

Franchise Agreement

Between

County of Santa Barbara

and

MarBorg Industries

For

Residential, Multi-Family and Commercial

Discarded Materials Management

Collection Services in Zones 4 and 5

Franchise Date: July 1, 2024

Expiration Date: June 30, 2034

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CONTRACT CONVENTIONS

The text in this Agreement uses the following conventions, unless specified otherwise:

- References to **Sections and Articles** refer to Sections and Articles of this Agreement.
- References to **Subsections** are to the Section in which that Subsection occurs.
- References to **Exhibits** refer to Exhibits appended to this Agreement.
- Words have the meanings defined below or in the text of this Agreement.
- Lists are numbered 1, 2, 3, etc. or use bullets.

Text is arranged in the following outline:

ARTICLE 1, 2, 3, etc.

Section 1.01, 1.02 etc.

Subsection a, b, c, etc.

(1) Subsubsection etc.

(i) Sub-section

GLOSSARY

Defined Term	Definition / Section Cross-Reference
AB 341	Assembly Bill 341 approved by the Governor of the State of California on October 5, 2011, which amended Sections 41730, 41731, 41734, 41735, 41736, 41800, 42926, 44004, and 50001 of, and added Sections 40004, 41734.5, and 41780.01 and Chapter 12.8 (commencing with Section 42649) to Part 3 of Division 30 of, and added and repealed Section 41780.02 of, the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded and replaced from time to time.
AB 876	Assembly Bill 876 approved by the Governor of the State of California on October 8, 2015, which added Section 418214 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, and replaced from time to time
AB 901	Assembly Bill 901 approved by the Governor of the State of California on October 8, 2015, which added Section 418214 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, and replaced from time to time.
AB 939 or the CA IWM Act	California Integrated Waste Management Act, Public Resources Code Section 40000 <i>et seq.</i>

Defined Term	Definition / Section Cross-Reference
AB 1594	Assembly Bill 1594 approved by the Governor of the State of California on September 28, 2014, which amended Sections 40507 and 41781.3 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time.
AB 1826	Assembly Bill 1826 approved by the Governor of the State of California on September 28, 2014, which added Chapter 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time.
Abandoned Waste	Solid Waste (other than scattered litter such as paper, plastic bags and food packaging), comprised of: <ol style="list-style-type: none"> 1. Boxes, bags or bundles, and 2. Bulky Waste.
Acceptable Recyclable Materials	Recyclable Materials which are specified and mutually agreed to by Franchisee and County to be included in the Source Separated or Program. As of the Franchisee Date, the list of Acceptable Recyclable Materials is set forth in Exhibit 6.07.
Affiliates	All businesses (Including corporations, limited and general partnerships and sole proprietorships) which are directly or indirectly related to Franchisee by virtue of direct or indirect ownership interests or common management, Including any or all of the following: <ul style="list-style-type: none"> • Subsidiaries: a business in which Franchisee owns a direct or indirect ownership interest, • Parents: a business which has a direct or indirect ownership interest in Franchisee, and • Siblings: a business which is also owned, controlled or managed by any business or individual which has a direct or indirect ownership interest in Franchisee
Agreement	This Exclusive Agreement for Discarded Materials management between the County of Santa Barbara and Franchisee for the Collection and subsequent Transfer, Transportation, Processing, and Disposal of Single-Family, Multi-Family, and Commercial Discarded Materials, Including all exhibits, as may be Amended.

Defined Term	Definition / Section Cross-Reference
Allocable Fault	The ratio of the amount of Discarded Materials Collected by Franchisee under this Agreement during the period that County failed to meet the Diversion goals, determined by County, to the total amount of Discarded Materials Collected in County.
Alternative Daily Cover (ADC)	Same meaning as in 27 CCR Section 20690.
Alternative Facility	Any Facility approved by County for use pursuant to Section A.8 of Exhibit 6.01
Alternative Intermediate Cover (AIC)	Same meaning as in 27 CCR Section 20700.
Annual Report	The report Including the information listed in Attachment 10.02b "Annual Report" for the preceding contract Year.
Applicable Law	All Federal, State, County, and local laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection, Transportation, Processing, and Disposal of Discarded Materials that are in force on the Franchise Date and as may be enacted, issued, or amended during the Term of this Agreement. Applicable Law includes, but is in no way limited to, AB 939, AB 341, AB 1826, and SB 1383 and corresponding regulations.
Approved Disposal Facility	Means the Disposal Facility that was selected by Franchisee and approved by County as identified in Exhibit 6.01.
Approved Facility(ies)	<p>An identified, County-Approved Facility defined in Section 40194 of the California Public Resources Code, Including any or all of the following:</p> <ol style="list-style-type: none"> 1. The MRF(s), 2. The Organics Site(s), 3. Transformation Facility, or 4. Disposal Facility/Facilities. <p>Any other Facility or site approved under Exhibit 6.01, such as a Manure and Universal Waste and E-waste Processing Facility/Facilities, each of which are defined in this Article.</p> <p>Approved Facilities also include Designated Facilities.</p>

Defined Term	Definition / Section Cross-Reference
Approved Facility Tonnage	County's allocable portion of Discarded Material tonnage that Franchisee delivers to each Approved Facility, including either of the following: <ol style="list-style-type: none">1. Tonnage that each Facility reports to Franchisee, or2. Other tonnage agreed to between each Facility and Franchisee.
Approved Organic Waste Processing Facility	Means the Organic Waste Processing Facility that was selected by Franchisee and approved by County as identified in Exhibit 6.01.
Approved Source Separated Recyclable Materials Processing Facility	Means the Source Separated Recyclable Materials Processing Facility that was selected by Franchisee and approved by County as identified in Exhibit 6.01.
Approved Transfer Facility	Means the Transfer Facility that was selected by Franchisee and approved by County as identified in Exhibit 6.01.

Defined Term	Definition / Section Cross-Reference
<p>Assignment or Assign</p>	<p>An action (or inaction) that has any of the following direct (or indirect) effects:</p> <ol style="list-style-type: none"> 1. Control or Ownership of Franchisee: changing any or all of the following: <ul style="list-style-type: none"> • the effective control of Franchisee, or • ownership interest of Franchisee (Including buyout, merger, acquisition, consolidation, reorganization, recapitalization, stock (re)issuance, voting trust, pooling agreement, escrow arrangement, dissolution, or liquidation (<u>except</u> to Immediate Family or a trust created primarily to benefit members of the Immediate Family) <u>unless</u> Franchisee proves to satisfaction of County less than 50% of ownership interest has changed; 2. Control or Ownership of Franchise Service assets: changing either or both of the following: <ul style="list-style-type: none"> • the effective control, or • the ownership (actual or constructive) of Franchise Service assets (<u>except</u> for sales or Assignment to the Immediate Family or a trust created primarily to benefit the Immediate Family) <u>unless</u> Franchisee proves to satisfaction of County that less than 50% of the value of Franchise Service assets has changed ownership, or 3. Resulting in someone other than Franchisee performing Franchise Services or assuming the obligation to provide Franchise Services.
<p>Back-Haul</p>	<p>Generating and Transporting Organic Waste and/or Recyclable Material to a destination owned and operated by the Generator using the Generator’s own employees and equipment as defined in 14 CCR Section 18982(a)(66)(A).</p>
<p>Bin(s)</p>	<p>Metal or plastic Container with hinged lid(s) and wheels serviced by a front-end loading Collection vehicle with a Container capacity of one (1) to four (4) cubic yards, Including Bins with Compactors attached to increase the capacity of the Bin. Bins are also known as dumpsters.</p>

Defined Term	Definition / Section Cross-Reference
Blue Container	Same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and Collection of Source Separated Recyclable Materials.
Board	Board of Supervisors of the County of Santa Barbara.
Brown Container	Same meaning as in 14 CCR Section 18982.2(a)(5.5) and shall be used for the purpose of storage and Collection of Source Separated Food Waste.
Bulky Waste	<p>Discarded Material that cannot be contained within a Cart, but can be lifted by two people using a dolly, Including the following:</p> <ol style="list-style-type: none"> 1. Furniture (such as chairs, sofas, mattresses and rugs), 2. Appliances (such as refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar Items, commonly known as “white goods”), 3. Yard wastes (such as bundled tree branches and untreated scrap wood), 4. Clothing, and 5. Up to two tires for automobiles or pick-up trucks, per set-out. <p>“Bulky Waste” does <i>not</i> include Construction and Demolition Debris.</p>
Business Day	Day on which County Administration building is open for business with the public.
Business and Multi-Family Recycling Plan	Plan described in Exhibit 4.05(2)(ii).
C&D or Construction and Demolition Debris	Any combination of Inert building materials and Discarded Material resulting from construction, remodeling, repair, cleanup, or demolition operations as defined in California Code of Regulations, Title 22 Section 66261.3 et seq. This term includes, but is not limited to, asphalt, concrete, cement concrete, brick, lumber, gypsum wallboard, cardboard, and other associated packaging; roofing material, ceramic tile, carpeting, plastic pipe and steel. The material may be commingled with rock, soil, tree stumps; and other vegetative matter resulting from land clearing and landscaping for construction or land development projects.

Defined Term	Definition / Section Cross-Reference
California Code of Regulations (CCR)	The State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations).
CA IWM Act	California Integrated Waste Management Act, Public Resources Code Section 40000 <i>et seq.</i>
CalRecycle	California Department of Resources, Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing Solid Waste Regulations for jurisdictions and other regulated entities.
Cart	Plastic Container with a hinged lid and wheels serviced by automated or semi-automated Collection Vehicles and with a Container capacity of no less than twenty (20) gallons and no greater than one hundred (100) gallons.

Defined Term	Definition / Section Cross-Reference
Collect, Collection or other form	The act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County and from County facilities, and Transporting the Discarded Materials to an Approved Facility for Processing, Transfer, or Disposal.
Commercial Business (Commercial)	A firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, or industrial Facility, or as otherwise defined in 14 CCR Section 18982(a)(6), with the exception that Multi-Family is excluded from the definition of Commercial Business for the purposes of this Agreement.
Compactor	A receptacle for discard and storage of Discarded Material pending Collection, containing a ram that pushes and compresses waste into a Container or bale.
Container(s)	A receptacle for temporary storage of Discarded Materials. Containers may include Bins, Carts, Roll-Off Boxes, Compactors, cans, bags, or other storage instruments to the extent such Containers are permitted by the Approved Facility processing the waste stream in connection with this Agreement.
Container Acquisition Agreement	An instrument establishing a security interest in the Containers or that otherwise encumbers or limits Franchisee's interest in Containers, including any of the following: <ol style="list-style-type: none"> 1. Lease or lease-purchase agreement, 2. Installment sales or other financing contract, or 3. Note or other loan documentation.
Conviction	Means any or all of the following: <ol style="list-style-type: none"> 1. A criminal Conviction, 2. A permanent mandatory or prohibitory injunction from a court of competent jurisdiction, or 3. A final judgment or order from a court of competent jurisdiction with respect to any Criminal Conduct.
County	County of Santa Barbara, a political subdivision of the State of California, or any governmental entity which may assume waste management obligations of County after the Franchise Date, including any joint exercise of powers authority or other similar public entity with which County participates or contracts with, established to provide Discarded Material management services or meet Diversion

Defined Term	Definition / Section Cross-Reference
	requirements under Applicable Law.
County Board	Governing body of County
County Code	County Code of Ordinances, Including Chapter 17 Solid Waste Services
County Insureds	<p>Includes the following individuals or entities related to the County:</p> <ol style="list-style-type: none"> 1. County 2. Officers, officials, 3. Employees, 4. Agents, 5. Assigns, and 6. Volunteers
County RDRS Tonnage	County's Discarded Material tonnage that the RDRS report attributes to County.
County Reimbursement Costs	County's Direct Costs plus 10%.
County Representative	The Person named by County under Section 17.07a(1).
CPI Index	The Consumer Price Index, All-Items Index (Los Angeles-Long Beach-Anaheim) CUURS49ASA0, compiled and published by the U.S. Department of Labor / Bureau of Labor Statistics
Criminal Conduct	<p>Means any or all of the following:</p> <ol style="list-style-type: none"> 1. Fraud or criminal offense (other than offenses constituting infractions) in connection with obtaining, attempting to obtain, procuring or performing a public or private agreement related to Recyclables, Green Waste or Solid Waste services of any kind (Including Collection, hauling, Transfer, Processing, Composting or Disposal), Including this Agreement, 2. Bribery or attempting to bribe a public officer or employee of a local, State, or federal agency by Franchisee or by any Franchisee Manager in that Franchisee Manager's official capacity, 3. Embezzlement, extortion, racketeering, false claims, false statements, forgery, falsification or destruction of Records, obstruction of justice, knowingly receiving stolen property, theft, or misprision (failure to disclose) of a felony, 4. Unlawful Disposal of hazardous or Special Waste, the

Defined Term	Definition / Section Cross-Reference
	<p>occurrence of which Franchisee or any of its Franchisee Managers knew or should have known,</p> <ol style="list-style-type: none"> 5. Violation of antitrust laws, Including Applicable Laws relating to price-fixing, bid-rigging and sales and market allocation, or 6. Violation of unfair and anti-competitive trade practice laws, Including the inflation of waste Collection, hauling or Disposal fees.
Customer	The Person who receives the Franchisee's Collection services and to whom the Franchisee submits its billing invoice to and collects payment from for Collection services provided to a Premise. The Customer may be either the occupant, owner, or property manager of the Premises, as allowed under the County Code.
Customer Collection Day	The Day on which a Customer is scheduled to receive regular Collection.
Day	Calendar Day
Designated Disposal Facility	Means the Disposal Facility that the County is directing the Franchisee to use as identified in Exhibit 6.01.
Designated Facilities	Means any one of or any combination of the: Designated Disposal Facility; Designated High Diversion Organic Waste Processing Facility; Designated Source Separated Recyclable Materials Processing Facility; and, Designated Transfer Facility.
Designated High Diversion Organic Waste Processing Facility	Means the High Diversion Organic Waste Processing Facility that the County is directing the Franchisee to use as identified in Exhibit 6.01.
Designated Source Separated Recyclable Materials Processing Facility	Means the Designated Source Separated Recyclable Materials Processing Facility that the County is directing the Franchisee to use as identified in Exhibit 6.01.
Designated Transfer Facility	Means the Designated Transfer Facility that the County is directing the Franchisee to use as identified in Exhibit 6.01.
Direct Costs	<p>Means the sum of the following:</p> <ol style="list-style-type: none"> 1. Payroll costs directly related to the performance, or management or supervision of any obligation under this Agreement, Including compensation and fringe benefits, such as vacation, sick leave, Holidays, retirement, workers compensation insurance,

Defined Term	Definition / Section Cross-Reference
	<p>federal and State unemployment taxes; and medical and health insurance benefits, plus</p> <ol style="list-style-type: none"> 2. The costs of materials, services, direct rental costs and supplies, plus 3. Travel and subsistence costs, plus 4. The reasonable costs of any payments to consultants or (sub)contractors necessary to and in connection with performance under this Agreement, plus 5. Any other cost or expense which is directly or normally associated with the task performed, which Direct Costs are substantiated to satisfaction of the other Party.
Director	Director of the Department of Public Works of the County of Santa Barbara or a duly authorized representative.
Discarded Materials	Recyclable Materials, Organic Materials, Solid Waste, and Bulky Waste, placed by a Generator in a receptacle and/or at a location for the purposes of Collection by Franchisee, excluding Excluded Waste.
Disposal or Dispose	The final disposition of any Solid Waste Collected by the Franchisee (or if applicable, Residue from Franchisee’s Processing activities) at a permitted Landfill or other permitted Solid Waste Facility.
Diversion or Divert	Means “Diversion” defined in Section 40124 of the California Public Resources Code that entitles County to credit under Section 41780 of the California Public Resources Code. Diversion includes activities which reduce or eliminate Discarded Materials from Disposal, Including, but not limited to, source reduction, Reuse, salvage, Recycling, and composting.
Edible Food	Food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code.

Defined Term	Definition / Section Cross-Reference
Electronic Waste (E-waste)	<p>Waste that is powered by batteries or electricity (such as computers, telephones, answering machines, radios, stereo equipment, tape players/recorders, phonographs, videocassette players/recorders, compact disc players/recorders, and calculators), Including CEDs (a covered electronic device as defined in California Public Resources Code Section 42463) such as the following:</p> <ol style="list-style-type: none"> 1. Cathode ray tube (CRT) device (Including television and computer monitor), 2. LCD desktop monitor, laptop computer with LCD display, LCD television, 3. Plasma television, 4. Any other covered electronic devices listed in the regulations adopted by the California Department of Toxic Substances Control pursuant to California Health and Safety Code Section 25214.10.1(b)

Defined Term	Definition / Section Cross-Reference
Excluded Waste	Hazardous Substance, Hazardous Waste, Infectious Waste, volatile, corrosive, Medical Waste, infectious, regulated radioactive waste, designated waste as defined in Section 13173 of the California Water Code, and toxic substances or material that Approved Facility operator(s) reasonably believe(s) would, as a result of or upon acceptance, Transfer, Processing, or Disposal, be a Violation of local, State, or Federal law, regulation, or ordinance, Including: land use restrictions or conditions, waste that cannot be Disposed of in Class III Landfills or accepted at the Facility by permit conditions, waste that in Franchisee's reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or County to potential liability; but not Including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code. Excluded Waste does not include household batteries and Universal Wastes, when such materials are defined as allowable materials for Collection through this Agreement and the Generator or Customer has properly placed the materials for Collection pursuant to instructions provided by County or Franchisee as set forth in this Agreement.
Facility(ies)	Any plant, site, or operation used for the purpose of handling Discarded Materials, Including, but not limited to, Disposal, Transfer, Recycling, composting, and Processing facilities or operations.
Food Recovery	Actions to collect and distribute food for human consumption which otherwise would be Disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).
Food Recovery Organization	An entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to: <ol style="list-style-type: none"> <li data-bbox="711 1724 1365 1799">1. A food bank as defined in Section 113783 of the Health and Safety Code;

Defined Term	Definition / Section Cross-Reference
	<p>2. A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and</p> <p>3. A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.</p> <p>If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this Agreement.</p>
Food Recovery Service	A Person or entity that collects and Transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26).
Food Scraps	All food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.
Food-Soiled Paper	Compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.
Food Waste	Source Separated Food Scraps, and Food-Soiled Paper. Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.
Franchise Date	The commencement date specified on the cover page.
Franchise Obligation	Franchisee's responsibilities and duties under this Agreement (such as keeping Records, giving reports, timely responding to County), Including Franchise Services.
Franchise Service(s)	All obligations under this Agreement to County and Customers in the Franchise Service Area.
Franchise Service Area	The portion of the unincorporated County under Attachment 4.01a.
Franchise Service Asset(s)	<p>All property of Franchisee used directly or indirectly in performing Franchise Services, Including all of the following:</p> <ol style="list-style-type: none"> 1. Vehicles, 2. Containers, 3. Customer subscription Records and complaint logs, and billing information, and Maintenance

Defined Term	Definition / Section Cross-Reference	
	equipment and facilities, administrative equipment and offices and related supplies.	
Franchise Service Day	Monday through Saturday, <i>except</i> Holidays (<i>Contrast "Customer Collection Day".</i>)	
Franchise Term	The period beginning on the date written on the cover of this Agreement and ending on the earlier of the expiration or termination of this Agreement.	
Franchise Year	County's fiscal Year, July 1 – June 30	
Franchisee	The signatory named and signing the execution page of this Agreement, and anyone that is successor to Franchisee's rights or obligations under this Agreement, including anyone to whom Franchisee Assigns this Agreement.	
Franchisee Business Fees	The fee(s) more particularly defined in Section 13.04a(1) hereof to be paid by Franchisee to County as part of its consideration for the right granted to provide exclusive Discarded Materials Collection Services as set forth in this Agreement.	
Franchisee Contact Information	Means all of the following: <ol style="list-style-type: none"> 1. Franchisee office and office hours, 2. Franchisee's toll-free phone number and phone hours, and 3. Franchisee's web site and email address. 	
Franchisee Documentation	Exhibit #	Document
	4.04a(8)	Application for Carry-Out Service: Qualifying Customer
	4.05b(2)(ii) #3	Business and Multi-Family Recycling Plan
	4.10b	Non-Collection Notice
	4.11b	Customer Service Policy
	4.13a	Service Guide
	4.16a(1)	Customer Bill Format
	5.01	Route Map and Schedules
	5.03a	Container Specifications
	5.03b	Container Labels
	5.03c	Container Acquisition Agreement(s)
	5.06a	Key Personnel
	5.07	Back-up Service Plan
	5.08b	Hazardous Waste Handling Protocol
	6.03g	Diversion Plan
6.07	Acceptable Recyclable Materials	

Defined Term	Definition / Section Cross-Reference	
	8.03d	Permits
	10.01a	Records
	10.02a	Monthly Reports
	10.02b	Annual Reports
	11.01	Insurance
	11.03	Letter Of Credit
	11.04	Parent Guaranty (if any)
	12.01a	Franchisee Managers
	17.07b	Franchisee Representative
Franchisee Manager(s)	Means the following <ol style="list-style-type: none"> 1. Franchisee, 2. Franchisee Representative, 3. Franchisee officers and directors, 4. The officers and directors of any direct or indirect parent corporation of Franchisee, and 5. Anyone in a Position of Influence 	
Franchisee Representative	The Person named by Franchisee under Section 17.07b and Exhibit 17.07b.	
Generator	Any Person whose act first causes Discarded Materials to become subject to regulation under County Code Chapter 17 or under federal, State, or local regulations.	
Gray Container	Has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.	
Gray Container Waste	Solid Waste that is Collected in a Gray Container that is part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.	
Green Container	Has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.	

Defined Term	Definition / Section Cross-Reference
Green Waste	<p>Organic Waste:</p> <ol style="list-style-type: none"> 1. That is accepted at the Organic Site(s), and 2. That can fit inside the Container. <p>As of the Franchise Date, examples of "Green Waste" include grass, leaves, flowers, ivy and other plants; branches and tree trimmings; and bedding straw, but <i>exclude</i> palm fronds, pampas grass, food, animal waste, and plastic bags or any other type of plastic.</p>
Guarantor	Signatory of the Guaranty.
Guaranty	The obligation in substantially the form attached as Exhibit 11.04, acceptable to County.
Hauler Route	The designated itinerary or sequence of stops for each segment of the County's Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

<p>Hazardous Waste or Hazardous Substance</p>	<ol style="list-style-type: none"> 1. A material which by reason of its 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, and 2. Any waste that is regulated as a Hazardous Waste, toxic waste, hazardous chemical substance or mixture, or asbestos under Applicable Law, including: <ul style="list-style-type: none"> • State law: <ul style="list-style-type: none"> o "Hazardous Waste" defined in Section 40141 of the California Public Resources Code, o materials regulated under Chapter 7.6 (commencing with Section 25800) of Division 20 of the California Health and Safety Code (CA H&SC), o all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste under Sections 25110.02, 25115, and 25117 of the CA H&SC (the California Hazardous Waste Control Act), o Section 25100 et seq. of the CA H&SC, and o 23 California Code of Regulations Sections 2521 and 2522, • RCRA: materials regulated under the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., (Including the Solid Waste Disposal Act Amendments of 1980), and related federal, State and local laws and regulations, • Toxic Substances: <ul style="list-style-type: none"> o materials regulated under the Toxic Substance Control Act, 15 U.S.C. Section 2601 et seq. o California Toxic Substances Account Act, CA H&SC 25300 et seq., • CERCLA: materials regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601, et seq., • Materials regulated under any future additional or
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	<p>substitute Applicable Laws pertaining to the identification, Transportation, treatment, storage or Disposal of toxic substances or Hazardous Waste, and</p> <ul style="list-style-type: none">• Household Hazardous Waste. <p>If two 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 more stringent definition is employed under this Agreement.</p>
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Defined Term	Definition / Section Cross-Reference
<ol style="list-style-type: none"> 1. herein 2. hereof 3. hereunder 4. hereinbefore 5. hereinafter 	<ol style="list-style-type: none"> 1. in this Agreement, 2. of this Agreement, 3. under this Agreement 4. before the Franchise Date 5. after the Franchise Date
High Diversion Organic Waste Processing Facility (HDOWPF)	As defined in 14 CCR Section 18982(a)(33), a Facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average Mixed Waste organic content recovery rate of 50 percent (50%) between January 1, 2022 and December 31, 2024, and 75 percent (75%) after January 1, 2025 as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
Holidays	Holidays designated by County, comprised on the Franchise Date any (or all) of the following: <ol style="list-style-type: none"> 1. New Year's Day, 2. Memorial Day, 3. Independence Day, 4. Labor Day, 5. Thanksgiving and 6. Christmas.
Holiday Trees	Trees stripped of tinsel, flocking and artificial ornamentation.
Household Hazardous Waste	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, under Section 25218.1 of the California Health and Safety Code.
Immediate Family	Parents, grandparents, siblings, children, and grandchildren of individuals having a shareholder or other equity interest in Franchisee as of the Franchise Date.
Including	Means "Including, without limitation" or "Including, but not limited to".
Incompatible Materials (Incompatibles)	Human-made Inert material, Including, but not limited to, glass, metal, and plastic, and also includes Organic Waste for which the receiving end-user, Facility, operation, property, or activity is not able, designed, permitted, or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), as defined by 14 CCR

Defined Term	Definition / Section Cross-Reference
	Section 17402(a)(7.5).
Indemnification	Any franchise obligation to indemnify, release and hold harmless, and defend County, Including under the following Sections: <ol style="list-style-type: none"> 1. 6.03 (Diversion), and 2. 11.02 (Franchise Services)
Inerts	Materials such as concrete, soil, asphalt, and ceramics.
Key Personnel	Individuals identified in Section 5.06a and Exhibit 5.06a.
Landfill	A "Solid Waste Landfill" defined by Public Resources Code Section 40195.1.
Large Event	An event, Including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per Day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.
Large Venue	A permanent venue Facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the Facility per Day of operation of the venue Facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a venue Facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction Facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

Defined Term	Definition / Section Cross-Reference
Liabilities	<p>Includes:</p> <ol style="list-style-type: none"> 1. Lawsuits, claims, complaints, cause of actions and other demands, 2. Citations, fine and other penalties, 3. Investigations (such as costs of audits) related to another type of liability (such as a fine), 4. Judgments, liens, cleanup orders, and damages in contract or tort, Including the following: <ul style="list-style-type: none"> • Personal injury or death, and • Property damage, 5. Losses, injuries, costs, and expenses (Including all costs and expenses of litigation, mediation or arbitration), such as any or all of the following fees and court costs: <ul style="list-style-type: none"> • Attorneys' fees, whether County Counsel or Franchisee's staff attorneys or outside attorneys, • Accountants' fees, whether County Finance Director or outside accounts, • Appraisers' fees, and • Expert witness fees, and • Other detriments of every nature and description whatsoever, whether under State of California or federal law.
Liquidated Damages	The amounts due by Franchisee for failure to meet specific quantifiable standards of performance as described in Section 14.01.
Low-Population Areas	Certain regions of the County that have a valid low population waiver, granted by CalRecycle, in accordance with the criteria and process specified in 14 CCR Section 18984.12(a), as specified in Section 4.23a and Exhibit 4.23a.
Manure	Material comprised of animal dung or excrement, including straw or other bedding material.
Mixed Waste	Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

Defined Term	Definition / Section Cross-Reference
Mixed Waste Organic Collection Stream	Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility, or as otherwise defined in 14 CCR Section 17402(a)(11.5).
Monthly Report(s)	The report Including the information listed in Attachment 10.02a "Monthly Reports", for the preceding calendar month.
MRF(s)	The materials recovery Facility/Facilities approved by County for either or both sorting and Processing Recyclables (whether source separated or commingled).
Multi-Family or Multi Family Dwelling Unit	Used with respect to dwellings other than Single-Family homes: <ol style="list-style-type: none"> 1. Having more than one unit (such as duplex, triplex, Multi-Family, apartment, stock cooperative and condominium residences, and mobile home parks, but <i>not</i> hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses), 2. Each with separate cooking and bathing facilities
Non-Collection Notice	The Notice prescribed in Section 4.10 and in Franchisee Documentation, acceptable to County.
Non-Compostable Paper	Paper that is coated in a plastic material that will not breakdown in the composting Process as defined in 14 CCR Section 18982(a)(41).
Non-Organic Recyclables	Non-putrescible and non-hazardous recyclable wastes Including, but not limited to, bottles, cans, metals, plastics, and glass as defined in 14 CCR Section 18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.
Notice (or Notify) "Due Notice"	Notice in form required under Section 19.01 (or to give Notice in that form) Notice given under Section 19.01
Organic Materials	Green Waste and Food Waste, individually or collectively. No Discarded Material shall be considered to be Organic Materials, however, unless it is separated from Recyclable Materials and Solid Waste. Organic Materials are a subset of Organic Waste.

Defined Term	Definition / Section Cross-Reference
Organic Waste	Materials originated from living organisms and their metabolic waste products including, but not limited to, food, Yard Trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, Manure, biosolids, digestate, and sludges as defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.
Organics Site(s)	The site or Facility approved by County for Processing Organic Waste.
Paper Products	Include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; as defined in 14 CCR Section 18982(a)(51).
Parent Company	A company that has a controlling interest in Franchisee, enabling the Parent Company to control management and operations of Franchisee.
Party or Parties	"Party" means County or Franchisee, and "Parties" means County and Franchisee.
Permits	Any or all permits, orders, licenses, approvals, authorizations, consents and entitlements that are required under Applicable Law with respect to Franchisee administration and operations, and Franchise Service.
Person	Any of the following: <ol style="list-style-type: none"> 1. Individual, 2. Firm, association, organization, 3. Partnership, corporation, joint venture, 4. Trust, 5. The United States, 6. The State, 7. The County, a municipality or special purpose district, or 8. Other entity/entities
Pleas	Means either or both of the following, <ol style="list-style-type: none"> 1. Pleading "guilty", or 2. Entering a plea of "nolo contendere" or "no contest" to either or both of the following Criminal Conduct: <ol style="list-style-type: none"> 1. Within County, or 2. Relating to this Agreement.

Defined Term	Definition / Section Cross-Reference
Position of Influence	<p>The authority or responsibility to directly or indirectly administer, manage, direct, supervise, monitor or oversee Franchise Services or this Agreement, Including any or all of the following of Franchisee:</p> <ol style="list-style-type: none"> 1. Reviewing or negotiating Franchisee’s contracts (Including this Agreement), 2. Providing in-house legal services with respect to Franchise Services or this Agreement, 3. Preparing or overseeing Franchisee’s operating and capital budget, or 4. Establishing policies and procedures related to the Criminal Conduct.
Premises	<p>A tract of land with or without habitable buildings or appurtenant structures.</p>
Printing and Writing Papers	<p>Include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications; as defined in 14 CCR Section 18982(a)(54)</p>
Process, Processed, or Processing	<p>The controlled separation, recovery, volume reduction, conversion, or Recycling of Discarded Materials Including, but not limited to, organized, manual, automated, or mechanical sorting, the use of Vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, as defined in 14 CCR Section 17402(a)(20).</p>
Prohibited Container Contaminants	<p>Means the following: (i) Discarded Materials placed in the Recyclable Materials Container that are not identified as acceptable Recyclable Materials for the County’s Collection program; (ii) Discarded Materials placed in the Organic Materials Container that are not identified as acceptable Organic Materials for the County’s Collection program; (iii) Discarded Materials placed in the Gray Container that are acceptable Recyclable Materials and/or Organic Materials to be placed in the County’s Recyclable Materials or Organic Materials Containers or otherwise managed under the County’s Collection program; and, (iv) Excluded Waste placed in any Container.</p>

Defined Term	Definition / Section Cross-Reference
Property Owner	The owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).
Public Resources Code (PRC)	California Public Resources Code.
Putrescible Waste	Wastes that are capable of being decomposed by micro-organisms with sufficient rapidity as to cause nuisances because of odors, gases, or other offensive conditions, and includes materials such as, but not limited to Food Waste, offal, and dead animals; as defined in 14 CCR Section 17402(a)(21).
Qualifying Customer	Any Residential Customer meeting the following criteria: <ol style="list-style-type: none"> 1. Has handicapped status recognized by the California Department of Motor Vehicles, or 2. provides letter from physician attesting to disability, and 3. provides written representation that neither he/she nor anyone else residing in the serviced Premises is functionally able to roll Carts to the curb.
Rates	Charges under Section 13.02 and Attachment 13.02, listed on the Rate Schedule as may be adjusted in accordance with this Agreement.
Reasonable Business Efforts	Efforts a reasonably prudent business Person would expend under the same or similar circumstances, exercising business judgment and intending in good faith to take steps calculated to satisfy its obligations.
Records	The items enumerated in Attachment 10.01.
Recyclables or Recyclable Material	Source Separated materials that are intended for Recycling and/or capable of being Recycled. "Recyclable Materials" include but are not limited to Acceptable Recyclable Materials. The types of Acceptable Recyclable Materials and the process for modifying the accepted types of Recyclable Materials are specified in Exhibit 6.07. No Discarded Materials shall be considered Recyclable Materials unless such material is separated from Organic Materials, and Solid Waste.

Defined Term	Definition / Section Cross-Reference
Recycle/Recycling	The process of Collecting, sorting, cleansing, treating, and reconfiguring materials for the purpose of returning them to the economic mainstream in the form of raw material for new, Reused, or reconstituted products that meet the quality standards necessary to be used in the marketplace. Recycling includes processes deemed to constitute a reduction of Landfill Disposal pursuant to 14 CCR, Division 7, Chapter 12, Article 2. Recycling does not include gasification or Transformation as defined in Public Resources Code Section 40201.
Refuse	Solid Waste comprised of rubbish, trash and garbage. Refuse refers specifically to Gray Container Waste.
Regulatory Authority	<p>Any federal, State or local governmental unit (whether a separate entity or a department or division of the federal, State or any local government) that does any or all of the following:</p> <ol style="list-style-type: none"> 1. Promulgates law 2. Regulates Franchise Services or operations of Franchisee, or 3. Enforces Applicable Law to Franchise Services or operations of Franchisee, Including: <ul style="list-style-type: none"> • CA DOT, CA DMV and other units that regulate transportation or enforce transportation laws, • CalRecycle, AQMD, water board and other units that regulate operations or enforce environmental laws, • EDD, U.S. Immigration and Naturalization Services, federal and State departments of labor and other units that regulates employment or enforces labor laws, • IRS, CA Franchise Tax Board, SEC, federal and State Departments of Justice, and other units that regulate taxation or financial affairs of Franchisee, • County (or County Public Works Department or other department), and • the Local Enforcement Agency in the County.

