Asbestos
- Biological or medical wastes
- Controlled pharmaceutical medications
- Treated wood wastes
- Unknowns
- Damaged or leaking containers
- Wastes in containers larger than 5 gallons
- Business wastes (exceeding applicable VSQG restrictions)

3. Additional HHW Services

A. The Contractor shall maintain a reuse program that salvages paints,

solvents, household cleaners, fertilizers, pesticides and herbicides to be provided to the community for pickup for no charge at a frequency to be determined in a meet and confer process between the Contractor and the Authority.

- B. The Contractor shall provide a mobile collection service for residents of at least 65 years of age or for residents with disabilities that prevent such persons from accessing and delivering their HHW to any of the facilities. This service is offered to residents of necessity not convenience. The service also provides services to the sharps and pharmaceutical kiosks located within the Authority service area.
- C. The Richmond facility also accepts Hazardous Waste found during load checking activities from the adjacent solid waste Transfer station and abandoned Hazardous Wastes delivered by Member Agency Department of Public Works staff. The El Cerrito permanent HHW facility also accepts specific abandoned Hazardous Wastes found by the City of El Cerrito Department of Public Works staff. Small business Hazardous Wastes are not accepted at the El Cerrito facility.
- D. Mattresses are accepted at the Richmond HHW facility from Authority residents, as described in Exhibit B. Customers unload the mattresses themselves, however Contractor staff will ensure mattresses are piled safely and load the stockpiled mattresses into the awaiting container.
- E. Contractor is permitted, but not obligated, to accept Hazardous Waste from Very Small Quantity Generator (VSQG) as defined under Title 40 of the Code of Federal Regulations Section 262.14. Such VSQG Hazardous Waste is accepted only at the Richmond facility and disposal costs are charged to the applicable VSQG. VSQG entities are required to submit an inventory to Contractor of Hazardous Wastes to be delivered. Contractor reviews the inventory to determine acceptability, and the price of Disposal. Contractor shall charge an administrative fee for the VSQG service. At the time of this Agreement, the administrative fee is fifty dollars (\$50.00) and may be updated from time to time during a meet and confer process with the Authority. Once the inventory is priced and approved, the VSQG and Subcontracted staff will be informed of the pending delivery. The VSQG delivers the approved wastes, and the Contractor accepts the payment. West Contra Costa Unified School District schools, private schools located within the Authority jurisdiction, and non-profit businesses and organizations that meet the definition of VSQG are eligible for a fee waiver paid by the Authority. The Contractor provides the Authority with the priced inventory for review and fee waiver approval. The Authority may

choose to waive the entire requested fee or partial fee at its discretion. Revenue generated from the VSQG program is used to offset the HHW Services budget for the following Rate Year.

- F. Contractor and Authority may organize, promote and implement temporary HHW collection events each year as needed. These events are usually held at temporary locations throughout the jurisdiction to help promote participation in the program. The location and dates of the temporary HHW collection events are determined by both the Contractor and the Authority through a meet and confer process. Details of each event are coordinated mutually by the Parties.
- G. The Authority may work with the Contractor to utilize the permanent HHW facilities for special collection events to collect additional electronic wastes, universal wastes or Hazardous Wastes such as marine flares, solar panels, etc. Contractor is not obligated to implement all Authority proposed special collection events, however will meet and confer with the Authority to determine feasibility of providing the requested service using the scope change provision in 4.20.

ANNUAL BUDGET FOR HHW SERVICES

1. General

The HHW Services budget is approved annually by the Authority Board of Directors as described in section 5.3.2.B of this Agreement. Each year of the Term, Contractor shall prepare a budget with its direct and indirect costs to provide the HHW Services program.

Due to the variable nature of HHW Services, the Parties have agreed to annually adjust the budget for these services based on the actual cost to provide said services for the prior Rate Year.. The annual cost reconciliation allows for actual costs to be reimbursed to the Contractor within a two-year cycle. The cost reconciliation also provides credits to future budgets when expenses fall short of the projected costs.

Contractor will submit its HHW Services budget to the Authority by September 1 as part of its annual Compensation/Rate Adjustment Application and the Parties will meet and confer to establish the final budget for the subsequent Rate Year. The Parties agree that the components of the Rate Year 1 (2026) HHW Services budget included herein will be used for the Term, with modifications in subsequent years of the Term requiring mutual agreement between Parties, in accordance with the budget adjustment methodology provided below.

Once the HHW budget is approved for the upcoming Rate Year, neither Contractor nor the Authority shall add new costs without written approval by Authority Board of Directors.

2. HHW Services Budget

The HHW budget shall project the costs for the next Rate Year operations of the HHW Services program, and include a comparison of actual expenditures compared to the previous HHW Services budget, identification of variance in costs, delineation of special programs costs, Contractor management fee, and any revenues allocated to the HHW Services budget from VSQG customers and residents from jurisdictions other than the Franchised Agencies, or any other revenue sources that may be attributable. The submission of the draft budget shall include supporting documentation from Contractor for increases in costs. The Parties shall meet to discuss and modify the budget as needed. The Authority reserves the right to request reasonable supporting information to be provided by Contractor to confirm the costs included in its HHW Services budget.

The Parties agree that the projected costs for the budget include expectations of certain operational parameters, including, but not limited to, the assumed number of part-time and full-time staff; the days and hours of all HHW facilities operations; and assumed volume of HHW materials received and associated disposal costs.

The Parties agree that to ensure uninterrupted HHW Services provided per the most recent extension and prior agreements, Contractor will use the actual costs incurred during calendar year 2025 when preparing its HHW Services budget that will be included in its compensation Application for Rate Year 2 (2027) due on September 1 of Rate Year 1.

An explanation of the HHW Program budget items and cost for Rate Year 1 are provided below:

1. Direct Wages and Benefits. Direct wages and benefits paid to Contractor for an HHW supervisor, manager and similar staff members who directly oversee HHW programs, manage the budget in cooperation with the Authority and provide support to the program on site. For Rate Year 1 (2026) the amount is \$176,000.
2. Supplies and Consumables. Maintenance supplies, spare parts and consumables incurred directly to perform the HHW services required under the Agreement. For Rate Year 1 (2026) the amount is \$31,000.00.
3. HHW Facility Third Party Disposal. HHW Facility Third Party Disposal includes the subcontracted services of Clean Earth (or a replacement subcontractor approved by the Authority) for the receipt, handling, processing, and responsible disposal of the materials collected by the HHW Program. Contractor shall separately account for and report the various components of this cost (i.e., labor, handling, transportation, material disposal, etc.) in both its budget request and Annual statement. For Rate Year 1 (2026), the amount is \$756,000.
4. Permit Fees. Costs for permit fees for the entire IRRF site that are shared with the HHW Program. This does not include HHW specific permits which are allowable under section 2, above. For Rate Year 1 (2026) the cost is \$4,000.