Defined Term	Definition / Section Cross-Reference
Remnant Organic Material	The Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, as defined in 14 CCR 17402(a)(23.5).
Renewable Natural Gas (RNG)	Gas derived from Organic Waste that has been Diverted from a Landfill and Processed at an in-vessel digestion Facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, as defined in 14 CCR Section 18982(a)(62).
Residential	Used with respect to either or both of the following: <ol style="list-style-type: none"> 1. "Single Family" residences, and 2. "Multi-Family" residences. (See conversely, "Commercial")
Residential Container (Bin, Cart or Can)	Container for discard of Solid Waste at Residential Premises (Refuse, Recyclables, Green Waste).
Residential Customer	Anyone subscribing to Franchise Services at a Residential premise.
Residual (or Residue)	Solid Waste destined for Disposal, further Transfer/Processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31), or Transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials as defined in 14 CCR Section 17402.5(b)(1).
Reusable Items	Items that are capable of being Reused after minimal Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment.
Reuse	The use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, as defined in 14 CCR Section 17402.5(b)(2).
Roll-Off Box	An open- or closed-top metal Container, roll-top Container, or closed Compactor Container serviced by a roll-off truck and with a Container capacity of 10 to 50 cubic yards. Roll-Off Boxes are also known as drop boxes or debris boxes.

Defined Term	Definition / Section Cross-Reference
Salvageable Material (or Salvaged Material)	An object or material that results from salvaging, where salvaging means the controlled separation of Solid Waste material which do not require further Processing for Reuse or Recycling prior to Transfer activities, as defined in 14 CCR Section 17402(a)(24).
SB 1383	Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.
SB 1383 Regulations	The Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.
Self-Hauler (or Self-Haul)	A Person who hauls Solid Waste, Organic Materials, or recovered material they have generated to another Person, as defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste and landscapers.
Service Level	"Service Level" refers to the number and size of a Customer's Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.
Set-Out Site	The location of the Container to be placed on Customer Collection Day, at either of the following locations: <ol style="list-style-type: none"> 1. At the curb of a Residential Premises, or 2. If no curb, edge of Residential Premises abutting street, or 3. For Rollout Services, at the spot agreed upon between Customer and Franchisee and noted in the Customer subscription Records.

Defined Term	Definition / Section Cross-Reference
Sharps	Any item having corners, edges, or projections capable of cutting or piercing the skin to deliver injections or for medical purposes, including the following: <ol style="list-style-type: none"> 1. Needles (hypodermic, pen or intravenous), 2. Needles with syringes, 3. Needles with attached tubing, and 4. Lancets.
Single-Family or Single-Family Dwelling (SFD)	Used with respect to detached, Single Family homes.
Solid Waste	Solid Waste as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, §40191 and regulations promulgated hereunder. Solid Waste includes materials that Generators place in the Solid Waste Container for the purposes of Collection and Transport to the Disposal Facility by Franchisee. Excluded from the definition of Solid Waste are Excluded Waste, Source Separated Recyclable Materials, Source Separated Organic Materials, Source Separated Organic Waste, and radioactive waste. Solid Waste includes Salvageable Materials only when such materials are included for Collection in a Solid Waste Container not Source Separated from Solid Waste at the site of generation.
Solid Waste Handling Service	The Collection, Transportation, storage, Transfer, or Processing of Solid Wastes as defined in Chapter 17-1 of the County Code.
Solid Waste Program Fee	The fee more particularly defined in Section 13.04b hereof to be paid by Franchisee to County.

Defined Term	Definition / Section Cross-Reference
Source Separated	Materials, including commingled Recyclable Materials and Organic Materials, that have been separated or kept separate from the Refuse stream, at the point of generation, for the purpose of additional sorting or Processing of those materials for Recycling, composting, or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, as defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner's employee, property manager, or property manager's employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste, Mixed Waste, and other Solid Waste for the purposes of Collection and Processing.
Recyclable Paper	Recyclable Paper includes, but is not limited to, Paper Products, Printing and Writing Paper, and other Organic Waste that Generators place in the Recyclable Materials Container for the purposes of Collection, Transport, and Recycling by Franchisee and that exclude Excluded Waste. Recyclable Paper is a subset of Organic Waste and of Recyclable Materials.
Source Separated Green Container Organic Waste (SSGCOW)	Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding Recyclable Paper, carpets, Non-Compostable Paper, and textiles. SSGCOW is a subset of Organic Waste.
Source Separated Recyclable Materials	Source Separated Non-Organic Recyclables and Recyclable Paper. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in Section 6.07.
Special Waste	<ol style="list-style-type: none"> 1. "Universal Waste", and 2. "E-waste"
State	State of California
Subcontractor	Any Person, firm, or entity hired by Franchisee to carry out any of Franchisee's duties under this Agreement.
Termination Events	Events listed in Section 15.01a.

Defined Term	Definition / Section Cross-Reference
<p>Tier One Commercial Edible Food Generators</p>	<p>A Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:</p> <ul style="list-style-type: none"> A. Supermarket. B. Grocery Store with a total Facility size equal to or greater than 10,000 square feet. C. Food Service Provider. D. Food Distributor. E. Wholesale Food Vendor.
<p>Tier Two Commercial Edible Food Generators</p>	<p>A Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:</p> <ul style="list-style-type: none"> A. Restaurant with 250 or more seats, or a total Facility size equal to or greater than 5,000 square feet. B. Hotel with an on-site food Facility and 200 or more rooms. C. Health facility with an on-site food Facility and 100 or more beds. D. Large Venue. E. Large Event. F. A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet. G. A local education agency with an on-site food Facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.
<p>Tipping Fee Portion</p>	<p>The percent of the Rate attributable to Franchisee’s Direct Cost of service at each Approved Facility (Processing or tipping fees).</p>
<p>Transfer</p>	<p>The act of Transferring Discarded Materials Collected by Franchisee from Franchisee’s Collection Vehicles into larger Vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).</p>
<p>Transformation</p>	<p>Transformation defined in 40201 PRC, that qualifies for Diversion.</p>

Defined Term	Definition / Section Cross-Reference
Transportation or Transport	The act of conveying Collected materials from one location to another.
Uncontrollable Circumstances	Any or all of the following events that temporarily interrupt or disrupt Franchisee's performance of its obligations under this Agreement: <ol style="list-style-type: none"> 1. Riots, war, pandemic, epidemic, emergency, or the threat thereof, affecting the County declared by the President of the United States, Congress of the United States, the State of California, or the Board of Supervisors; 2. Sabotage, civil disturbance, insurrection, explosion, strikes, or other labor disturbances; 3. Natural disasters such as floods, earthquakes, landslides and fires; or, 4. Other catastrophic events which are beyond the reasonable control of Franchisee.
Universal Waste	Materials that the California Department of Toxic Substances Control considers Universal Waste, including materials listed in 22 CCR 66261.9, such as the following: <ol style="list-style-type: none"> 1. Batteries 2. Aerosol cans 3. Certain mercury-containing devices 4. Thermostats, lamps, cathode ray tubes, 5. Computers, calculators, 6. Telephones, answering machines, 7. Radios, stereo equipment, tape players/recorders, phonographs, video cassette players/recorders, compact disc players/recorders, and 8. Some appliances
Vehicles	All trucks (including trucks providing Refuse, Recyclables, Organic Waste, Bulky Waste and litter pickup, as well as field supervisors' and administrators' Vehicles), rolling stock and other vehicles used to provide Franchise Services (including Collection as well as repair and maintenance), whether owned or leased by Franchisee.
Violation	Any written Notice, assessment or determination of non-compliance with Applicable Law from any Regulatory Authority to Franchisee, whether or not a fine or penalty is included, assessed, levied or attached.

Defined Term	Definition / Section Cross-Reference
Year	A calendar Year of January 1 through December 31, <i>unless</i> a Franchise Year is explicitly specified.

PREAMBLE

This Agreement between County of Santa Barbara and Franchisee named on the execution page of this Agreement, is dated the Franchise Date on its cover page.

RECITALS

PROTECTION OF HEALTH, SAFETY AND WELFARE. The Board of Supervisors has made the following findings with respect to provision of Solid Waste Handling Services, Including under Section 17-2 of the County Code.

Solid Waste Handling Services, Including the Collection, Transportation, storage, Transfer, and Processing of Solid Waste, Recyclables and Organic Materials are so closely intertwined with the protection of the health, safety and welfare of the residents of this County that Solid Waste Handling Services provided by private Solid Waste enterprises require government regulation and monitoring.

It is in the public interest to foster and encourage Solid Waste enterprises so that, at all times, there will continue to be competent enterprises willing and financially able to furnish needed Solid Waste Handling Services.

The purpose of this Agreement is to ensure that Solid Waste Handling Services are continuously provided to the public in a safe, adequate, reliable and efficient manner.

AB 939 SOLID WASTE DIVERSION

The County is responsible for meeting AB 939 Diversion requirements. The State of California has found and declared that the amount of Solid Waste generated in California, coupled with diminishing Landfill space and potential adverse environmental impacts from land filling, have created an urgent need for State and local agencies to enact and implement an aggressive new integrated waste management program. Through enactment of the *California Integrated Waste Management Act*, California Public Resources Code at Section 40000, *et seq.*, ("**CA IWM Act**" and often referred to as "**AB 939**"), the State has directed County to promote Recycling and to maximize the use of feasible source reduction, Recycling and composting options to reduce the amount of Solid Waste that must be Disposed of by land Disposal; and as of the Franchise Date, County must Divert from Landfills at least 50% of Solid Waste generated in the County.

As of 2019, the County has achieved over 69% Diversion. By entering into this Agreement, County intends and expects Franchisee at a minimum to maintain, and using Reasonable Business Efforts, to increase Diversion.

The County anticipates that in the future it will be required to Divert an even higher percentage of Solid Waste. This Agreement gives County the right to direct changes in its Recycling programs and the scope or specifications of Franchisee's Recycling service, and prescribes a protocol for County and Franchisee to resolve disputes over the amount of any consequent adjustment in maximum Rates.

The State has, through enactment of AB 939 and subsequent related legislation including, but not limited to: the Jobs and Recycling Act of 2011 (AB 341), the Event and Venue Recycling Act of 2004 (AB 2176), SB 1016 (Chapter 343, Statutes of 2008 [Wiggins, SB 1016]), the Mandatory Commercial Organics Recycling Act of 2014 (AB 1826), and the Short- Lived Climate Pollutants Bill of 2016 (SB 1383), directed the responsible State agency, and all local agencies, to promote a reduction in Landfill Disposal and to maximize the use of feasible waste reduction, Reuse, Recycling, and composting options in order to reduce the amount of material that must be Disposed.

SB 1383 SHORT LIVED CLIMATE POLLUTANTS BILL

SB 1383 establishes regulatory requirements for jurisdictions, Generators, haulers, Solid Waste and Processing facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets. SB 1383 Regulations require County to implement Collection programs, meet Processing Facility requirements, conduct contamination monitoring, provide education, maintain Records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County's designee, through this Agreement.

RATES NOT SUBJECT TO PROPOSITIONS 218 OR 26

The County is providing for private, not public, Discarded Materials Collection and Transportation services. By entering into this Agreement, County meets its obligations under the CA IWM Act in part by contracting with Franchisee to provide Collection and Transport to Identified Facilities for Recycling, Processing and Disposal of Discarded Materials as required under the CA IWM Act.

1. **Private Service: Franchisee bills Customers and Collects service charges.** Franchisee

provides Franchise Services and charges its Customers for those Franchise Services. The County is not providing public Discarded Material Collection and Transportation services nor is it billing Customers and Collecting charges for those services. Franchise services are not “public services” within the meaning of CA Constitution Article XIID, Section 2(h).

2. **The County sets only maximum Customer Rates.** The County is authorizing the Franchisee to charge Customers service charges up to the maximum amounts in the Rate Schedule. The Franchisee must charge all Customers that receive the same capacity and frequency of Collection service, the same, uniform Rates.
3. **Rates are paid for Franchise Services, not as an incident of property ownership.** There is no mandatory Discarded Material Collection service in the Franchise Service Area. Residents and businesses can choose to Self Haul Discarded Materials or subscribe to Franchise Services. (Businesses cannot Dispose of Recyclables.) The Board of Supervisors has *not* exercised its authority to require that any Person or responsible party residing in or occupying any Multi-Family Dwelling Unit or other Premises located within any area of the unincorporated territory of the County which is within urban boundary lines or developed rural areas, as designated in the adopted County general plan as amended from time to time, must subscribe to the service of an authorized collector.
4. **Fees are based on specific benefits and privileges conferred to Franchisee.** Fees are imposed by the County on Franchisee for the specific benefit of temporarily accessing carts located in the County right of way as contemplated under the terms of this Agreement. This Agreement confers special benefits only to Franchisee to engage in said Collection services and said fees are used for waste management services including compliance with SB 1383 and other state mandates, code enforcement, state-required reporting, and community programs, such as household hazardous waste management, home-generated sharps collection, school education, and organics recycling, including backyard composting.

COUNTY AUTHORIZATION

Solid Waste handling is highly regulated by federal and State governments and County is responsible for protection of public health and the environment. The State has not only authorized but required that the County provide Solid Waste Handling Services to its citizens under Public Resources Code Section 40002, Including source reduction, Recycling, and composting activities and the Collection, Transfer and Disposal of Solid Waste within County boundaries subject to Solid Waste handling regulations under Public Resources Code Section

40057.

Under Public Resources Code Section 40059(a)(1), County may determine all aspects of Solid Waste handling which are of local concern, as provided in this Agreement, including:

1. Frequency of Collection,
2. Means of Collection and Transportation,
3. Level of services,
4. Charges and fees, and
5. Nature, location and extent of providing Solid Waste Handling Services.

County grants this franchise and enters into this Agreement on the terms and conditions in this Agreement as authorized by the Board under Section 17-3(c) of the County Code.

EXCLUSIVE FRANCHISE

State Law Authorization. Public Resources Code Section 40059(a)(2) authorizes County to provide Solid Waste Handling Services by means of wholly exclusive franchise, contract, license or permit.

County Code Mandate. Under Section 17-29 (a) of the County Code, all regular Residential and Commercial Solid Waste Handling Services must be provided by a collector pursuant to an exclusive franchise or contract between a collector and the County, subject to the terms and conditions of Chapter 17, and the duly adopted rules, regulations and resolutions authorized by Chapter 17, as shown in Exhibit 8.03a(2). Any Person or Solid Waste enterprise receiving payment for providing regular Solid Waste Handling Services must have an exclusive franchise or contract with the County.

Necessity. It is necessary for the protection of the public health, safety, and welfare to provide regular Residential and Commercial Solid Waste Handling Services, which may include the Collection and Transportation of Recyclables, by means of exclusive franchise or contract within specified zones or territories of the unincorporated area of the County, as found by the Board of Supervisors under Section 17-29 of the County Code.

Capital Investment. The provision of such Solid Waste Handling Services requires large capital investment in trucks, equipment, and the maintenance thereof, and unrestricted competition for such services may result in the inability of a collector to provide efficient and timely service without an exclusive franchise or contract to operate within a specified geographic zone, as further found by the Board of Supervisors under Section 17-29 of the County Code.

Consideration. This exclusive franchise has significant monetary value to Franchisee, which pays the Solid Waste Program Fee in consideration for County's grant of this franchise. The Solid Waste Program Fee is used for waste management services.

NEGOTIATED AGREEMENT

State Authorization. Section 40059(a)(2) of the CA IWM Act authorizes County to provide Solid Waste Handling Services with or without competitive bidding.

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

ARTICLE 1 DEFINITIONS AND CONTRACT INTERPRETATION

1.01 Definitions

For purposes of this Agreement, unless a different meaning is clearly required, the words and phrases in the Glossary shall have the following meanings respectively ascribed to them by the Glossary and shall be capitalized throughout this Agreement.

1.02 Interpretation

a. Headings, Font

Any captions or headings following the Exhibit, Article, Section, Subsection, Sub-subsection numbers and preceding the operative text of this Agreement are for convenience of reference only and do not control or affect the scope, intent, meaning, construction, interpretation or effect of this Agreement. Any underlined, italicized (such as examples and definitions), 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.

b. References to This Agreement

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

c. Specifics Not Limitation on Generalities

The mention of any specific franchise obligation may not be construed to limit or restrict any general liability or duty imposed upon Franchisee elsewhere in this Agreement or under Applicable Law.

d. Ambiguities, Inconsistencies and Conflicts

In the event of conflict between the provisions contained in Articles 1 through 20 of this Agreement and the provisions contained in the Exhibits, the provisions of the Exhibits shall prevail over those in Articles 1 through 20.

1.03 Integration

This Agreement contains the entire agreement between the Parties with respect to their rights and obligations under this Agreement, including the enforcement and administration of this Agreement. This Agreement supersedes all prior understandings and agreements between the Parties with respect to their rights and obligations, including those contained in proposals and addendums, memorandums, correspondence, telephone calls, field trips, negotiations and Board sessions.

1.04 Governing Law

This Agreement is governed by, and construed and enforced under, the law of the State of California, without giving effect to the State's principles of conflicts of laws.

1.05 Severability

If any clause, sentence, provision, Sub-subsection, 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 will do the following:

1. Within one week of the ruling, meet and negotiate a substitute for that Agreement Provision and any related changes to other provisions of this Agreement in order to realize the Parties' original intent to the greatest extent allowable under Applicable Law, and
2. Apply to the same court that made the original ruling for its judicial construction of

the substituted Agreement Provision and any other changes to this Agreement. Franchisee will pay County half of the Direct Costs of the application within ten (10) Days of County request.

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

However, if any court of competent jurisdiction rules that any Agreement Provision with respect to County identification of any MRF(s), Organics Site(s), or Disposal Facility/Facilities, is unconstitutional, illegal, invalid, non-binding or unenforceable by County, then County may in its sole discretion do any of the following:

1. Accept the ruling without deleting that Agreement Provision,
2. Delete that Agreement Provision and construe and enforce this Agreement under this Section, or
3. Terminate this Agreement upon vote of County Board.

1.06 Interpretation

Franchisee acknowledges the following:

1. It commented on the form of this Agreement.
2. It entered into this Agreement upon its own choice and initiative.

Each Party represents and warrants as follows:

1. It has reviewed and commented upon this Agreement with advice of its attorneys.
2. It agrees that no provision herein can be construed against County solely because County prepared this Agreement in its executed form.

Therefore, 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.

1.07 Timely Performance

a. Specified Days on Weekdays

- (1) **Performance.** Where this Agreement requires that an obligation be performed within a specified number of Days, if the last Day falls on a weekend or Holiday, the obligated Party may perform that obligation on the next weekday following the

weekend or Holiday. *For example, if Franchisee must provide documentation to County within two (2) Days of County request made on a Friday, Franchisee must give County the documentation by the following Monday.*

- (2) **Counting.** Each calendar Day is counted when determining the last Day of the specified number of Days. For example, if Franchisee must provide documentation to County within one week of County’s request on a Friday, Franchisee must give County the documentation by the next Friday.

b. Specified Hours on Any Day

Where this Agreement requires that an obligation be performed at a specified time, in any of the following events the obligated Party must perform that obligation within the specified time, *even if* the time for performance falls on a weekend or Holiday:

- 1. The specified time is measured in hours,
- 2. The County specifies the time (for example, on a Saturday even though performance would otherwise occur on Monday), or
- 3. County determines that there is a threat to public health or safety.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.01 Of Franchisee

Franchisee represents and warrants as of the date it executes this Agreement, under Exhibit 2.01.

2.02 Of County

County represents and warrants as of the date it executes this Agreement, under Exhibit 2.02.

ARTICLE 3 TERM OF AGREEMENT

3.01 Term

a. Franchise Term

This Agreement shall commence on July 1, 2024 and expires on June 30, 2034. If the business license required under Section 17-5 of the County Code remains in effect after the Franchise Term, Franchisee nevertheless may not provide Franchise Services or other Discarded Materials Collection services in the Franchise Service Area.

b. Extension Options

County and Franchisee may extend the franchise expiration date one or more times for one or more months, not exceeding 24 months total at County's sole option. *For example, they could extend the expiration date by 12 months, then another 6 months, and then another 6 months.*

3.02 Non-Discrimination

County hereby notifies Franchisee that County's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and Franchisee agrees to comply with said ordinance.

Franchisee will not discriminate against Customers and any personnel in Violation of any applicable State or federal laws, rules or regulations which may now or hereafter specifically prohibit such discrimination on such grounds as race, religion, sex, color, national origin, physical or mental disability, Vietnam era veteran/disabled, age, medical condition, marital status, ancestry, sexual orientation, or other legally protected status.

3.03 Survival of Certain Provisions

The following provisions survive the Franchise Term:

1. Parties' representations, certifications, warranties and acknowledgements,
2. Indemnifications,
3. Amounts that Franchisee owes County or Customers, including County Reimbursement Costs and damages directly or indirectly payable under this Agreement,
4. Record keeping obligations,
5. Reporting and financial statement obligations,
6. Any other rights and obligations of the Parties accrued prior to expiration or termination of this Agreement, and
7. Any other rights and obligations of the Parties expressly stated to survive the

Franchise Term.

If County does not award Franchisee an agreement to continue to provide Discarded Materials Collection services following the expiration or earlier termination of this Agreement, Franchisee will cooperate fully with County and any subsequent Solid Waste service provider(s) to assure a smooth transition from Franchise Services to other services, including all of the following:

1. Transferring Records upon County request,
2. Providing reports under this Agreement,
3. Allowing Customers to use Franchisee's Containers for the following times:
 - Up to two (2) weeks (with respect to expiration), or
 - If County does not exercise its option upon termination to buy any or all Containers (except for those County is required to purchase per Section 15.02(3)), until Customers have replacement Containers (with respect to termination prior to expiration of the Term), for a period not to exceed twelve (12) months, and
4. Coordinating with County and any subsequent Solid Waste service provider to transition to new service.

3.04 Parties' Rights

Upon expiration or termination of this Agreement, Franchisee will stop providing Franchise Services even if the expiration or termination occurs before the end of the period described in Public Resource Code § 49520. Franchisee acknowledges the following:

1. This Agreement does not grant Franchisee any rights under Public Resource Code § 49520.
2. Franchisee does not have the right to make any claim under Public Resource Code § 49520, but only under this Agreement.
3. After expiration or termination of this Agreement, County may repro cure one or more agreements for Discarded Material Collection services with Franchisee or other Solid Waste haulers. Those agreements may be exclusive, partially exclusive, or wholly exclusive franchises, contracts, licenses, permits or otherwise, with or without competitive bidding.

Franchisee acknowledges that it has no right to recover an amount equal to the undepreciated value of assets it uses to provide Franchise Services that might remain at the expiration or termination of this Agreement, from County or Customers.

ARTICLE 4 CUSTOMER COLLECTION SERVICES

4.01 Franchise Grant

a. Scope

County grants Franchisee the exclusive right and privilege to provide Franchise Services for the Term hereof. The right and privilege to provide Franchise Services within County granted to Franchisee by this Agreement shall be interpreted to be consistent with all applicable State and federal laws, now in effect and adopted during the Term of this Agreement, and the scope of this Agreement shall be limited by all applicable current and developing laws and regulations. In the event that future interpretations of current Applicable Law or future enactments limit the ability of County to lawfully grant Franchisee the scope of services as specifically set forth herein, Franchisee agrees that the scope of this Agreement will be limited to those services and materials which may be lawfully provided.

b. Exclusions

The franchise grant excludes the right and privilege to Collect the following types of Solid Waste:

FRANCHISE EXCLUSIONS	EXAMPLES
<p>Unscheduled Solid Waste Handling Services: Solid Waste that can be Collected only by holders of an Unscheduled Solid Waste Handling Services permit issued under Section 17—44 of the County Code</p>	<ul style="list-style-type: none"> • One-time Collection of a temporary Roll-Off Box
<p>Self-Hauled Solid Waste: Solid Waste that owners and occupants of Premises remove in their own Vehicles in compliance with Applicable Law.</p>	<ul style="list-style-type: none"> • Transporting Recyclables to drop-off or buy-back facilities and redemption centers, • Transporting Refuse to a Landfill or Transfer station
<p>Composted Solid Waste, such as Green Waste or other organic Solid Waste that is composted on Customer's Premises, community gardens, or other locations that comply with Applicable Law.</p>	

FRANCHISE EXCLUSIONS	EXAMPLES
<p>Incidental Solid <u>W</u>aste generated by someone who does both of the following:</p> <ol style="list-style-type: none"> 1. Removes that Solid Waste from a premise as an incident of his/her total and primary service, and 2. Does not separately itemize the removal costs as a Refuse hauling service. 	<ul style="list-style-type: none"> • Construction contractors or Subcontractors (such as carpenters, masons, roofers, electricians and plumbers), hauling Solid Waste such as debris they generate in the course of providing construction or demolition services (for example, home renovation), but not debris they merely gather or Collect from Residential Premises for Transport and Disposal, • Hired gardeners hauling yard waste they generate, including through trimming trees, shrubs and bushes; cutting grass; and pulling weeds, and • Retail stores selling furnishings, hauling Solid Waste such as carpet, cabinets, mattresses, home appliances and furniture that they remove following delivery of comparable new merchandise.
<p>Donated or sold Solid Waste (Recyclables): Solid Waste that the owner or occupant of a Premises <u>sells</u> or <u>donates</u> to someone else (who may remove that Solid Waste from owner or occupant’s Premises), including Source Separated Recyclables under Section 17-18 of the County Code. The owner or occupant cannot <u>pay</u> anyone else to remove that Solid Waste from the Premises.</p>	<ul style="list-style-type: none"> • Resale of bulky waste such as appliances, • Donation of Recyclables such as aluminum cans to a scout troop, • Donation of Bulky Waste such as furniture to a thrift shop, if either the owner/occupant transports the furniture to the thrift shop or thrift shop picks up the furniture at the owner/occupant’s Premises.

FRANCHISE EXCLUSIONS	EXAMPLES
<p>Solid Waste generated by certain public entities, unless such entities choose to subscribe to service under terms of this Agreement, including the following:</p> <ul style="list-style-type: none"> • The State of California, • Any school district, • Any entity that is excluded by Applicable Law from the obligation to subscribe to Franchise Services 	
<p>Food and Beverage Byproducts. The hauling of byproducts from the Processing of food or beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) Processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and, if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).</p>	
<p>Edible Food that is Collected from a Generator by other Person(s), such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is Transported by the Generator to another location(s), such as the location of a Food Recovery Organization, for the purposes of Food Recovery, regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to Collect or receive the Edible Food from the Generator.</p>	<ul style="list-style-type: none"> • Food Recovery Organization • Food Recovery Service

c. Contracting Cost Reimbursement

(1) **Consideration.** Franchisee will reimburse County for costs of entering into this Franchise Agreement in the amount of \$50,000 for Zone 4 and \$50,000 for Zone 5 within seven (7) Days of the execution of this Agreement.

4.02 Franchise Service Arrangements

Franchisee will independently arrange to provide Franchise Services at the frequency, capacity, price and other terms agreed to with its Customers. Franchisee acknowledges that County is not responsible for supervising or performing Franchise Services. Franchisee acknowledges that Customers are not obligated to discard their Recyclables and that they may donate, sell or otherwise Dispose of their Recyclables, Including taking them to drop-off facilities and donating or selling them to private or public entities.

4.03 Transition Plan

Franchisee acknowledges that it is of the utmost importance to County that the transition from solid waste services provided prior to entering into this Agreement to franchise services under this Agreement will proceed smoothly to the satisfaction of customers. Therefore:

1. Franchisee will implement the Transition Plan in Franchisee Documentation, acceptable to County. It will add shifts or authorize over-time at its cost in order to meet the schedule in the Transition Plan.
2. If requested by County, beginning on the first Friday following the franchise date, each Friday Franchise will report to County on implementation status of the Transition Plan.
3. Franchisee will meet with County upon County request to review implementation progress.

4.04 Residential (Single and Multi-Family)

a. Residential Carts

Franchisee will provide the Franchise Services under this Subsection to Residential Customers – both Single and Multi-Family – who subscribe to Carts and charge the applicable Rates in accordance with Exhibit 13.02a. Franchisee will supply the aggregate capacity of Carts requested by any Customer, but may consider the size and shape of the Set-Out Site with respect to the combination of 32, 64 or 96 gallon Carts.

(1) Gray Container.

Franchisee will do all of the following:

1. **Supply Cart(s)** for discard of Mixed Waste or Refuse:
 - One 32, 64 or 96 gallon Cart, as Customer requests,
 - Additional 32, 64 or 96 gallon Carts upon Customer request, for additional Rate;
2. **Weekly:** Collect Cart(s) weekly from Set-Out Sites on Customer Collection Days; and
3. **Holiday:** Collect up to 96 gallons of Mixed Waste or Refuse discarded on Customer Collection Days next to each Gray Container in bundles, boxes or cans (such as an approximately 32 gallon standard can) from December 26 through January 12.

(2) Blue Container.

Regular Residential Franchise Services include the Collection and Transportation of Source Separated Recyclable Materials in the Blue Container under Section 17-29 (a) of the County Code. Franchisee will do all of the following:

1. **Supply Cart(s) in any combination** of 32, 64 and 96 gallon capacity, as Customer requests, for unlimited discard of Source Separated Recyclable Materials that are generated by the Customer on the Residential Premise receiving Franchise Services;
2. **Bi-weekly:** Collect Cart(s) every other week from Set-Out Sites on same Day as Gray Container Waste Collection; and
3. **Holiday:** Collect up to 96 gallons of Recyclables discarded on Customer Collection Days next to the Recyclables Carts in bundles, boxes or cans (such as an approximately 32 gallon standard can) from December 26 through January 12.

(3) Green Container for Zone 4 Lompoc and Zone 5 Santa Maria.

Franchisee will provide Green Containers for the Collection of Organic Material to Single-Family Residential and Multi-Family Residential Cart Customers in Zone 4 Lompoc and Zone 5 Santa Maria. For Customers that are exempt from the requirements of SB 1383 via a low-population waiver granted by CalRecycle for their geographic area, Franchisee will only provide Organic Material Collection upon Customer request. Service will be delivered as follows:

- All Single-Family Residential Cart Customers shall receive a Green Container as part of their basic service which is included in the Customer Rate; and
- All Multi-Family Residential Cart Customers shall receive a Green Container, for an additional Rate.

“Organic Material Collection Services” means the following:

1. **Supplying Cart(s)** for discard of Organic Materials:
 - Up to and Including 96 gallons capacity as Customer requests, in any combination of 32, 64, or 96 gallon Cart(s), and
 - More than 96 gallons capacity as Customer requests, in any combination of 32, 64, or 96 gallon Cart(s) upon Customer request), for additional Rate;
2. **Weekly:** Collecting Cart(s) weekly from Set-Out Sites on same Day as Gray Container Waste Collection.

(4) Green Container for Zone 4 Santa Ynez.

Franchisee will provide Green Containers for the Collection of Green Waste to Single-Family Residential and Multi-Family Residential Cart Customers in Zone 4 Santa Ynez. For Customers that are exempt from the requirements of SB 1383 via a low-population waiver granted by CalRecycle for their geographic area, Franchisee will only provide Green Waste Collection upon Customer request:

- All Single-Family Residential Cart Customers shall receive a Green Container as part of their basic service which is included in the Customer Rate; and
- All Multi-Family Residential Cart Customers shall receive a Green Container, for an additional Rate.

Franchisee shall provide the following:

1. **Supplying Cart(s)** for discard of Green Waste:
 - Up to and Including 96 gallons capacity as Customer requests, in any combination of 32, 64 or 96 gallon Cart(s), and
 - More than 96 gallons capacity as Customer requests, in any combination of 32, 64 or 96 gallon Cart(s) upon Customer request), for additional Rate;
2. **Bi-Weekly:** Collecting Cart(s) every other week from Set-Out Sites on same Day as Gray Container Waste Collection.

(5) Extra Items.

Franchisee will do all of the following:

1. Four (4) times each Franchise Year at no additional charge, Collect up to five (5) items or boxes per pickup of the following items that are generated by Cart Customer on the Residential Premise receiving Franchise Services and discarded curbside (or other location agreed to between Franchisee and Customer) within five (5) Franchise Service Days of Residential Customer request, on Day specified to Customer:
 - Bulky Waste,
 - Special Waste (Universal Waste and E-waste), and

- Bagged, bundled, and/or containerized Green Waste
2. Collect Bulky Waste, Special Waste and E-waste in the manner described in the preceding item, for additional Rate if Customer requests more than four (4) pickups per Franchise Year;
 3. Avoid breakage: do not compact or tip items from trucks. Use flat bed trucks (or other truck acceptable to County); and
 4. Deliver items to facilities that provide the following services, in the following order of priority:
 - Reuse “as is”,
 - Disassembly for Reuse or Recycling,
 - Transport Bulky Waste and Reusable Items to the appropriate Approved Facility for Reuse or Processing, Transport Organic Waste, such as Green Waste, to the Approved Organic Waste Processing Facility for Processing,
 - Disposal.

(6) Batteries.

Franchisee will do all of the following:

1. Collect batteries discarded in clear plastic bags provided by Residential Customer and laid on top of Blue Containers; and
2. Reuse or Process batteries (not Dispose of them).

(7) Holiday Trees.

Franchisee shall operate an annual Holiday Tree Collection program, beginning December 26 and continuing through the end of the second Saturday in January. During this period all Holiday Trees placed out for Collection by Single Family Dwelling and Multi-Family Dwelling (Cart and Bin) Customers shall be Collected by Franchisee. Single Family Dwelling and Multi-Family Dwelling Cart Customers shall place trees adjacent to their Source Separated Organic Materials Carts for Collection, and Multi-Family Dwelling Bin Customers shall place the trees in or adjacent to Source Separated Organic Materials Bins. Trees up to six (6) feet in length will be Collected and Diverted without Customers needing to cut them. Franchisee may request that Customers with larger trees cut the trees to pieces no longer than six (6) feet. Franchisee shall inform Customers that they are required to remove tinsel, ornaments, and flocking from trees prior to placing for Collection. Franchisee shall Collect, but shall not be required to, Divert trees containing tinsel, ornaments and flocking. Franchisee shall Process all Holiday Trees that are properly set out for Collection as Organic Waste in accordance with Exhibit 6.01.

(8) Sharps.

Upon Residential Customer request, Franchisee will provide for Disposal of Sharps generated through personal (not Business or Commercial) use, Including all of the following:

1. Containers designed for discard of Sharps, that comply with Applicable Law and are acceptable to County,
2. Shipping boxes with pre-paid postage,
3. Pre-addressed labels, and
4. Pre-paid Disposal.

(9) Curbside / Carry-out Service.

Franchisee will provide both of the following carry-out services:

1. Upon request of a Qualifying Customer on the form in Franchisee Documentation; and
2. Upon request of a Customer who is *not* a Qualifying Customer for an additional Rate.

(10) County-approved Variations in Franchise Services.

Franchisee may provide Customers with Franchise Services different from the Franchise Services in this Subsection for different Rates, upon consent of County Representative and subsequent approval by the County Board under Section 17.07a, such as different Collection frequency or materials type. *Examples include:*

1. Collection of Refuse but not Green Waste from Multi- Family Residences such as condominiums or town houses whose landscape service Collects Green Waste, and
2. Delivering Mixed Waste to a High Diversion Organics Waste Processing Facility for Organics recovery and providing bi-weekly rather than weekly Green Waste service.

b. Residential Bins

Franchisee will provide the Franchise Services under this Subsection to Residential Customers – both Single Family and Multi-Family – who subscribe to Franchise Service in Bins and charge the applicable Rates in accordance with Exhibit 13.02a.

(1) Gray Container.

Franchisee will do both of the following:

1. **Supply** Gray Containers as 1.5, 2, 3 or 4 cubic yard Bins for discard of Refuse as Customer requests, and
2. **Weekly:** Collect Gray Containers as frequently as Customer requests, at least weekly from Set-Out Sites on Customer Collection Days.

(2) Blue Container.

Franchisee will do all of the following:

1. **Supply:** Supply Blue Containers for the Collection of Source Separated Recyclable Materials in type and capacity as Customer requests:
 - 96 gallon Cart(s) or 1.5, 2, 3 or 4 cubic yard Bins, up to and including 30% of the capacity of Customer's weekly Gray Container service, at no additional charge, in accordance with Exhibit 4.04b(2).
 - Additional Cart(s) or Bins for additional Rate.
2. **1-6 Times Weekly for Bin Service:** Collect Bin(s) from 1 to 6 times each week, as Customer requests, from Set-Out Sites on same Day(s) as Gray Container Waste Collection,
3. **Bi-Weekly or Weekly for Cart Service:** Collect Cart(s) every other week or weekly, as Customer requests, from Set-Out Sites on same Day(s) as Gray Container Waste Collection, and
4. **Business and Multi-Family Recycling Plan:** Implement its Business and Multi-Family Recycling Plan.

(3) Green Container for Zone 4 Lompoc and Zone 5 Santa Maria for Additional Rate.

Franchisee will do both of the following:

1. **Supply:** Supply Green Containers as approximately 32, 64, or 96 gallon Cart or 1.5, 2, 3 or 4 cubic yard Bin, for the Collection of Organic Material, for an additional Rate. For Customers that are exempt from the requirements of SB 1383 via a low-population waiver granted by CalRecycle for their geographic area, Franchisee will only provide Organic Material Collection upon Customer request. Multi-Family Bin Customers are allowed to utilize a shared Green Container.
2. **Weekly:** Collect Green Container(s) every week from Set-Out Sites on same Day as Gray Container Waste Collection.

(4) Brown Container for Food Waste for Additional Rate.

Franchisee will do both of the following:

1. **Supply:** Supply Brown Containers as approximately 32-gallon or 64-gallon Cart or 2 cubic yard Bin, upon Customer request, for the Collection of

Source Separated Food Waste, for an additional Rate.

2. **Minimum Weekly Collection:** Collect Brown Container(s) at least weekly from Set-Out Sites on same Day as Gray Container Waste Collection.

(5) Extra Items for Single-Family Bin Customers.

Single-family Residential Bin Customers shall be entitled to receive the same service for extra items as Residential Cart Customers as specified in Section 4.04a(5), unless otherwise noted.

(6) Extra Items for Multi-Family Bin Customers.

1. Multi-Family Bin Customers shall be entitled to a number of pickups per Franchise Year equal to the number of Multi-Family Dwelling Units in the Customer's building or complex. The property manager or owner shall call in the pickup requests. Each pick-up may have up to five (5) items or boxes of the following materials:
 - Bulky Waste, and
 - Special Waste (Universal Waste and E-waste) under Section 4.04a(4)
2. Additional pickups, or additional items per pickup, may be subject to an additional fee to be charged by the Franchisee in accordance with the approved Rate schedule.
3. Franchisee shall avoid breakage: do not compact or tip items from trucks. Use flat bed trucks (or other truck acceptable to County); and
4. Franchisee shall deliver items to facilities that provide the following services, in the following order of priority:
 - Reuse "as is",
 - Disassembly for Reuse or Recycling,
 - Transport Bulky Waste and Reusable Items to the appropriate Approved Facility for Reuse or Processing Transport Organic Waste, such as Green Waste, to the Approved Organic Waste Processing Facility for Processing
 - Disposal.

(7) Batteries.

Franchisee will do all of the following:

1. Collect batteries discarded in clear plastic bags provided by Single-Family Residential Bin Customers and laid on top of Blue Containers.
2. Upon County or Customer request, Franchisee will deliver Commercial-sized buckets at Multi-Family Residential Bin Premises and locations selected by

County, for discard of used batteries. Buckets shall include a sticker with Franchisee's telephone number. Upon Notice from the location that the bucket is full, Franchisee will Collect the batteries and leave an empty bucket.

3. Reuse or Process batteries (not Dispose of them).

(8) Holiday Trees.

Franchisee will Collect Holiday Trees under Section 4.04a(6), discarded next to Customers' Gray Containers.

(9) Sharps.

Upon Customer request, Franchisee will provide for Disposal of Sharps under Section 4.04a(7).

(10) Optional Manure Collection for Additional Rate.

Franchisee will do both of the following upon Customer request, for the additional Rate:

1. **Supply** 96 gallon Cart or 1.5, 2, or 3 cubic yard, as Customer requests, for discard of Manure, and
2. **Weekly:** Collect Containers as frequently as Customer requests, at least weekly from Set-Out Site on Day(s) agreed upon with Customer.

4.05 Commercial Services

Franchisee will provide all of the Franchise Services under this Section to Commercial Customers and charge the applicable Rates in accordance with Exhibit 13.02a.

(1) Gray Container

Franchisee will perform the following:

1. **Supply** the following Gray Containers for discard of Refuse or Mixed Waste as Customer requests:
 - 32, 64 or 96 gallon Cart(s), or
 - 1.5, 2, 3 or 4 cubic yard Bins;
2. **1-6 Times Weekly:** Collect the following from 1 to 6 times each week, as Customer requests (but at least weekly) from Set-Out Sites on Customer Collection Day(s):
 - Gray Container(s) supplied by Franchisee, and
 - Compactors that might be provided by Customer.

(2) Blue Container Collection for Recyclables at an Additional Rate

- (i) County Recyclables Disposal Ban.** Franchise acknowledges that although the County requires that Businesses Recycle, Businesses do not have to subscribe to Franchise Services from Franchisee for Collection of Recyclables; Businesses have three Recycling options:
1. Donating or selling their Recyclables (such as paper or cardboard),
 2. Self-Hauling Recyclables to buy back/drop off centers, or
 3. Subscribing to Franchise Services for an additional Rate.
- (ii) Franchise Services for Recyclables.** Franchisee will provide all of the following Franchise Services to Customers for an additional Rate:
1. **Supply Blue Container(s):** Supply 32, 64, or 96 gallon Recycling Cart(s) or 1.5, 2, 3, or 4 cubic yard Recycling Bins as Customer requests.
 2. **1-6 Times Weekly for Bin Service:** Collect the following from 1 to 6 times each week, as Customer requests (but at least weekly), from Set-Out Sites on Customer Collection Day(s):
 - Bin(s) supplied by Franchisee, and
 - Any Compactor provided by Customer
 3. **Bi-Weekly or Weekly for Cart Service:** Collect Cart(s) every other week or weekly, as Customer requests, from Set-Out Sites on Customer Collection Day(s), and
 4. **Business and Multi-Family Recycling Plan:** Implement its Business and Multi-Family Recycling Plan and comply with Chapter 17 of the County Code.
- (iii) State Mandatory Commercial Recycling.** Franchisee will assist both Customers and County to comply with the State regulations, including AB 341.

(3) Green Container for Additional Rate

Franchisee will do both of the following:

1. **Supply Green Container:** Supply 32, 64, or 96 gallon Cart or 1.5, 2, 3, or 4 cubic yard Bin for the Collection of Organic Material, for an additional Rate, unless Customer is granted a low-population waiver by CalRecycle, or a de minimis waiver or a physical space waiver by the County, or if Customer subscribes to Brown Container Collection as described in Subsection (4) below. For Customers that are exempt from the requirements of SB 1383 via

a low-population waiver granted by CalRecycle for their geographic area, Franchisee will only provide Organic Material Collection upon Customer request.

2. **1-6 Times Weekly for Bin Service:** Collect Bin(s) from 1 to 6 times each week, as Customer requests, from Set-Out Sites on same Day as Gray Container Waste Collection.
3. **Bi-Weekly or Weekly for Cart Service in Zone 4 Santa Ynez:** Collect Cart(s) every other week or weekly, as Customer requests, from Set-Out Sites on same Day(s) as Gray Container Waste Collection.
4. **Weekly for Cart Service in Zone 4 Lompoc and Zone 5 Santa Maria:** Collect Cart(s) weekly from Set-Out Sites on same Day as Gray Container Waste Collection.

(4) Brown Container for Food Waste for Additional Rate

Franchisee will perform the following:

1. **Supply Brown Container:** Supply 32-gallon or 64-gallon Cart, upon Customer request, for the Collection of Source Separated Food Waste, for an additional Rate. Brown Containers shall only be offered if Gray Container waste is not processed at a HDOWPF.
2. **Minimum Weekly Collection:** Collect the following as Customer requests (but at least provide weekly and twice per week collection) from Set-Out Sites on Customer Collection Day(s):
 - Brown Container(s) supplied by Franchisee, and
 - Any Compactor provided by Customer
3. **Transport.** Franchisee shall Transport the Food Waste to (i) the Approved Organic Waste Processing Facility, or (ii) the Approved Transfer Facility for Transfer and Transport to an Approved Organic Waste Processing Facility, as specified in Exhibit 6.01.

(5) Regular Roll-off Box Service

Franchisee will perform the following:

1. **Supply Roll-off Container:** Franchisee shall provide exclusive regular Roll-off Box Collection service upon request. Roll-off Boxes may be used to Collect any material stream (i.e., Mixed Waste, Refuse, Recyclables, or Organics). Roll-off Box Containers may be rented from Franchisee or a third-party or purchased by Customer. Franchisee may charge a fee per pull plus Processing or Disposal cost per ton, based on the approved pull rates and per ton fees in Exhibit 13.02a. Franchisee will process all loads

to recover recyclable material and organic waste prior to landfill disposal. Franchisee shall ensure that Customers that subscribe to regular Roll-off Box service shall comply with the diversion program participation requirements of Section 6.03b(1)(b).

2. **Transport.** Franchisee shall Transport the Roll-off Box material to (i) the Approved Processing Facility, or (ii) the Approved Transfer Facility as specified in Exhibit 6.01.
3. Use of a permanent roll-off box does not relieve customer from compliance with State mandated diversion including AB 341, AB 1826, and SB 1383.

4.06 Public Services

a. Illegal Dumping

(1) **On-call.** Franchisee will Collect Abandoned Waste discarded along roads at locations identified by the County, without charge to Customers or County, at the following times:

1. **Before Noon:** If County makes its request to Franchisee by noon on a weekday, Franchisee will Collect Abandoned Waste that same Day.
2. **Afternoon:** If County makes its request to Franchisee after noon on a weekday, Franchisee will Collect Abandoned Waste by the end of the following weekday.

Franchisee's obligation to Collect Abandoned Waste continues under this Subsection until the earlier to occur of the following during each Franchise Year :

1. Franchisee has Collected 30 tons of Abandoned Waste, and
2. County has made 100 requests.

(2) **Cooperating with County.** Franchisee will cooperate with County in any investigation and prosecution of illegal dumping.

(3) **Litter Cleanup.** Franchisee will clean up litter within a 10-foot radius of each Abandoned Waste Collection site.

(4) **Diversion.** Franchisee will use Reasonable Business Efforts to Divert the Abandoned Waste that it Collects.

b. Public Trash Cans

(1) Location and Frequency. Franchisee will provide the following Franchise Services without charge to Customers or County:

1. Provide Containers for the public's discard of Refuse, acceptable to County, at the locations described in Exhibit 4.06b(1).
2. Service no more than twenty (20) total locations in Zone 4, and no more than ten (10) locations in Zone 5, as identified by County at no additional charge, and additional locations for an additional charge as specified in the County-approved Rate schedule.
3. Collect those Containers at least weekly, or more frequently as needed to service waste volume including seasonal differences.

(2) Container Handling, Placement and Bags. Franchisee will do all of the following:

1. Handle each litter Container with care;
2. After emptying each litter Container, set it adjacent to the bus stop upright, without obstructing any passable driveway, sidewalk or street; and
3. Provide and replace trash bags acceptable to County.

(3) Litter Cleanup. Franchisee will clean up litter within a 5-foot radius of each litter Container.

c. County Facilities

Franchisee will provide all of the following Franchise Services to the County, without charge to County or its ratepayers, under Exhibit 4.06c:

1. Supply Containers of the type and capacity, and at the facilities, that County requests;
2. Collect Refuse, Recyclable Material and Organic Material at the frequency that County requests; and
3. Transport Refuse to the Disposal Facility/Facilities, Recyclable Material to the MRF(s) and Organic Material to the Organics Site(s).

As of the Franchise Date, the type and capacity of Containers, facilities and Collection frequency is listed under Exhibit 4.06c. After the Franchise Date, County may request any or all of the following changes in Franchise Service:

1. Stopping service at listed facilities,
2. Type of Containers; or
3. Capacity of Containers and frequency of service, up to 7.5% more than the

aggregate volume of all Containers listed on Exhibit 4.06c on the Franchise Date. Volume is calculated as follows:

- The capacity of each Container (in gallons or cubic yards) is multiplied by the number of times that Franchisee Collected that Container each week; then
- Adding together the volume of all Containers, assuming that 1 cubic yard equals 202 gallons.

d. Large Venue Recycling

(1) Program Development. Franchisee will comply with PRC 42648.4, Including the following:

1. Meet biennially with operators of Large Venues and Large Events in the Franchise area; and
2. Determine the Solid Waste reduction, Reuse and Recycling programs that are appropriate for the Large Venues or Large Events to meet the requirements of AB 2176 and SB 1383.

Franchisee will refer operators to CalRecycle's web site under PRC 42648.1(c).

(2) Program Facilitation. Franchisee will use Reasonable Business Efforts to assist County and operators of Large Venues and Large Events with reporting and planning needs and to facilitate the operators' Solid Waste reduction, Reuse, Recycling and Organic Waste Recycling program.

(3) Recyclables Containers. Franchisee will provide Recyclables Material and Organic Material Collection service to operators at the applicable Rate.

e. Schools

Should schools choose to subscribe to Refuse, Recycling, and Organics Material Collection services under the terms of this Agreement, Franchisee may, at Franchisee's discretion, provide such services at no additional charge as a public service and shall be solely responsible for the costs of such services. Franchisee shall not seek a Rate adjustment based on any cost related to providing free services to schools.

Upon County request, Franchisee will help County provide Refuse and Recycling information, training, and outreach to schools, such as the following:

1. Delivering and Collecting Refuse, Recyclables, and Organics Containers for special school events (such as carnivals or jog-a-thons), at schools' request.

2. Preparing and distributing educational materials.

f. Community Paper Shredding

Franchisee will promote and conduct annual paper shredding events for Residential Customers in each zone (one event in Zone 4 and one event in Zone 5). Franchisee will confirm location and times with County in advance. Customers will deliver paper for secured shredding and Recycling at no additional cost.

Franchisee will provide to the County Collection tonnage and Diversion statistics for each event. Shredded paper from these events shall be Diverted from Disposal.

4.07 Collection Times and Schedules.

a. Times

County establishes the following times, as authorized under Section 17-30(d) of the County Code.

(1) Residential Areas. Franchisee will provide Collection in Residential areas only during the following times:

1. Monday through Friday between 6:00 a.m. and 6:00 p.m., and
2. Saturday between 7:00 a.m. and 6:00 p.m.

(2) Commercial and Industrial Areas. Franchisee will provide Collection in Commercial and industrial areas only during the following times:

1. Monday through Saturday between 5:00 a.m. and 6:00 p.m., or
2. No sooner than 6:00 a.m. if directed by County if a resident complains of noise.

b. Schedule

(1) Holiday Schedule. Franchisee will provide Collection scheduled for a Holiday on the Franchise Service Day immediately following the Holiday. Franchisee will provide affected Customers advance written Notice of that change in all of the following manners:

1. In affected Customers' bill immediately preceding the Holiday,
2. By email to affected Customers who have provided email addresses, and
3. In the newsletter sent to affected Customers before the Holiday.

(2) Changed Schedule. Franchisee will notify each Customer of any change in the Customer Collection Day in each and all of the following manners:

1. On a tag attached to each Residential Customer's Container on the Customer Collection Day immediately preceding the change;
2. By phone or in person to a Commercial Customer the week before the change,
3. By email to Customers who have provided email addresses or other electronic method, and
4. Any other manner and time requested by County.

4.08 Container Service

a. Provided by Franchisee

Franchisee will provide Customers with all the following receptacles for storage of Discarded Materials pending Collection, approved by County:

1. All Containers (*except* Compactors) for all Customers,
2. Buckets for battery Collection, and
3. Sharps Containers, boxes and labels for Residential Cart and Bin Customers.

b. Delivery, Pick-up and Exchange

- (1) Service Commencement; Lost or Stolen Containers.** Franchisee will deliver Containers to the Set-Out Site no later than the next Franchise Service Day after Customer request and ensure that each Customer has a Container for Discarded Materials during the Days remaining prior to the next Customer Collection Day.
- (2) Service Termination; Change in Subscription Levels.** Franchisee will pick up, exchange, increase or decrease the number of Containers at the Set-Out Site no later than the next Customer Collection Day after Customer request to terminate service or change Service Levels.

c. Repair or Replacement

Franchisee will maintain and repair all Containers, and comply with Section 17-8(g) of the County Code. On the next Customer Collection Day after Customer or County request, Franchisee will repair or replace Containers that are damaged or constitute a threat to public health and safety (Including keeping out rodents, flies and other vectors). County determination of whether a Container must be repaired or replaced will bind Franchisee.

d. Annual Cleaning of Commercial Bins

Franchisee will clean Bins at Commercial Premises at both of the following times:

1. All Containers, once each Year upon Customer request, and
2. Two or more times each Year for the additional Rate.

e. Collection and Emptying of Containers

After emptying each Container, Franchisee will replace it at its Set-Out Site.

4.09 Service Standards

a. General

Franchisee will perform all Franchise Services in a prompt, thorough, comprehensive, reliable, courteous and professional manner so that Customers receive high-quality Franchise Service at all times. Franchisee will comply with its Customer Service Policy. Franchisee must perform Franchise Services regardless of weather conditions and regardless of difficulty of Collection, subject to the exceptions under Section 4.10. Particular specifications in this Agreement do not relieve Franchisee of its duty and obligation to accomplish all other aspects of Franchise Services in the manner provided in this Subsection, whether or not those other aspects are also addressed elsewhere in this Agreement.

b. Litter and Leaks

(1) Customer. If Franchisee repeatedly observes littered Discarded Materials outside a Container set out for Collection, Franchisee will do both of the following:

1. Discuss ways to prevent litter directly with the Customer who subscribes to those Containers, and
2. If the problem persists, report its discussion to County.

(2) Franchisee

- (i) Discarded Materials.** Franchisee will comply with Section 17-21 of the County Code and immediately clean up all Discarded Materials spilled, scattered or littered while performing Franchise Services, Including:
 - 1. Lifting and emptying Containers, and
 - 2. Driving from or between Collection stops and tracking Solid Waste onto any alley, street or public place.

- (ii) Liquids.** Franchisee will not allow hydraulic fluid or other liquid to leak from any vehicle. Franchisee will immediately clean up all leaks and spills occurring while providing Franchise Services. Franchisee will keep a record of leaks Including type, amount and action taken to clean it up.

- (iii) Equipment and supplies.** Franchisee will equip each vehicle with a broom, shovel and absorbent material.

Franchisee will pay all fines for improperly covering loads, Including those assessed by the operator of an Approved Facility.

c. Respect for Property

- (1) Private Property.** Franchisee will do all of the following:
 - 1. Use due care in entering and exiting Customers' property or enclosures,
 - 2. Use paved walks or surfaces where practicable and avoid crossing private or public landscaped areas,
 - 3. Not jump over hedges and fences, and
 - 4. After making Collections, close all gates it opened.

Within two (2) Days of receiving Customer Notice (oral or written) of any damage, Franchisee will determine whether or not the damage to Customer's property was caused by the inattention, carelessness or negligence of Franchisee's employees. Within three (3) Days of making its determination that it was responsible for the damage, Franchisee will reimburse Customer for Direct Costs of repairing or replacing damaged property. However, Franchisee may request the Customer to give Franchisee a waiver of damage liability and/or Indemnification acceptable to the County if Customer specifically directs Franchisee to drive on private driveways or pavement in the course of providing Franchise Service.

Franchisee will include description of any Customer Notice of damage, Including status of resolution, in its Monthly Report.

(2) Containers

- (i) Care.** Franchisee will handle Containers carefully. Franchisee will not throw or drop Containers from trucks or roughly handle, damage or break them.
- (ii) Placement.** Franchisee will return Containers to within 5 feet of the location from which they were picked up, upright, without obstructing any passable driveway, sidewalk or street.

(3) Pavement and Utilities

- (i) Pavement.** Franchisee is responsible for damage to driving surfaces, other than ordinary wear and tear, when County or Customer can demonstrate to satisfaction of County either or both of the following:
 - 1. A vehicle driven on the damaged surface exceeded the maximum weight limits under Applicable Law, or
 - 2. Franchisee operated the vehicle negligently.
- (ii) Utilities.** Franchisee is responsible for damage to public and private utilities, whether located on public or private streets or property, when County or Customer can demonstrate to satisfaction of County that damage is the result of the inattention, carelessness or negligence of Franchisee.
- (iii) Repair or Replacement.** County or Customer may do either of the following:
 - 1. Direct Franchisee to repair or replace damaged pavement or utilities to satisfaction of Customer or County within one week of direction. Franchisee shall use best efforts to complete repair or replacement within one week and, in no event, less than thirty (30) Days. Franchisee shall notify County or Customer of repair status on a weekly basis.
 - 2. Repair and replace them itself or through a third party.

In either event, Franchisee will reimburse Customer his or her Direct Costs of repair or replacement and County its County Reimbursement Costs of repair or replacement.

d. Noise

Franchisee will conduct Collection as quietly as possible. Franchisee will resolve any noise complaints to County satisfaction within two (2) Days of County request.

4.10 Service Exceptions and Non-Collection Notices

a. Non-Collection

Franchisee is *not* required to Collect Discarded Materials in any of the following events, when it must take all of the following actions:

Collection Exception	Actions: Non-Collection Notice
<p>Contaminated materials: Customer has Discarded Materials <i>other</i> than the following:</p> <ul style="list-style-type: none"> • Recyclables in the Blue Container, • Organic Waste in the Green Container (Including Manure), or • Manure in a Brown Container (Including Organic Waste). 	<ol style="list-style-type: none"> 1. Attach a Non-Collection Notice, together with 2. Information listing examples of Recyclables or Organic Materials, and how to discard them. 3. Follow procedures listed in Section 4.18a(3).
<p>Setting Container out on wrong Day (for example, setting out a Blue Cart on the week when Franchisee does not Collect Recyclables)</p>	<p>Provide a Non-Collection Notice, marked to explain the reason for Non-Collection</p>
<p>Uncontainerized Solid Waste: Discarded Material discarded outside a Container <i>unless</i> allowed under this Agreement, Including all of the following:</p> <ol style="list-style-type: none"> 1. Bulky Waste, 2. Bags of Green Waste, and 3. Holiday Trees. 	<p>Provide Notice with a summary that explains when, where and what uncontainerized materials Customer may discard</p>
<p>Excess Weight: Container in excess of weight limits posted on Container</p>	<p>Provide Notice to Container marked to explain the reason for Non-Collection.</p>
<p>Hazardous Waste. Franchisee determines that Containers contain Hazardous Waste (other than Household Hazardous Waste not discovered and identified by Franchisee acting under its Hazardous Waste Handling Protocol)</p>	<ol style="list-style-type: none"> 1. Implement Hazardous Waste Protocol, 2. Attach Notice to Container 3. Attempt to personally provide the Customer with written information by mail or electronic means about the proper Disposal of Hazardous Waste prior to leaving Customer's Premises, and 4. Report to County in Monthly Report.

<p>Improper Set-out Site: Container is not placed in either of following locations:</p> <ol style="list-style-type: none"> 1. At the curb of a Residential Premises, or 2. If no curb, edge of Residential Premises abutting street, or 3. For Rollout Services, at the spot agreed upon between Customer and Franchisee and noted in the Customer subscription Records. 	<p>Provide Notice regarding improperly placed Container</p>
<p>Health or Safety Threat: Franchisee determines that any condition at or near any Set-Out Site presents a health or safety threat to Franchisee’s employees.</p>	<p>Immediately notify the Customer. Upon County authorization, Franchisee will discontinue Collection until the threat is eliminated.</p>

b. Non-Collection Notice

Franchisee will include the preceding information in the Non-Collection Notice. The Non-Collection Notice shall, at a minimum: (i) inform the Customer of the reason(s) for non-Collection; (ii) include the date and time the Notice was left or issued; and, (iii) describe the premium charge, if any, to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination. The Franchisee’s Notice of Non-Collection shall be left attached to or adhered to the Generator’s Container, or at the Premises’ door or gate at the time the Violation occurs, and also may be delivered by mail, e-mail, text message, or other electronic message with photographic evidence of the Violation(s).

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

c. Report

Franchisee will report the non-Collection to the County in its Monthly Report or, upon County request, by the next Franchise Service Day.

d. Disposal of Contaminated Materials

If the Franchisee observes Prohibited Container Contaminants in a Generator’s Container(s), Franchisee may Dispose of the Container’s contents, provided Franchisee complies with the noticing requirements in Section 4.10.b above.

4.11 Missed Pickups and Other Complaints

Franchisee acknowledges that County determined to procure and enter into this Agreement with Franchisee for reasons that include providing high quality Customer service, relations and satisfaction.

a. Timeliness

On or before the next Franchise Service Day after Customer or County complaint (such as a missed pickup), Franchisee will resolve the complaint acceptably to Customer or County (Including providing a special pickup).

b. Customer Service Policy

(1) Records. Franchisee will maintain a daily written record and/or computer database log of all oral and written communications between Customers and Franchisee related to Franchise Service, Including orders, complaints and disputes. Franchisee will maintain information requested by County, Including all of the following:

1. Date and time communication was made,
2. Individual's name and address (if he/she is willing to give this information),
3. Description of the communication, and
4. Date and description of response to communication (or reason for non-response), Including resolution of any complaint or dispute.

Franchisee will give County access to those Records during Franchisee office hours by either or both of the following means, at County option:

1. At Franchisee office, or
2. Electronically.

(2) Resolution. Franchisee will handle complaints and resolve disputes (Including billing disputes) under its Customer Service Policy.

c. Reimbursement of County Cost

Franchisee acknowledges that County is not responsible for taking, responding or resolving Customers' questions, complaints and disputes, Including any or all of the following:

1. Missed pickups,

2. Billing disputes,
3. Notice of commingling Organic Waste or Recyclables with Refuse,
4. Reports of noise, litter or damage, or
5. Requests for information on Franchise Services, such as dates of Bulky Waste Collection, Holiday schedules, permissible items of Green Waste or Recyclables, etc.

However, if County chooses to take, respond or resolve any question, complaint or dispute, Franchisee will reimburse County Reimbursement Costs that County incurs in excess of either or both of following times:

1. **Five (5) hours/complaint:** more than five hours resolving a particular Customer's complaint, or
2. **Two (2) hours/week:** more than two hours in any work week (Monday through Friday) resolving one or more Customer complaints.

d. SB 1383 Regulatory Non-Compliance Complaints

(1) Records. For complaints received in which the Person alleges that an entity is in Violation of SB 1383 Regulations, Franchisee shall document the information listed in Section E.5 of Exhibit 10.02a. Franchisee shall provide this information in a brief complaint report to the County for each SB 1383 Regulatory non-compliance complaint within thirty (30) Days of receipt of such complaint, and a monthly summary report of SB 1383 Regulatory non-compliance complaints in accordance with Section E.5 of Exhibit 10.02a.

(2) Review of SB 1383 Regulatory Non-Compliance Complaints. Franchisee shall commence a review, within thirty (30) Days of receiving a complaint in the following circumstances: (i) upon Franchisee receipt of a complaint that an entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a Violation of SB 1383 Regulations; and, (ii) upon County request to investigate a complaint received by County, in which County determines that the allegations against the entity, if true, would constitute a Violation of SB 1383 Regulations. Franchisee is required to review complaints against Customers and Generators, but not against Food Recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations.

Franchisee shall review the complaint using one or more of the methods:

- a. Reviewing the Service Level of the entity that may not be compliant with

- SB 1383 Regulations;
- b. Reviewing the waiver list to determine if the entity has a de minimis, physical space constraint, or Collection frequency waiver;
 - c. Reviewing the Self-Haul registration list to determine if the entity has registered as a Self Hauler;
 - d. Determining if the entity is located in a Low-Population Area and/or High- Elevation Area;
 - e. Inspecting Premises of the entity identified by the complainant, if warranted, provided Franchisee has the Customer's consent to enter and inspect the Premises;
 - f. Visually observing contents of Containers from Prohibited Container Contaminants at time of Collection, and/or,
 - g. Contacting the entity to gather more information, if warranted.

(3) Reporting. Within seven (7) Business Days of completing a review of an SB 1383 Regulatory non-compliance complaint, Franchisee shall submit a complaint report that documents the review performed and recommends to County on whether or not the entity reviewed is in Violation of SB 1383 Regulations based on the Franchisee's review. The County shall make a final determination of the allegations against the entity.

4.12 Means of Communicating with Customers and County

a. Franchisee Office

Franchisee will maintain an office ("Franchisee office") within the Franchise Service Area. Franchisee will keep its office open at a minimum from 8:00 a.m. to 5:00 p.m. weekdays, *except* Holidays ("Franchisee office hours"). During Franchisee office hours, a representative of Franchisee must be available for receiving the County Representative (and individuals accompanying County Representative), Customers and the public.

b. E-mail

- (1) Franchisee's.** Franchisee will maintain an email address for both of the following purposes:
1. Correspondence with Customers and County, Including placing subscription orders (such as selecting Cart size), and

2. Any inquiries regarding paying bills online.

(2) **Customers'** Franchisee will record Customers' email addresses.

c. Phone

Franchisee acknowledges that Customers' contact with Franchisee's employees by telephone is critical in establishing and maintaining good Customer service, relations and satisfaction.

(1) **Phone Hours.** Franchisee will answer the telephone at both of the following times ("Franchisee phone hours"):

1. At least during Franchisee office hours, and
2. If Franchisee provides Collection on Saturday, from 8:00 a.m. to noon on Saturdays.

Franchisee will provide an answering machine or answering service to take messages of calls received outside of Franchisee phone hours. Franchisee must respond to messages no later than the following Franchise Service Day.

(2) **Toll-free Number.** Franchisee will list its toll-free telephone number under Franchisee's name in County telephone directories (white pages and yellow pages).

(3) **Emergency Number.** Franchisee will also maintain a local emergency telephone number disclosed to County Representative and any other individual named by County for use outside Franchisee phone hours. Franchisee will return any call made to that number as soon as possible, and not more than one hour.

(4) **Response Standards.** Franchisee will comply with all of the response standards under this Subsection.

(i) **Phone Tree.** An automatic phone tree cannot have more than two options, such as:

1. Speaking to an operator in Spanish (English being the default, which the caller does not have to choose), or
2. Indicating if the caller is a Residential or Commercial Customer.

(ii) **Answer Time.** Franchisee will answer all incoming calls in either or both of

the following ways:

1. 90% by a live operator within four (4) rings or forty-five (45) seconds, or
2. Giving the caller the option of leaving a voice mail message. Franchisee will respond to all messages left during Franchisee's phone hours that same Day.

(iii) Records and Checks. Franchisee will install a call tracking system capable of all the following:

1. Logging all incoming calls,
2. Recording the length of time callers are put on hold,
3. Recording calls that hang up, and
4. Aggregating individual logs and Records and generating cumulative performance reports.

County may evidence Franchisee's compliance with - or breach of - these phone response obligations based on either or both of the following:

1. The phone logs, or
2. County's check:
 - At least three (3) calls within one (1) week, or
 - At least ten (10) calls within one (1) month.

d. Posting Contact Information

Franchisee will post its Franchisee Contact Information, including Franchisee office address and office hours, Franchisee's toll-free phone number and phone hours, and Franchisee's website and email address, on all of its written communications with Customers, including all of the following:

1. Bills,
2. Customer Service Guide,
3. Non-Collection Notices, and
4. Newsletters.

4.13 Education and Public Relations

a. General

In order to promote public education and compliance with local and State regulations, Franchisee shall perform the activities specified in this Section.

b. Program Objectives

The Franchisee and County have mutual responsibility for designing, implementing, and conducting a public education and outreach program, with the Franchisee's specified responsibilities detailed in the Subsections below. The County's public education and outreach strategy shall focus on improving Generator understanding of the benefits of and opportunities for source reduction, Reuse, and Landfill Disposal reduction and supporting compliance with Applicable Laws and regulations, Including, but not limited to AB 341, AB 1826, and SB 1383. In general, public education and outreach activities aim to: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, Recycling, and composting; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection, with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW; (iii) clearly define Excluded Waste and educate Generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage Generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of compost; and, (vii) encourage Generators to purchase products/packaging made with recycled-content materials. The cumulative intended effect of these efforts is to reduce each Generator's Solid Waste and, ultimately, Disposal of Solid Waste. Franchisee agrees to support and not undermine or interfere with such efforts.

c. Franchisee Cooperation and/or Support for County Educational Efforts

Franchisee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Franchisee shall cooperate and coordinate with the County on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Franchisee shall obtain approval from the County on all Franchisee-provided public education materials Including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. County reserves the right to direct Franchisee to modify the education and outreach program at any time. In the event that County's direction to modify the education and outreach program results in additional Direct

Costs incurred by Franchisee that are not offset by savings in other education and outreach efforts not being performed, Franchisee shall be entitled to seek a rate adjustment in accordance with Exhibit 13.02b.

d. Annual Education Plan

Beginning on the Franchise Date of this Agreement and with each subsequent annual report, Franchisee shall develop and submit an annual public education plan to promote the programs performed by Franchisee under this Agreement. The annual public education plan shall present the education activities for the upcoming Franchise Year and shall be submitted with the Franchisee's Annual Report in accordance with Article 10. Each public education plan shall specify the target audience for services provided; include upcoming promotions for ongoing and known special events; identify program objectives, individual tasks, and public education materials to be developed or updated; opportunities for expanded partnerships; and a timeline for implementation. County shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of County. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Franchisee shall meet with the County to present and discuss the plan. County shall be allowed up to thirty (30) Days after receipt to review and request modifications. County may request, and Franchisee shall not unreasonably deny, modifications to be completed prior to approving the plan. Franchisee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by County. Any further delays may result in Liquidated Damages for failure to perform education and outreach activities as identified in Section 14.01. Each Business Day that the plan is late shall count as a single event/activity.

e. Education Requirements during Program Implementation/Roll-Out

Beginning on the Franchise Date of this Agreement, Franchisee shall perform the activities listed below in a manner that complies with requirements of this Section 4.13 and 14 CCR, Division 7, Chapter 12, Article 4.