5. Outside Services. Costs for outside services include consulting fees for the HHW program for Rate Year 1 (2026) are included in the cost category Supplies and Consumables and will be listed separately for subsequent Rate Years.
6. Facility and Administrative Costs. Contractor incurs facility and administrative costs to support service delivery of the HHW Program. The Rate Year 1 costs are provided below:
 - a. Property Taxes. Property taxes represented by an allocation of 7.29% of the property taxes paid by Contractor for WCRR, which equates to the commensurate developed square footage of the buildings used for the HHW Program at WCRR. For Rate Year 1 (2026), the cost is \$26,000.
 - b. Insurance Expense. Insurance costs directly attributable to the operation of the HHW program for the types and levels of coverage required by the Agreement. For Rate Year 1 (2026) the cost is \$13,000.
 - c. Fuel Expense. Fuel costs incurred in the operation of mobile equipment used specifically for the HHW Program. For Rate Year 1 (2026) the cost is \$8,600.
 - d. Utilities. Utilities costs incurred by Contractor in the operation of the HHW Program. For Rate Year 1 (2026) the cost is \$30,000.
 - e. Site Maintenance. Costs to maintain aspects of the WCRR site that are shared with the HHW Program. This includes, but is not limited to security, landscaping, janitorial, improvements/repair of main office building, repair of forklift or other equipment shared with HHW Program, site lighting, security cameras, internet access, site communication, perimeter fencing, entry gate, sweeping, exterminator, fire suppression system, etc. These costs represent approximately 18% of the cost to maintain the entire site. For Rate Year 1 (2026) the cost is \$48,844.66.
 - f. Accounting Support. Accounting and financial management support to manage HHW Program revenues, process invoices, prepare the Annual Statement, respond to Authority inquiries and assist with budget management. For Rate Year 1 (2026) the cost is \$39,548.18.
7. Contractor Management Fee. This expense represents Contractor's cost to manage all aspects of the HHW Program and includes any and all profit and other expenses incurred to perform the HHW Services. For Rate Year 1 (2026) the cost is \$325,000.00. For subsequent Rate Years, this amount will subject to the increases described in Table 1 below (Contractor Management Fee).

8. Authority Requested Special HHW Programs. Authority requested special programs will be included in the annual budget based on mutual agreement by the Parties. These expenses include, but are not limited to, expenses to provide HHW services at the El Cerrito satellite HHW facility, sharps and pharmaceuticals collection and disposal, one-day HHW collection events and contingency expense. For Rate Year 1 (2026), the cost for these budget items will total \$520,000 (\$315,000 – El Cerrito satellite HHW facility, \$20,000 – sharps and pharmaceuticals, \$185,000 – two one-day HHW collection events).
9. Anticipated potential costs not included in the Rate Year 1 budget include, but are not limited to, Contractor expenses for Household Hazardous Waste, motor oil and universal waste training, education, networking and related travel expenses not to exceed \$5,000 per year, capital costs or depreciation included in the Board approved annual HHW Budget, and other unforeseen costs such as payment to repair damage, fines and penalties not due to Contractor's negligence.
10. Revenue generated from VSQGs, other jurisdictions accessing the HHW program, or disposal fees collected from residents for special collection items for each Rate Year will be allocated as a credit towards the HHW Services budget for the subsequent Rate Year.

3. Contractor Compensation

The Contractor shall be permitted to charge a management fee as compensation for providing the HHW Services. This expense includes any and all profit, and management expenses not included in the agreed upon budget line items currently in place, paid to Contractor under this Agreement for managing the HHW Services. The fee shall be determined by the gross amount of the HHW Services budget, not including the Management Fee, and follow the below schedule for the Term:

Table 1 – Contractor Management Fee

HHW SERVICES BUDGET TOTAL	FEE AMOUNT
\$1,000,000 OR LESS	\$200,000
\$1,000,001 TO \$2,000,000	\$325,000
\$2,000,001 TO \$3,000,000	\$350,000
\$3,000,001 TO \$4,000,000	\$375,000*
\$4,000,001 OR MORE	Parties meet and confer*

*The Parties agree to meet and confer should the Contractor request additional compensation to manage the HHW program.

4. Excluded HHW Program Expenses

The Parties agree that a variety of Contractor's potential expenses that may arise are not suitable to include in the HHW Program budget. A list of these excluded or non-allowable expenses are provided below. If any of these expenses are deemed to be included in

Contractor's budget, Authority shall have the discretion to deduct such expenses from the budget. The excluded or non-allowable costs include the following:

1. Any costs or portions of allocated costs associated with Contractor's provision of similar services to "out of area" users of the HHW Facility that are not approved by Authority Board of Directors.
2. Labor and equipment costs for personnel and vehicles that are not specified in the operational parameters and assumptions that are approved as part of the HHW Services budget.
3. Payments or other compensation to managers, directors, and/or owners of Contractor.
4. Corporate overhead allocations or other charges for the Contractor's selling, general and/or administrative employees, except for insurance and other overhead included in a Board approved annual HHW Services budget.
5. Travel and entertainment expenses except for Household Hazardous Waste, motor oil and universal waste training, education, networking and related travel expenses.
6. Fines or penalties due to Contractor's negligence.
7. Federal or State income taxes.
8. Charitable or political donations, except non-profit organization HHW fee waivers approved by Authority in advance of payment.
9. Depreciation or interest expense for collection vehicles, Containers or other equipment, offices and other facilities if such items are leased unless approved by the Board as part of the HHW Program budget.
10. Attorney's fees and other expenses incurred by Contractor in any dispute, negotiation, or court proceeding.
11. Attorney's fees and other expenses incurred by Contractor arising from any act or omission in violation of the Agreement.
12. Payments to Affiliates for products or services, in excess of the cost to the Affiliates for those products or services.
13. Goodwill.
14. Profit exceeding the Contractor's management fee described in the Agreement.
15. Bad debt.

5. Adjustment to the HHW Services Budget

The Parties anticipate an annual adjustment to the HHW Services program budget. The annual adjustment to the HHW Services program will be subject to a cost reconciliation methodology which is intended to ensure that HHW Services program costs and revenue accrued to support these services are annually based on the actual expenses accrued for the previous Rate Year. The following provides the methodology to annually, commencing with Rate Year 2, adjust the HHW Services budget delineated in the HHW Service budget above and the methodology for the annual cost reconciliation.

The HHW Services program costs currently include the following.

- Direct Wages and Benefits.
- Supplies and Consumables.
- Facility and Administrative Costs.
- Property Taxes.
- Insurance Expense.
- Fuel Expense.
- Utilities.
- Site Maintenance.
- Accounting Support.
- HHW Facility Third Party Disposal.
- Outside Services
- Authority Requested Special HHW Programs
- Contractor's Management Fee.

6. Annual Cost Reconciliation

The expenses listed above shall be adjusted annually based on actual expenses for the preceding Rate Year. The Parties agree that Contractor's HHW Services budget cost categories listed above may be changed as necessary during the Term. The cost reconciliation methodology will require Contractor to include in its Rate Year 2 compensation Application (which establishes costs for Rate Year 3) the actual expenses incurred in Rate Year 1. This process shall be followed for the subsequent Rate Years of the Term. The Parties agree that Contractor's management fee is

excluded from the cost reconciliation and shall be based on Table 1 above, which provides an increase in said fee when the HHW Services budget increases above set amounts net of the management fee. The Parties will meet and confer to establish equitable compensation for the final Year of the Term.

Table 2 below provides an example of the annual cost reconciliation methodology.