- (1) Upon service commencement, Franchisee will provide a service guide to each new Customer. The service guide shall describe available services, including how to place Containers for Collection, which materials should be placed in each Container, and prohibited materials; Collection Holidays; and a Customer service phone number. Franchisee will prepare a separate service guide for Single-Family, Multi-Family, Commercial, and Commercial Edible Food Generators.

Franchisee shall make the service guide available in hard copy and in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the service guide rather than a printed version, if requested by the Customer.

- (2) Prior to any change to the accepted or prohibited materials for any program, Franchisee shall update the service guide for each applicable Customer group and provide the updated guide to the applicable Customers, either in print or electronically, no more than fourteen (14) Days before the change occurs.
- (3) Prepare and distribute an initial mailer to all Customers explaining any changes from the existing Collection programs to new programs, Hauler Route changes, dates of program implementation, Recycling and Landfill Disposal reduction programs available, special services available, Holiday Collection schedules, proper handling and Disposal of Household Hazardous Waste, Franchisee's Contact Information, and any additional education and outreach information specified in 14 CCR, Division 7, Chapter 12, Article 4. The initial mailer shall be printed and mailed or hand delivered to Customers, and shall also be made available in an electronic format through the Franchisee's website. Franchisee may provide a Customer with an electronic version of the initial mailer, rather than a printed version, if specifically requested by the Customer.
- (4) Print and distribute a "how-to" flyer, jointly developed with County, describing how to prepare Source Separated Recyclable Materials, SSGCOW, Gray Container, and Mixed Waste for Collection and describing the acceptable materials that can be included in the Blue and Green Containers, as well as non-allowable materials. Separate flyers will be prepared for Single-Family, Multi-Family, and Commercial Customers addressing their unique service conditions. The flyers shall be printed and distributed to each Customer, as well as made available in an electronic format through the Franchisee's and County's websites. The Franchisee shall provide a sufficient number of flyers to each Multi-Family property manager for their distribution to each tenant unit. Franchisee may provide a Customer with an electronic version of the flyer rather than a printed version, if specifically requested by the Customer.
- (5) Print and distribute Collection program signage and posters, jointly developed with County, to Multi-Family property managers and Commercial Customers for on-site use.
- (6) Prepare and distribute public service announcements (PSA) for local newspapers.
- (7) Submit all educational material designed by the Franchisee to the County for approval prior to distribution or posting on the Franchisee's website.

f. **Annual and/or Ongoing Education Requirements**

(1) **Specific Annual Educational Activities**

- (i) **Annual Notice of Requirements.** Not less than once per Year during each Franchise Year, Franchisee shall coordinate with County to prepare and distribute to each Generator in the County a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee and County to all Residential and Commercial mailing addresses, not simply Franchisee's existing Customers, in the Franchisee's service zone(s) and shall include individual Multi-Family Dwelling Units. Franchisee shall also make this Notice available in an electronic format through the Franchisee's website.
- (ii) **Billing Inserts.** Upon County request, Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the County as inserts in Franchisee's Customer invoices at no additional charge to the County. Upon County request, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills, Franchisee agrees to distribute brochures, newsletters, or other information developed by the County as attachments to Customer invoices at no additional charge to the County. Franchisee shall provide electronic bill inserts (or separate email attachments) to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. Electronic bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice (attachments shall not be provided as links). Upon County request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation.
- (iii) **Multi-Family and Commercial Customer Signage.** Franchisee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, Gray Container, and Mixed Waste program guidelines, Including posters to be placed in Collection areas and enclosures and other community areas at each Premises or

building where Discarded Materials are stored.

- (iv) **Minimum Website Requirements.** Franchisee shall develop and maintain a website (with a unique URL specific to the County, if requested) to provide Generators with detailed service information, including any Collection distinctions within each zone, such as Zone 4 Lompoc and Zone 4 Santa Ynez. The website or webpage shall be accessible by the public, and shall include all education and outreach materials being provided, without requirement for login. Franchisee shall update the website regularly so that information provided is current. Franchisee will post all of the following information on its web site:
1. The service guide and other information about Franchise Services, Including options for Cart sizes,
 2. A copy of the current Rate Schedule,
 3. Link to the County's lessismore.org web site,
 4. Link to programs or facilities where Customer can legally discard Special Waste (Including Universal Waste and E-waste) and Hazardous Waste,
 5. Franchisee's Contact Information, and
 6. Other information related to waste management upon County request.
- (v) **Annual Multi-Family Dwelling Unit Notices.** Prior to the Franchise Date of this Agreement, Franchisee shall obtain and track in its Customer information system(s) the number and addresses of Multi-Family Dwelling Units at each Multi-Family Premises serviced by Franchisee. Franchisee shall maintain this database by auditing the data at least once every two (2) Years. At least annually, Franchisee shall prepare and distribute Notices to each Multi-Family Dwelling Unit at Multi-Family Premises serviced by Franchisee. The annual Notices shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials (such as requirements of the County Code and of State statutes and corresponding regulations, Including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (Including SB 1383

regulatory requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Franchisee may comply with these requirements through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Franchisee shall make Notices and newsletters available in an electronic format through the Franchisee's website. Franchisee may provide an electronic version of the Notices rather than a printed version, if requested by the Customer.

(vi) Provision of Educational Materials to Non-Compliant Entities.

Franchisee shall provide educational materials to non-compliant entities under this Agreement, as further described in Section 4.21.

(vii) Education Materials for Property and Business Owners and Tenants.

Franchisee shall annually provide Property Owners and Commercial Business owners with public education materials, such as, but not limited to, welcome packets, flyers, and signs, for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. Franchisee shall coordinate with County on the development of these materials, which shall include, at a minimum, information about Organic Waste recovery requirements and proper sorting of Discarded Materials, and shall reflect content requirements described in Section 4.13g below. A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) Days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Franchisee's Customer service department not later than two (2) weeks in advance of the date that the materials are needed.

(viii) Education Requirements for Commercial Edible Food Generators.

- (a) On or before the Franchise Date, the County shall develop a list of Food Recovery Organizations and Food Recovery

Services operating within the unincorporated area, maintain the list on the County's website, and update the list annually. The list shall include, at a minimum, the following information about each Food Recovery Organization and each Food Recovery Service:

- Name and physical address;
 - Contact information;
 - Collection service area; and,
 - An indication of types of Edible Food the Food Recovery Service or Food Recovery Organization can accept for Food Recovery.
- (b) At least annually, the Franchisee shall provide Commercial Edible Food Generators with the following information:
- Information about the County's Edible Food Recovery program;
 - Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 7, Chapter 12, Article 10;
 - Information about Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
 - Information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.
- (c) The Franchisee may provide the information required by Subsection (ii) above by Including it with regularly scheduled Notices, education materials, billing inserts, or other information disseminated to Commercial Businesses.

g. Minimum Content Requirements

Beginning on the Franchise Date and annually thereafter, Franchisee shall include the following education and outreach content to Customers by incorporation of this content into the public education materials described in Section 4.13f.

(1) Collection system description

- (i) As applicable, information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW, Mixed Waste,

and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Laws.

- (ii) As applicable, information indicating that the Organic Waste Collected in the Gray Containers is being Processed and recovered at a High Diversion Organic Waste Processing Facility.
- (2) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 18983.1 and 18983.2; sending SSGCOW to community composting operations; and any other local requirements regarding Discarded Materials.
- (3) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Franchisee uses to recover SSGCOW.
- (4) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW.
- (5) Information regarding programs for donation of Edible Food.
- (6) For Commercial Customers, information about the County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.
- (7) Information regarding Self-Hauling requirements.
- (8) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, Including applicable requirements of County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.

h. Material Distribution Methods

Franchisee shall use the following methods to provide educational information to Customers. All materials shall be approved by County prior to distribution.

- (1) **Printed materials.** Franchisee shall provide printed educational materials as described in Sections 4.13e and 4.13f. All Franchisee-printed public education

materials shall, at a minimum, use recycled paper and/or be made of recycled material. Franchisee will use 100% post-consumer paper and use commercially reasonable efforts to procure printed materials from local businesses.

- (2) **Electronic materials and website content.** Franchisee shall provide electronic and website content for educational and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. Franchisee shall be responsible for the posting and electronic distribution of these materials.

i. Non-English Language Requirements

Franchisee shall make all public education and outreach materials required by this Section available in English and Spanish. Upon County request, Franchisee shall provide materials in additional languages beyond those specified in this Section in response to shifting demographics within the County's jurisdiction; updates to State requirements or Applicable Law; or any other reason deemed appropriate by the County.

j. Record Keeping and Reporting Requirements

Franchisee shall comply with the public education and outreach record keeping and reporting requirements of Article 10 and Exhibits 10.01a, 10.02a, and 10.02b.

k. Personnel

- (1) **Public Education Outreach Coordinator.** The Franchisee shall designate at a minimum one (1) staff member and one (1) back-up staff member to serve as Outreach Coordinator. The duties of the Outreach Coordinator shall be focused on public education, community outreach, Commercial and Multi-Family site visits, and technical assistance. The Outreach Coordinator shall educate Customers and Customers' employees on the importance of Recycling, Food Recovery, resource recovery, Landfill Disposal reduction, as well as all State, federal, County, and local mandates, including AB 341, AB 1826, and SB 1383 Regulations; and shall work with Customers to implement services, increase participation in Source Separated Recyclable Materials and SSGCOW Collection programs, and reduce contamination. The Outreach Coordinator shall assist the County with identifying potential organizations and partners involved with Food Recovery and resource

recovery. The Outreach Coordinator shall be responsible for implementing the education plans and programs specified in this Section.

- (2) **Staff Training.** Annually, and upon hiring of new staff, Franchisee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Franchisee's Collection services and regulatory requirements related to AB 341, AB 1826, and SB 1383. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each Customer type. New Customer service representatives shall not be assigned to the County prior to completing SB 1383 Regulations training. County reserves the right to require changes to the call routing process and the training and qualifications for Customer service representatives assigned to the County if a pattern of inaccurate information provision is observed.

Annually, and upon hiring of new staff, Franchisee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

4.14 Customers' Privacy

Franchisee will strictly observe and protect Customers' privacy rights under this Section and Applicable Law.

a. Customers' Identity

Franchisee will not reveal information identifying individual Customers or the composition or contents of a Customer's waste stream to anyone *except* upon request of any or all of the following:

1. The County,
2. A Regulatory Authority, as required by Applicable Law, or
3. Receipt of valid Customer authorization.

This provision will not be construed to preclude Franchisee from preparing, participating in or assisting in the preparation of waste characterization studies or waste stream analyses requested by County.

b. Customer Lists

Franchisee will not market, sell, convey, or donate to anyone any list with the name or address of Customers *except* in any or all of the following circumstances:

1. Upon request of a Regulatory Authority,
2. As required by Applicable Law, or
3. Following receipt of valid Customer authorization.

4.15 Franchisee Billing

a. Schedule

(1) Presentment

- **Timing.** Franchisee will calculate each Customer's bill based on the Rates for that Customer's Franchise Service and present it at the following times:
 - Residential Cart Customers, bi-monthly (every other month) in advance.
 - All other Customers (whether Bin or Cart), monthly in arrears. Franchisee will present the bill no sooner than the first Day of the billing period. *(For example, a Residential bill dated January 1 is for the upcoming month of January and February.)*
- **Means.** Franchisee will offer Customers the option of receiving and paying bills by postal service or on-line at the postal or e-mail address printed on bills.
- **County Sample.** At the same time it presents Customers' bills, Franchisee will send County a sample bill copy, including inserts or announcements.
- **Format.** Franchisee will distribute bills in the format in Franchisee Documentation.

- (2) **Payment.** Bills must be payable only to the order of Franchisee, and no one else, including Affiliates. Bills payable in advance must be paid on the last Day of the service period after presentation *(for example, a Residential bill dated January 1, is payable by February 28)*. County is not liable for paying any Customer's bill or delinquencies. Franchisee releases County from any liability to compensate Franchisee for providing Franchise Service to any Customer.

(3) **Delinquency**

- Residential bills for Cart service paid in advance may not become delinquent until after the date payment is due, upon prior Notice to Customer (*for example, if the Residential bill is dated January 1, after February 28*).
- Bills paid in arrears may not become delinquent sooner than thirty (30) Days after presentment, *unless* County accepts an earlier date (*for example, if the Commercial bill for January services is dated January 31, the bill would be delinquent after February 28*).
- **Late Payment Charges.** Franchisee may charge a Customer a late payment fee in the amount of 1.5% per month (not compounded) on all or a part of invoiced but unpaid amounts from the due date until the date paid, *Including* on amounts that Customer withheld pending resolution of a dispute with Franchisee but which Franchisee subsequently determined the Customer owed to Franchisee.

(4) **Suspension of Service**

Franchisee may suspend or terminate Franchise Service for failure to fully pay bills at the following times:

- Ninety (90) Days after the invoice date of a Residential bill, with the invoice date being the first Day of the service period billed for.
- Thirty (30) Days after the invoice date of a Commercial bill, with the invoice date being the last Day of the service period billed for.

Franchisee may charge a deposit equal to one month's Rate to re-commence providing service on a suspended or terminated account.

Franchisee will suspend or reduce Franchise Service to a Customer on Customer request for no less than one month or more than six months. Franchisee will pro-rate that Customer's bill to reflect the number of Days service is suspended.

(5) **Refunds.** Franchisee will refund to Customer overcharges within thirty (30) Days of either of the following times:

- Franchisee's receipt of Customer payment, or
- Franchisee's discovery of the overcharge.

Franchisee will pay interest at 10% per annum from the date originally

overcharged until the date refunded, or lesser amount acceptable to County.

b. County Right to Bill

County may provide billing services on no less than one hundred and eighty (180) Days' Notice to Franchisee, with corresponding Rate reduction of \$1.00 per Customer.

c. Billing Program Fees

Franchisee will bill Customers the Solid Waste Program Fee in effect on the Franchise Date and any other Solid Waste Program Fees requested by County. Franchisee will add the Solid Waste Program Fee to the Rate it charges Customers for Franchise Services.

d. Aggregate Rates and Fees

Franchisee may *not* identify or itemize any Solid Waste Program Fee or Franchisee Business Fee separately from the Rate, including either of the following:

1. Communication with Customers (including the Customer Service Guide, Franchise Service bill or other correspondence) or
2. Public posting.

4.16 Customer Satisfaction Survey

County may conduct Customer service satisfaction surveys. Franchisee may review and comment upon the survey form and content. Franchisee will cooperate with County and its surveyor. Franchisee may obtain a copy of the survey results.

4.17 Universal Enrollment Process

Franchisee shall assist the County in ensuring that the enrollment of Generators and subscription to Refuse, Recycling, and Food Waste Collection services per SB 1383 Regulations occurs in a timely and efficient manner. County and Franchisee shall cooperatively develop and agree to a process no later than August 31, 2024. In accordance with Article 10, Franchisee shall maintain Records and provide reports necessary for the County to verify the enrollment of Generators.

County Evaluates Universal Enrollment

In accordance with Article 10 and Exhibit 10.02a, Franchisee shall maintain Records and provide reports necessary for the County to verify the County-wide enrollment of Generators for Collection service.

4.18 Contamination Monitoring

a. Contamination Monitoring Procedures.

- (1) General.** This Section presents inspection method(s) for Prohibited Container Contaminants to be used by the Franchisee in conducting contamination monitoring required by Sections 4.18b through 4.18d.
- (2) Container Inspection Methods.**

Franchisee may select one of the following methods:

- (i) Option 1: Physical Container Inspections.** Franchisee shall perform physical Container inspections for areas subscribed to automated service, or for routes serviced by Vehicles without hopper cameras. When Franchisee's Hauler Route personnel dismounts from Collection Vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 4.18a(3).
- (ii) Option 2: Visual Inspections via On-Board Monitoring System.** For Collection Vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Franchisee's Hauler Route personnel shall review, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the Vehicle after Collection. Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 4.18a(3).

(3) Actions upon Identification of Prohibited Container Contaminants

- (i) **Record Keeping.** The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container (Blue, Green, or Gray Container); and maintain photographic evidence. If the on-board computer system is not working or did not automatically update the Customer's account record, Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event.
- (ii) **Non-Collection Notices.** Upon identification of Prohibited Container Contaminants in a Container, Franchisee may choose not to Collect Discarded Materials from Customers for the following reasons: (i) Recyclable Materials contain in excess of twenty-five percent (25%) of Prohibited Container Contaminant; (ii) Organic Materials contain more than ten percent (10%) of Prohibited Container Contaminant; (iii) Gray Container Waste contains more than twenty-five percent (25%) of Prohibited Container Contaminant; and/or, (iv) Discarded Materials in any Container contain Excluded Waste. In situations where Franchisee chooses not to Collect the Discarded Materials for the reasons described herein, Franchisee shall provide a Non-Collection Notice to the Generator per Section 4.10b.
- (iii) **Franchisee Return for Collection.** Upon request from Customer, Franchisee shall Collect Containers that received Non-Collection Notices within one (1) Business Day of Customer's request if the request is made at least two (2) Business Days prior to the regularly scheduled Collection Day. Franchisee shall bill Customer for the extra Collection service event ("return trip charge") at the applicable County-approved Rates only if Franchisee notifies Customer of the premium Rate for this service at the time the request is made by Customer.

b. County Right to Direct Contamination Monitoring Requirements.

County has the right to direct Franchisee to perform the contamination monitoring requirements under Section 4.18c or Section 4.18d.

c. Contamination Monitoring (Hauler Route Review Option)

(1) Hauler Route Review Contamination Monitoring by Franchisee

(i) Methodology and Frequency

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

The Franchisee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that a minimum of two percent (2%) of Containers on each and every Hauler Route are inspected annually, or a higher percentage if required by CalRecycle. The Containers shall be randomly selected.

Franchisee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed Hauler Route review methodology for the coming Franchise Year to the County no later than July 20 of each Franchise Year describing its proposed methodology for the Franchise Year and schedule for performance of each Hauler Route's annual review. Franchisee's proposed Hauler Route review methodology shall include not only its plan for Container inspections, but shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. County and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional

Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology meets the requirements of 14 CCR Section 18984.5(b), but has been deemed inadequate by the County, the Franchisee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

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

(ii) **Noticing of Generators with Contamination, Non-Collection, and Disposal of Materials.**

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 4.18a(3).

(iii) **Monthly Reporting Requirements.**

Franchisee shall maintain Records and report to the County monthly on contamination monitoring activities and actions taken, in accordance with Exhibit 10.02a.

d. Contamination Monitoring (Waste Evaluation Option)

- (1) **General.** If directed by County, Franchisee shall, at its sole expense, conduct waste evaluations that comply with the requirements of this Section and meet the requirements of 14 CCR Section 18984.5(c). County maintains the right to observe, or hire a third party to observe, the waste evaluations. Franchisee shall, no later than July 20 of each calendar Year, provide County with a proposed waste evaluation methodology and a schedule of waste evaluations for the Franchise Year for review and approval by County. County's Contract Manager may request and Franchisee shall accept modifications to the schedule to permit observation by County. In addition, Franchisee shall provide an email Notice to County's Contract Manager no less than ten

(10) Days prior to each scheduled waste evaluation that includes the specific time(s), which shall be within County's normal business hours, and location(s) for the waste evaluation.

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

- i. Franchisee shall conduct waste evaluations at least twice per Year, and the studies shall occur in two (2) distinct seasons of the Year.
- ii. Franchisee's waste evaluations shall include samples of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and Gray Container Waste.
- iii. The waste evaluations shall include samples from each Container type served by Franchisee and shall include samples taken from different areas in the County that are representative of the County's waste stream.
- iv. The waste evaluations shall include a minimum of forty (40) samples per route.
- v. Franchisee shall Transport all of the material Collected for sampling to a sorting area at an Approved/Designated Facility, where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, Franchisee shall use the following protocol:
 - a. Franchisee shall take one sample of at least 200 pounds from the material Collected from each material stream for sampling. For example, Franchisee shall take a 200-pound sample taken from the combined contents of the SSGCOW Container samples.
 - b. The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream.
 - c. For each 200-pound sample, Franchisee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited Container Contaminants.
 - d. Franchisee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample.
 - e. All weights shall be recorded in pounds.

- f. The Facility, scales, and weighing process used for the study shall meet the standards of Exhibit 6.01.

(3) Contamination Response. If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measured sample for any material stream, Franchisee shall:

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

OR

- iii. Option 2: Within fifteen (15) Business Days of the waste evaluation, perform a targeted Hauler Route review of Containers on the Hauler Route sampled for waste evaluations to determine the sources of contamination and notify those Generators of their obligation to properly separate materials. Franchisee may provide this information to these Generators by placing a written Notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, e-mail, or electronic message to the applicable Generators. The format of the warning Notice shall be approved by County.

(4) Noticing of Generators with Contamination, Non-Collection, and Disposal of Materials.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 4.10b and Section 4.10d, which include protocols for non-Collection and Disposal of contaminated materials.

(5) Monthly Reporting Requirements. In accordance with Exhibit 10.02a, Franchisee shall maintain Records and report to County on a monthly basis on contamination monitoring activities and actions taken.

4.19 Edible Food Recovery Program Support

a. Plan

If requested by County, Franchisee shall identify all Commercial Customers that meet the definition of a Tier One Commercial Edible Food Generator or Tier Two Commercial Edible Food Generator and provide a list of such Customers to the County, which shall include: Customer name; service address; contact information; Tier One or Tier Two classification; and, type of business (as it relates to the Tier One and Tier Two Commercial Edible Food Generator definitions).

b. Education

At least annually, Franchisee shall provide Commercial Customers with the following:

1. Information about Franchisee's and County's Edible Food Recovery program;
2. Information about the Commercial Edible Food Generator requirements under 14 CCR, Chapter 12, Article 10;
3. Information about Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
4. Information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

Franchisee may provide the education information required by this Section above by including it with regularly scheduled Notices, education materials, Billing inserts, or other information disseminated to Commercial Premises.

c. Cooperation

Franchisee shall cooperate with the implementation, expansion, or operation of Food Recovery efforts in the County, Food Recovery Organizations, and/or Food Recovery Services.

4.20 Technical Assistance Program

a. Plan

Franchisee will annually provide an outreach and technical assistance plan to address requirements in AB 341, AB 827, AB 1826, SB 1383 and any other Applicable Laws by July 20 of each calendar Year for County review and approval. The plan shall include estimated dates for distribution of all outreach required under Section 4.13, as well as an outreach plan to address the requirements herein.

b. Site Visits and Waste Assessments

At least fourteen (14) Days prior to the Franchise Date, Franchisee will provide an outreach and technical assistance plan for the AB 341, AB 827, AB 1826, and SB 1383 programs, to the County for approval. The plan will identify the site visit schedule for which to send a Franchisee representative to visit each Multi-Family Dwelling and Commercial Generator's Premises for the purpose of assessing how much Source Separated Recyclable Materials and Source Separated Organic Materials is being Disposed, assessing Source Separated Recyclable Materials and Source Separated Organic Materials Collection Service Level needed to meet the requirements of SB 1383, and encouraging all Generators to establish Source Separated Recyclable Materials and Source Separated Organic Materials Collection service when mandatory service is required. Franchisee shall also notify Customers of opportunities to reduce costs by enrolling in Source Separated Recyclable Materials and Source Separated Organic Materials Collection service and reducing Gray Container Waste or, if implemented by Franchisee, Mixed Waste Collection service. Franchisee shall contact Multi-Family Dwelling and Commercial Customers and provide site visits according to the County-approved outreach schedule. Franchisee will also provide a site visit to any Multi-Family Dwelling and Commercial Generator that requests a site visit, even if it is ahead of schedule. Any internal Recycling programs or third-party Recycling programs that the Franchisee encounters while conducting Customer site visits shall be documented using a County-approved electronic reporting form and provided in an electronic format such as a cloud-based file-sharing system that can be accessed by the County or its representatives.

Beginning on the Franchise Date, and annually thereafter, Franchisee representative shall follow up with Multi-Family Dwelling and Commercial Generators. Franchisee shall use best efforts to determine that these Generators are properly participating in the mandatory Source Separated Recyclable Materials and Source Separated Organic Materials Collection Service. If the Generator is not in compliance, the representative shall assist the Customers with selecting appropriate Containers and Container sizing, identifying acceptable Discarded Materials Collection services as set forth, and attempt to resolve any logistical barriers to providing Source Separated Recyclable Materials and Source Separated Organic Materials Collection service. Franchisee shall provide ongoing, on-site training for Commercial Generators' staff, including, but not limited to: management, kitchen staff, service employees, and janitorial staff; and Multi-Family Dwelling Customers' staff, including but not limited to: the property manager, janitorial staff, maintenance, and any other on-site staff members or contractors that handle Discarded Materials processes.

For each on-site waste assessment conducted by Franchisee, Franchisee shall include

documentation of the items listed below. County reserves the right to request Franchisee's Documentation of additional information, and shall authorize the format for required information.

1. Pictures of material in all Containers
2. Characteristics of the property, business, and Generator type
3. Written recommendations for the appropriate Service Level for each material type
4. Documentation of the outreach and education materials provided to each Generator, including copies of the materials
5. Determination of signage placement
6. Determination of any on-going training needs
7. Determination of any access needs
8. Documentation of any special service needs (such as, but not limited to, seasonal, automated on-call Compactor, etc.)
9. Documentation of Records of communications with the Generator

In addition to the site visit requirements stated above, Franchisee shall assist County in complying with the requirements included in AB 827 and SB 1383, 14 CCR Section 18984.9(b). During the site visits required in this Section, Franchisee shall provide educational material (to be provided to Franchisee by County) to businesses subject to the requirements of AB 827 and 14 CCR Section 18984.9(b), and make notation of the name of the business, the business address, business contact information, and business compliance or non-compliance.

County may at its option, participate with Franchisee in any of the above site visits, or may independently conduct site visits to supplement the Franchisee's activities.

c. Record Keeping and Reporting Requirements

Franchisee shall maintain Records of all technical assistance activities and educational materials conducted pursuant to this Section and submit reports to County in accordance with Article 10 and Exhibit 10.02b.

4.21 Inspection and Enforcement

a. Annual Compliance Reviews

- (1) **General.** Franchisee shall perform compliance reviews described in this Section commencing on the Franchise Date, and at least annually thereafter, unless otherwise noted.

- (2) **Commercial Generator Compliance Reviews.** Subject to Applicable Law governing data security and privacy rights, Franchisee shall, upon County's request, complete a compliance review of all Multi-Family Dwelling and Commercial Customers that generate two (2) cubic yards or more per week of Discarded Materials, including Organic Waste to determine their compliance with: (i) Generator requirements under County's Collection program; and, (ii) if applicable for the Generator, Self-Hauling requirements per 14 CCR Section 18988.3, including whether a Commercial Business is complying through Back-Hauling of Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, and/or Organic Waste. The compliance review will also include information about whether each Customer's Gray Container Waste is Disposed or Processed. Any such compliance review shall mean a "desk" review of Records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, County may request that Franchisee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.
- (3) **Generator Waiver Inspections.** Franchisee shall verify Commercial and Multi-Family Dwelling Generator de minimis and physical space constraint waivers, if applicable, at least once every five (5) Years from the date of issuance of the waiver.
- (4) **Compliance Review Process.**
- (i) **Number of Reviews.** Franchisee shall conduct a sufficient number of compliance reviews, Franchisee route reviews, and inspections of entities described in this Section, to adequately determine the entities' overall compliance with SB 1383, AB 1826, and AB 341. County reserves the right to require additional inspections if County determines that the amount of inspections conducted by Franchisee is insufficient. County may require Franchisee to prioritize inspections of entities that County determines are more likely to be out of compliance.
- (ii) **Non-Compliant Entities.** When compliance reviews are performed by Franchisee pursuant to Section 4.21a, Franchisee shall provide educational materials in response to Violations. Franchisee shall provide

these educational materials to the non-compliant Customers and Generators within five (5) Business Days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and report such information to County in accordance with Article 8. Franchisee shall document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to 4.21a, and shall report all Customers and Generators with SB 1383 Violations to County in accordance with Article 10. County shall be responsible for subsequent enforcement action against the Generator.

- (iii) **Documentation of Inspection Actions.** Franchisee shall generate a written and/or electronic record and maintain documentation for each inspection, Hauler Route review, and compliance review conducted, including the information described in Article 10.

4.22 Generator Waiver Program Coordination

a. General

County may grant waivers for mandatory Recycling and Organic Waste Collection to Generators meeting certain conditions as described in the County Code. Types of waivers may include, but not limited to, physical space waivers, de minimus volume waivers, and Collection service frequency waivers. Waivers issued shall be subject to compliance with SB 1383 Regulatory requirements, pursuant to 14 CCR Section 18984.11, or other requirements specified by County. County will notify Franchisee on a monthly basis of any new waivers approved and will provide an updated list of all waivers granted upon Franchisee request.

4.23 Service Waiver Program Coordination

a. Low Population Area Waivers

As of the Franchise Date, certain census tracts of the County qualify as Low-Population Areas, as specified in Exhibit 4.23a. Some Collection service requirements are waived for the Low-Population Areas, as described in Section 4.04. Low-population waivers granted by CalRecycle are only valid for a period of up to five (5) Years; therefore, the qualifying areas identified in

Exhibit 4.23a are subject to change. If, during the Term of this Agreement, the County is granted a waiver that expands the Low-Population Areas, or if the County's waiver(s) are no longer valid, resulting in a reduction in the number of the Low-Population Areas, any resulting Collection service changes shall be addressed as a change in scope in accordance with Article 9. If a Low-Population Area Waiver is granted to a Multi-Family and/or Commercial Generator, the Multi-Family and/or Commercial Generator must comply with AB 341 and AB 1826 requirements.

b. Processing Facility Temporary Equipment or Operational Failure Waiver

- (1) **Notification to County.** Franchisee, or their Subcontractor (such as a Facility operator), shall notify County of any unforeseen operational restrictions that have been imposed upon an Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent an Approved Facility from Processing and recovering Source Separated Recyclable Materials, SSGCOW, or Mixed Waste. Franchisee or Subcontractor shall notify County as soon as possible and no later than the next Business Day from the time of the incident. The notification shall include the following: (i) name of Approved Facility; (ii) the Recycling and Disposal Reporting System Number of the Approved Facility; (iii) date the Approved Facility became unable to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; (iv) description of the operational restrictions that have been imposed upon the Approved/Designated Facility by a regulatory agency or unforeseen equipment failure or operational restriction that occurred; (v) the period of time Franchisee anticipates the temporary inability of the Approved Facility to Process Source Separated Recyclable Materials, SSGCOW, or Mixed Waste; (vi) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Section A.8 of Exhibit 6.01) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Approved/Designated Disposal Facility.
- (2) **Use of Alternative Facility or Waiver for Disposal of Materials.** Upon notification by Franchisee or Subcontractor of an Approved Facility's inability to Process materials, Franchisee shall use the Alternative Facility or may, with written County approval, Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Approved Disposal Facility for Disposal on a temporary basis for a time period not to exceed ninety (90) Days as necessary to protect public health and safety and/or pursuant to emergency orders issued by

a government authority.

- (3) **Record Keeping and Reporting.** Franchisee shall maintain a record of any Approved/Designated Facility incidents and report this information to County in accordance with Article 10 and Exhibit 10.02b.

c. Disaster Waivers

In the event of a disaster, County may grant Franchisee a waiver of all Discarded Materials Collection requirements under this Agreement and 14 CCR, Division 7, Chapter 12, Article 3 in the disaster-affected areas for the duration of the waiver, provided that such waiver has been approved by CalRecycle. Any resulting changes in Collection requirements shall be addressed as a change in scope in accordance with Section 9.01.

ARTICLE 5 OPERATIONS

5.01 Route Maps, Schedules and Audits

a. Route Maps and Schedule

Within seven (7) Business Days of County request, Franchisee will give County either or both of the following documentation:

1. Maps showing Franchisee's Refuse, Recyclables and Green Waste Collection routes, and maps showing Franchisee's routes for each type of vehicle (side-loaders, front-end loaders, pup / satellite trucks); or
2. Route sheets listing the following information,
 - Customers' names and addresses,
 - Levels of Franchise Service, and
 - Day and approximate time (morning or afternoon) of pickup.

At least thirty (30) Days prior to any route changes, Franchisee will give County revised maps and route sheets.

b. Route Audits

Franchisee will cooperate with County route audits of Vehicles that Collect Discarded Materials in County, including both of the following:

1. Allowing County to follow the Vehicles, and
2. With Franchisee consent, ride in the Vehicles.

5.02 Vehicles

a. Air Emissions

All Vehicles used under the Agreement will comply with emission standards under Applicable Law.

b. Noise

- (1) **Limits.** Franchisee will ensure that its Vehicles do not generate noise during stationary compaction in excess of either of the following levels, whichever is more stringent:

1. The following limits:

- 75 decibels
 - At a distance of 25 feet from the Collection Vehicle
 - Measured at an elevation of five feet above ground level
 - Using the "A" scale of a standard sound level meter at slow response, or
2. Applicable Law.

Tests. Franchisee will conduct noise tests within seven (7) Days of County request by someone certified by the Board of Certified Safety Professionals (who may be an employee of Franchisee). Franchisee will give County a written copy of the test results. County may conduct random noise checks, and Franchisee will cooperate with County.

- (2) **Safety.** Within two (2) Franchise Service Days of County request, Franchisee will give County a copy of its vehicle maintenance log and any safety compliance report, including both of the following:
1. Any report issued under Division 14.8 of the California Vehicle Code (Section 34500 *et seq.*), and
 2. The biennial "BIT" inspections conducted by the California Highway Patrol.

c. Vehicle Identification

(1) **Lettering**

- (i) **Mandatory.** Franchisee will place all of the following information on every vehicle in letters and figures at least three inches high in colors that contrast with the background:
1. Franchisee's name (not an Affiliate's), *unless* Franchisee immediately informs County that Franchisee has substituted another vehicle without Franchisee's name to temporarily provide Collection when the vehicle that Franchisee usually uses for Collection in the County is undergoing repair;
 2. Toll-free telephone number; and
 3. Unique vehicle number.
- (ii) **Permissible.** Franchisee may place safety instructions on Vehicles.
- (iii) **Prohibited.** Franchisee will *not* place any other words (such as County name) or pictures (such as County logo) without County consent.

- (2) **Permit.** Franchisee will clearly display its County permit in the front window of every Collection vehicle.

d. Vehicle Maintenance

Franchisee will maintain Vehicles in clean condition and good repair so that they operate properly and safely.

(1) Inspections

- (i) **CHP.** Franchisee will have the California Highway Patrol inspect each vehicle under Applicable Law.
- (ii) **County.** Franchisee will conduct additional inspections (such as brake testing) within one week of County request. Franchisee acknowledges that County may – but is not required to – inspect Vehicles.

(2) Appearance. Franchisee acknowledges that it is important to County that Franchisee presents a professional and pleasing image.