Table 2 - HHW Services Annual Cost Reconciliation Methodology					
(Example - Illustrative Purposes Only)					
Expense Category	Rate Year 1 Budget	Rate Year 1 Actual¹	Rate Year 2 Budget	Rate Year 2 Actual²	Rate Year 3 Budget
Direct Wages and Benefits	\$176,000.00	\$179,000.00	\$179,000.00	\$179,400.00	\$179,400.00
Supplies and Consumables	\$31,000.00	\$29,600.00	\$29,600.00	\$32,500.00	\$32,500.00
Permit Fees	\$4,000.00	\$4,000.00	\$4,000.00	\$4,917.00	\$4,917.00
Outside Services	N/A	\$9,000.00	\$9,000.00	\$10,000.00	\$10,000.00
Subtotal	\$211,000.00	\$221,600.00	\$221,600.00	\$226,817.00	\$226,817.00
Facility and Administrative					
Property Tax	\$26,000.00	\$26,700.00	\$26,700.00	\$28,500.00	\$28,500.00
Insurance	\$13,000.00	\$13,800.00	\$13,800.00	\$14,400.00	\$14,400.00
Fuel	\$8,700.00	\$10,400.00	\$10,400.00	\$11,500.00	\$11,500.00
Utilities	\$30,000.00	\$31,500.00	\$31,500.00	\$35,000.00	\$35,000.00
Site Maintenance	\$48,844.66	\$50,111.00	\$50,111.00	\$49,333.00	\$49,333.00
Accounting Support	\$39,548.18	\$38,000.00	\$38,000.00	\$38,541.00	\$38,541.00
Subtotal	\$166,092.84	\$170,511.00	\$170,511.00	\$177,274.00	\$177,274.00
Authority Special Programs					
El Cerrito Satellite HHW Facility	\$315,000.00	\$320,000.00	\$320,000.00	\$322,000.00	\$322,000.00
Sharps and Pharmaceuticals	\$20,000.00	\$21,500.00	\$21,500.00	\$26,500.00	\$26,500.00
Two one-day HHW Collection Events	\$185,000.00	\$176,000.00	\$176,000.00	\$181,000.00	\$181,000.00
Subtotal	\$520,000.00	\$517,500.00	\$517,500.00	\$529,500.00	\$529,500.00
HHW Facility Third-party Disposal	\$756,000.00	\$924,000.00	\$924,000.00	\$1,084,217.00	\$1,084,217.00
Subtotal	\$756,000.00	\$924,000.00	\$924,000.00	\$1,084,217.00	\$1,084,217.00
Total Net of Contractor Management Fee	\$1,653,092.84	\$1,833,611.00	\$1,833,611.00	\$2,017,808.00	\$2,017,808.00
HHW Facility Revenue	(\$95,000.00)	(\$98,500.00)	(\$98,500.00)	(\$105,000.00)	(\$105,000.00)
Contractor Management Fee	\$325,000.00	\$325,000.00	\$325,000.00	\$350,000.00	\$350,000.00
Prior Balancing Account Deficit	\$390,615.90				
Subtotal	\$620,615.90	\$226,500.00	\$226,500.00	\$245,000.00	\$245,000.00
Total	\$2,273,708.74	\$2,060,111.00	\$2,060,111.00	\$2,262,808.00	\$2,262,808.00
¹ Rate Year 1 Actual is based on expenses accrued from January 1, 2025 through December 31, 2025.					
² Rate Year 2 Actual is based on expenses accrued from January 1, 2026 through December 31, 2026.					
The annual cost reconciliation is based on the prior year's actual expenses accrued.					

EXHIBIT E INSURANCE

1. **General Liability** Insurance Services Office form number GL 0002 covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (“occurrence” form CG 0001). \$10,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.

The Commercial General Liability Business policy must contain endorsements in substantially the following form:

- i. “Thirty (30) Days prior written notice shall be given to the Authority in the event of policy cancellation. Such Notice shall be sent via e-mail to:

West Contra Costa Integrated Waste Management Authority
Executive Director
3220 Blume Drive, Suite 139
Richmond, CA 94806

- ii. “The Authority, its officers, employees, and agents are additional insureds on this policy.” The Authority requires form CG2010 0704.
- iii. “This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the Authority, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only.”

“Inclusion of the Authority as an additional insured shall not affect the Authority’s rights as respects any claim, demand, suit or judgment brought or recovered against the Contractor. This policy shall protect Contractor and the Authority in the same manner as though a separate policy had been issued to each, but this shall not operate to increase the Contractor’s liability as set forth in the policy beyond the amount shown or to which the Contractor would have been liable if only one (1) Party had been named as an insured.”

2. **Automobile Liability** Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 “any auto” and endorsement CA 458 002 0611 (occurrence form).

\$10,000,000 combined single limit per accident for bodily injury and property damage. The Automobile Liability policy must contain the same endorsements as required for Comprehensive General Liability and MCS 90 endorsement.

3. **Workers' Compensation and Employers Liability Insurance.** Workers' compensation limits as required by State Labor Code Section 3700.

The Workers' Compensation policy must contain a broad form waiver of subrogation: endorsement.

The insurer must waive all rights of subrogation against the Authority, its officers, employees and volunteers for losses arising from work performed by the Contractor for the Authority, except for the willful misconduct or sole negligence of the Authority.

4. **Pollution Legal Liability** in the amount of ten million dollars (\$10,000,000) covering liability arising from the release of pollution at the Landfill. The Pollution Legal Liability policy must contain the same endorsements as required for Comprehensive General Liability.

EXHIBIT F LIQUIDATED DAMAGES

Contractor	Authority
Initial Here _____	Initial Here _____

Performance Standard	Liquidated Damages
1. Failure to provide Disposal Services. For each ton that Contractor fails to provide Disposal Services at the facilities listed in Exhibit J.	Assessed on tons Disposed at current per ton rate at time of violation.
2. Use of Unauthorized Facilities for non-Disposal Services. For Recyclable Materials, Organic Materials, or C&D Debris delivered to a facility or location that is not listed in Exhibit J.	\$125/ton
3. Disposal of Organic or Recyclable Materials not in conformance with Load Monitoring and Classification Procedures in Section 4.1.5. This provision explicitly excludes the following: Compost Overs and Residues, Recycling Residue, C&D MRF Fines, C&D Processing Residue, and Organic Materials and Recyclable Materials loads, or portions of Organic Materials and Recyclable Materials loads that exceed the contamination thresholds prescribed in Section 4.1.5.	Assessed on tons Disposed at current per ton rate at time of violation.
4. Timely submission of required reports, rate adjustment requests and other information, upon request, as required by this Agreement. For each Day that a report, rate adjustment request or other requested information required by this Agreement is overdue past the specified due date, unless Contractor receives a waiver of said due date in advance by Authority in writing or email.	\$25/day for each Day until accurate and complete submittal of report or information is received
5. Failure to provide certified scales. For each load Contractor fails ensure compliance with the requirements of Section 4.9 of the Agreement.	\$300/load
6. Inaccurate Disposal reporting. For each of Contractor's reports submitted to Authority as required by Exhibit C that is materially incorrect, and Contractor fails to correct such report after notification. This penalty shall only apply to reports submitted by Contractor after Contractor has failed to restate the erroneous data within ten (10) Working Days or within a timeframe agreed to by the Authority in writing.	\$500/event

EXHIBIT G CORPORATE GUARANTY

THIS GUARANTY (the "Guaranty") is given as of the _ Day of _____, 2025.

THIS GUARANTY is made with reference to the following facts and circumstances:

- A. West County Resource Recovery, Inc., hereinafter ("CONTRACTOR") is a corporation organized under the laws of the State of California, all of the issued and outstanding stock of which is owned indirectly by Republic Services, Inc. ("Guarantor").
- B. CONTRACTOR and the West Contra Costa Integrated Waste Management Authority ("AUTHORITY") have negotiated an Agreement for post-collection Recycling, and Disposal Services, (hereinafter "Agreement").
- C. It is a requirement of the Agreement, and a condition to the AUTHORITY entering into the Agreement, that Guarantor guaranty CONTRACTOR'S performance of the Agreement, including the performance of the Approved Affiliates listed in Exhibit J to the Agreement. For the purposes of this Guaranty, CONTRACTOR shall be deemed to include the Approved Affiliates.
- D. Guarantor is providing this Guaranty to induce the AUTHORITY to enter into the Agreement.