- (i) **Wash and Scrub.** Franchisee will wash and scrub Vehicles clean at all of the following times:
1. Each Franchise Service Day, with respect to the bonnets of front-end loading Vehicles,
 2. As often as necessary to preserve and maintain a professional and pleasing image, and
 3. Within two (2) Days of County request.
- (ii) **Paint.** Franchisee will paint Vehicles as needed, or within thirty (30) Days of County's request.

(3) Oil Recycling, Re-refined Oil. Franchisee will Recycle all used oil from its vehicle maintenance operations and make Reasonable Business Efforts to use re-refined oil.

(4) Spare Vehicles. Franchisee will maintain a sufficient number of spare Vehicles, fully fueled and ready to dispatch, to replace any vehicle that breaks down on

route so that Customer service is minimally delayed.

e. Safety

Franchisee will install and maintain, at a minimum the following cameras:

1. On **automated side-loader** trucks, four cameras (one at rear for rear view, two at rear for side views when backing, one on left side for street view when driving, and one inside the hopper for view of material when tipping);
2. On **rear-loader** trucks staffed with driver and helper(s), one rear-view camera; and
3. On **satellite and front-end loader** trucks, three cameras (at center, left and right rear view).

f. Records

Franchisee will install and maintain on-board computers on each Collection vehicle capable of recording information such as the following:

1. On computers acquired prior to the Franchise Date, registering lift and tipping of Containers manually, by driver,
2. On computers acquired after the Franchise Date installed inside and front-loader trucks, registering lift and tip of Containers for each Customer,
3. Uncollected and tagged Containers (and reasons for non-Collection, such as blocked access),
4. All route activity, including current and past GPS locations and times of truck stops,
5. Driver's speed, and
6. Tagged, extra Green Waste set-out.

g. Specifications

Franchisee shall use Collection Vehicles that are new (model year 2023 or newer) within six months from the Franchise Date.

5.03 Containers

a. Specifications

Franchisee will acquire Containers meeting specifications listed in Franchisee Documentation.

Prior to submitting orders for new Containers to the manufacturer, Franchisee will give County copies of Container orders (including text of labels) for County review and acceptance. Carts shall be new within ninety days of the Franchise Date except for the Carts required to be purchased from the previous service provider per Section 5.03e.

b. Labels

Franchisee will label each Container with the information listed in Franchisee Documentation acceptable to County.

c. Container Acquisition Agreements

Franchisee acknowledges that County must have full use and possession of Containers in order to secure its rights under this Agreement, including both of the following:

1. Providing substitute Franchise Service, and
2. Purchasing Containers upon termination of this Agreement.

Therefore, if Franchisee does not own Containers outright without encumbrance, any Container Acquisition Agreement must allow the Guarantor, County or County designee to do all of the following:

1. Assume Franchisee's obligations under the Container Acquisition Agreement,
2. Take use and possession of the Containers, and
3. Obtain the benefits of any outstanding Container warranties.

d. Inventory

Franchisee will store unused Containers in a secure location. Franchisee will update its Container inventory at both of the following times:

1. In each Monthly Report and Annual Report, and
2. Within one week of County request.

e. Purchase of Carts from Previous Service Provider

Franchisee will fulfill the County's obligation to purchase certain Carts used by the prior contractor under Section 15.02.3 of the agreement between the County and Waste Management dated July 1, 2022, which states as follows:

3. *Purchase of Containers. Upon termination or expiration of this Agreement, County, or*

subsequent service provider contracted by the County, shall purchase all new Carts provided by Franchisee to Customers after July 1, 2022 and used by Franchisee in performing its obligations under this Agreement, at a price equal to the lesser of their book value amortized straight-line over a ten year life or fair market value at the time of purchase by County. In addition to and without limiting the foregoing, upon termination or expiration of this Agreement, County, or subsequent service provider contracted by the County, may purchase some or all of the old Carts used by Franchisee in performing its obligations under this Agreement, at a price equal to the lesser of their book value amortized straight-line over a seven (7) Year life, or fair market value at the time of purchase by County. Franchisee will transfer or Assign to County all rights necessary to give County ownership, possession and use of such Carts, pursuant to a Container Acquisition Agreement. Beginning with the service period of July 2022, Franchisee shall report to County the number of new Carts distributed to Customers for that month, and the cumulative number of new Carts distributed since July 1, 2022.

5.04 Facilities

a. Requirements

If Franchisee locates its operations and maintenance facilities in County, it will do all of the following:

1. Comply with Applicable Laws, including zoning laws,
2. Provide ample entrance and exits for Vehicles, and avoid Vehicles queuing on public streets,
3. Enclose facilities with fencing,
4. Maintain its facilities, including adjacent landscape, in a neat, clean and presentable manner, including regular sweeping for litter,
5. Park, fuel, maintain and repair Vehicles in the parking area of the facilities and not on County roads, streets and alleys,
6. Direct drainage from cleaning facilities with paved and curbed areas to a catch basin connected to a sanitary sewer system or a holding tank, and prevent drainage to surrounding areas, and
7. Maintain County's Green Business certification.

b. County Entry Rights

Franchisee will allow County to enter Franchisee's operation and maintenance facilities during Franchisee office hours upon two hours' prior telephone or electronic Notice, and investigate,

observe, inspect and review Franchisee's operations to determine Franchisee's compliance with its obligations under this Agreement.

c. Compliance with Law

Franchisee will maintain a rating of Satisfactory (S) (or better) by the California Highway Patrol's Biennial Inspection of Terminals (BIT).

d. ABOP Facilities

Franchisee shall operate a minimum of one ABOP (Anti-freeze, batteries, oil and latex paint) Facility within each zone.

Franchisee will accept all of the following materials from Residential Customers (and as permitted by Applicable Law, Commercial Customers who are small quantity Generators), without charge at the Approved Facilities listed in Exhibit 6.01:

1. Anti-freeze, batteries, oil and latex paint (without charge);
2. "Covered Electronic Waste", as defined by CalRecycle in its CEW Recovery and Recycling Payment System, such as televisions, computers and monitors, and
3. Appliances, including those containing hazardous materials (such as PCBs, CFCs and other refrigerants, and mercury switches) as permitted by the CA Environmental Protection Agency, Department of Toxic Substances Control (Consumer Projects Unit).

Facility relocations will require County approval.

5.05 Franchise Service Asset Requirements

a. Assets

Franchisee will finance, procure, repair and maintain without any compensation in excess of its Rate, at its own cost and expense, Franchise Service assets (including Vehicles and Containers it supplies to Customers) which in number, design, and capacity, are sufficient to enable Franchisee to perform Franchise Services without interruption, including providing Customers with their requested capacity Container. If any useful part of the Franchise Service asset is damaged or destroyed, as expeditiously as possible Franchisee will commence and diligently repair or replace that service asset and restore it to the extent required to perform Franchise Services.

b. Inventory

(1) **County Request.** Within one week of County request, Franchisee will give County an inventory of Containers that it has updated as of the date of County's request.

(2) **Annual Report.** In its Annual Report, Franchisee will include an inventory of Containers that it updated within one month prior to the date Franchisee gives its Annual Report to County.

5.06 Personnel

a. Key Personnel

Franchisee acknowledges that providing Franchise Services are personal in nature, since it requires continuous and extensive communication between Franchisee's personnel and County staff, and knowledge of County streets, terrain, and contract requirements under this Agreement (including reporting). Therefore, no later than thirty (30) Days prior to change in any or all of the following personnel identified by name in Franchisee Documentation, Franchisee will use Reasonable Business Efforts to notify County:

1. Franchisee Representative,
2. Route Supervisor,
3. County liaison in Franchisee's financial accounting department responsible for submitting reports with respect to Franchisee Business Fees, or
4. County liaison responsible for submitting reports with respect to Franchisee's Diversion of Discarded Materials in County.

In its Notice to County, Franchisee will include the name and professional qualifications of the replacement personnel. Upon County request given within thirty (30) Days of receiving Notice, Franchisee will propose an alternative individual.

Within thirty (30) Days of County request at any time, Franchisee will replace Franchisee Representative.

b. Driver

Franchisee will take all of the following actions:

1. Give everyone who drives Vehicles or operates Collection equipment suitable operational and safety training, including on-job-training by supervisors, and keep

- complete training Records,
- 2. Train sufficient numbers of drivers to drive all Collection routes so there is no lapse of Franchise Services,
- 3. Use Reasonable Business Efforts to Assign the same driver(s) to identified routes in order to encourage accountability and enhance Customer relations,
- 4. Give each driver a cell phone to keep in contact with Franchisee's Customer service representatives, operation and maintenance personnel and the route supervisor,
- 5. Carry out drug and alcohol testing, and keep complete testing Records, and
- 6. Ensure that all drivers have in full force and effect a valid license of the appropriate class issued by the California Department of Motor Vehicles, and keep copies of licenses.

c. Field Route Supervisor

Franchisee will Assign qualified personnel to supervise field operations in the Franchise Service Area, including all of the following:

- 1. Checking that Collection meets program specifications under this Agreement,
- 2. Making Collection improvements,
- 3. Resolving field problems (such as reports of commingling Green Waste or Recyclables with Refuse), and
- 4. Responding to Customer complaints in person or by telephone (such as missed pickups, noise, litter).

Franchisee will give the route supervisor a cell phone to keep in contact with Franchisee's Customer service representatives, operation and maintenance personnel, County, and drivers.

d. Franchise Account Representative

Franchisee will assign a Franchise Account Representative dedicated to transitioning, implementing, and maintaining waste, Organic Waste, Manure, and Recycling for property management and other accounts in the franchise area. Emphasis will be on conducting waste assessment audits, right sizing accounts, reducing contamination levels, ongoing public education, and communication with Customers to ensure higher participation in Recycling and Organic Waste programs. The Franchise Account Representative may serve as a company representative between Franchisee's Customers (property management and other accounts), County employees, and organizations in the franchise area. This position may interface with various internal departments within the Franchise, including but not limited to operations, accounting and Customer service.

e. Identification, Appearance, Conduct

Franchisee will ensure that all of its personnel who come into contact with the public present a neat, tidy and orderly appearance.

f. Soliciting Gratuities Prohibited

Franchisee will not permit its personnel to demand or solicit, directly or indirectly, any additional compensation or gratuity from Customers or any members of the public.

g. Compliance with Applicable Law

Franchisee will comply with Applicable Law relating to labor, including keeping Records of compliance with the Federal Immigration and Control Act of 1986. Failure to comply with Applicable Law (such as a citation or failure-to-abate Notice from the California Division of Occupational Safety and Health) is a breach of this Agreement.

h. Employment of Prior Franchisee Employees

Franchisee is aware of and shall comply with the requirements of and duties imposed by Sections 1072 and 1075 of the California Labor Code regarding offers of employment to any displaced employees resulting from a change in service provider, if any, resulting from this Agreement or upon the expiration of this Agreement.

Franchisee shall invite to apply for employment all former employees of the previous hauler to be displaced by the transition of Discarded Materials Management under this Agreement. Franchisee shall make offers of employment to all such applicants qualified for available positions with the Franchisee.

5.07 Back-up Service Plan

If Franchise Service is interrupted, within 24 hours of County request Franchisee will implement its back-up service plan in Exhibit 5.07.

5.08 Hazardous Waste Handling

a. Driver Observation

Franchisee will use Reasonable Business Efforts to screen all Discarded Materials for Hazardous Waste when tipping Containers into Vehicles, such as using driver observation in mirrors when tipping Carts into the vehicle.

b. Hazardous Waste Handling Protocol

Franchisee will follow its Hazardous Waste Handling Protocol in Exhibit 5.08b.

c. Inadvertent Delivery of Hazardous Waste

If Franchisee inadvertently delivers to any Facility materials that comprise Hazardous Waste, Franchisee will take all of the following actions:

1. Make a good faith, best effort to identify and contact the Customer that discarded the Hazardous Waste, and recover the Hazardous Waste handling costs, and
2. Cooperate with the Facility owners or operators to arrange for proper Disposal under Applicable Law.

ARTICLE 6 DIVERSION

6.01 MRF(s) and Organics Site(s)

a. Approved Diversion Facilities

Franchisee will do both of the following:

1. Except as provided in this Agreement, transport and deliver the following Discarded Materials to the Approved Facility(ies) listed in Exhibit 6.01.
2. Comply with Section 17-11(b) of the County Code (“Scavenging Prohibited”).

b. Weighing and Record Requirements

Franchisee will cause a weigh master who is certified under Applicable Law to weigh all Discarded Materials upon delivery to the MRF(s) and Organics Site(s), and record all of the following information:

1. Weight and material type,
2. Delivery date and time,
3. Route and truck number, and
4. Driver name and any identification number.

c. Use of Alternative Facilities

County may designate an Alternative Facility for Franchisee’s use for a short or extended period of time. Such a change shall be considered a County-directed change in scope, and Franchisee shall be entitled to a Rate adjustment in accordance with provisions under Article 9.

d. Allowable Organic Waste Facilities

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

e. Guaranteed Capacity and Facility Standards

Franchisee shall guarantee that it has arranged for capacity at the Approved Facility(ies) to receive all Discarded Materials Collected by the Franchisee and shall comply with Facility standards specified in Exhibit 6.01. The list of Approved Facilities may be updated with the written approval of the County Representative.

f. Other Facility Provisions

Exhibit 6.01 describes other Facility provisions including, but not limited to, use of Alternative Facilities, contamination monitoring of Discarded Materials received at the Approved Facilities, emergency conditions, and more.

g. Transportation and Facility Costs

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

h. Subcontractor

If the Franchisee does not own or operate one or more of the Approved Facilities, with the exception of County-owned Facilities, Franchisee shall enter into a subcontract agreement with the owner or operator of such Approved Facility(ies) and the requirements of Exhibit 6.01 shall pertain to the Subcontractor. In addition, Subcontractor requirements or obligations related to Indemnification (Section 11.02) and insurance requirements (Section 11.01) shall apply, as well as any other Subcontractor requirements or obligations stated in other sections of this Agreement.

i. Transportation to Non-Approved Facilities Prohibited

If Franchisee Transports Discarded Materials to a Facility other than the Approved Facility(ies) or Designated Facility(ies) or an Alternative Facility without prior County approval, Franchisee's failure to comply may result in assessment of Liquidated Damages pursuant to Section 14.01.

6.02 Optional Diversion Services

a. Sorting of Additional Material at the County ReSource Center

The County has specified that all commingled Recyclables from Zones 4 and 5, and the Mixed Waste from Zone 4 Santa Ynez, shall be sorted at the County ReSource Center. Upon County approval, Franchisee shall identify Solid Waste loads for Zone 4 Lompoc and Zone 5 with high recovery potential and will negotiate a reduced tip fee for this material, as Residuals would be hauled to the Lompoc and Santa Maria Landfills, respectively. The reduced tip fee will be incorporated into the rates charged to customers in those areas.

6.03 Diversion

a. Maximizing Diversion

(1) **All Discarded Material.** Franchisee will use Reasonable Business Efforts to maximize Recycling, Processing, marketing and Diversion of all Discarded Materials that it Collects.

(2) **Solid Waste from Wet-Dry Routes.** Franchisee will develop and organize its Collection routes that deliver loads to the Resource Center or other Approved Facilities in a manner to maximize the recovery of Recyclable and Organic Material from Processing operations. This may include wet/dry routing or other Collection strategies to maximize recovery at the Approved Facilities.

(3) **Dirty Green Routes.** Franchisee will operate routes designed to Collect Discarded Material from Bins that contain mostly Green Waste or Manure. Examples of dirty green routes include large estates with Green Waste Bins contaminated with planter pots. Franchisee will separate that Green Waste or Manure from Refuse at its Facility and Divert it from Disposal.

(4) **Bulky Waste.** Franchisee will Process all Bulky Waste that it Collects at its Facility and use Reasonable Business Efforts to Divert it from Disposal.

b. Customer Participation Compliance Requirement

The minimum required level of Customer participation that must be achieved by Franchisee on

or before January 1, 2025, and annually thereafter includes the following:

(1) SB 1383 Programs.

(a) Residential Premises

Franchisee must fully implement a Residential Organic Materials Diversion program where all Residential Premises are provided the required Containers to comply with SB 1383.

(b) Commercial Premises

Franchisee must implement and maintain an SB 1383 compliant Commercial Recycling and Organic Materials Diversion program with the goal of providing Recycling and Organics Containers to all Customers required to have such Containers under CalRecycle requirements. The Franchisee shall provide Containers to all Customers required to have Recyclable Materials Containers, and all Customers required to have Organic Materials Containers, that have not otherwise been granted a waiver per County Code or otherwise complies via Self-Haul or Back-Haul programs.

(2) Franchisee Has Maintained Full Implementation of All AB 341 and AB 1826 Diversion Programs.

Franchisee must implement and maintain AB 341 and AB 1826 Diversion programs such that all Commercial Customers required to have such programs are subscribed to the Franchisee-provided program, unless the Customer has been granted a waiver per County Code or does not otherwise comply via Self-Haul or Back-Haul programs.

(3) Remedies.

If Franchisee fails to meet the annual Customer Participation Compliance Requirement, County may terminate this Agreement per Section 15.01.

c. Corroboration of Diversion

(1) Reports. The amount of Diverted Discarded Materials is the sum of the number of tons (allocable to County) of each type of Discarded Materials that an Approved Facility Diverts and reports, including the Facility's reconciliations with Diversion and Disposal

data reported to the State's Recycling and Disposal Reporting System ("RDRS"). Conversely, County may calculate or direct Franchisee to calculate the amount of Diverted tons based upon tons of Residual remaining after Processing of any type of Solid Waste, as allocable and reported to County.

(2) Primary Source Documentation. Alternatively, County may calculate, or direct Franchisee to calculate, the amount of any type of Diverted Discarded Materials based upon Diverted tons that an Approved Processing Facility Diverts, corroborates in written documentation, which is the basis of the reports described in Subsection (d)(1), acceptable to County including any or all of the following from transporters, shippers, brokers, beneficiators, remanufacturers and purchasers or other users:

1. Weigh tickets,
2. Invoices,
3. Bills of lading, or
4. Receipts.

County may request different or additional documentation under Subsection (e), if Franchisee commingles Discarded Materials. Franchisee will provide County with copies of documentation within seven (7) Days of County request.

d. Determination of Collected Materials

(1) Reports. In its Monthly Reports and Annual Reports, Franchisee will report the following in accordance with Exhibits 10.02 (a) and 10.02(b):

1. **Facility Data:** Approved Facility Tonnage; and
2. **Reconciled Data (RDRS):**
 - Approved Facility Tonnage, reconciled with
 - County RDRS Tonnage reviewed and reconciled under Subsections (d)(2) and (3), and
3. **Transaction Data (Monthly Report Only):** Transactional weight ticket information for routes/material Transport. The Franchisee must distribute the weight ticket data by jurisdiction prior to transmittal to the County. Transactional data must include fields outlined in Article 10.

(2) Franchisee Preliminary Review of County Tonnage Reported to RDRS. Franchisee will request each Approved Facility not owned or operated by County to send Franchisee a copy of tonnage that the Facility submits to the RDRS before or

simultaneously with submission to the RDRS.

(3) Reconciliation of Discrepancies

- (i) County Request.** County may request Franchisee to report on tonnage discrepancies, including either or both of the following:

 1. Discrepancies *within* one of Franchisee's reports to County, or
 2. Discrepancies *between* Franchisee's reports to County and Records from any Approved Facility or the RDRS.
- (ii) Franchisee Response to County's Request.** Within fifteen (15) Business Days of County request, Franchisee will submit all of the following information to the County:

 1. Identification of the nature and source of the discrepancy, and
 2. proposed method and schedule for resolving the discrepancy.
- (iii) Franchisee Reconciliation.** Franchisee will resolve the discrepancy within forty-five (45) Days of County's request under Subsection d(3)(i).
- (iv) County Reimbursement Costs.** Within one week of County request, Franchisee will pay County its County Reimbursement Costs incurred to resolve or identify discrepancies to satisfaction of County if Franchisee does not do *either or both* of the following:

 1. Report on the discrepancy within fifteen (15) Business Days of County request,
 2. Resolve the discrepancy within the scheduled time accepted or directed by the County.

- (4) County Reimbursement Costs.** Within one week of County request, Franchisee will pay County its County Reimbursements Costs incurred with respect to correcting Franchisee reporting errors, including both of the following:
1. Errors that Franchisee did not correct in the County RDRS Tonnage data that the Approved Facility submits to the Franchisee for review under Subsection (d)(2), and

2. Discrepancies that Franchisee did not timely identify or resolve under Subsection (d)(3).

County Reimbursement Costs include preparing and sending both of the following:

1. Corrected documentation to the affected Parties, and
2. A Disposal Report Modification Request to CalRecycle.

e. Allocation of Commingled Materials

If Franchisee commingles any type of Discarded Materials with materials generated or Collected outside the Franchise Service Area, Franchisee will allocate Discarded Materials tonnage to County under a protocol satisfactory to County, at both of the following times:

1. In Annual Reports, and
2. In any Annual Report for succeeding calendar Years, if different than the protocol applied in the previous calendar Year.

Within one (1) week of County request, Franchisee will give County information supporting the allocation, including all of the following:

1. Route Collection maps and sheets,
2. Total number of cans, Carts and Bins by size and capacity, and
3. Assumed weight per Refuse, Recyclables and Green Waste Container.

If County is dissatisfied with the allocation protocol, calculations or supporting information, it may revise the protocol, redo calculations and use its own sources of information. Franchisee is bound by County revisions.

f. Diversion Plan

Franchisee will implement its Diversion Plan in Franchisee Documentation. Franchisee will revise its Diversion Plan in conjunction with any change in scope of Franchise Services (for example, addition of a new program in response to increased State Diversion requirements).

6.04 Enforcement of Anti-Scavenging Laws

Franchisee will cooperate with County in enforcing anti-scavenging laws, including instituting civil actions against a Person alleged to have violated Public Resources Code Section 41950 for treble damages, as measured by the value of the material removed, or a civil penalty in accordance with Public Resources Code Section 41953, whichever is greater.

6.05 No Commingling

Franchisee will not mix Refuse, Source Separated Recyclables or Source Separated Organic Material, unless material is on a designated Mixed Waste route. Parties acknowledge that Customers might not cooperate with Collection programs and might discard Refuse, Recyclables or Organic Material together in the same Container.

6.06 CRV Payments to County

Franchisee will annually pay 100% of the Year-end Supplemental Curbside CRV payments allocable to County that Franchisee reports to CalRecycle under its registration to operate a curbside Recyclables program and receives from the California Department of Conservation for Recyclables that Franchisee Collected in the franchise service area to the County, calculated in a manner acceptable to the County.

6.07 Acceptable Recyclable Materials

As of the Franchise Date, Acceptable Recyclable Materials that Franchisee shall accept and Process are listed in Exhibit 6.07. Due to fluctuating Recyclables commodity markets, County and Franchisee mutually agree that additional materials may be added or removed to the Recyclables Materials Collection program during the term of the Agreement without a formal amendment to this Agreement.

ARTICLE 7 DISPOSAL

7.01 Transportation to Disposal Facility/Facilities

a. Approved Facilities

Franchisee will Transport Gray Container Waste to the Approved Facility(ies) listed in Exhibit 6.01.

b. Compliance

Franchisee will observe and comply with all regulations in effect at the Approved Disposal Facility/Facilities and cooperate with the operator thereof with respect to operations thereat, including directions to unload Collection Vehicles in designated areas, accommodating construction and maintenance, and Hazardous Waste exclusion programs. Franchisee will at all times operate according to safe industry practices. Franchisee shall comply with additional requirements related to use of the Designated Disposal Facility pursuant to Section 6.01.

c. Use of Alternative Facilities

County may designate an Alternative Facility for Franchisee's use for a short or extended period of time. Such a change shall be considered a County-directed change in scope and handled in accordance with the provisions in Section 9.01.

d. Cooperation with Facility Operator

- (1) **Communications.** If requested by County, the Franchisee shall meet with the County and Facility operator(s) of County-Designated Facility(ies) upon request to discuss issues related to the interaction of operations between County and Facility operator including, but not limited to:
 - (i) Traffic flow;
 - (ii) Vehicle weighing procedures;
 - (iii) Source Separated Recyclable Materials and SSGCOW contamination level and contamination monitoring;
 - (iv) Hazardous Waste screening and safety policies;
 - (v) Receiving hours;
 - (vi) Billing and payment of gate fees for delivery of materials;
 - (vii) Vehicle parking;

- (viii) Employee facilities; and,
- (ix) Maintenance facilities.

- (2) **E-Mail Communications.** The Franchisee's general manager shall have e-mail capabilities to enable the Facility operator and the Franchisee's general manager to communicate via e-mail. Franchisee's general manager shall respond to the Facility operator's email correspondence within one (1) Day.
- (3) **Coordination of Hours.** Franchisee shall deliver Collected materials to the Approved Facility(ies) operated by the County during the receiving hours of the Approved Facility(ies). Franchisee shall plan its Hauler Routes to be compatible with the Designated Transfer, Processing Facility, and Landfill receiving hours.
- (4) **Compliance with Facility Rules.** Franchisee shall cooperate with Facility operator and comply with Facility operator's requirements including: (i) how and where to unload Collection Vehicles; (ii) respecting operations and construction of new facilities; and, (iii) the Facility operator's Excluded Waste screening and exclusion program. Franchisee shall also comply with the waste evaluations and contamination assessment procedures and schedule provided by the Facility operator.

e. Vehicle Tare Weights for Approved Facility(ies)

Within thirty (30) Days prior to the Franchise Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection Vehicles used by Franchisee to Transport Discarded Materials to Designated Facilities are weighed to determine unloaded ("tare") weights.

Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee's, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection Vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) Days of a County request, and shall re-tare Vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.

f. Records and Investigations

Franchisee shall maintain accurate Records of the quantities of Discard Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with County and any Regulatory Authority in any audits or investigations of such quantities.

g. Subcontractor

If Franchisee does not own or operate one or more of the Approved Facilities with the exception of County-owned Facilities, Franchisee shall enter into a subcontract agreement with the owner or operator of such Approved Facility(ies) and the requirements of Exhibit 6.01 shall pertain to the Subcontractor. In addition, Subcontractor requirements or obligations related to Indemnification (Section 11.02) and insurance requirements (Section 11.01) shall apply, as well as any other Subcontractor requirements or obligations stated in other Sections of this Agreement.

h. Transportation to Non-Approved Facilities Prohibited.

If Franchisee Transports Refuse to a Facility other than an Approved Facility(ies) or an Alternative Facility without prior County approval, Franchisee's failure to comply may result in assessment of Liquidated Damages pursuant to Section 14.01.

ARTICLE 8 MISCELLANEOUS SERVICE PROVISIONS

8.01 Emergency Services

Any impact to the availability to fuel or electricity during an emergency may negatively impact essential services provided by Franchisee. In order to provide these essential and/or miscellaneous services, County requires that Franchisee must have access to enough fuel to maintain functioning for a period of no less than ten (10) Days.

Within eight (8) hours of County request, Franchisee will provide, or begin providing, emergency services beyond the scope of Franchise Services at the times and to the extent directed by County, including unscheduled discard, Collection and Disposal of Bulky Waste, Construction and Demolition Debris and other Solid Waste associated with earthquakes, fires, storms, floods or riot.

Franchisee will charge County the lesser of the following amounts:

1. Franchisee's lowest charge to other Customers to Collect any Container (such as Roll-Offs or Bins) located in County for Collection of the same capacity or frequency of service (or service charge pro-Rated for most similar capacity or frequency), or
2. Franchisee Reimbursement Costs (Franchisee's Direct Costs plus 10%) for those services.

Upon County request, Franchisee will file information with County, State of California or federal officials that is related to cost of providing the services (such as number or amount of Vehicles, fuel, employees, tonnage and Disposal fees).

Franchisee will document its Direct Costs to satisfaction of County, including both of the following:

1. A certificate signed by the principal financial officer of Franchisee, setting forth the following:
 - Amount of the Direct Costs and the reason why they are properly chargeable to County, and
 - Certifying that the Direct Costs are an arm's length and competitive price, if there are competitive prices, for the service or materials supplied, and
2. On County request, additional back-up documentation to substantiate any Direct Cost, such as invoices from suppliers and Subcontractors.

8.02 Ownership of Discarded Materials

This Agreement does not purport to grant Franchisee or County ownership over materials that Franchisee Collects. The right to possession or ownership of those materials must be determined under Applicable Law (including 14 CCR 17334 and Section 17-17 of County Code), and not as a result of this Agreement. However, County nevertheless has the right to direct Franchisee to Transport those materials to facilities designated by County in accordance with Section 9.01.

8.03 Compliance with Law

a. Contractual Obligations

Franchisee will provide Franchise Services in compliance with Applicable Law, including Section 17-19 of the County Code. Provisions of Applicable Law are incorporated into this Agreement by reference as Franchisee's contractual obligations. County may enforce those provisions not as Violations of Applicable Law (subject to fines or penalties), but as breaches of this Agreement (subject to remedies under this Agreement). County may also enforce provisions of County law as either or both Violations or breaches of this Agreement. County has no obligation to enforce Applicable Law. Examples of Applicable Law are listed in Exhibit 8.03a(1). The rules and regulations governing Chapter 17 of the Code are included in Exhibit 8.03a(2).

b. Compliance With More Stringent Contract Provisions

If any provision of this Agreement is more stringent than comparable provisions of Applicable Law, the provisions of this Agreement apply to the extent that the provisions of this Agreement do not conflict with Applicable Law.

c. Amendments, Recodification

Reference to specific provisions of Applicable Law (such as statutes) include both of the following:

1. Future amendments to or recodification of those provisions, and
2. Other Applicable Law (such as regulations, rules and guidelines) promulgated under the authority of those provisions.

d. Permits

Franchisee will apply and pay for all applicable permits (including County permits) at Franchisee's sole cost, including permits listed in Franchisee Documentation. Within two (2) Days of County request, Franchisee will show County any such permit and demonstrate compliance with permits.

8.04 Cooperation with Waste Characterization and Capacity Planning Studies

Franchisee will cooperate with County on waste characterization and/or capacity planning studies conducted no more frequently than once each Franchise Year, at no additional cost to County, including all of the following:

1. Modifying routes,
2. Separately Collecting individual Customer's Discarded Materials, and
3. Delivering targeted loads of Discarded Materials to a County-identified location.

Franchisee acknowledges that the County is required by SB 1383 to coordinate with the cities within Santa Barbara County and participate in Organic Waste and Edible Food Recovery capacity planning studies. Franchisee shall participate and/or provide information to County as needed for County's participation in such capacity planning studies. This information and/or participation may include, conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in Franchisee's operations for the Collection, Transport, Transfer, or Processing of Source Separated Recyclable Materials and Source Separated Organic Materials; and, any other information deemed necessary by County for purposes of the study. Franchisee shall respond to requests for information or participation from County within thirty (30) Days, provided that Franchisee may request additional time to respond to any such request which shall be granted by County in its reasonable judgment, unless another timeframe is otherwise specified or authorized by County.

8.05 Service Materials Belong to County

Reports, public education, community relations materials, and other work product prepared under this Agreement become the property of County without limitation or restriction on the use of the materials by County. Franchisee will not use the reports, public education, community relations materials, and other work product prepared under this Agreement in connection with any project not connected with this Agreement without the prior consent of County.

8.06 Environmentally Responsible Operations

a. Carts, Paper

Franchisee will procure both of the following:

1. Carts that are Recyclable, and
2. Paper Products for all publicity, billing and other management and operational Franchise Services having not less than 100% recycled paper content, including at least 30% post-consumer recycled paper content. Franchisee shall procure Paper Products and Printing and Writing Paper for invoices, billing statements and inserts, reports, and public education materials, consistent with the requirements of the Public Contract Code (PCC) Sections 22150 through 22154.

b. Other Supplies

Franchisee will use Reasonable Business Efforts to procure supplies with post-consumer recycled content under County Recycled Content Procurement Policy adopted by County pursuant to Resolution 00-44 and appended to this Agreement for convenience of the Parties.

c. Green Business Program

Franchisee will maintain certification under the County's Green Business Program within one Year from the Franchise Date.

8.07 News Media Relations

a. Requests for Interviews or Inquiries

Before responding to any inquiries from news media related to Franchise Services or County, Franchisee will discuss Franchisee's proposed response with County. Franchisee will use Reasonable Business Efforts to inform County by telephone followed by printed copy of all requests for interviews, comment, or information related to Franchise Services or County, to the extent available to Franchisee, within 24 hours of Franchisee's receipt of the request.

b. Franchisee News Releases

Franchisee will not release or submit news releases or proposed trade journal articles that

reference the County or Franchise Services provided under this Agreement *unless* they are acceptable to County.

c. County Copies

Within five (5) Days after publication or broadcasting, Franchisee will give County copies of text (by hard copy or e-text) or transcript mentioning Franchise Services provided under this Agreement or County, including the following:

1. Articles following media inquiries,
2. Texts of interviews,
3. Franchisee's news releases.

8.08 County Review of Printed Materials

Prior to distributing any printed material to either or both of the following regarding Franchisee's services under this Agreement:

1. Customers (other than correspondence related to a specific Customer's service), or
2. The public by any means (including written and electronic), Franchisee will give County a copy to review, comment, and accept or reject by each of the following times:

Section	Printed Material	County Review Period (Business Days prior to distribution)
4.13e(1)	Customer Service Guide	10
8.07b	News releases	5
13.02b	Notice to Customers of rate adjustment	5
Throughout	Other	10

8.09 Responsiveness to County

a. Phone calls

Franchisee will return telephone calls from County to the individual who made that call no later than the next Business Day.

b. Meetings

Franchisee will meet with County at County offices within one week of County request.

c. E-mails

Franchisee will respond to all e-mails from County no later than the next Business Day.

d. Written Correspondence

Franchisee will respond to mailed correspondence from County no later than the earliest of the following times:

1. With respect to mail that confirms earlier phone, meeting or email correspondence, within the time required for phone, meeting or email response in this Subsections a, b or c, or
2. Within one week of receiving the mail, or
3. Other time specified by County.

8.10 Provision of Recovered Organic Waste Products

a. Use of Renewable Natural Gas (RNG)

Franchisee understands that the County has a recovered Organic Waste product procurement requirement of 0.08 tons per capita per Year. Franchisee is not obligated to use Renewable Natural Gas in Collection Vehicles. However, if Franchisee procures RNG for use in Franchise Vehicles, Franchisee shall report the annual amount of RNG, in diesel gallon equivalents (DGE).

ARTICLE 9 CHANGE IN SCOPE OF FRANCHISE SERVICES

9.01 Change in Scope of Franchise Services

a. Upon County Direction

County may direct Franchisee to implement a change in scope of Franchise Services, including new or amended mandatory Commercial Recycling programs, Food Waste Collection and composting, specific material Diversion programs and special services.

b. Upon Franchisee Proposal

Franchisee may propose to County a change in the scope of Franchise Services, including any or all of the following:

1. Incorporating new developments in Collection technologies and techniques,
2. Adding programs that facilitate County compliance with AB 939 Diversion requirements, or
3. Implementing changes necessitated by a Change in Law.