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

1. Guaranty of the Agreement. Guarantor hereby irrevocably and unconditionally guarantees to the AUTHORITY, as a primary obligor and not as a surety, the complete and timely performance, satisfaction and observation by CONTRACTOR of each and every term and condition of the Agreement, which CONTRACTOR is required to perform, satisfy, or observe. In the event that CONTRACTOR fails to perform, satisfy or observe any of the terms and conditions of the Agreement, Guarantor will promptly and fully cause performance, satisfy or observe them in the place of CONTRACTOR or cause them to be performed, satisfied or observed. Guarantor hereby guarantees payment to the AUTHORITY of any damages, costs, or expenses which might become recoverable by the AUTHORITY from CONTRACTOR due to its breach of the Agreement. The obligations of Guarantor under this Guaranty shall not be affected, reduced, modified, or impaired on the happening from time to time of any of the following event, whether or not with notice to (except as notice is otherwise expressly required) or the consent of

Guarantor:

The voluntary or involuntary liquidation, dissolution, sale, or other disposition of all or substantially all of CONTRACTOR's assets, the marshalling of Borrower's assets and liabilities, the receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors, or readjustment of, or other similar proceedings affecting CONTRACTOR, Guarantor, or any of the assets of either;

2. Guarantor's Obligations Absolute. The obligations of the Guarantor hereunder are direct, immediate, absolute, continuing, unconditional, and unlimited and with respect to any payment obligation of CONTRACTOR under the Agreement, shall constitute a guarantee of payment and not of collection. In any action brought against the Guarantor to enforce, or for damages for breach of, its obligations hereunder, the Guarantor shall be entitled to all defenses, if any, that would be available to CONTRACTOR in an action to enforce, or for damages for breach of, the Agreement (other than discharge of, or stay of proceedings to enforce, obligations under the Agreement under bankruptcy law).
3. Waivers. Except as provided herein the Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under this Guaranty for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of CONTRACTOR; (2) the actual or purported rejection by a trustee in bankruptcy of the Agreement, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (3) any waiver with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of the AUTHORITY'S rights or remedies against CONTRACTOR; or (4) any merger or consolidation of CONTRACTOR with any other corporation, or any sale, lease or transfer of any or all the assets of CONTRACTOR. Without limiting the generality of the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code §2819.

The Guarantor hereby waives any and all benefits and defenses under California Civil Code §2846, 2849, and 2850 as may be amended from time to time, including without limitation, the right to require the AUTHORITY to (a) proceed against CONTRACTOR, (b) proceed against or exhaust any security or collateral the AUTHORITY may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agrees that AUTHORITY may proceed against Guarantor for the obligations guaranteed herein without taking any action against CONTRACTOR or any other guarantor or pledge or and without proceeding against or exhausting any security or collateral the AUTHORITY may hold now or hereafter hold. The AUTHORITY may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against CONTRACTOR or any other guarantor or pledge or without impairing the AUTHORITY'S rights and remedies in

enforcing this Guaranty.

The Guarantor hereby waives and agrees to waive at any future time at the request of the AUTHORITY to the extent now or then permitted by law, any and all rights which the Guarantor may have or which at any time hereafter may be conferred upon it, by statute, regulation or otherwise, to avoid any of its obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantor hereunder: (a) at any time or from time to time, without notice the Guarantor, performance or compliance herewith is waived; (b) any other of any provision of its Agreement indemnification with respect to CONTRACTOR'S obligations under the Agreement or any security therefore is released or exchanged in whole or in part or otherwise dealt with; or (c) any Assignment of the Agreement is effected which does not require the AUTHORITY'S approval.

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

Contractor's Defenses. Notwithstanding any other provision in this Guaranty, Guarantor shall have available to it any and all defenses that Contractor may have that arise from terms and provisions of the Agreement, as it may be amended from time to time, in any action to enforce this Guaranty.

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

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

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

5. Attorney's Fees. In addition to the amounts guaranteed under this Guaranty, Guarantor agrees in the event of Guaranty's breach of its obligations including to pay reasonable attorney's fees and all other reasonable costs and expenses incurred by the AUTHORITY in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder, providing the Authority is the prevailing party, otherwise, in all instances in which Guarantor is the prevailing party, Guarantor shall be entitled to recover from Authority its reasonable attorney's fees and reasonable costs and expenses incurred by the Guarantor in defending this Guaranty against the AUTHORITY.
6. Governing Law: This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws, rules for all purposes including, but not limited to, matters of construction, validity, and performance. Guarantor agrees that any suit, action, and other proceeding brought by the AUTHORITY or other party to enforce this Guaranty may be brought and concluded in the courts of the State of California, in Santa Clara County or Federal District court for northern California, which shall have exclusive jurisdiction over such suit, action, or proceeding. Guarantor appoints the following Person as its agents for service of process in California: CT Corporation System.
7. Severability. If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity will have no effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.
8. Binding on Successors. This Guaranty shall inure to the benefit of the AUTHORITY and its successors and shall be binding upon Guarantor and its successors, including transferee(s) of substantially all of its assets and its shareholder(s) in the event of its dissolution or insolvency.
9. Authority. Guarantor represents and warrants that it has the corporate power and the authority to give this Guaranty, that its execution of this Guaranty has been authorized by all necessary action under its Article of Incorporation and By-Laws, and that the Person signing this Guaranty on its behalf has the authority to do so.

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

To the AUTHORITY: Executive Director
West Contra Costa Integrated Waste Management Authority
3220 Blume Drive, Suite 139
Richmond, CA 94806

with a copy to the AUTHORITY Attorney at the same address.

To the Guarantor: Republic Services, Inc.
Attn: Chief Legal Officer
18500 N. Allied Way
Phoenix Arizona 85054.

With a copy to the CONTRACTOR:
West County Resource Recovery, Inc.
Attn: Facility Manager
101 Pittsburg Ave.
Richmond, California 94801

The parties may change the address to which notice is to be sent by giving the other party notice of the change.

IN WITNESS WHEREOF, the Guarantor has executed this Agreement as of the Day and year first above written.

GUARANTOR:

Republic Services, Inc., a Delaware corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT H
SECRETARY'S CERTIFICATE

Corporate Secretary's Certificate

The undersigned, being the Secretary of _____, a California corporation ("the Company"), do hereby certify that the following resolution was adopted by the Board of Directors of the Company and that such resolution has not been amended, modified or rescinded and is in full force and effect as of the date hereof:

Name

Date

RESOLVED, that _____ be, and hereby is, authorized to

(Name of Designated Representative)

execute by and on behalf of the Company the Agreement between the West Contra Costa Integrated Waste Management Authority and the Company for post-collection Services and any and all other agreements, instruments, documents or papers, as he/she may deem appropriate or necessary, pertaining to or relating to such Agreement, and that any such action taken to date is hereby ratified and approved.

Date

Signature

Title

EXHIBIT I PROCESSING DESCRIPTIONS

The description of processing operations provided herein is intended to only illustrate the type of facilities used by Contractor, its general operations, and other information related to said facilities as of the Effective Date of this Agreement. Processing operations or activities may change as needed.

Organic Materials Processing Facility (OMPF) Description

General Overview – CASP Compost Facility & C&D Sorting Facility

The Organic Materials Processing Facility (OMPF) consists of two basic operations located at the closed West Contra Costa Sanitary Landfill (WCCSL) site – a Covered Aerated Static Pile (CASP) Compost facility and a Construction and Demolition (C&D) debris sorting facility, known as the Bulk Materials Handling Facility. Both operations occur primarily on top of the closed landfill. Each of these operations consists of several steps in their respective process as further described below.

The CASP Compost facility is an open-air operation located at the top of the closed landfill in an approved all-weather Compost process pad. This facility primarily receives residential curbside collected green and food waste for Composting. The CASP facility consists of various features to perform this effort which include an aeration system, push walls, odor control misting system, water supply, litter fencing drainage improvements, a fire suppression tank, and a lined contact water pond, along with a variety mobile equipment such as screens, loaders, trailers, and grinders. The overarching goal of the CASP process is to prepare useable and marketable compost for sale to end users that meets the minimum standards set in of CA CCR Title 14 regulation.

The C&D debris sorting operation is also referred to as the Bulk Material Processing Center (BMPF). This BMPF focuses on processing bulk materials which generally consist of construction and demolition debris, concrete, soil, and asphalt, mixed and source separated wood, and other inert waste streams. The BMPF is characterized by handling a broad range of bulk materials, the most significant of which is wood and metal wastes derived from construction and demolition debris. Wood separated at the BMPF is generally not Composted because it is a mix of types some of which are not suitable for Composting. Wood derived from the BMPF is usually ground and sent to biofuel or other outlets or sent as Alternative Daily Cover (ADC) to Landfills. Other planned outlets for wood waste derived at the BMPF includes a future planned hydrogen production facility to be located at the facility.