9.02 Review and Comment

a. County Request for Plan

Prior to directing a change in Franchise Services, County will request Franchisee to propose a plan to implement the proposed Franchise Service changes, including all of the following:

1. Franchisee's proposal to implement the change,
2. The implementation schedule, and
3. The effect, if any, on the Rate.

County may withdraw the request at any time, for any reason, including receipt of an unsatisfactory plan from Franchisee. County may implement the proposed Franchise Service change itself or through others.

b. Franchisee Proposal

Franchisee will submit its proposal (including a timeline) described in Subsection (a) at either of the following times:

1. Within ten (10) Days of receiving County request for a plan (or a longer period that

Franchisee may request in light of the complexity or magnitude of the change directed by County).

Franchisee will include documentation supporting its stated effect on the Rate.

If County requests Franchisee (or Franchisee proposes) to collect, Process and market additional material(s), Franchisee will describe the extent to which the addition of the proposed material would require the modification of Vehicles, an additional Container(s), additional Vehicles or routes, or additional route time and the associated additional costs, if any.

If both of the following occur:

1. County changes an Approved Facility, and
2. The change results in a different distance (greater or less) from the Facility named in Sections 6.01 or 7.01 measured by the shortest available route on roads that Collection Vehicles may travel, then Franchisee will describe the extent to which the change would add additional route time and the associated additional costs, if any.

c. Proposal Implementation

Upon County request, Franchisee will diligently provide the changes in Franchise Services at the agreed-upon compensation adjustment under the timeline accepted by County under Subsection (a).

ARTICLE 10 RECORDS AND REPORTING

Franchisee acknowledges County right to review Records and receive reports provided in this Article, for reasons including all of the following:

1. Determining compliance with the Customer Participation Compliance Requirement under Section 6.03b,
2. Enforcing Customers' rights under this Franchise Agreement,
3. Evaluating Franchisee's performance under this Agreement
4. Exercising County rights to perform, or cause a third person to perform, Franchise Services in certain events of default and Uncontrollable Circumstances,
5. Corroborating the amount of any fees or other amounts due and payable to County, and
6. Corroborating the tons of Discarded Material reported to the County.

10.01 Records Maintenance, Retention, Inspection and Audit

a. Maintenance

Franchisee will keep accurate Records listed in Exhibit 10.01a in electronic form acceptable to County and comply with Sections 17-13 and 17-32(a) of the County Code. It will maintain both of the following accounting Records in the following manners:

1. With respect to Franchise Services provided by Franchisee and any of its Affiliates under this Agreement, separately from Franchisee's and its Affiliates' other operations, and
2. With respect to all of Franchisee's operations, combined as an entity, with respect to all of the services provided by Franchisee under this Agreement and its other operations not covered by this Agreement.

Franchisee will back up all electronic Records somewhere other than the place where Franchisee keeps its Records.

Franchisee shall maintain adequate Records, and corresponding documentation, of information required by this Agreement, such that Franchisee is able to produce accurate Monthly and Annual Reports, and is able to provide Records to verify such reports. Franchisee will make these Records available for County's review or its Designee and provide to County any record or documentation necessary for County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 901, SB 1383, and other current or future federal, State, or local regulations, as amended. Upon request by the County,

Franchisee shall provide access to Franchisee's requested Records in a timely manner, not to exceed ten (10) Business Days from the time of County's request to Franchisee.

b. Retention

(1) **Time Periods.** Franchisee will retain both of the following Records for the following periods and comply with Section 17-13 of the County Code:

1. Records generally, for the Franchise Term plus four (4) Years, and
2. Financial Records, for four (4) Years following the close of Franchisee's fiscal Year.

(2) **Disposal Records.** Franchisee acknowledges that County may incur liability for Refuse that Franchisee Transports to a Disposal Facility not owned by County. Franchisee will continually maintain all Refuse Disposal Records. If Franchisee wishes to destroy Disposal Records it will Notify County and give the Records to County within two (2) weeks of County request.

c. County Inspection

(1) **At County Offices.** Within two (2) Business Days of County request, Franchisee will use Reasonable Business Efforts to give copies of Records to County or County designees for inspection or audit at County offices.

(2) **At Franchisee Office.** If Franchisee cannot give County copies of the Records using Reasonable Business Efforts, Franchisee will make Records available to County or County designees for inspection or audit at Franchisee office during Franchisee office hours.

(3) **Scope.** The scope of County inspection or audit may include any period during the Franchise Term. Franchisee will use Reasonable Business Efforts to provide County any additional information relevant to this Agreement which is not specified in this Article, within two (2) Days of County request.

(4) **Franchisee Dispute.** Franchisee must notify County if it disagrees with the audit results within seven (7) Days of receiving the results, or it is deemed to concur with the results. Franchisee must describe the basis for its disagreement and include documentation supporting its dispute.

(5) **Dispute Resolution.** Upon Franchisee request, Franchisee may meet with representatives of County (such as Public Works Director or County Manager) to resolve the dispute.

d. Compliance Audit

(1) **Timing.** Franchisee shall fund one compliance audit per zone as described below. The scope of the audit, and auditing party, will be determined by County and the scope may include, but is not limited to, compliance with terms of this Agreement, Customer Service Levels and Billing, fee payments, Gross Receipts, tonnage, and verification of Diversion rate and may cover one or more Years. County shall choose timing of the audit. Audit may be performed during contract extensions, if granted.

(2) **Cost.** Franchisee will reimburse to County the cost of such audit up to \$75,000. Should an audit conducted or authorized by County disclose that Solid Waste Program Fees, CRV revenues, or other money owed to County were underpaid by two percent (2%) or more, or that more than two percent (2%) of the Customers were inaccurately billed based on the auditor's sampling, for the period under review, County may expand the scope of the audit and recover additional reasonable audit costs incurred. Within thirty (30) Days of receiving the results of the audit, Franchisee will pay County both of the following amounts:

1. County's Reimbursement Costs for the audit, and
2. The amount of the understated fees plus interest on those fees at 10% per annum from the date originally due until paid, or lesser amount acceptable to County.

10.02 Reports

a. Timing

Franchisee will submit reports to County listed in Exhibit 10.02a at the following times:

1. Monthly Reports no later than the 25th Day of each month,
2. Annual Reports on or before each July 20.

b. Submission and Correction

Franchisee will do all of the following:

1. Provide complete and accurate reports by required submission dates,
2. Incorporate County comments on, and corrections in, reports within five (5) Days of receiving them,
3. Provide copies of corrected reports or additional information submitted to any Regulatory Authority (such as tonnage information to the State RDRS) as soon as reasonably possible, and no later than five (5) Days after submission, and
4. Provide additional complete and accurate information requested by County by the date specified by County.

c. CalRecycle Electronic Annual Report Assistance

Franchisee will assist County in preparing the State-mandated electronic Annual Report and implementing measures and recordkeeping to achieve County's integrated Solid Waste management goals as required by CalRecycle.

d. Survival

FRANCHISEE'S OBLIGATION TO SUBMIT ITS ANNUAL REPORT SURVIVES THE FRANCHISE TERM.

Franchisee will submit its Annual Report for the final contract Year of this Agreement at the time required in Section 10.02.

10.03 Financial Statements

a. Preparation

Franchisee will cause an independent certified public accountant to prepare both of the following financial statements:

1. Franchisee's financial statements with respect to Franchise Services for each of its fiscal Years, and
2. Guarantor's financial statements for each of its fiscal Years.

Franchisee will attach to the financial statements all of the following:

1. The **accountant's representation** that he or she has audited either or both Franchisee's and Guarantor's financial statements in accordance with Generally Accepted Auditing

Principles.

2. The accountant's opinion:
 - That the statements have been prepared in accordance with Generally Accepted Accounting Principles consistently applied, and
 - The statements fairly present the financial position, the results of operations and the cash flows of either or both the Franchisee and Guarantor, and
3. Either of the following statements of Franchisee's Chief Financial Officer:
 - That no events subsequent to the preparation of the last financial statement submitted under this Agreement have materially changed Franchisee's financial status or condition, or
 - Describing any material changes in Franchisee's financial status or condition since the preparation of the last financial statement.

b. Annual Delivery to County

Franchisee will give County three copies of the financial statements acceptable to the County, together with attachments required under Subsection (a) on the earlier of the following dates:

1. At the time of Annual Report submittal, on or before each July 20 of each year, or
2. Within one (1) week of any statement's release,

Franchisee will comply with Section 17-32(b) of the County Code.

c. County Review

Franchisee will allow County and its representatives to review the audit plan and work papers of the independent certified public accountant(s) who audited and opined on either or both of Franchisee's and Guarantor's financial statements. Within two weeks of County request, Franchisee and its accountant(s) will meet with the County and its representatives to discuss County's concerns and answer its questions. **FRANCHISEE'S OBLIGATIONS UNDER THIS SUBSECTION SURVIVE THE FRANCHISE TERM.**

10.04 Proprietary Records and Reports

a. Notice of Request

If County receives a request from a third person to review or copy material, record, or information, in any form or medium, which Franchisee has notified County of the confidential,

proprietary, or trade secret nature thereof, marked “confidential,” “proprietary” or “trade secret,” County will inform Franchisee and allow Franchisee the opportunity to protect and maintain the confidential, proprietary, or trade secret nature thereof (including, if necessary, a protective order or injunction of any kind from a court of competent jurisdiction) and to present arguments and facts to County in support of Franchisee’s position that the material is entitled to an exemption from disclosure under the State Public Records Act and should not be released.

b. Notice of Release

Subject to the rights granted to Franchisee in Section 10.04(a), if County reasonably determines that the material is *not* entitled to an exemption from disclosure and that it must be released, County will inform Franchisee of its intent to release the material, record, or information as soon as practicable and not less than five (5) Days before the release thereof. Franchisee may seek a court order enjoining that release.

c. Notice of Legal Action

If County determines that the material is entitled to an exemption from disclosure, and the Person who requested the information files a legal action seeking its release, County will inform Franchisee and will not oppose a motion by Franchisee to intervene in the action. County is not obligated to defend the action and may release the material sought if ordered without any liability.

ARTICLE 11 FINANCIAL ASSURANCES

11.01 Insurance

a. Required Coverage

Franchisee will do all of the following:

1. Carry insurance meeting the requirements in Exhibit 11.01,
2. Comply with Section 17-20(c) of the County Code, and
3. Add County as an additional insured on all liability policies.

If Franchisee does not carry insurance under this Agreement, in addition to any other rights and remedies County may have, at its sole option County may do any or all of the following:

1. Secure and maintain that insurance without further Notice to Franchisee,
2. Charge Franchisee any premium costs advanced by County, or
3. Draw on the letter of credit provided by Franchisee.

If County does not recover its County Reimbursement Costs from the letter of credit, Franchisee will directly pay County its County Reimbursement Costs.

b. Notice of Claims

Franchisee will inform County of any claim against either of the following:

1. Franchisee, or
2. Any Subcontractor of Franchisee,

which claim exceeds the amount of any deductibles or self-insured retentions, within one week of Franchisee's learning of the claim.

c. Monitoring System

Franchisee will institute a comprehensive accounting system satisfactory to County to monitor all insurance requirements under this Agreement, including those of its Subcontractors.

d. Franchisee Compliance

Franchisee will comply with all requirements of its insurance policies and insurers.

11.02 Franchisee Indemnification

a. Franchisee Conduct Included

(1) Indemnity, Release and Hold Harmless, Defense

(i) Indemnification. To the extent permitted by Applicable Law, Franchisee will indemnify County from and against all Liabilities arising out of or in any way connected to Franchise Services provided by Franchisee under this Agreement.

1. Scope of Liabilities for CalRecycle Obligations

a. To the extent permitted by Applicable Law, Franchisee agrees to indemnify and hold harmless County from and against all fines and penalties imposed by CalRecycle if the Diversion goals specified in California Public Resources Code Section 41780 are not met, including upon the occurrence (or non-occurrence) of all of the following events:

- i.** Failure to Divert or report: Franchisee fails to meet its Customer Participation Compliance Requirement under Section 6.03b, to timely submit reports under Section 10.02, or within two (2) Days of County request, give County Records that contain information that must be included, directly or indirectly, in reports required to be timely submitted by County under the California Public Resources Code,
- ii.** SRRE / PRC 40059.1(c)(1): The fine or penalty is not based solely upon the failure of County to establish and maintain a Source Reduction and Recycling Element as required by Public Resources Code Section 40059.1(c)(1), as established, recited, declared, found or determined by CalRecycle, and
- iii.** Administrative relief / PRC 40059.1(c)(5): County has affirmatively sought in good faith, all administrative relief available pursuant to Chapter 6 (commencing with Section 47680) and Chapter 7 (commencing with Section 41800) of part 2 of the Public Resources Code,

unless County, in accordance with all Applicable Law, demonstrates good cause, based on substantial evidence in the record, for not pursuing that administrative relief. The Parties agree that, to the extent permitted by Applicable Law, good cause includes County estimate that County Reimbursement Costs of seeking administrative relief exceed fees that County budgeted to fund implementation of County Source Reduction and Recycling Element.

- b. Franchisee's duty to defend and indemnify herein includes payment of all fines and/or penalties imposed by CalRecycle, subject to the restrictions set forth in Public Resources Code Section 40059.1, if the requirements of AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations are not met by the Franchisee with respect to the Discarded Materials Collected under this Agreement, and such failure is: (i) due to the failure of Franchisee to meet its obligations under this Agreement, or, (ii) due to Franchisee delays in providing information that prevents Franchisee or County from submitting reports required by AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations in a timely manner. The provisions of this Section shall survive the termination or expiration of this Agreement.
- c. Apportionment by Fault. Franchisee's indemnity obligation for fines and penalties is apportioned by fault between County and Franchisee, in both of the following events:
 - i. Franchisee's breach or noncompliance / PRC 40059.1(c)(2): the fine or penalty results from Franchisee's breach of this Agreement (such as failing to meet the Customer Participation Compliance Requirement) or noncompliance with any other authorization (such as Franchisee's County permit conditions).

- ii. County Act or Inaction / PRC 40059.1(c)3: Franchisee breach or noncompliance did not result from action or inaction of County.
 - d. Causation Limitation / PRC 40059.1(c)(4): Franchisee's indemnity obligation for fines and penalties is limited to the portion of fines and penalties caused by Franchisee's breach of or non-compliance of an express obligation or requirement.
- 2. Scope of Liabilities for Hazardous Materials. For purposes of this Indemnification, Liabilities must be paid, incurred or suffered by, or asserted against, County arising from or attributable to any repair, cleanup or detoxification pursuant to, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste at any place where Franchisee delivers, stores, Processes, Recycles, composts or Disposes of Discarded Materials under this Agreement to the extent that Liabilities are caused by any or all of the following:
 - a. **Franchisee Negligence or Misconduct:** the wrongful, willful or negligent act, error or omission, or the misconduct of Franchisee, or
 - b. **Non-Customer Materials:** the Collection, delivery, handling, Recycling, Processing, composting or Disposal by Franchisee of any materials or waste, Including Hazardous Waste, which are generated by someone other than Customers or Collected from Premises other than Customers' Premises, or
 - c. **Failure to Comply With Hazardous Waste Protocol:** Franchisee's failure to undertake Hazardous Waste training procedures required by Applicable Law with respect to its employees or any Subcontractors' or the Hazardous Waste Handling Protocol, whichever is more stringent, or
 - d. **Franchisee-identified Hazardous Waste:** Franchisee's improper or negligent Collection, handling, delivery, Processing, Recycling, Composting or Disposal of Hazardous Waste that it Collects and identifies.

County acknowledges that the mere presence of Household Hazardous Waste in the Solid Waste does not constitute negligence and create any Liability on the part of Franchisee absent any of the circumstances described in preceding Items a-d.

(ii) Release and Hold Harmless. As provided in this Section 11.02, Franchisee will release and hold harmless County from and against all Liabilities arising out of or in any way connected to Franchise Services performed under this Agreement, including refraining from seeking reimbursement from County for Franchisee's liability to someone else (such as damages resulting from a suit against Franchisee by a Customer).

(iii) Defense. Immediately upon commencement of any lawsuits, claims, complaints, causes of actions or other demands brought against County for Liabilities arising out of or in any way connected to Franchise Services provided under this Agreement, Franchisee will defend County with counsel reasonably approved by County.

County may retain co-counsel at its own cost and expense and Franchisee will direct Franchisee's counsel to assist and cooperate with County co-counsel.

(iv) County Sole Negligence Excluded. Franchisee is not obligated to indemnify, release, hold harmless or defend County if County is found solely negligent by a court of competent jurisdiction after County has exhausted all appeals.

b. Indemnification With Respect to Franchise Services Only

Indemnification under this Section is limited to Liabilities arising out of Franchisee's performance of this Agreement incurred or occurring after the Franchise Date through the Franchise Term and excludes Liabilities incurred or occurring prior to the Franchise Date. However, THE INDEMNIFICATION SURVIVES THE FRANCHISE TERM.

c. Statutory Agreement

The Indemnity in this Section is intended to operate as an agreement pursuant to 42 U.S.C. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold

harmless and indemnify County from liability. It includes the specific actions or inactions of Franchisee described in Items a-d of Subsection a(2), such as a driver accepting a Customer bribe and illegally Disposing of Hazardous Waste that upon identification thereof, must be segregated and Transported under Applicable Law.

d. Survival

FRANCHISEE'S DEFENSE AND INDEMNIFICATION OBLIGATIONS PROVIDED IN THIS SECTION SURVIVE THE FRANCHISE TERM.

11.03 Performance Securities

a. Letter of Credit

Franchisee will give County a letter of credit acceptable to County per Exhibit 11.03a. The initial amount of the letter of credit will be equal to \$1,750,000.00. Franchisee shall provide an updated letter of credit at least every five (5) Years in an amount equal to 5% of the Customer billings during the previous 12 months.

b. Performance Bond

Collector shall secure and throughout the Term maintain in full force and effect a performance or surety bond in accordance with Section 17-20(a) of the County Code to guarantee and assure the timely and complete performance of Services in an amount of \$1,750,000.00, fully prepaid for each Contract Year. Such bond shall be in substantially the form of Commercial blanket bond form attached as Exhibit 11.03b, naming the County as obligee and providing at least thirty (30) Days prior Notice of any cancellation. Franchisee shall procure such bond from underwriters approved by the County Auditor-Controller, licensed in California, rated not less than "A-7" by A.M. Best Company, Inc. The form of the bond and the surety are subject to the approval of County's Risk Manager and the County Counsel. The condition of the performance bond shall be such that if Franchisee shall well and truly perform the covenants, promises, undertakings and obligations contracted by Franchisee to be performed under this Agreement, then the obligation of the bond shall be void; otherwise it shall remain in full force and effect. Said bond shall terminate and be canceled upon the completion of all of Franchisee's obligations under this Agreement. County shall execute and deliver to Franchisee or Franchisee's surety company promptly upon Franchisee's completion of all of

Franchisee's obligations under this Agreement such certificates or other documents as either of them may reasonably request for the purpose of terminating and canceling such performance bond. Within ten (10) Days from the date the County Board approves this Agreement, Franchisee shall submit a letter from its broker or underwriter addressed to the County stating that it is committed to provide Franchisee such performance or surety bond described in this Section above as of the Franchise Date. Franchisee shall provide an updated performance bond at least every five (5) Years in an amount equal to 5% of the Customer billings during the previous 12 months.

11.04 Guaranty Agreement

If Franchisee has any Affiliates, Franchisee will provide a Guaranty that is legal, valid and binding against a Guarantor, acceptable to County.

11.05 Assurance of Performance

In addition to all other rights and remedies it may have, within five (5) Days of County request Franchisee will provide reasonable written assurances that Franchise can timely and fully meet its franchise obligations in any or all of the following events:

1. **Labor:** Franchisee is the subject of any labor unrest (Including work stoppage or slowdown, sick-out, picketing and other concerted job actions);
2. **Tipping Fees:** Franchisee does not pay an Approved Facility for services;
3. **Employee Wages:** Franchisee does not pay wages to its employees, provide workers' compensation insurance required by Applicable Law, or pays employment-related taxes or fees;
4. **County:** Franchisee does not pay County any County Reimbursement Costs; or
5. In the County's judgment, the occurrence of either of the following events jeopardizes Franchisee's ability to timely and fully meet franchise obligations:
 - Franchisee does not regularly pay its bills when due, or
 - The entering of any judgment against Franchisee or Guarantor with respect to Criminal Conduct by Franchisee or Guarantor.

ARTICLE 12 CRIMINAL CONDUCT

12.01 Criminal Conduct

a. Notice

(1) **Franchisee Representative etc.** Franchisee will immediately inform County of any Convictions or Pleas with respect to Criminal Conduct by any Franchisee manager described in Items 1-4 of the definition of “Franchisee Managers”.

(2) **Other Franchisee Managers.** Franchisee will use Reasonable Business Efforts to immediately inform County of any Convictions or Pleas with respect to Criminal Conduct by any Franchisee Manager described in Item 5 of the definition of “Franchisee Managers”.

b. Cure

Upon the occurrence of any Convictions or Pleas with respect to Criminal Conduct by any Franchisee Manager, Franchisee must do either of the following:

1. Terminate from employment or remove from office the offending Franchisee manager who is an individual (or, with respect to a Franchisee manager that is Franchisee or an Affiliate, the individual or individuals responsible for the Criminal Conduct), *unless*:
 - Otherwise directed or ordered by Regulatory Authority of competent jurisdiction and/or authority, or
 - Termination would subject Franchisee, an Affiliate or any of its Franchisee Managers to substantial liability for breach of any labor agreement entered into after the Franchise Date, and
2. Eliminate the participation by that Franchisee manager who is an individual (or with respect to a Franchisee manager that is Franchisee or an Affiliate, the individual or individuals responsible for the Criminal Conduct), holding a Position of Influence.

c. County Remedy

County in its sole discretion may terminate the Agreement or may impose other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper, in the following events:

1. Franchisee or any Affiliate fails to implement the preceding cure in Subsection (b), or
2. The Criminal Conduct (other than Criminal Conduct described in Item 4 of the definition

of "Criminal Conduct," with respect to Hazardous Waste, of which Franchisee did not have actual knowledge) is both of the following:

- A felony, and
- Is related to this Agreement.

Franchisee must be given the opportunity to present evidence in mitigation during the preceding Notice period. County will consider that evidence.

d. No Subversion

Franchisee will not, or will not allow, hire or transfer from any Affiliate of any employee, officer or director of an Affiliate who is the subject of any Conviction or Plea to a position as a Franchisee Manager.

ARTICLE 13 CUSTOMER RATES

13.01 Franchisee Compensation

a. Payable Only From Rates

In consideration of and as compensation for full and timely performing Franchise Services and satisfying its franchise obligations, Franchisee may charge Customers Rates. Franchisee is compensated solely from Customers and not County. This Agreement is a service agreement and does not constitute indebtedness of County in Violation of Applicable Law.

b. Rates Comprise Total Compensation

Franchisee acknowledges that it is not entitled to any compensation in excess of Rates, *unless* this Agreement explicitly specifies either or both the following:

1. An "additional Rate", or
2. "Franchisee's Reimbursement Cost".

13.02 Rates

a. County Approves Maximum Rates / Franchisee Sets Uniform Rates

Franchisee will set Franchisee's charges to Customers for Franchise Services no greater than the maximum amount approved by County on the Rate Schedule in Exhibit 13.02a, Including for variations in Franchise Services and Rates under Section 4.04a(9). Franchisee will charge uniform Rates to all Customers for each Franchise Service component.

b. Rate Adjustments

Rates are adjusted only under Exhibit 13.02b. The annual Rate adjustment for changes in the CPI Index and tipping fees is effective each July 1. All other Rate adjustments are effective as soon as practicable under Applicable law, Including any public Notice, publication and Board approval requirements. Rates will not otherwise be adjusted, Including for actual changes in the price of fuel. The container weighting assumptions will not be adjusted at any time during the term of the Agreement. Prior to submittal to the Board of Supervisors for approval, Rate information that details the manner in which adjustments were made to the Collection and Processing components will be shared with Franchisee for concurrence that the proposed

Rates reflect the procedure in Exhibit 13.02b.

c. Customer Notice of Changes

Franchisee will give affected Customers Notice acceptable to County of any change in Rates in their first bill following change.

13.03 Security Deposit

Franchisee may not charge Customer any security deposit, Container rental or other amounts not listed on the Rate Schedule except under Section 4.15.

13.04 Fees

a. Franchisee Business Fees

(1) Fees. Franchisee will pay County all fees, taxes and assessments that County may establish from time to time, including any or all of the following:

1. The Solid Waste Program Fee.
2. A business tax, or
3. A permit or license fee.

Franchisee acknowledges both of the following:

1. That these are costs of Franchisee doing business and providing Franchise Services, and
2. They are Liabilities of Franchisee and not Customers.

b. Solid Waste Program Fees

(1) Current and Future Fees. Franchisee acknowledges both of the following:

1. County currently charges a Solid Waste Program Fee established from time to time by the County, and
2. County in its sole discretion may impose different or additional fees payable by Customers and authorized under Applicable Law (such Public Resources Code Section 40900, commonly referred to as "AB 939" fees; and County Code 17.29) directly on Customer, to reimburse County's costs, such as the following:
 - Administering and enforcing this Agreement, and monitoring Franchisee's performance,

- Implementing its Solid Waste Program Plan under Applicable Law,
- Maintaining, repairing and replacing County's infrastructure (such as roads) that are worn or damaged by providing Franchise Services, and
- Providing Solid Waste, Hazardous Waste and Special Waste handling services that protect public health, safety and welfare,

(2) Recording County Money. Upon receiving payments from Customers, Franchisee will first record receipt of Solid Waste Program Fees (which belong to County and not Franchisee) in a separate account within Franchisee's detailed general ledger titled "Santa Barbara County Solid Waste Program Fee," and record the remaining receipts as Franchisee's income.

(3) Remitting County Money. By the 25th Day of each month, Franchisee will pay County the aggregate of any Solid Waste Program Fees and give County documentation acceptable to County supporting the calculation of those fees.

13.05 Franchisee Payment of Money Owed County

County may demand payment from Franchisee of, or draw on Franchisee's letter of credit for any money Franchisee owes County, including any or all of the following:

1. **Damages:** Including under Section 14.01,
2. **Fees:** Including under Section 13.04,
3. **CRV revenues** under Section 6.06,
4. **Deposits** under 18.01b(4), or
5. **County Reimbursement Costs:** Including any or all of the following:

Section	County Reimbursement Cost
4.09c	Repair of damaged property
11.01a	Insurance premiums
14.10f(2)	Substitute performance costs

ARTICLE 14 BREACHES, DEFAULTS AND REMEDIES

14.01 Certain Breaches and Liquidated Damages

a. Breaches

Within two (2) weeks of County assessment, Franchisee will pay the following liquidated (or compensatory) damages for each of the corresponding breaches determined by County. County may assess damages for each instance of breach, even if Franchisee subsequently cures the breach. (Franchisee nevertheless might have the opportunity to cure the breach before it becomes an event of default under Section 14.02.)

Section ¹	Failure to Meet Franchise Obligations	Liquidated Damages (per failure in each Franchise Year)
4.04, 4.05, 4.06b	Except as otherwise provided in the Agreement, Collect any Customer Container or public Container of Discarded Materials regardless of whether Franchisee subsequently remedied the missed Collection	1-15 / \$100 11-15/ \$200 Over 15/\$500
4.06a	Collect Abandoned Waste upon County request	1-2 / \$500 3-5 / \$1,000 Over 5 / \$5,000
4.07	Collect within permitted hours	1-3 / \$200 Over 3 / \$1,000 (per vehicle)
4.08a-c	Timely repair, replacement, delivery or pick up of Container	1-15 / \$15 Over 15 / \$200 (per Container)
4.08e	Return Container to Set-Out Site	1-15 / \$50 Over 15 / \$200

¹ Citation for convenience of parties, but not necessarily the exclusive citation for applicable Franchise Obligations

4.09a	Perform Franchise Services in courteous and professional manner (rudeness)	1-3 / \$500 Over 3 / \$1,000 per incident verified or experienced by County
4.09b	Clean up litter or leak	1-5 / \$250 Over 5 / \$500
4.09c	Timely determination of damage causation /repair or replace damaged property, or reimbursement of repair or replacement cost	1-5 / \$100 Over 5 / \$500
4.09d	Excess noise levels	1-3 / \$100 Over 3 / \$500 (per reported incident, as confirmed by County)
4.04-4.06 4.11a 4.12c(1)	Timely response to Customer, Including any of the following: <ul style="list-style-type: none"> Fulfilling Franchise Service request (such as commencing / stopping regular service, providing roll-out service; making on-call pickups of bulky, special or E-waste), taking corrective action, or answering voice mail messages. 	1-5 / \$200 Over 5 / \$1,000 per incident per Day
4.11b(1)	Record complaint	1-5 / \$100 Over 5 / \$500 (per complaint)
4.12c(4)	Meet phone response standards	5-10 / \$50 11-20 / \$100 Over 20 / \$500
4.15a(1), 13.02	Miscalculate / charge incorrect or unauthorized Rate	1-5 / \$100 for each and every Customer's bill, and one or more bill(s) presented to a Customer Over 5 / \$500
5.03b, Exhibit	Label Containers	Over 5 / \$100 per Container

5.03b		for each Day after thirty (30) Days, that County notifies Franchisee that Container is not labeled in accordance with Exhibit 5.03b.
6.01 7.01	Deliver: 1. Recyclables to Approved MRF(s), 2. Organic Waste to Approved Organics Site(s), 3. Refuse to Approved Disposal Facility/Facilities 4. Manure to the Approved site, and 5. Universal Waste and E-waste to the Approved Facilities	1-5 / \$1,000 per failed Delivery Over 5 / \$5,000 (+ compensatory damages = County Reimbursement Cost of monitoring or confirming compliance)
6.05	Mixing Refuse, Recyclables or Green Waste	1-3 / \$5,000 per truck Over 3 / \$10,000
8.09 & throughout	Timely response to County request	1-2 / \$500 3-5 / \$1,000 Over 5 / \$5,000
10.01c	Provide County access to Records	\$1,000/Day
8.08 & throughout	Provide text to County no later than required times, Including news releases	1 / \$500 2-3 / \$1,000 Over 3 / \$5,000
10.02 & throughout	Timely submit initial reports	\$200/Day until submitted
10.02 & throughout	Timely correct reports	\$200/Day starting 30 Days after Notice of inaccuracy
4.01 13.04, 13.05 & throughout	Late payments to County, Including Franchisee Business Fees, Solid Waste Program Fees, and County Reimbursement Costs	\$500/Day

	Any other franchise obligation not corrected within thirty (30) Days of County request.	1-5 / \$100 Over 5 / \$500
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Liquidated Damages Related to SB 1383

Section ²	Failure to Meet Franchise Obligations	Liquidated Damages (per failure in each Franchise Year)
4.04 & 4.05	<p>Failure to Offer Recyclable Material and Organic Material Collection Services to every Customer and provide service in accordance with the County’s mandatory service ordinance. For each occurrence of failing to offer Customers with the three-Container system, Including Recyclable Material and Organic Materials, required by and compliant with Article 4, excluding Generators and Customers granted waivers pursuant to Section 4.22 and 4.23 of this Agreement, and excluding Generators and Customers that demonstrate compliance with Recycling and Organic Waste Self- Hauling requirements pursuant to 14 CCR Division 7, Article 12, Article 7.</p>	\$500/Customer
4.18	<p>Failure to Perform Contamination Monitoring Requirements. Option 1: For each failure to conduct Hauler Route contamination monitoring in accordance with Section 4.18c of this Agreement. Option 2: For each failure to conduct waste evaluations in accordance with Section 4.18d of this Agreement</p>	<p>Option1: \$500/ Hauler Route / occurrence</p> <p>Option 2: \$5,000/ waste evaluation / occurrence</p>
Exhibit 5.03a and Exhibit 5.03b	<p>Failure to Comply with Container Labeling and Colors. For each occurrence of Franchisee’s failure to comply with Container labeling and color requirements pursuant to Sections 5.03a and 5.03b and Exhibits 5.03a and 5.03b of this</p>	\$50 / Container

² Citation for convenience of parties, but not necessarily the exclusive citation for applicable Franchise Obligations.

	Agreement.	
4.13	Failure to Perform Public Education and Outreach. For each failure to perform any individual education and outreach activity as required and in the time frame specified by this Agreement.	\$100 / occurrence
4.21	Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, and/or other inspection required by this Agreement.	\$250 / occurrence
4.10 and 4.18	Failure to Issue Non-Collection Notices. For each failure of Franchisee Collection personnel to issue Non-Collection Notices due to Prohibited Container Contaminants and maintain documentation of issuance as required by Section 4.10 and 4.18 of this Agreement.	\$50 / occurrence
4.11d	Failure to Conduct Follow-Up Reviews. For each failure to conduct a follow-up review of 1383 Regulatory Non-Compliance Complaints as required by Section 4.11d of this Agreement.	\$100/ occurrence

b. Contest

Franchisee may contest imposition of damages by Notifying County within ten (10) Days of receiving County assessment, indicating Franchisee's basis for disagreement. County Manager will consider information provided by County Representative and Franchisee and make a binding determination as soon as possible.

c. Acknowledgements

Franchisee acknowledges all of the following:

1. County incurred considerable time and expense procuring this Agreement in order to secure an improved level of Collection service quality and increased Customer satisfaction. Therefore consistent and reliable Franchise Services are of utmost importance to County and Customers;
2. County has considered and relied on Franchisee's representations as to the quality of its

service in entering into this Agreement, and Franchisee's breach of its franchise obligations represents a loss of bargain to County;

3. Quantified standards of performance are necessary and appropriate to ensure the consistent and reliable Franchise Service, and if Franchisee fails to meet franchise obligations referenced in this Section above, County will suffer damages (Including the following:
 - Customers' inconvenience,
 - Potential political pressure, criticism and complaint by Customers,
 - Lost County Board and staff time, and
 - Loss of bargain; and
4. It is and will be impracticable and extremely difficult to ascertain and determine the value of damages.

d. Reasonable Estimate

Therefore, each Party acknowledges that the above Liquidated Damages represent a reasonable estimate of the amount of the damages, considering all of the circumstances existing on the Franchise Date, including both of the following:

1. Relationship of the sums to the range of harm to County that reasonably could be anticipated, and
2. Anticipation that proof of actual damages would be costly, time-consuming or inconvenient.

e. Confirmation

In signing this Agreement, each Party specifically confirms both of the following:

1. The accuracy of the statements made in this Section, and
2. It had ample opportunity to consult its legal counsel for an explanation of this liquidated damage provision.