OMPF Weighing, Load Checking, and Contamination

The weighing of incoming wastes to the BMPF and CASP occurs at the scales located in the entrance area of the WCCSL/GBTS facility. Vehicles containing feedstocks intended for the OMPF are weighed and routed to the Compost or C&D tipping deck. Once tipped, loads are visually inspected, by operators, traffic directors, or other personnel, for contamination and based on this visual inspection will either be deemed acceptable or

rejected. Loads visually exhibiting high levels of contamination may be redirected immediately and to the Transfer facility for Disposal.

CASP Feedstock

The CASP facility provides solid waste diversion for certain organic materials primarily consisting of yard trimmings and debris, mixed green waste and food waste, wood debris, land clearing and other vegetative materials. Other “organic materials” not generally accepted at the OMPF, or accepted in limited amounts, include materials such as biosolids, mixed paper, cardboard, clean dimension lumber, manures, agricultural wastes, rendering wastes, etc. These wastes are organic in make-up but are generally not the primary type of feedstocks the CASP receives. Other organic, and inorganic materials, that are received at the OMPF but generally not Composted are managed at the BMPF processing location and operation.

Contamination at the CASP includes materials such as, but not limited to, plastics, trash, glass, metal, dirt, engineered lumber, ceramic, concrete, or anything which may not break down during the Compost process (i.e. bioplastics). In the future, contaminated residuals that are generated from rejected loads or generated from pre-process screening may be targeted as feedstocks for going to the planned hydrogen production facility planned at the site in lieu of Disposal.

CASP Pre-Processing

The load checking program at the CASP identifies possible contaminants once loads are tipped at the Compost pad. Load checking and segregating of contaminants from the loads is completed with operators using loaders and/or other heavy equipment or laborers directing those efforts. The load checking program’s purpose is to minimize contamination and to maintain the quality of Compost feedstock. The removal of contamination material is typically performed prior to processing but it may occur at any time during the process depending on need and feasibility. It is logistically impracticable to view each load as it is tipped and therefore, not every load or part of a load is viewed. Additionally, much of the load checking is completed after loads are tipped and trucks may have left the facility. For this reason, it may not be possible to ascertain which hauler or customer brought in the contaminated materials. Additionally, it is recognized that separation of contaminants is not a perfect process and much of the contaminants disposed will contain organics and likewise much of the feedstock accepted will contain some level of contaminate.

The facility strives to directly process feedstocks that contain up to approximately 1% contamination by weight (as determined by visual inspection). Materials higher than about 10% contamination are generally set aside by a loader and either pre-processed through a pre-screen trommel screen to further remove contaminants or disposed due to the high levels of contamination.

Experience has shown that pre-process screening (pre-screening), typically results in about a 50% recovery rate of the feedstock processed. Recovery rate of contaminated feedstocks is highly variable and dependent of a number of factors including how

contaminates are packaged, type of material, moisture content, size of contaminate and the other materials in the load. By number, the number of loads that are immediately disposed during the load check process due to contamination have been low, but this is contingent in part of the quality of feedstock delivered.

CASP Composting

Acceptable Compostable material received (i.e. Typically feedstock with less than 1% contamination by visual inspection) is pushed to the grinding area where it is either shredded or ground into a uniform size suitable for Composting, usually 2-inch minus. Unders from the pre-processing screen are usually placed directly into the CASP aeration processing stage since they are already at the sufficient size. Grinding the feedstock reduces the volume of material and provides a uniform mixture of material and particle size, and allows for the introduction of water into the process. Additionally screening of clean un-ground feedstock may occur to reduce the amount of grinding required.

Following the shredding and/or grinding phase, the moisture conditioned feedstock is placed into the Compost bunkers where aeration of the material occurs. A pile of feedstock is created in the aeration bunkers and air is blown through the pile to promote Compost activity. To the extent water is needed, it is usually added before or during the grinding phase. However, to maintain optimal moisture content water is also added as needed during the aeration phase and the curing phase. Water is added throughout the process to achieve and maintain the targeted moisture content.

Each Compost pile is kept in the aeration phase based on the permit requirements. Currently, positive aeration is utilized to aerate the piles, although the system may be operated in negative aeration too. During this period temperatures and moisture content are monitored. This is a biological system which has many variables effecting outcomes, and the system operator is able to control the length of time for aeration, temperature, and moisture to achieve optimal biological activity.

CASP Curing and Screening

After aerated static pile processing is complete, the piles are broken down and moved into the curing area. Curing allows for the Compost to further mature and increase in quality. To allow the final product to stabilize and mature, the Compost will typically stay in the curing piles for a minimum of four weeks depending on end use. The end-use of the Compost will dictate the necessary degree of maturation of the material (e.g., some end-users do not require a fully mature product and curing period may be shortened). Material can remain in curing as a form of storage for longer periods until it is ultimately sold.

Compost is then screened to 3/8 inch or smaller depending on customer needs. There is no requirement to screen and unscreened Compost, or Composted Overs may be sold as a final product as well. Composted Overs is Compost material that is typically larger than 3/8-inch. Because of the way plastics behave in the process, Overs are usually where plastic contamination tends to concentrate. The plastic contamination that exists in the feedstocks is generally carried through the Compost process as an inert light material

and tends to concentrate with the Overs during final product screening. This results in Compost Overs typically having limited end use markets and generally why the only suitable outlet for Compost Overs is ADC in a Landfill. In the future, Compost Overs may be utilized as a feedstock in the planned hydrogen production facility onsite.

Bulk Material Processing Center (BMPC) – C&D Operation

Depending on the type of incoming material and the amount of possible contamination, mechanized sorting conveyors, screens, and other material handlers are used to process this waste in this area. The C&D sorting line system is the primary method that is used to process mixed C&D and other appropriate bulk materials received. The C&D sorting line consists of a fixed mechanized processing system which includes conveyors, sorting stations, screens, and magnets. Loaders and material handlers are used to pre-sort the wastes into suitable material that will be processed across the sorting line and to separate materials that are not suitable to be process across the line.

Overall, the primary means of diversion at the BMPC is generally achieved through diversion of wood to biofuel (or hydrogen), concrete and asphalt to beneficial reuse/aggregates, dirt beneficial reuse/ADC, fines beneficial reuse/ADC, metal and cardboard to wholesalers.

C&D Feedstock

The materials delivered to the BMPC include a wide variety of construction and demolition wastes, miscellaneous debris, wood wastes, clean-ups, and bulky goods. These materials are typically delivered in small amounts by self-haul vehicles, or large trucks and trailers and end-dumps from a wide variety of customers. The facility is referred to as the BMPC because C&D does not accurately describe a significant portion of what the site receives, although C&D is a very important part of the flow. Some of the bulky wastes received consists of a relatively high grade of source-separated wood, concrete, metal, asphalt or dirt materials. Source-separated concrete and asphalt materials are stockpiled on-site and either ground for use on-site as a road base or sent in its raw form to the Landfill to be used as a beneficial re-use for building roads and pads.

Materials determined to not be suitable for processing across the sorting line include things that will damage or clog equipment (cable, rope), may be too large or heavy to process across the equipment (large metal, concrete, containers etc.), may be source separated materials (clean wood piles, pallets, cardboard etc.) or may contain too many fines and other non-recyclable materials (dirt, drywall, brick, glass or ceramic content). These materials are identified by either the material handler or loader operator during initial sorting. Materials determined to not be sent across the sort line are either pushed into an appropriate pile for their end-use (i.e. concrete, metal, or wood waste) or are rejected and disposed. Rejected materials are loaded into a Transfer Vehicle and sent to the Landfill for Disposal. These materials may be later shredded into ADC at the Landfill or disposed depending on what the material consists of and the needs at the Landfill.