14.02 Defaults

Each of the following is an event of default (“event of default”) under this Agreement:

a. Events of Default Subject to a Cure Period

For events of default in this section 14.02a, the County will provide Notice and Franchisee will have an opportunity to cure as follows:

1. **County Notice:** County Notifies Franchisee as follows:
 - That in County opinion a specific breach has occurred, and
 - If Franchisee does not cure that breach within twenty (20) Days of receiving County Notice, County may terminate this Agreement.
2. **Franchisee Proposal:** If Franchisee cannot cure the breach within twenty (20) Days, as soon as possible (but no less than two (2) Days) Franchisee will Notify County as follows: Propose a schedule for curing the breach.
3. **County Actions:** County, in its sole discretion, may do any of the following:
 - Accept Franchisee's schedule,
 - Present County's alternative schedule, or
 - Provide Franchisee with Notice of Franchisee's failure to cure and terminate this Agreement at the end of the twenty (20) Day period

SECTION	EVENT OF DEFAULT	EFFECTIVE TERMINATION DATE
FRANCHISE SERVICE DEFAULTS		
4.04, 4.05, 4.06	Failure to Collect , subject to Uncontrollable Circumstances, more than five (5) times during any contract Year	Franchisee's receipt of Notice of failure to cure
6.01, 7.01	Failure to deliver Discarded Materials to an Approved Facility: subject to Uncontrollable Circumstances, more than three (3) times during any Franchise Year, Franchisee fails to deliver: <ol style="list-style-type: none"> 1. Refuse to the Approved Facilities, 2. Organic Waste to the Organics Site(s), 3. Recyclables to the MRF(s), Manure to an identified site, Universal Waste or E-waste to ApprovedFacilities.	Franchisee's receipt of Notice of failure to cure
6.03b(3)	Failure to meet Customer Participation Compliance Requirement subject to Uncontrollable Circumstances.	Franchisee's receipt of Notice of failure to cure

8.03	Failure to Comply With Law within twenty (20) Days' Notice of Violation by a Regulatory Authority.	Franchisee's receipt of Notice of failure to cure, subject to both of the following: 1. Franchisee contests the Notice in good faith, and 2. The Regulatory Authority enters a final decision adverse to Franchisee.
12.01	Criminal Conduct: The failure to timely terminate and/or replace any employee, officer or director upon the occurrence of any conduct proscribed in Section 12.01	Franchisee's receipt of Notice of failure to cure
Any provision	Breach of Agreement - Failure: Franchisee fails to meet any franchise obligation (other than a franchise obligation listed in this table above or in Section 14.02.b). This event of default is subject to Uncontrollable Circumstances <i>unless</i> related to the payment of money.	Franchisee's receipt of Notice of failure to cure

b. **Other Events of Default**

SECTION	EVENT OF DEFAULT	EFFECTIVE TERMINATION DATE
PERFORMANCE ASSURANCE DEFAULTS		
Article 11	Failure to provide any of the following: 1. Insurance, 2. Performance bond, 3. Guaranty, or 4. Letter of credit	Immediately following the public hearing required under Section 17-86(b) and (c)(1) of the County Code

11.05	Failure to provide assurances of performance within thirty (30) Days of County request	Franchisee's receipt of Notice of failure
13.05	Failure to pay money owed to County	Franchisee's receipt of Notice of failure
18.01	Assignment without County consent	Franchisee's receipt of Notice of failure
	<p>Seizure, Attachment: In the opinion of County, a seizure, attachment (other than a pre-judgment attachment) or levy upon any Franchise Service asset:</p> <ol style="list-style-type: none"> 1. Substantially impairs Franchisee's ability to meet any obligation under this Agreement, and 2. Cannot be released, bonded or otherwise lifted within 48 hours, excepting weekends and Holidays. 	Franchisee's receipt of Notice of failure
	<p>Insolvency, Bankruptcy, Liquidation:</p> <ol style="list-style-type: none"> 1. Franchisee does any of the following: <ul style="list-style-type: none"> • Files a voluntary claim for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar Applicable Law now or hereafter in effect, <i>unless</i> Franchisee retains full control of Franchise Service assets throughout the pendency of that claim, • Consents to the appointment of or taking of possession by a receiver, liquidator, assignee (other than as a part of a transfer of Franchise Service assets no longer used to provide Franchise Services or backup Franchise Services), trustee (other than as security of an obligation under a deed of trust), custodian, sequestration, administrator (or similar official) of Franchisee for any part of Franchisee's operating assets or any substantial part of Franchisee's property, • Makes any general Assignment for the benefit of Franchisee's creditors, • Fails generally to pay Franchisee's debts as they become due, or • Takes any action in furtherance of any of the foregoing. 	Immediately, to the extent permitted by Applicable Law, following the public hearing required under Section 17-86(b) and (c)(1) of the County Code

	<p>2. Involuntary bankruptcy:</p> <ul style="list-style-type: none"> • A 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 Applicable Law now or hereafter in effect, or • Franchisee consents to or fails to oppose any the proceeding, or <p>Any court enters a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator, administrator (or similar official) of Franchisee or for any part of Franchisee's operating equipment or assets, or orders the winding up or liquidation of the affairs of Franchisee.</p>	
	<p>Default under Guaranty</p>	<p>Franchisee's receipt of Notice of failure</p>
	<p>Assignment of Guaranty Without Consent: the Guarantor Assigns the Guaranty without County consent required by the Guaranty despite County Board action denying County consent, and the Guarantor does not provide County with a substitute Guarantor or alternative financial credit support satisfactory to County within fifteen (15) Days of that denial.</p>	<p>Franchisee's receipt of Notice of failure</p>
<p>Exhibit 2.01 & throughout Agreement</p>	<p>False Representations, Breach of Representations or Warranties: Franchisee makes a representation, certification or warranty under this Agreement, Including Exhibit 2.01, which Franchisee knows, or in the course of diligently conducting business and providing Franchise Services should have known, is untrue as of the date thereof.</p> <p>Franchisee makes a representation or fails to make a disclosure, whether within this Agreement or otherwise, to County in connection with or as a material inducement to entering into this Agreement or any future amendment to this Agreement, which representation or failed</p>	<p>Franchisee's receipt of Notice of failure</p>

	disclosure is false or misleading in any material respect when made.	
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14.03 Breaches and Defaults Excused by Uncontrollable Circumstances

a. Performance Excused

(1) **Franchisee.** Franchisee's failure to meet any franchise obligation will *not* be deemed an event of default if all of the following conditions are met:

1. The event of default is *caused* by Uncontrollable Circumstances,
2. The event of default is explicitly *subject to* Uncontrollable Circumstances under this Agreement, and
3. Franchisee exerted Reasonable Business Efforts to prevent the occurrence and mitigate the effects of the Uncontrollable Circumstance.

(2) **County.** County failure to meet any obligation under this Agreement (other than payment of money *unless* County may withhold or offset payment under this Agreement) will *not* be deemed an event of default if the conditions in preceding Subsection (a)(1) are met.

b. Notice

The Party experiencing an Uncontrollable Circumstance that causes that Party to breach its obligations under this Agreement will give immediate Notice to the other Party, including all of the following:

1. Describing performance under this Agreement for which it seeks to be excused,
2. The expected duration of the Uncontrollable Circumstance,
3. The extent to which Franchise Services may be curtailed,
4. Any requests or suggestions to mitigate the adverse effects of the Uncontrollable Circumstance, and
5. Any extension of the schedule in the Transition Plan.

c. County Rights

(1) Provide Franchise Services. Even though Franchisee's breach is not event of default, County in its sole discretion may perform any franchise obligation under Section 14.10 if Franchisee does not cure the breach within 48 hours of County Notice.

(2) Contract Remedies. If Franchisee's breach continues for thirty (30) Days, County may exercise any or all remedies under this Agreement.

14.04 Remedies Upon Default

a. Types

In an event of default, County may exercise any or all of the following remedies in event of default in its sole discretion:

1. **Termination:** to terminate any or all of this Agreement,
2. **Suspension:** to suspend any or all of this Agreement,
3. **County Right to Perform Franchise Services:** perform Franchise Services under Section 14.10,
4. **Damages:** assess damages (Including Liquidated Damages under Section 14.01), and
5. **All Other Available Rights and Remedies:** exercise any other available rights and remedies at law and in equity (Including specific performance).

b. Acknowledgements

Franchisee acknowledges that County remedy of damages may be inadequate for reasons including all of the following:

1. The urgency of timely, continuous and high-quality Franchise Service, including Collection, Transportation and/or Transfer for Disposal of Putrescible Wastes which constitute a threat to public health;
2. The long time and significant investment of money and personnel (both County staff and private consultants, including financial advisors, procurement counsel and elected County officials) required to request and evaluate qualifications and proposals for alternative service comparable to Franchise Service for the price under this Agreement, and to negotiate new agreements for comparable service;
3. County reliance on Franchisee's technical Discarded Materials management expertise;
4. Franchisee's failure to Transport and deliver Discarded Materials to an Approved Facility ("**Delivery Default**") may increase County risk of liability for environmental damage due to release or threatened release of hazardous or toxic substances, petroleum products

and other materials, including any or all of the following:

- Water or ground water contamination from those Facilities,
 - Replacement or restoration of natural resources, or
 - Repair, cleanup or detoxification of the Approved Facility and any related removal, remedial, response, closure or other plan, whether under Section 107(e) of CERCLA Section 9607(e). California Health and Safety Code Section 25364 or other Applicable Law;
5. A Delivery Default may adversely affect County ability to secure compliance with AB 939, AB 341, AB 1826, SB 1383 and other Applicable Law; or
 6. A Delivery Default is not in the best economic, health and safety interest of Customers.

Consequently, County is entitled to all available equitable remedies, including injunctive relief.

14.05 Remedies Not Exclusive

Each Party's rights and remedies under this Agreement are not exclusive. A Party's exercise of one right or remedy (including Liquidated Damages under Section 14.01), is not an election of rights or remedies. It is cumulative with any other available rights and remedies.

14.06 Waivers

a. County Waiver of Breaches or Events of Default

- (1) **Each Waiver is Discrete.** County waiver of any breach or event of default is not a waiver of any other breach or event of default, including one with respect to the same obligations under this Agreement.
- (2) **No Demand for Damages.** County decision not to demand damages will not be deemed a waiver of any Franchisee breach or event of default.
- (3) **Acceptance of Damages.** County subsequent acceptance of any damages or other money from Franchisee will not be deemed to be a waiver by County of any pre-existing or concurrent breach or event of default.

b. Franchisee Waiver of Certain Defenses

Franchisee acknowledges that it is solely responsible for providing Franchise Services. Franchisee irrevocably and unconditionally waives defenses to the satisfaction of its franchise

obligations based upon any of the following:

1. Failure of consideration,
2. Contract of adhesion,
3. Impossibility or impracticability of performance,
4. Commercial frustration of purpose, or
5. The existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event or contingency that may be a basic assumption of Franchisee with regard to any provision of this Agreement.

Franchisee does *not* waive any defenses of Uncontrollable Circumstances.

14.07 Jurisdiction, Venue, Service of Process

a. Exclusive State Court Jurisdiction

Franchisee agrees that it shall be subject to the jurisdiction of California courts, which State courts will have exclusive jurisdiction over any lawsuits arising out of this Agreement.

b. Venue

Any litigation arising out of this Agreement or its contents must be brought in the County of Santa Barbara, if in State court, or in the federal district court nearest to Santa Barbara County, if in federal court.

c. Location

Parties will conduct any other hearing or action, whether arbitration or non-judicial, of whatever nature or kind regarding this Agreement, in the County of Santa Barbara.

d. Service of Process

Franchisee will accept service of process at the address where it receives Notices.

14.08 Costs

Within two (2) weeks of County request, Franchisee will pay County Reimbursement Costs reasonably incurred to enforce County rights or exercise its remedies for any Franchisee breach of this Agreement that results in an event of default.

14.09 reserved

14.10 County Right to Provide Franchise Services

a. Events

County may provide, or contract for provision of, any or all Franchise Services in either or both of the following events:

1. County in its sole discretion determines that Franchisee's failure to satisfy any franchise obligation for a period of 48 consecutive hours poses a danger to public health, safety or welfare, or
2. County suspends or terminates all or any part of this Agreement.

This right is in addition to all other County rights and remedies.

County has no obligation to continue providing Franchise Services. At any time, County in its sole discretion may stop providing Franchise Services. However, County may continue to provide Franchise Services until either of the following times:

1. Franchisee can demonstrate to County satisfaction that Franchisee is ready, willing and able to timely and fully satisfy all franchise obligations, or
2. County provides services comparable to Franchise Services in scope and price, which may include contracting with another service provider.

b. Notice

County may give Franchisee 24-hour oral Notice that County is exercising its right to provide any or all Franchise Service, effective immediately. Within those 24 hours, County will give Franchisee a written Notice of confirmation.

c. Containers

Franchisee is deemed to give County possessory interest in any or all Containers necessary or convenient to provide Franchise Services, effective when County gives Notice in accordance therewith. County may use Containers to provide all or a part of Franchise Services. County will have control over Containers as though County were the owner thereof, subject to actual possession by Customers.

d. Personnel

Immediately upon giving Franchisee oral Notice under Subsection (b), County may hire personnel necessary or convenient to provide all or a part of Franchise Services, including any or all of the following:

1. County municipal employees,
2. Franchisee's current or prior employees such as:
 - Key Personnel and other management,
 - drivers,
 - route superintendents,
 - Customer service representatives, and
 - billing, accounting and other office staff, and
3. any other Person.

e. Records

Upon County request, Franchisee will give County immediate access to Franchisee's office and any or all Records, including Records related to routing, Customer service subscriptions and billing.

f. Franchisee Payment or County Reimbursement

- (1) **Uncontrollable Circumstances.** If events listed in Subsection (a) are due to Uncontrollable Circumstances, then County will pay Franchisee the following costs so long as Franchisee is not being compensated for Franchise Services through charging and collecting Rates from Customers (*for example, Residential Rates for Franchise Service in Carts that are paid in advance*):
 1. Rental fees for County use and possession of Carts and Bins equal to their fair market as determined by an independent appraiser selected by the Parties, and
 2. Franchisee's Direct Cost of making its personnel available to County under Subsection (d).
- (2) **Franchisee Breach or Event of Default.** If events listed in Subsection (a) above are *not* due to Uncontrollable Circumstances, then within ten (10) Days of County request, Franchisee will pay County its County Reimbursement Costs incurred in performing franchisee Services. If Franchisee does pay within ten (10) Days, County may draw upon any letter of credit, Guaranty or other security provided under this Agreement.

g. Insurance

Franchisee will maintain all insurance required under this Agreement while County exercises its rights under this Section.

h. Stipulations

Franchisee agrees and stipulates that County exercise of rights under this Section:

1. Is not a taking of private property for which County must compensate Franchisee,
2. Will not create any liability on the part of County to Franchisee, except for rental under Subsection (f)(1), and
3. Does not exempt Franchisee from any Indemnifications, which Franchisee acknowledges apply to this Section, *except* with respect to Liabilities arising from either or both of the following:
 - The sole negligence of County officers and employees (other than employees of Franchisee at the time County commenced performing the Franchise Services),
or
 - Individuals driving Collection Vehicles.

ARTICLE 15 SUSPENSION OR TERMINATION

15.01 County Right to Suspend or Terminate

a. Termination Events

County may in its sole discretion terminate this Agreement in whole or part, in any of the following events:

1. **Franchisee Default:** the occurrence of an event of default,
2. **Uncontrollable Circumstances:** the occurrence and continuance of an uncontrollable circumstance for thirty (30) Days or more, or
3. **Non-Severable Provisions:** any clause, sentence, provision, Subsection, Section or Article of this Agreement or Exhibit to this Agreement is ruled invalid by any court of competent jurisdiction but is not severable.

b. Suspension Events

County may in its sole discretion suspend all or part of this Agreement for up to thirty (30) Days upon the occurrence of any event listed in Subsection (a). During those thirty (30) Days Franchisee will have the opportunity to demonstrate to the sole satisfaction of County that Franchisee can once again fully and timely satisfy all of its franchise obligations. If County determines that Franchisee can satisfy all of its franchise obligations, County's right to suspend or terminate the Agreement will cease and Franchisee may resume providing Franchise Service. If County does *not* make that determination, County may terminate the Agreement and exercise any of its other rights and remedies.

c. Notice

Termination is effective at the times listed under Section 14.02 or any longer times required by County.

d. Suspension, Termination of a Portion of Franchise Services

If County suspends or terminates a part of this Agreement, Franchisee will do both of the following:

1. Continue to fully and timely satisfy its remaining Franchisee Obligations, and
2. Within two weeks, give Customers written Notice of reductions in Franchise Services.

For example, if County suspends Franchisee Obligations with respect to Residential Recyclables Collection, Franchisee would be obligated to fully perform its other franchise obligations, such as Residential Refuse and Green Waste Collection.

15.02 Franchisee Obligations Upon Termination

FRANCHISEE'S OBLIGATIONS AND COUNTY'S RIGHTS UNDER THIS SECTION SURVIVE THE FRANCHISE TERM. Upon termination of this Agreement, County has all the following rights and Franchisee all the corresponding obligations. County may exercise these rights no later than the Day that Franchisee receives County's Notice of termination.

1. **Use of Franchise Service Assets.** If County requests, Franchisee will give County possession of Franchise Service assets (Including Vehicles) to provide Franchise Services. Franchisee will transfer or Assign to County all rights necessary to give County possession and use of Franchise Service assets. County may keep those Franchise Service assets until the County purchases or otherwise acquires replacement assets or secures the use of replacement assets. Franchisee will comply with Section 17-86(c)(2) of the County Code.
2. **Receipt of Customers' Franchise Service Payments.** Franchisee will provide County with Franchisee's service subscription and billing Records. By entering into this Agreement, Franchisee authorizes County to bill, collect and keep Customer service charges for services provided during this period. Franchisee will comply with Section 17-86(c)(2) of the County Code.
3. **Purchase of Containers.** Upon termination or expiration of this Agreement, County, or subsequent service provider contracted by the County, shall purchase all new Carts provided by Franchisee to Customers after July 1, 2024 and used by Franchisee in performing its obligations under this Agreement, at a price equal to the lesser of their book value amortized straight-line over a ten (10) Year life or fair market value at the time of purchase by County. In addition to and without limiting the foregoing, upon termination or expiration of this Agreement, County, or subsequent service provider contracted by the County, *may* purchase some or all of the old Carts used by Franchisee in performing its obligations under this Agreement, at a price equal to the lesser of their book value amortized straight-line over a seven (7) Year life, or fair market value at the time of purchase by County. Franchisee will transfer or Assign to County all rights necessary to give County ownership, possession and use of such Carts, pursuant to a Container Acquisition Agreement. Beginning with the service period of July 2024, Franchisee shall report to County the number of new Carts distributed to Customers for that month, and the cumulative number of new Carts distributed since July 1, 2024.

4. **Removal of Carts.** With regard to Carts County does *not* purchase, upon County request Franchisee will pick up those Carts at its Customers' Cart Set-Out Site on the date specified by County. Franchisee will Recycle rather than Dispose of Carts.

ARTICLE 16 RESERVED

16.01 Reserved

ARTICLE 17 THE PARTIES

17.01 Franchisee Is Independent

Franchisee will perform Franchise Services as an independent contractor engaged by County and not as officer, agent, servant, employee or partner of County or as a joint venture with County. No employee or agent of Franchisee is deemed to be an employee or agent of County. Franchisee has the exclusive control over the manner and means of performing Franchise Services and anyone else performing Franchise Services, *except* for County right to change the scope of Franchise Services under Article 9. Franchisee is solely responsible for the acts and omissions of its officers, employees, Subcontractors and agents, none of whom is deemed to be an officer, agent, servant, employee of County. Neither Franchisee nor its officers, employees, Subcontractors and agents will obtain any rights to retirement benefits, workers compensation benefits, or any other benefits which accrue to County employees, and Franchisee expressly waives any claim it may have or acquire to those benefits.

17.02 Parties In Interest

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

17.03 Binding On Successors

The provisions of this Agreement will inure to the benefit of and be binding on the successors and permitted Assigns of the Parties. This Section does not imply that County consents to the Assignment of this Agreement.

17.04 Further Assurances

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

17.05 Actions of County In Its Governmental Capacity

Nothing in this Agreement can be interpreted as limiting the rights and obligations of County in its governmental or regulatory capacity. However, the Parties intend that County designation of any Approved Facility is an exercise of County contractual rights and not a governmental or regulatory action.

17.06 Reserved

17.07 Parties' Representatives

a. County Representative

(1) **Named.** County Representative is the Collections and Materials Manager, Resource Recovery and Waste Management Division. In the event that the Collections and Materials Manager is unavailable, the County's Representative is the Deputy of the Public Works Department (Resource Recovery and Waste Management Division). Changes to the County Representative may be made by the Deputy of the Public Works Department (Resource Recovery and Waste Management Division) after providing written Notice to Franchisee. County Representative is authorized to act on behalf of County in the administration of this Agreement, *unless* another individual is specifically named.

(2) **Delegation.** By authorizing the execution of this Agreement, County delegates to County Representative the authority to exercise County rights, remedies and options under this Agreement and administer this Agreement (including the right to accept or reject Franchisee's submissions to County), *except* with respect to:

1. Extending the Term,
2. Suspending or terminating the Agreement,
3. Approving or disapproving Assignment of this Agreement,
4. Approving Rates, Including Rate adjustments for variations in Franchise Services under Section 4.04a(9), and
5. Exercising any delegation of authority contrary to Applicable Law.

b. Franchisee Representative

Franchisee Representative is the individual whom Franchisee names in Franchisee Documentation. County may assume that Franchisee has authorized Franchisee Representative to act on behalf of Franchisee under this Agreement. Franchisee Representative must have at least five (5) Years experience providing Discarded Material Collection services.

17.08 Due Diligence

Franchisee acknowledges both of the following:

1. That County may be subject to statutory fines for failure to achieve mandated Diversion

levels, and

2. That Discarded Materials management is a public health and safety concern. Franchisee agrees that it will exercise due diligence in providing Franchise Services.

17.09 No Use of County Name

Franchisee will not do business as or use a corporate, partnership, venture or other formal name containing the words "Santa Barbara County" or implying municipal ownership. However, upon County request, Franchisee will use County name in any of the public relations materials.

ARTICLE 18 ASSIGNMENT AND AMENDMENTS

18.01 Assignment

a. County Assignment

County may Assign this Agreement to a sanitation district, joint power authority, sanitation district or other public entity succeeding to the major part of County Discarded Materials management rights and obligations. County may Assign this Agreement to anyone else if it determines that the assignee is capable of meeting County obligations under this Agreement.

b. Franchisee Assignment

(1) **Franchisee Acknowledgments.** Franchisee acknowledges as described in Section 5.06, Franchise Services are personal services in nature and County and Customers may not receive the full benefit of their bargain if someone else assumes Franchisee's performance obligations.

(2) **County Consent and Assignment Compensation.** Consequently, Franchisee will not Assign this Agreement, or any rights or duties under it, in whole or part, whether voluntarily or involuntarily, without County prior consent exercised in County sole discretion. Franchisee will comply with Section 17-86(c) of the County Code. Notwithstanding the foregoing, County consents that Franchisee may Assign this Agreement or the Franchise granted under it or any rights or duties thereunder, in whole or in part to an Affiliate of Franchisee provided the Affiliate agrees to be bound by the terms of this Agreement.

Any Assignment or attempted Assignment of this Agreement or any rights and duties under it, made without County consent, is null and void at County option. All of Franchisee's rights under this Agreement will terminate as provided in Section 17-86(c) of the County Code.

County shall not unreasonably withhold approval of the Franchisee's request for Assignment.

If County consents, Franchisee will pay County an Assignment compensation equal to three percent (3%) of the revenues it will receive during the remaining term of the Agreement, as estimated by County using the previous twelve months of Franchisee

revenue.

However, Franchisee is not obligated to pay County this compensation if all of the following occur:

1. The County consents to the Assignment,
2. The Assignment is to an Affiliate, and
3. The Guarantor does not change.

(3) Franchisee Demonstration. Without obligating the County to give consent to the proposed Assignment, Franchisee at a minimum will demonstrate both of the following to County satisfaction:

1. The proposed assignee has the same or stronger qualifications described in Franchisee's preceding acknowledgements.
2. The proposed assignee has the expertise and financial resources necessary to satisfy franchise obligations and provide high quality Franchise Services.

(4) Payment of County Costs. Franchisee acknowledges both of the following:

1. County is concerned that Assignment of this Agreement could result in significant Rate increases, decline in quality of Franchise Service (especially during transition to new Key Personnel and management) and threat to public health and safety.
2. County might incur significant but presently unknown expenses to investigate whether transfer of this Agreement is in the best interest of public health and safety. Therefore, Franchisee will pay County the following expenses.

(i) Assignment Application Fee and Transfer Deposit. Franchisee must make any request for County consent to an Assignment in the manner prescribed by County. Franchisee will pay County a non-reimbursable application fee of \$75,000 plus a refundable Assignment Deposit before County consideration of Franchisee's request. County will return to Franchisee any Assignment Deposit paid in excess of the Assignment Costs County incurs.

(ii) Additional Assignment Costs. In the course of County considering Franchisee's request for Assignment, Franchisee will further pay County its additional Assignment costs in excess of the Assignment Deposit within thirty

(30) Days of County request therefor, whether or not County consents to the Assignment. At Franchisee's request, County will provide Franchisee access to all Records evidencing the Assignment costs incurred.

(iii) County Reimbursement Costs of Enforcement. In addition, within thirty (30) Days of County request Franchisee will pay County Reimbursement Costs for fees and investigation costs that County deems necessary to enjoin the Assignment or to otherwise enforce this provision.

(5) Franchisee must remain secondarily liable after the assignee for meeting franchise obligations.

(6) The assignee must assume all of Franchisee's franchise obligations (Including obligations precedent).

18.02 Changes and Amendments to Agreement

a. Changes by Parties' Representatives

(1) Changes to Franchisee Documentation. The County Representative and Franchisee Representative may make or accept changes to Franchisee Documentation and, with respect to the County Representative, changing the Person who is the County Representative.

(2) Non-Rate or Immaterial Changes. Either or both of the following changes in the Agreement are effective upon mutual consent of County Manager and Franchisee,

1. Changes in franchise obligations that do not result in a Rate adjustment, and
2. Immaterial changes in Franchise Services (such as changing the date that a report is due).

b. Amendments by County Board and Franchisee

The Parties may make both of the following changes in this Agreement after the Franchise Date, effective only upon execution of a written amendment to this Agreement, including warranties by the Parties under Article 2 and Exhibits 2.01 and 2.02:

1. Changes in franchise obligations that result in a Rate adjustment, *except* for variations in Franchise Service under Section 4.04a(9), and
2. Material changes in franchise obligations (such as County remedies for breach of this

Agreement or the definition of “Events of Default”).

18.03 Amendments to Franchisee Documentation

The Parties’ dated signatures on Franchisee Documentation or other Attachments are deemed evidence that it was duly amended following either or both Notice or consent, as it requires. Amended Franchisee Documentation supersedes the prior Franchisee Documentation as of the last dated signature of County Representatives or Franchisee Representative.

ARTICLE 19. NOTICES, CONSENTS, APPROVALS, ETC.

19.01 Notices, etc.

Parties must give Notices at the following addresses:

1. To Franchisee: At address in Franchisee Documentation.
2. To County: At the County Representative's office address in Exhibit 17.07

Parties may give Notices only by any of the following means:

1. Email or electronic followed as soon as possible (but no more than two (2) Days) by personal or mailed delivery,
2. Personal delivery to Franchisee Representative or County Representative being notified,
3. Deposit in the United States mail first class postage prepaid (certified mail, return receipt requested), or
4. Commercial delivery service providing delivery verification.

Notice by County to Franchisee of a missed pick-up or other Customer problem or complaint may be given to Franchisee orally by telephone to Franchisee Representative or other Franchisee personnel responsible for taking complaints from County or the public.

Parties may change their address upon Notice to the other Party.

19.02 Exercise of Options

Except as otherwise provided elsewhere in this Agreement, Parties' exercise of any approval, disapproval, option, discretion, satisfaction, determination, election, consent or choice under this Agreement is deemed reasonable, *unless* this Agreement specifically provides otherwise, including in each respective Party's "independent", "sole", "exclusive" or "absolute" "control", "judgment", or "discretion".

19.03 Writing

All of the following with respect to exercise of explicit rights or obligations under this Agreement must be in writing *unless* oral communication is explicitly allowed:

1. Requests, demands, orders, directions,
2. Acceptances, consents, approvals, agreements,
3. Waivers,
4. Exercise of options or rights, selections,

5. Proposals,
6. Reports, and
7. Acknowledgments, certifications, representations and warranties.

Explicit reference to “written” or “writing” with respect to any one communication does not imply that other communications without explicit reference to writing may be oral.

ARTICLE 20 EXECUTION OF AGREEMENT

20.01 Signing Multiple Copies

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Parties shall preserve undestroyed, shall together constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

20.02 Authority to Sign

a. County

County warrants that it duly authorized the officers listed below to sign this Agreement on behalf of County.

b. Franchisee

Franchisee warrants that it duly authorized the individuals listed below to sign this Agreement on behalf of Franchisee.

ATTEST:
CLERK OF THE BOARD

By: *Shirley daGuere*

Deputy Clerk

COUNTY OF SANTA BARBARA

By: *[Signature]*

Chair, Board of Supervisors

Date: 7-11-23

APPROVED AS TO FORM:
RACHEL VAN MULLEM
COUNTY COUNSEL

DocuSigned by:
By: *Johannah Hartley*

C156A3F-B83F7454...
Johannah Hartley
Deputy County Counsel

APPROVED AS TO FORM:
BETSY SCHAFFER, C.P.A.
AUDITOR-CONTROLLER

DocuSigned by:
By: *[Signature]*

A99ED58D71D04FB...
Deputy Auditor-Controller

APPROVED AS TO FORM:
GREG MILLIGAN
RISK MANAGER

DocuSigned by:
By: *Greg Milligan*

DC240AC1E64247D...

FRANCHISEE
MARBORG INDUSTRIES, INC.

DocuSigned by:
By: *[Signature]*

BD83FC9DE8F94CU...

Title: President

Date: 5/23/2023 | 2:36 PM PDT

Exhibits

Note that the Exhibits are numbered to reflect the corresponding Section of the Agreement.

EXHIBIT 2.01 FRANCHISEE REPRESENTATIONS AND WARRANTIES

Franchisee represents and warrants as follows:

1. **Status.** Franchisee is a corporation duly organized, validly existing and in good standing under the laws of the State and is qualified to do business in the State.
2. **Authority and Authorization.** Franchisee 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 Franchisee and constitutes a legal, valid and binding obligation of Franchisee enforceable against Franchisee under its terms.
3. **No conflicts.** As of the Franchise Date, neither the execution or delivery by Franchisee of this Agreement, the performance by Franchisee of its Service obligations, nor the fulfillment by Franchisee of the terms and conditions of this Agreement:
 - conflicts with, violates or results in a breach of any Applicable Law,
 - 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 Franchisee or any of its Affiliates is a party or by which Franchisee or any of its Affiliates' properties or assets are bound, or constitutes a default there under, or
 - will result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of Franchisee.
4. **No approvals required.** As of the Franchise Date, 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 Franchisee, except as have been duly obtained from its Board of Directors.
5. **No litigation.** To the best of Franchisee knowledge, as of the Franchise Date 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 threatened by or against Franchisee wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by Franchisee of its franchise obligation or in connection with the transactions contemplated by this Agreement, or which, in any way, would adversely affect the validity or enforceability of this Agreement or any other agreement or instrument entered into by Franchisee in connection with the transactions

contemplated by this Agreement.

6. **Due Diligence.** Franchisee 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 Franchise Services (including the types of Franchise Services) and labor, equipment and materials for the volume of Franchise Services to be provided. Franchisee agrees that it will make no claim against County based on any good faith estimates, statements or interpretations made by any officer, employee or agent of County which proves to be in any respect erroneous.
7. **Compliance with law.** Franchisee fully complied with all Applicable Law, including without limitation law relating to conflicts of interest, in the course of procuring this Agreement.
8. **Truth and Accuracy of Proposal Information.** The information that Franchisee submitted to County in its proposal to provide Franchise Services is true and accurate. Franchisee will inform County of any change in that information within one week of discovering any untruth or inaccuracy.
9. **No Prior Agreements.** Neither Franchisee nor any of its Affiliates has previously been a party to an agreement with County, that has either expired without Franchisee earning an available extension, or been terminated by County.

EXHIBIT 2.02
COUNTY REPRESENTATIONS AND WARRANTIES

1. **Status.** County is a political subdivision of the State, duly organized and validly existing under the Constitution and laws of the State.
2. **Authority and Authorization.** County has full legal right, power and authority to execute, deliver, and perform its obligation under this Agreement. This Agreement has been duly executed and delivered by County and constitutes a legal, valid and binding obligation of County enforceable against County under its terms.
3. **No Warranty Regarding Waste Characterization.** County makes no warranties with respect to the waste characterization within County including any waste Disposal characterization study or projections by material type with respect to waste in County. County expressly disclaims any warranties, either express or implied, as to the merchantability or fitness for any particular purpose of Discarded Materials Collected by Franchisee.