C&D Processing

Materials determined to be suitable for sorting across the sort line are piled adjacent to the in-feed conveyor of the sort line. The material handler will use its grapple to pick the material and place it into the in-feed hopper. As the operator performs this function he will attempt to avoid loading any unsuitable material noticed. Sorted materials are mechanically processed through a series of screens and manual sort stations. At the sort stations, sorters will positively pick clean wood, cardboard, and metal to the extent present in the wastes. Screens are used to separate fines from the material and magnets are used to separate additional ferrous metal.

Separated materials usually consist of wood, metal and cardboard and these materials are sold to a variety of end-use outlets. Fines generated by the screens typically have high amounts of drywall, dirt, glass, inerts and some organic content (wood and green waste). Fines do not have any end use markets and generally go to Landfill for ADC. Wood (either source separated or generated from the sorting operation) is currently sold into the biofuel markets but may be used for hydrogen production in the future or as ADC in a Landfill if other markets are not available. Wood generated at the BMPC is not generally suitable for Composting as it is a mixture of clean dimensional lumber, plywood and engineered wood products.

Almost all concrete, asphalt and dirt accepted are processed into aggregate or utilized at the Landfill for road and pad building or ADC. Mixed bulk materials are also all processed initially by utilizing the material handler and a floor sort approach. The higher-grade material is positively picked in the floor sort process to be further sent onto the sort line for additional processing.

Golden Bear Transfer Station (GBTS) Description

General Overview

The GBTS began operation in September 2006 to receive, salvage, and transferred the wastes traditionally directed to the prior solid waste landfill operated onsite.

The GBTS facility consists of a large metal building that is open on two sides, a concrete backing and unloading apron area, a push pit and Transfer Vehicle loading area, a small manual sorting area, storage for MSW within the building, recycling and Household Hazardous Waste storage areas, parking areas, an office building, and breakroom. The GBTS is adjacent to the closed landfill and is accessed through paved and dirt roadways leading from the entrance facility. Handling areas for recyclables and Household Hazardous Wastes are designated to receive unacceptable wastes and E-wastes discovered in wastes delivered to all the facilities located at this location.

GBTS Weighing, Load Checking, and Contamination

The GBTS was designed to receive incoming route and roll-off commercial vehicles and public self-haul vehicles. The commercial vehicles tip into the building from a tip floor on the north side of the structure and the public self-haul tip into the building from the west

side of the structure. Trucks back into a tipping bay and tip or unload their load onto the floor. As loads are tipped a traffic director will periodically inspect loads as part of the sites load check program to ensure the waste is appropriate and determine if any unacceptable materials are present. Loads are also inspected by the operators as they handle the wastes to determine if there are any unacceptable present in the load. An area on the tipping floor is designated so that suitable materials noted for diversion may be transferred and processed at the BMPC or other recycling location. Another area on the floor is designated to receive wastes designated to go to the Landfill for Disposal. There are also sub-areas for receipt of other recyclables such as mattresses, tires, white goods as they may be separated.

GBTS Transfer and Transport

Waste that is destined to go to the Landfill are pushed from the storage pile through a hole in the floor known as the load-out tunnel. The load-out tunnel is a drive through area behind the Transfer station floor that is housed inside a building extension attached to the east side of the building. Large Transfer Vehicles and trailers are positioned inside of the load-out tunnel, where waste materials fall into the trailer from the floor above. Wastes are pushed from the storage pile into the Transfer trailers using a loader. Once the trailer is at its maximum weight the Transfer Vehicle leaves the facility and wastes are transferred for Disposal currently at the Landfill. All wastes trailers leaving the facility are tarped before they leave.

GBTS Storage and Marketing

White goods received at the Transfer station are placed in an adjacent area near the tipping floor for removal and processing in accordance with existing regulations. The refrigerators and other appliances containing refrigerants are set aside while awaiting a service contractor to remove the refrigerant. E-wastes and Household Hazardous Waste found in the waste stream via the sites load check program are also set aside in appropriate containers awaiting further handling.

Any recyclable materials that are collected in the Transfer building are stored in a recyclables material storage area until sufficient quantities of material have been accumulated to warrant transporting to another Primary or Alternate Facility for further Processing.

Recovery of recyclable materials at the GBTS location will vary by material type and flow. Large volume materials like OCC typically are moved out more frequently due to the difficulty of handling these materials. Other items such as white goods or mattresses may be stored for longer periods.

Integrated Resource Recovery Facility (IRRF) Description

General Overview

Located on 101 Pittsburg Ave approximately 1-mile from the WCCSL location is the IRRF facility. Within the IRRF's Waste Transfer and Processing Building is located the Material

Recovery Facility (MRF). The MRF is a large mechanical system which incorporates many conveyors, screens, sorters, magnets, bunkers, and a baler system. The MRFs purpose is to receive single stream, mixed or source separated recyclables, and separate it into the various recyclable commodities. The MRF is not designed to process trash or materials that are not specifically post-consumer recyclables. The MRF equipment was selected to provide flexibility in meeting changing recyclable materials characteristics, market demand, and changes in market specifications, but is not targeted to waste streams high in wet wastes, bulky materials, debris, concrete, or MSW. The MRF is currently designed to process approximately 300-350 tons per day (TPD) of various streams of recyclable material.

IRRF Weighing, Load Checking, and Contamination

A scale house is adjacent to the entrance roadway leading to the MRF processing building. It is located between an inbound and an outbound scale in the roadway used by vehicles delivering material to the facility. The scale house attendants are available during all hours that the IRRF is open to accept materials. These attendants conduct transactions, monitor incoming waste for unacceptable materials and direct vehicles to the proper unloading area. Vehicles containing unacceptable waste are directed to leave the site.

The sites waste monitoring and load checking program has been implemented to identify contamination and minimize Hazardous Waste from entering the facility. Procedures are in place to ensure the proper management of materials to be processed, removal of the highly contaminated un-processable material, and removal of unexpected Hazardous Wastes delivered to the facility. Wastes are visually screened at the unloading areas and transferred to loadout areas. Any unacceptable materials are identified and managed accordingly.

IRRF Processing

This facility receives recyclable materials from Residential, industrial, and Commercial businesses. The facility processes single-stream recyclables, Commercial comingled recyclables, source separated recyclable material, and industrial dry waste material. Most of the incoming material is comingled where all materials (paper, plastics, metals, glass, and cardboard) are collected in one recycling cart or dumpster.

Generally, the sorting process is as follows:

1. Metering bin - Material is first loaded onto a metering bin where a belt moves material into a rotating drum to help “meter” and separate material onto a pre-sort conveyor. The purpose of the metering bin is to ensure the correct amount of material is loaded onto the pre-sort belt.
2. Pre-sort - Material then travels along a pre-sort conveyor where employees sort and remove non-recyclable material, large items and debris. This is a very labor-intensive step and an area that is heavily impacted by poor quality recyclables.

3. Cardboard Screens - From pre-sort the materials next stop are the cardboard and glass screens. Cardboard/Glass screens are where large metal discs guide the large cardboard pieces through the screen while smaller materials fall through. Cardboard then goes to a bunker for storage but along the way there are sorters that pick contaminants from the line.
4. Glass Screens – Smaller fraction drops through the cardboard screens and the smaller heavier material filters down through to the glass screens. Small metal discs break the glass into many small pieces or fines which then filter down onto a conveyor that transports the glass fines into a bunker. Lighter material floats on top of the glass screens and continues onto another conveyor towards the ballistic separators.
5. Ballistic Separators - Operates such that lighter material such as paper and film travel up and over onto another conveyor for further quality sorting and then into a mix paper bunker. The heavier material such as containers (plastic, aluminum, etc.) and residue fall back down and onto the optical sorter belt.
6. Optical Sorter - Material that reaches this point is heavy in containers and travels onto a speed belt (a faster belt) where the fast rotation helps separate material on the belt as it moves toward the optical sorter. The optical sorter identifies the material as it passes underneath cameras. Air nozzles then blow color and natural HDPE containers up with jets of air. HDPE containers land on the farthest underneath conveyor belt. The PET bottles are blown down onto the closest underneath conveyor. Both HDPE and PET containers will travel directly into separate bunkers. The remaining materials land onto the middle underneath conveyor belt where they continue towards two A.I. robotic arms.
7. A.I. Robotic Arms- After the optical sorter process, the remaining material continues to pass two cameras and two A.I. robotic arms. The robotic arms function is to help pick any remaining PET and HDPE plastic containers that were missed by the optical sorter. The remaining material continues and passes underneath a magnetic conveyor belt.
8. Magnetic Conveyor - Material passes underneath a rotating conveyor with a large earth magnet in the middle. The magnet is strong enough to remove tin cans and any other ferrous metals as they pass underneath. As the magnet lifts the ferrous metal onto the rotating conveyor it then propels the metal material into a holding bunker below. Left over material not captured by magnetic conveyor continues onto the eddy current separator conveyor.
9. Eddy Current Separator - The eddy current separator repels the aluminum cans, foil, and non-ferrous metal material from the conveyor. That material then lands onto another conveyor where an employee sorter will then hand separate any heavy non-aluminum material. The aluminum cans and foil drop into a chute where an air blower propels the aluminum containers thru a large pipe into a holding bunker. Any remaining material not repelled by the eddy current continues onto a conveyor and re-directed towards the last chance optical sorter.
10. Last Chance Optical Sorter – The line takes the remaining material onto another speed belt for a final opportunity to capture any remaining cardboard or containers that were

missed during the first sort line process. The last chance optical will separate and re-direct any remaining containers back onto the first optical sorter line for another capture attempt. It will also separate and redirect any remaining cardboard directly into the designated bunker. Any material not separated by the last chance optical sorter will continue onto a final conveyor belt towards the residue/trash bunker.

11. Baler - As bunkers of separated recyclable material get full, it is emptied onto a large infeed conveyor that transports the material to the baler. The baler then will then go through various compact cycles to produce finished spec bales of either mix paper, cardboard, PET, etc. The bales are then stored and ready for market.

EXHIBIT J
**LIST OF APPROVED AFFILIATES AND APPROVED (PRIMARY
AND ALTERNATE) FACILITIES**

Approved Affiliates

- ACT Transport LLC
- Allied Waste Systems, Inc.
- Browning-Ferris Industries of California, Inc.
- Forward, Inc.
- Golden Bear Transfer Services, Inc.
- International Disposal Corp. of California
- Keller Canyon Landfill Company
- North State Renewables LLC
- Republic Services of Sonoma County, Inc.
- Republic Services Vasco Road, LLC
- U.S. Ecology, Inc.
- West Contra Costa Sanitary Landfill, Inc.

Primary Facilities

- **West County Resource Recovery Recycling Center - Recyclable Materials Processing**

Address: 101 Pittsburg Ave. Richmond, CA 94801

Owner/Operator: West County Resource Recovery (WCRR)

- **Household Hazardous Waste Facility – HHW**

Address: 101 Pittsburg Ave. Richmond, CA 94801

Owner/ Operator: West County Resource Recovery (WCRR)

- **Golden Bear Transfer Station – Solid Waste Transfer**

Address: 1 Parr Blvd, Richmond, CA

Owner/ Operator: Golden Bear Transfer Services, Inc.

- **West Contra Costa Sanitary Landfill - Organics Material Processing**

Address: 1 Parr Blvd, Richmond, CA

Owner/ Operator: West Contra Costa Sanitary Landfill, Inc.

- **West Contra Costa Sanitary Construction and Demolition Recycling Facility – C&D Processing**

Address: 1 Parr Blvd, Richmond, CA

Owner/ Operator: West Contra Costa Sanitary Landfill, Inc.

- **Raven SR – Organic Materials Processing**

Address: 1 Parr Blvd, Richmond, CA

Owner/Operator: Raven SR

- **Keller Canyon Landfill – Solid Waste Disposal**

Address: 901 Bailey Road, Pittsburg, CA

Owner/ Operator: Keller Canyon Landfill Company

Alternate Facilities

- **BFI Newby Island Recyclery – Recycling Center – Recyclable Materials Processing**

Address: Dixon Landing Road. Milpitas, CA 94

Owner/ Operator: Browning-Ferris Industries of California, Inc.

- **Contra Costa Transfer and Recovery Station (Transfer) – Solid Waste Transfer**

Address: 901 Waterbird Way, Martinez, CA

Owner/ Operator: Allied Waste Systems, Inc.

- **Forward Landfill - Organics Material Processing Facility – Solid Waste**

Disposal

Address: 9999 S Austin Rd, Manteca, CA 95336

Owner/ Operator: Forward, Inc.

- **Newby Island Resource Recovery Park (Compost Facility) – Organic Materials Processing**

Address: 1601 Dixon Landing Road, Milpitas, CA

Owner/ Operator: International Disposal Corp. of California

- **BFI Newby Island Recyclery Construction and Demolition Facility - C&D Processing**

Address: 1601 Dixon Landing Road, Milpitas, CA

Owner/ Operator: Browning-Ferris Industries of California, Inc.

- **Ox Mountain Sanitary Landfill – Solid Waste Disposal**

Address: 12310 Highway 92, Half Moon Bay, CA

Owner/ Operator: Browning-Ferris Industries of California, Inc.

- **Vasco Road Landfill – Solid Waste Disposal**

Address: 4001 Vasco Road, Livermore, CA

Owner/ Operator: Republic Services Vasco Road, LLC

- **Newby Island Landfill – Solid Waste Disposal**

Address: 1601 Dixon Landing Road, Milpitas, CA

Owner/ Operator: International Disposal Corp. of California

- **Central Landfill (Sonoma) – Solid Waste Disposal**

Address: 500 Meacham Road, Sonoma, CA

Owner/ Operator: Republic Services of Sonoma County, Inc.

- **North State Renewables LLC (Anerobic Digester) – Organic Materials Processing**

Address: 15 Shippee Road, Oroville, CA

Owner/Operator: North State Renewables LLC

EXHIBIT K

MATERIAL SPECIFIC RATE COMPONENT

Table1 provides the Material Specific fixed and variable Rates for the Term.

Table 1 - Fixed and Variable Rates			
(Example - Illustrative Purposes Only)			
Year	Rate Year	Fixed Rate	Variable Rate: Allowable Percent Increase¹
2026	1	\$158.41	N/A
2027	2	\$174.25	N/A
2028	3	\$191.68	N/A
2029	4	N/A	5.00%
2030	5	N/A	5.00%
2031	6	N/A	5.00%
2032	7	N/A	6.0% ²
2033	8	N/A	7.00%
2034	9	N/A	8.00%
2035	10	N/A	8.00%
2036	11	N/A	8.00%
2037	12	N/A	8.00%
2038	13	N/A	8.00%
2039	14	N/A	8.00%
2040	15	N/A	8.00%
¹ The allowable percent increase is based on performance of the CPI.			
² Contractor shall be entitled to a one-time compensation adjustment providing the amount of revenue associated with the CPI performance exceeding the allowable percent increase of the previous three (3) years.			

Table 2 below provides an example of the CPI Rate adjustment methodology described in Section 5.3.2.A.

Table 2 - Year-Over-Year CPI Change			
(Example - Illustrative Purposes Only)			
Month	CPI	Month	CPI
2023-08-01	290.975	2024-08-01	303.311
2023-09-01	291.279	2024-09-01	305.117
2023-10-01	291.683	2024-10-01	306.336
2023-11-01	292.694	2024-11-01	308.015
2023-12-01	292.915	2024-12-01	308.234
2024-01-01	297.079	2025-01-01	310.239
2024-02-01	298.751	2025-02-01	313.344
2024-03-01	299.183	2025-03-01	313.925
2024-04-01	300.178	2025-04-01	314.820
2024-05-01	299.987	2025-05-01	315.585
2024-06-01	300.652	2025-06-01	316.851
2024-07-01	302.106	2025-07-01	318.244
Average	296.457	Average	311.168
August 2023-July 2024	296.457		
August 2024-July 2025	311.168		
Variance	14.712		
Year-Over-Year Percent Change	4.96%		

Table 3 on the next page provides an example that uses the calculated CPI to make the annual Rate adjustment in alignment with the allowable percent increases and applying the annual CPI rollover described in Section 5.3.2.A.

Table 3 - Annual CPI Adjustment			
(Example - Illustrative Purposes Only)			
Rate Year 4		Rate Year 10	
Rate Year 3 Rate	\$191.68	Rate Year 9 Rate	\$264.55
CPI Rollover Balance	N/A	CPI Rollover Balance	0.00%
Allowable Percent Increase	5.00%	Allowable Percent Increase	8.00%
Calculated CPI Performance	5.36%	Calculated CPI Performance	8.19%
CPI Rollover	0.36%	CPI Rollover	0.19%
CPI Used for Calculation	5.00%	CPI Used for Calculation	8.00%
Adjusted Rate Year 4 Rate	\$201.26	Adjusted Rate Year 10 Rate	\$285.71
Rate Year 5		Rate Year 11	
Rate Year 4 Rate	\$201.26	Rate Year 10 Rate	\$285.71
CPI Rollover Balance	0.36%	CPI Rollover Balance	0.19%
Allowable Percent Increase	5.00%	Allowable Percent Increase	8.00%
Calculated CPI Performance	5.67%	Calculated CPI Performance	6.52%
CPI Rollover	0.67%	CPI Rollover	0.00%
CPI Used for Calculation	5.00%	CPI Used for Calculation	6.71%
Adjusted Rate Year 5 Rate	\$211.32	Adjusted Rate Year 11 Rate	\$304.88
Rate Year 6		Rate Year 12	
Rate Year 5 Rate	\$211.32	Rate Year 11 Rate	\$304.88
CPI Rollover Balance	0.67%	CPI Rollover Balance	0.00%
Allowable Percent Increase	5.00%	Allowable Percent Increase	8.00%
Calculated CPI Performance	4.90%	Calculated CPI Performance	8.73%
CPI Rollover	0.00%	CPI Rollover	0.73%
CPI Used for Calculation	5.00%	CPI Used for Calculation	8.00%
Adjusted Rate Year 6 Rate	\$221.89	Adjusted Rate Year 12 Rate	\$329.27
Rate Year 7		Rate Year 13	
Rate Year 6 Rate	\$221.89	Rate Year 12 Rate	\$329.27
CPI Rollover Balance	0.00%	CPI Rollover Balance	0.73%
Allowable Percent Increase	6.00%	Allowable Percent Increase	8.00%
Calculated CPI Performance	6.38%	Calculated CPI Performance	8.11%
CPI Rollover	0.38%	CPI Rollover	0.11%
CPI Used for Calculation	6.00%	CPI Used for Calculation	8.00%
Adjusted Rate Year 7 Rate	\$235.20	Adjusted Rate Year 13 Rate	\$355.62

Table 4 below provides an example of the one-time compensation adjustment methodology described in Section 5.3.2.A. for Rate Year 7 (2032).

Table 4 - One-Time Compensation Adjustment										
(Example - Illustrative Purposes Only)										
Year	Rate Year	Fixed Rate	Actual CPI Used for Rate Adjustment ¹	Calculated Variable Rate	Variable Rate: Allowable Percent Increase	Year Over Year Change in CPI	Excess CPI Value Not Rolled Over	Prior Year Tons Received	One-Time Compensation Increase	One-Time Rate Adjustment
2026	1	\$158.41								
2027	2	\$174.25								
2028	3	\$191.68								
2029	4	N/A	5.00%	\$201.26	5.0%	5.36%	0.36%	166,561	\$120,680.15	
2030	5	N/A	5.00%	\$211.32	5.0%	5.67%	0.67%	168,094	\$237,999.65	
2031	6	N/A	5.00%	\$221.89	5.0%	4.90%	0.00%	167,990	\$0.00	
2032 ²	7	N/A	6.00%	\$235.20	6.0%	6.4%	N/A	168,568	\$358,679.80	\$2.13
2032 ²	7	N/A		\$237.33	Revised Rate to Include One-Time Compensation Increase/Rate Adjustment					
20323	8	N/A	6.32%	\$250.07	7.0%	5.94%	N/A	169,411		
20324	9	N/A	5.79%	\$264.55	8.0%	5.79%	N/A	170,258		
20325	10	N/A	8.00%	\$285.71	8.0%	8.19%	N/A	171,109		
20326	11	N/A	6.71%	\$304.88	8.0%	6.52%	N/A	171,965		
20327	12	N/A	8.00%	\$329.27	8.0%	8.73%	N/A	172,825		
20328	13	N/A	8.00%	\$355.62	8.0%	8.11%	N/A	173,689		
20329	14	N/A	7.01%	\$380.54	8.0%	6.90%	N/A	174,557		
20330	15	N/A	6.52%	\$405.36	8.0%	6.52%	N/A	175,430		
¹ The actual CPI used is based on performance of the CPI and subject to the Allowable Percent Increase and prior year CPI rollover.										
² Contractor shall be entitled to a one-time compensation adjustment providing the amount of revenue associated with the CPI performance exceeding the allowable percent increase of the previous three (3) years.										

EXHIBIT L

GOVERNMENT FEES

Governmental Fees shall be a pass through in the Rate charged on a per Ton basis. The initial "Governmental Fee" portion of the Rate shall be based on the governmental fees in place at the execution of this Agreement (as presented in the below table) and the stipulated basis for extrapolating those fees to annual costs, as determined by the annual Tonnage of the material type used to calculate the fee in the most recently completed August 1 to July 31 twelve-month period. **Table 1** below represents the Government Fees for Rate Year 1 (2026).

Table 1: 2026 Government Fees

<i>Fee Description</i>	<i>Fee Amount (per ton)</i>	<i>Stipulated Basis (tons)</i>	<i>Annual Fee Amount</i>	<i>Material Type Used to Calculate Fee</i>
Local Enforcement Agency – Golden Bear Transfer Station & West Contra Costa Sanitary Landfill	\$1.25	91,253	\$114,065.76	<i>Solid Waste Disposed</i>
City of Richmond Franchise Fee	\$1.50	91,253	\$136,878.92	<i>Solid Waste Disposed</i>
Host Mitigation Fees (IRRF)	\$5.03	33,109	\$166,539.88	<i>All Tons</i>
Host Mitigation Fees (Approved Transfer Facility)	\$5.03	91,253	\$459,000.63	<i>Solid Waste Disposed</i>
West Contra Costa Sanitary Landfill Recycling Fee	\$1.37	40,660	\$55,703.83	<i>Processed Materials</i>
Contra Costa County Solid Waste Fee (AB 939 at KCLF)	\$0.15	91,253	\$13,687.89	<i>Solid Waste Disposed</i>
AB 1220 Integrated Waste Management Fee at KCLF	\$1.40	91,253	\$127,753.65	<i>Solid Waste Disposed</i>
Contra Costa Bailey Road Surcharge (KCLF)	\$0.63	91,253	\$57,489.14	<i>Solid Waste Disposed</i>
Contra Costa County Landfill Surcharge (KCLF)	25% of Gate Rate, net of taxes/fees	91,253	\$670,706.68	<i>Calculation</i>
SB-1 Transportation funding: Senate Bill No. 1	\$0.20	122,626	\$24,525.11	
Total	\$11.07	165,022	\$1,826,351.50	