EXHIBIT 4.01A
FRANCHISE SERVICE AREA / ZONES 4 AND 5

Description for the Solid Waste Collection Zone Four

*Resource Recovery and Waste Management
Division, Santa Barbara County Public Works
Department; See Board of Supervisors File# 10-
00845, 9/28/2010*

That portion of land situated in the County of Santa Barbara, State of California, described as follows:

Beginning at a point at the intersection of the mean high water line of the Pacific Ocean and the southerly prolongation of the easterly line of the Cojo Ranch as shown on the *Map of Retracement of the Cojo Ranch, Part of the Rancho Punta de la Concepción*, recorded January 20, 1913 in book 7, page 14 of Maps and Surveys, in the Office of the County Recorder of said County, noted as a point on Exhibit 4B, attached; thence,

- 1st Northerly to the southeasterly corner of said Cojo Ranch; thence
- 2nd Northerly along the easterly boundary of the Cojo Ranch to the northwesterly corner of Parcel 5 of the Hollister Ranch property as shown on the *Parcel Map of the Hollister Ranch, Phase I*, recorded August 27, 1971 in book 8 pages 45 thru 57 of Parcel Maps; thence
- 3rd Easterly along a straight line to the crest of San Julian Grade on State Highway 1; thence
- 4th Easterly along a straight line to the crest of Nojoqui Grade on US Highway 101; thence
- 5th Easterly along a straight line to the crest of Refugio Road; thence
- 6th Easterly along a straight line to the Tecolote Tunnel inlet on the southerly bank of Lake Cachuma; thence
- 7th Westerly along the southerly bank of Lake Cachuma to the most westerly end of said lake; thence

- 8th Northerly along a straight line to the end of the paved section of Happy Canyon Road as of September 2002; thence
- 9th Northerly along a straight line to a point southerly of the intersection of Pine Canyon Road and State Highway 166, said point being on the Easterly line of Rancho Sisquoc, as patented; thence
- 10th Southerly along the easterly line of said rancho to a point lying north 29°19'10" east 9701.40 feet from the southeast corner of said rancho, said point being the same point as described as the end of the first course of the line of the parcel of land described in a Certificate of Compliance recorded as Instrument 2009-0057191, Official Records, County of Santa Barbara, September 17th 2009; thence
- 11th Northwesterly and southerly along the northwesterly and westerly line of said Certificate of Compliance to the southerly line of Rancho Sisquoc, said point being the westerly corner of said Certificate of Compliance; thence
- 12th Northwesterly along the southerly boundary of Rancho Sisquoc, to the northwest corner of Assessor's Parcel Number 133-080-037 as it existed on September 28th, 2010; thence
- 13th Southerly along westerly line of Assessor's Parcel Number 133-080-037 to the southwest corner of said parcel; thence
- 14th Southerly to the northwesterly corner of Rancho la Zaca, as patented, said point also being an angle point on the boundary of Rancho la Laguna, as patented; thence
- 15th Southerly, westerly, southerly, westerly and northerly along the boundary of Rancho la Laguna to southeasterly corner of Rancho los Álamos, as patented; thence
- 16th Northwesterly along the southerly boundary of Rancho los Álamos to the southwest corner of said rancho and the southeasterly corner of Rancho Todos Santos y San Antonio, as patented; thence
- 17th Northwesterly along the southerly boundary of Rancho Todos Santos y San Antonio to its intersection with the Vandenberg Air Force Base boundary; thence

- 18th Northwesterly, southerly, southeasterly, southerly, northwesterly and southwesterly along the easterly Vandenberg Air Force Base boundary to a point on the northerly boundary of the City of Lompoc; thence
- 19th Easterly, southerly, westerly, northerly and northwesterly along the boundary of the City of Lompoc to a point on the westerly boundary thereof and the easterly Vandenberg Air Force Base boundary; thence
- 20th Westerly and southerly along the Vandenberg Air Force Base boundary to the northwesterly corner of the intersection of Renwick Avenue and Ocean Avenue; thence
- 21st Westerly along the northerly right of way of Ocean Avenue to the northerly right of way of Ocean Park Road; thence
- 22nd Westerly along the northerly right of way of Ocean Park Road to the easterly boundary of Ocean Beach Park; thence
- 23rd Northerly, westerly, southwesterly, and southeasterly along the boundary of Ocean Beach Park to the southerly right of way of Ocean Park Road; thence
- 24th Easterly along the southerly right of way of Ocean Park Road to the northwest corner of the intersection of Ocean Park Road and Ocean Avenue; thence
- 25th Southerly across Ocean Avenue at right angles to the southerly right of way thereof; thence
- 26th Easterly along the southerly right of way of Ocean Avenue to a point on the easterly Vandenberg Air Force Base boundary; thence
- 27th Easterly, southerly, easterly, southerly and westerly along the easterly Vandenberg Air Force Base boundary to the mean high water line of the Pacific Ocean; thence
- 28th Southerly and easterly along the mean high water line of the Pacific Ocean to the point of beginning.

Excepting therefrom the incorporated areas of the County of Santa Barbara (the cities of Lompoc, Buellton, and Solvang).

Description for the Solid Waste Collection Zone Five

*Resource Recovery and Waste Management
Division, Santa Barbara County Public Works
Department; See Board of Supervisors File# 10-
00845, 9/28/2010*

That portion of land situated in the County of Santa Barbara, State of California, described as follows:

Beginning at the point described as forming the northwest corner of the boundary of the County of Santa Barbara as described in California Government Code §23142, said point being in the Pacific Ocean opposite the mouth of the Santa Maria River, noted as a point on Exhibit 5B, attached; thence,

- 1st Easterly along the northerly boundary of the County of Santa Barbara, up the Santa Maria River to the northwesterly boundary of the City of Santa Maria; thence
- 2nd Southerly, westerly, southerly, easterly, northerly, easterly and northerly along the boundary of the City of Santa Maria to northeasterly corner thereof, said corner being on the northerly boundary of the County of Santa Barbara; thence
- 3rd Southeasterly, northerly and easterly along the northerly boundary of the County of Santa Barbara to a point due north of the intersection of State Highway 166 and Pine Canyon Road; thence
- 4th South to the intersection of State Highway 166 and Pine Canyon Road; thence
- 5th Southerly along a straight line to a point north of the end of the paved section of Happy Canyon Road as of September 2002, said point being on the Easterly line of Rancho Sisquoc, as patented; thence
- 6th Southerly along the easterly line of said rancho to a point lying north 29°19'10" east 9701.40 feet from the southeast corner of said rancho, said point being the same point as described as the end of the first course of the line of the parcel of land described in a Certificate of Compliance recorded as Instrument 2009-0057191, Official Records, County of Santa Barbara, September 17th 2009; thence
- 7th Northwesterly and southerly along the northwesterly and westerly line of said Certificate of Compliance to the southerly line of Rancho Sisquoc, said point being the westerly corner of said Certificate of Compliance; thence

- 8th Northwesterly along the southerly boundary of Rancho Sisquoc, to the northwest corner of Assessor's Parcel Number 133-080-037 as it existed on September 28th, 2010; thence
- 9th Southerly along westerly line of Assessor's Parcel Number 133-080-037 to the southwesterly corner of said parcel; thence
- 10th Southerly to the northwesterly corner of Rancho la Zaca, as patented, said point also being an angle point on the boundary of Rancho la Laguna, as patented; thence
- 11th Southerly, westerly, southerly, westerly and northerly along the boundary of Rancho la Laguna to southeasterly corner of Rancho los Álamos, as patented; thence
- 12th Northwesterly along the southerly boundary of Rancho los Álamos to the southwesterly corner of said rancho and the southeasterly corner of Rancho Todos Santos y San Antonio, as patented; thence
- 13th Northwesterly along the southerly boundary of Rancho Todos Santos y San Antonio to its intersection with the Vandenberg Air Force Base boundary; thence
- 14th Northerly, westerly, northwesterly and southerly along the Vandenberg Air Force Base boundary to the mean high water line of the Pacific Ocean; thence
- 15th Northerly along the mean high water line of the Pacific Ocean to the point of beginning.

Excepting therefrom the incorporated areas of the County of Santa Barbara (the cities of Santa Maria and Guadalupe).

EXHIBIT 4.03
FRANCHISEE TRANSITION PLAN
(Tasks and Timeline)

Franchisee will identify specified tasks and dates in its attached roll-out plan, including the following:

1. Timeline showing the commencement, duration and completion date of transition, including the following:
 - permitting, constructing, testing and commencing operation of the CNG fuel depot,
 - developing the procedure for Residential and Commercial Customers to select Container size(s) and service frequency,
 - contacting Customers to determine subscription levels and consequent number and type of Containers,
 - public education and outreach activities, including holding public workshop / community meetings on date chosen by County to explain new programs and display new carts,
 - individually contacting (potential) Manure Customers of new Franchise Services for Manure,
 - informing any Customer that must pay bin push-out charges under this agreement,
 - give County route sheets, including wet/dry – high content recyclables
 - submitting form of Container orders, if any, to County for acceptance (Including labeling),
 - ordering any Containers from manufacturer(s),
 - ordering trucks (Including vehicle description, manufacturer, model, capacity, lease/ownership) and any additional on-board cameras and computer/GIS systems,
 - Container delivery and assembly,
 - delivery of trucks,
 - hiring and training personnel,
 - training Customer service personnel,
 - developing and implementing Customer service and billing database,
 - submitting route sheets to County for acceptance,
 - training drivers on routes,
 - submitting Customer orientation packet to County for acceptance,
 - delivering Containers and Customer orientation packets to Customers,
 - collecting and recycling Customers' old Containers, at their request,
 - rolling out used battery collection program;

2. Identifying problems that might arise during transition, together with proposals to prevent those problems and responses to solve them;
3. Detailing public education strategies to inform Customers of all Franchise Services, and explain how to secure and use those services;
4. Describing how Franchisee will use Reasonable Business Efforts to hire qualified people who provided solid waste services in the Franchise Service Area prior to the franchise date, if Franchisee cannot provide Franchise Services using its existing employees as of the Franchise Date.

Franchisee may change this plan if County accepts the changes.

EXHIBIT 4.04A(9)
APPLICATION FOR CARRY-OUT SERVICE: QUALIFYING CUSTOMER

Franchisee may change this application form if County accepts the changes.

EXHIBIT 4.04B(2)
BLUE CONTAINER DISCOUNT METHODOLOGY FOR RESIDENTIAL BIN
CUSTOMERS

The discount for Blue Containers for Residential Bin Customers shall be calculated as follows:

1. Gray Container Monthly yards is calculated using the following:
 - $(\text{Bin Size} \times \text{Frequency} \times \text{Number of Bins}) \times 4.33$
Example: 3yd x 2x weekly x 1 Bin = 6yd x 4.33 = 25.98 Monthly Yards Generated
2. Calculate 30% free Recycling yards:
 - Gray Container Monthly Yards Generated x 0.30
Example: 25.98 x 0.30 = 7.79 Free Recycling Yards
3. Calculate Customer desired Recycling yards, using same calculation from step 1
 - Customer is requesting one 3yd Bin, once a week
Example: (3yd x 1 time x 1 Bin) = 3 x 4.33 = 12.99 Monthly Recycle Yards Generated
4. Identify price for requested Recycle service, or Total Recycling Cost
 - *Example: 1x 3yd 1x Recycle is \$200 monthly*
5. Calculate Price Per Yard of Recycling
 - Divide Monthly Rate by Monthly Recycle Yards
Example: \$200 / 12.99 = \$15.40 per yard
6. Calculate discount owed to Customer for 30% Free Recycling
 - 30% Free Yards x Price Per Yard of Recycling = \$ Discount for Free Recycling
Example: 7.99 Free Yards x \$15.40/Yard of Recycling = \$119.97 Discount
7. Deduct discount owed from Total Recycling Cost, Customer Responsibility for Recycling
 - **Example: \$200 Monthly Cost Recycling - \$119.97 Discount= \$80.03 Customer Responsibility for Recycling Service**

EXHIBIT 4.05(2)(II)
BUSINESS AND MULTI-FAMILY DIVERSION PLAN

County Protocol and Procedure

Franchisee shall comply with Ordinance No. 5151, amending Chapter 17, Solid Waste Services, of the Santa Barbara County Code, and Rules and Regulations Governing Chapter 17 of the County Code. County shall provide Franchisee a copy of the ordinance.

EXHIBIT 4.05(2)(II) #3
FRANCHISEE'S BUSINESS AND MULTI-FAMILY RECYCLING PLAN

Franchisee will include the following in its plan:

1. Outreach to individual tenants;
2. Delivery of Recycling tool kit to both tenants and property managers,
3. Inclusion in its semi-annual newsletter, ways that Recycling and Organic Material Recycling can lower Customers' Franchise Service charges;
4. Wet/ dry – high content Recyclables routing,
5. Annual newsletter, Including the following information:
 - Available Franchise Services,
 - Rates,
 - Best Diversion practices and tips;
6. Annual distribution of the following information:
 - Summary of County's Commercial Recycling Protocols under County Code Chapter 17,
 - Listing of benefits of enhancing or expanding Recycling services,
 - Labels, guidelines and incentives to maximize Diversion and minimize cost, and
 - Offering waste and Recycling audits, without charge.

EXHIBIT 4.06B(1) PUBLIC LITTER CONTAINERS

County may amend this list following Notice to Franchisee.

Proposed Public Container List – Zones 4/5

Old Town Orcutt

Assuming 1 – 32-gallon trash Containers serviced 1x per week

- Near 115 E Clark Ave
- Near 205 E Clark Ave
- Near 210 E Clark Ave
- Near 320 E Clark Ave

Orcutt Bus Stops

Assuming 1 – 32-gallon trash Containers serviced 1x per week

- Near 1103 E Clark Ave
- Near 1105 E Foster Rd
- Near 3596 Orcutt Rd
- Near 555 E Clark Ave

Los Alamos

Assuming 1 – 32-gallon trash Containers serviced 1x per week

- Near 362 Bell St
- Near 406 Bell St
- Near 458 Bell St
- Near 550 Bell St

Los Olivos

Assuming 1 – 32-gallon trash Containers serviced 1x per week

- Near 2971 Grand Ave
- Near 2960 Grand Ave
- Near 2891 Grand Ave
- Near 2446 Alamo Pintado Ave

Santa Ynez

Assuming 1 – 32-gallon trash Containers serviced 1x per week

- Near 3544 Sagunto St
- Near 3569 Sagunto St
- Near 3570 Sagunto St
- Near 3615 Sagunto St

Mission Hills/Vandenberg Village

Assuming 1 – 32-gallon trash Containers serviced 1x per week

- Near 1450 Burton Mesa Rd
- Near 3745 Via Lato
- Near 4350 Constellation Rd
- Near 100 Aldebaran Ave
- Near 3745 Constellation Rd
- Near 4010 Jupiter Rd

(Attach maps of proposed trash can locations)

**EXHIBIT 4.06C
COUNTY FACILITIES**

County may amend this list following Notice to Franchisee.

**EXHIBIT 4.10B
NON-COLLECTION NOTICE**

Franchisee will attach a copy of its Non-Collection Notice, in form acceptable to County, including the following information:

1. The date and time it is given,
2. The complete address of the Premises,
3. The reason for the non-Collection,
4. The premium charge, if any, to Customer for Franchisee to return and Collect the Container after Customer removes the Contamination,
5. Franchisee telephone number and any other information, and
6. The manner in which Customer should discard materials.

Franchisee may change this form of Notice if County accepts the changes.

EXHIBIT 4.11B CUSTOMER SERVICE POLICY

Franchisee may change this protocol following Notice to County.

Customer Complaint Resolution Protocol

All complaints are logged into a database as they are reported. A ticket is forwarded to Franchisee route managers and a follow up call is made to Customers to ensure that their complaint has been resolved. All tickets are tracked through to service completion. Logs can be sent to County staff on a regular basis as requested.

Franchisee will adhere to all of the County provisions for Customer complaints and missed Collections and will adhere to internal standards:

- All complaints will be addressed by the end of the next service Day following Customer contact.
- All calls will be answered within four (4) rings (or forty-five (45) seconds).
- Franchisee will provide an answering service at the regular Customer service number to take reports of missed pick-ups and other complaints for calls received outside of regular business hours.
- If the County or a Customer notifies Franchisee that there was a missed Collection, Franchisee will Collect from that Customer no later than 6:00 p.m. on the day the complaint is received if the call is received by 3:00 p.m., or on the next day, if the complaint is received after 3:00 p.m.
- Franchisee will enter, log, and maintain Records of complaints in its internal system. At the County's request, Franchisee will immediately email the Complaint Records, the Customer's Customer service charge, and subscription order to the County during County office hours.

EXHIBIT 4.13A
CUSTOMER SERVICE GUIDE

Franchisee will provide the Customer service guide to each new Customer in both Spanish and English.

Franchisee will include information described in Section 4.13e.

Franchisee may change form or content of the service guide if County accepts the changes.

Discard and Set-Out Instructions

Franchisee will include the following information in the attached instructions:

1. How to discard of Refuse, Recyclables and Organic Waste in their respective Containers (with examples of each), and
2. How to store, set-out and bring-in Containers, Including locations and time.

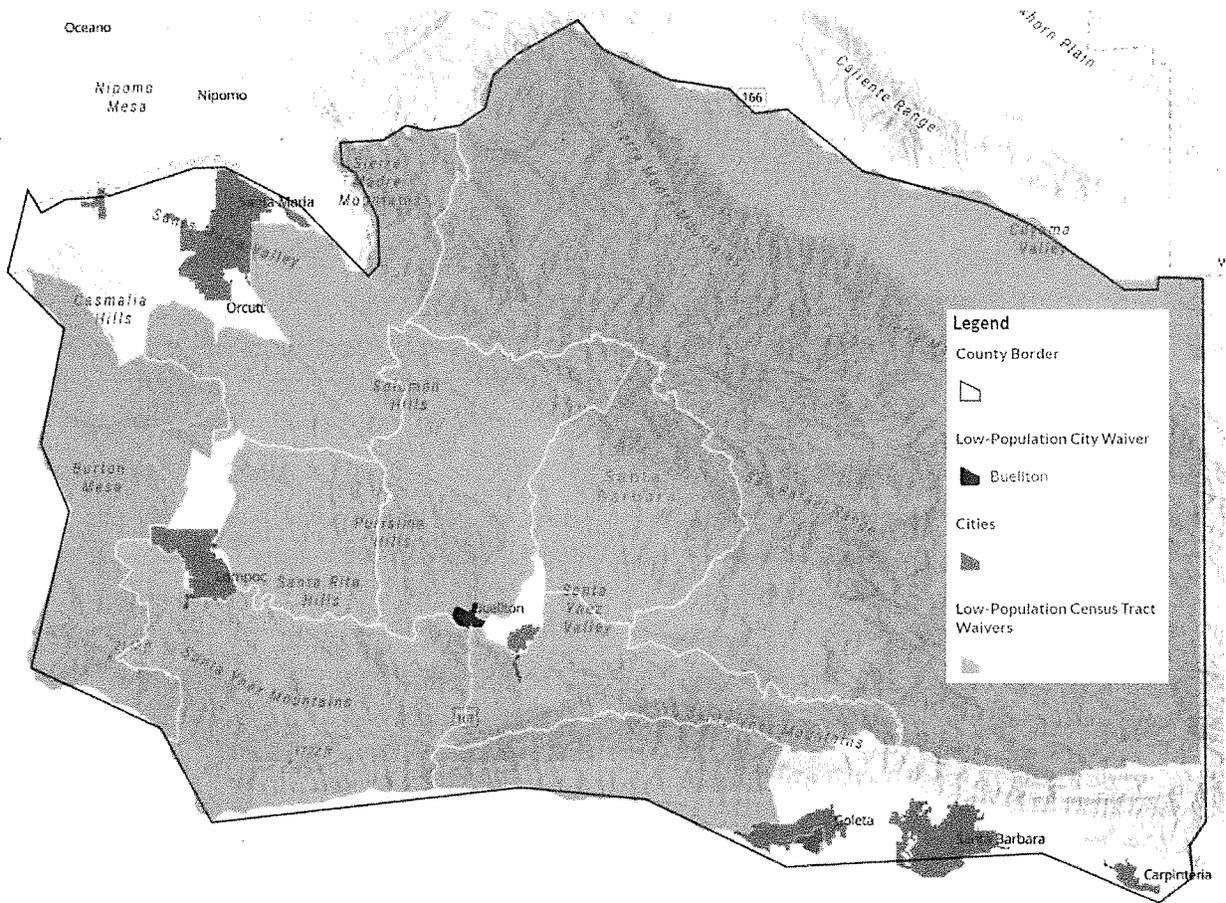
EXHIBIT 4.16A(1)
CUSTOMER BILL FORMAT

Franchisee will include the following information on each Customer bill:

1. Customer's level of Franchise Service,
2. Franchisee contact information, and
3. Due and delinquency dates.

Franchisee may change this bill format if County accepts the changes.

EXHIBIT 4.23A LOW POPULATION AREA MAP



**EXHIBIT 5.01
ROUTE MAPS AND SCHEDULES**

Franchisee may change maps and schedules after submitting them to County.

EXHIBIT 5.03A CONTAINER SPECIFICATIONS

1. General. Containers must meet all of the following requirements. They must be:

- i. Compliant with the Container color requirements specified by the SB 1383 Regulations. Franchisee and County will agree on the color palette for all Collection Containers within thirty (30) days of execution of this Agreement. When purchasing or modifying Collection Containers, Franchisee shall not deviate from the agreed color palette without prior approval from the County. If an existing Container breaks or is otherwise rendered non-functional, Franchisee shall replace the non-functional Container with a Container that complies with the color requirements of this Exhibit. Notwithstanding this Exhibit, Franchisee is not required to replace functional Containers, including Containers purchased prior to January 1, 2022, that do not comply with the color requirements of this Exhibit prior to the end of the useful life of those Containers, or prior to January 1, 2036, whichever comes first;
- ii. Of high quality and durable (with five (5) Year general warranty on Carts, at a minimum);
- iii. Labeled as required under this Agreement, with printing embedded in Carts;
- iv. Ultraviolet light stabilized (with respect to Carts); and
- v. Painted or galvanized metal (with respect to Bins).

Franchisee will identify by location or Customer list, which Cart Customers will retain their existing Carts and which ones will receive new Carts, as of the Franchise Date.

Franchisee may use hybrid plastic Bins, if a Customer complains that Collection of metal Bins is noisy.

Franchisee may change these specifications if County accepts the changes.

2. Blue Containers (Source Separated Recyclable Materials)

Blue Containers must have a lid and/or body that is blue in color. Hardware such as hinges and wheels on the Blue Containers may be a different color.

3. Green Containers (SSGCOW)

Green Containers must have a lid and/or body that is green in color. Hardware such as hinges and wheels on the Green Containers may be a different color.

4. Gray Containers (Gray Container Waste or Mixed Waste)

Gray Containers must have a lid and/or body that is gray in color.

5. Brown Containers (Food Waste)

Brown Containers must have a lid and/or body that is brown in color. Hardware such as hinges and wheels on the Brown Containers may be a different color.

[FRANCHISEE, GIVE CART ORDER TO COUNTY FOR REVIEW AND ACCEPTANCE, AND ATTACH PRIOR TO ORDERING CARTS]

EXHIBIT 5.03B CONTAINER LABELS

Labels must contain the following information:

1. Franchisee name, telephone number and email address;
2. Unique Container number, such as serial numbers or bar codes;
3. Container set-out instructions;
4. Within twelve (12) months of the execution of this Agreement, Franchisee shall place a label on the body or lid of each Container that has been provided to a Customer that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that Container. Labels shall clearly indicate items that are Prohibited Container Contaminants for each Container. Prior to ordering labels for Containers, Franchisee shall submit a copy of its proposed label, proposed location(s) for placement of labels on each type of Container, and its labeling plan to the County Contract Manager for approval;
5. Prohibition on discard of Hazardous Waste and describing proper Disposal thereof, Including "NO LIQUID, TOXIC OR HAZARDOUS WASTE" in compliance with Section 17-8(i) of the County Code, prohibition of scavenging (through words and international symbols) that meets the Notice requirements of Public Resources Code Section 41950(a); and
6. Other information requested by County.

Franchisee may change labels if County accepts the changes.

EXHIBIT 5.03C CONTAINER ACQUISITION AGREEMENTS

Franchisee warrants as follows:

1. Franchisee owns all Containers,
2. There are no encumbrances on any Containers,
3. There are no Container Acquisition Agreements that restrict Franchisee's ability to transfer ownership of any Container to County, and
4. Franchisee can transfer ownership of any Container to County without consent from any third party, such as a lender or capital lessor.

Franchisee will update and submit any subsequent Container Acquisition Agreement(s) under Section 5.03c and in Annual Reports.

**EXHIBIT 5.06A
KEY PERSONNEL**

Franchisee may change this list following Notice to County.

KEY PERSONNEL

POSITION

President
 Reporting Manager
 Human Resources Manager
 Controller
 Customer Service Manager
 Maintenance Manager
 Public Education Specialist
Commercial Route Supervisor
Residential Route Supervisor
 Safety Manager
 President
 Reporting Manager

PERSONNEL

Brian Borgatello
 Dena Philips
 Susie Couture
 Sam Guevara
 Tisha Levy
 Arno Babakhanloe
 Sarah Stark
 Ben Puente
 Ben Puente
 Jesus Rios
 Brian Borgatello
 Dena Philips

Route Supervisor

Name	Ben Puente
Telephone number	805-963-1852
E-mail address	Bpuente@marborg.com
Mailing address	PO Box 4127, Santa Barbara, CA 93140
Franchisee office address	728 E Yanonali Street, Santa Barbara, CA 93103

County liaison in Franchisee's financial accounting department responsible for submitting reports with respect to Franchisee Business Fees

Name	Sam Guevara
Telephone number	805-963-1852
E-mail address	sguevara@marborg.com
Mailing address	PO Box 4127 Santa Barbara, CA 93140
Franchisee office address	728 E Yanonali Street, Santa Barbara, CA 93103

County liaison responsible for submitting reports with respect to Franchisee's Diversion of Discarded Materials in County.

Name	Dena Philips
Telephone number	805-963-1852
e-mail address	Dphilips@marborg.com
Mailing address	PO Box 4127, Santa Barbara, CA 93140
Franchisee office address	728 E Yanonali Street, Santa Barbara, CA 93103

EXHIBIT 5.07 BACK-UP SERVICE PLAN

Franchisee will develop a back-up plan to provide uninterrupted Franchise Service at all times, including during mechanical breakdowns, Facility closures, job actions (such as strikes, walk-outs, slow-downs), or emergencies (such as natural disasters), including the following:

1. Provide conveniently located Bins or Roll-off Containers where Customers may discard Refuse and other Putrescible Solid Waste,
2. Offer Customers the option of Self-Hauling Refuse and other Putrescible Solid Waste to a Transfer station or Disposal Facility/Facilities,
3. Inform Customers of procedures for handling Refuse and other Putrescible Solid Waste, preventing litter and discouraging vectors (such as keeping Carts in their storage place and not at set-out Sites, discarding excess Solid Waste in closed plastic bags and not loose in Carts),
4. Describe any Customer service charge refund policy for missed Franchise Services,
5. Provide replacements for drivers and other employees who are not providing Collection or other Franchise Services (such as supervisory personnel or management, or employees of Affiliates or other Solid Waste management companies) and security for those drivers and other employees, and
6. Identify Customers that require priority service.

Franchisee may change its back-up plan. Changes are effective when received by the County.
[FRANCHISEE, ATTACH YOUR BACK-UP PLAN]

EXHIBIT 5.08B HAZARDOUS WASTE HANDLING PROTOCOL

Franchisee will attach to this Exhibit, its Hazardous Waste Handling Protocol, Including the following provisions:

1. **Mandatory Personnel Training:**

- for all **drivers:** HAZWOPER First Responder, Awareness Level training meeting the requirements of 29 CFR 1919.120(q)(6)(i), Including hazard evaluation methods, emergency preparedness, and emergency response plan implementation techniques with the intent that they learn who, what and how to report on the incident,
 - for all **route supervisors:** 24-Hour HAZWOPER General Site Worker training meeting the requirements of 29 CFR 1919.120(e) (Hazardous Waste Operations and Emergency Response), Including hazard recognition and measurement, as well as personal protective equipment and work practices in keeping with the risk level, and
 - for all **employees** specified in 29 CFR 1919.120(e)(8), at least 8 hours of refresher training annually,
2. means of driver inspection, such as visual inspection during tipping of Containers into Vehicles,
 3. immediate driver response, such as load segregation and notification procedures, Including leaving Non-Collection Notices, when safe,
 4. driver notification, such as calling Franchisee's dispatcher or route supervisor,
 5. Customer notification, Including description of proper means to Dispose of Unpermitted Waste, by phone call and/or written material,
 6. notification of appropriate local agency or department (with contact phone number),
 7. appropriate action, such as segregation and containerization for manifesting and Transport for Disposal as required by law or securing services of permitted handling and transport company,
 8. compliance with law, Including regulations of the federal Department of Transportation (DOT) (Title 49 CFR) and of the United States Environmental Protection Agency (Title 40 CFR), and
 9. form, content and placement of labels on Containers that prohibit discard of Hazardous Waste, Special Waste and E-waste.

Franchisee may change this protocol. Changes are effective when received by the County.

EXHIBIT 6.01

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Franchisee has selected and County has approved for Discarded Materials to be Transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Exhibit. The Approved Facilities shall comply with the standards specified in this Exhibit. Pursuant to Section 6.01 and Section 7.01 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, with the exception of County-owned Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 6.01 and Section 7.01 of the Agreement and this Exhibit shall pertain to the Subcontractor(s).

Note that Franchisee, by definition in the Glossary of the Agreement, includes Affiliates, DBAs, and Subcontractors. As a result, requirements of Section 6.01 and Section 7.01 of the Agreement and this Exhibit shall pertain to Affiliate(s) and Subcontractors providing Facility-related services.

Franchisee will not be responsible for the performance of facilities owned by the County.

A. General Requirements

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

Approved Facilities for Zones 4 and 5

Material Type/Container	Approved Transfer Facility (if applicable)	Approved Facility (Processing or Disposal Facility)
<p>Gray Container Waste (Refuse or Mixed Waste)</p>	<p>MarBorg C&D Recycling Facility 119 N. Quarantina Street, Santa Barbara, CA 93103, 42-AA-0066. Owned by Asti Holding Company. Operated by MarBorg Industries.</p>	<p>Zone 4 (Lompoc Service Area): City of Lompoc Landfill, 700 South Avalon Road Lompoc, CA 93436, 42-AA-0017. Owned and operated by City of Lompoc Public Works Dept.</p> <p>Zone 4 (Santa Ynez Service Area): Tajigua Landfill/ReSource Center, 14470 Calle Re Santa Barbara 93117, 42-AA-0015. Owned and operated by County of Santa Barbara Public Works Dept, Resource Recovery & Waste Management Division.</p> <p>Zone 5: City of Santa Maria Landfill, 2065 East Main Street, Santa Maria, CA 93454, 42-AA-0016. Owned and operated by City of Santa Maria.</p>

Material Type/Container	Approved Transfer Facility (if applicable)	Approved Facility (Processing or Disposal Facility)
Source Separated Recyclable Materials/Carts	MarBorg C&D Recycling Facility 119 N. Quarantina Street, Santa Barbara, CA 93103, 42-AA-0066. Owned by Asti Holding Company. Operated by MarBorg Industries.	ReSource Center; 14470 Calle Real, Santa Barbara 93117, 42-AA-0015, Owned and operated by County of Santa Barbara Pub Works Dept, Resource Recovery & Waste Management Division.
Source Separated Recyclable Materials/Bins	MarBorg C&D Recycling Facility 119 N. Quarantina Street, Santa Barbara, CA 93103, 42-AA-0066. Owned by Asti Holding Company. Operated by MarBorg Industries.	ReSource Center; 14470 Calle Real, Santa Barbara 93117, 42-AA-0015. Owned and operated by County of Santa Barbara Pub Works Dept, Resource Recovery & Waste Management Division.
Organic Material/Carts	MarBorg C&D Recycling Facility 119 N. Quarantina Street, Santa Barbara, CA 93103, 42-AA-0066. Owned by Asti Holding Company. Operated by MarBorg Industries.	Engel & Gray, 450 South Ray Road, Santa Maria, CA 93458, 42-AA-0053. Owned by City of Santa Maria. Operated by Engel & Gray.
Source Separated Food Waste/Carts and Bins	MarBorg C&D Recycling Facility 119 N. Quarantina Street, Santa Barbara, CA 93103, 42-AA-0066. Owned by Asti Holding Company. Operated by MarBorg Industries.	Engel & Gray, 450 South Ray Road, Santa Maria, CA 93458, 42-AA-0053. Owned by City of Santa Maria. Operated by Engel & Gray.

Material Type/Container	Approved Transfer Facility (if applicable)	Approved Facility (Processing or Disposal Facility)
Holiday Trees	MarBorg C&D Recycling Facility 119 N. Quarantina Street, Santa Barbara, CA 93103, 42-AA-0066. Owned by Asti Holding Company. Operated by MarBorg Industries.	Engel & Gray, 450 South Ray Road, Santa Maria, CA 93458, 42-AA-0053. Owned by City of Santa Maria. Operated by Engel & Gray.
Organic Material/Bins	MarBorg C&D Recycling Facility 119 N. Quarantina Street, Santa Barbara, CA 93103, 42-AA-0066. Owned by Asti Holding Company. Operated by MarBorg Industries.	Engel & Gray, 450 South Ray Road, Santa Maria, CA 93458, 42-AA-0053. Owned by City of Santa Maria. Operated by Engel & Gray.
Bulky Waste	MarBorg C&D Recycling Facility 119 N. Quarantina Street, Santa Barbara, CA 93103, 42-AA-0066. Owned by Asti Holding Company. Operated by MarBorg Industries.	MarBorg C&D Recycling Facility 119 N. Quarantina Street, Santa Barbara, CA 93103, 42-AA-0066. Owned by Asti Holding Company. Operated by MarBorg Industries.
Special Waste (Universal and E-Waste)		MarBorg C&D Recycling Facility 119 N. Quarantina Street, Santa Barbara, CA 93103, 42-AA-0066. Owned by Asti Holding Company. Operated by MarBorg Industries.

Material Type/Container	Approved Transfer Facility (if applicable)	Approved Facility (Processing or Disposal Facility)
Manure		Engel & Gray, 450 South Ray Road, Santa Maria, CA 93458, 42-AA-0053. Owned by City of Santa Maria. Operated by Engel & Gray.
ABOP/Buy-back Materials		<p>Buellton ABOP, 97 Commerce Drive, Buellton*</p> <p>Health Sanitation Service, 1850 W. Betteravia Road, Santa Maria, 42-AA-008</p> <p>*If these facilities are not available, Franchisee will develop an ABOP/Buy-back facility.</p>

- 2. Facility Capacity Guarantee.** Franchisee shall guarantee that it has arranged for capacity at the Approved Facility(ies) to receive all Discarded Materials Collected by the Franchisee . Franchisee shall cause the Approved Facility(ies) to Recycle or Process the Discarded Materials as appropriate; market the Source Separated Recyclable Materials and Source Separated Organic Materials recovered from such operations as appropriate; and Dispose of Residue. Franchisee shall provide the County, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.
- a. County may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee's contracts. County, or its agent, will have the right to seek verification of Franchisee's reported aggregate capacity through inspection of pertinent sections of Franchisee's contracts with such entities to determine the duration of Franchisee's commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, County, or its agent, will have the right to review tonnage reports documenting the past three (3) Years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, County, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee's office and will not retain any copies of reviewed material. Franchisee will fully cooperate with the County's request and provide County, or its agent(s) access to Franchisee's Records.
 - b. Upon request, Franchisee shall demonstrate that such capacity is available and allocated to the County by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) documenting the owner(s)/operator(s) guarantee to accept the Discarded Materials Franchisee delivers over the Term of this Agreement and any extensions to the Agreement.
- 3. Equipment and Supplies.** Franchisee shall equip and operate the Approved Facilities in a manner to fulfill Franchisee's obligations under this Agreement,

Including achieving all applicable standards for Landfill Disposal reduction, Processing, Recycling, Diversion, Residue volume and content, and final product quality standards. Franchisee is solely responsible for the adequacy, safety, and suitability of the Approved Facilities. Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service obligations under this Agreement, at no additional compensation from the County or Rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumables as appropriate and necessary to operate the Approved Facilities and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

4. **Facility Permits.** Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits and/or Notices of Violation of permits to the County.
5. **Transfer Facility.** At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport and deliver some or all Discarded Materials to the Approved Transfer Facility for pre-Processing (if applicable) and Transfer in accordance with the Facility permit.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement.

Franchisee shall comply with separate handling requirements described in this Exhibit at Approved Facilities.

- 6. Franchisee-Initiated Change in Facility(ies).** Franchisee may change its selection of one or more of the Approved Facility(ies) following the County's written approval, which shall not be unreasonably withheld, based on the following factors: the ability of the Facility to meet the requirements of Applicable Law, the cost to the Rate payers, the permitting status of and LEA inspection Records related to the proposed Facility, and the distance of the Facility from the County. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Exhibit, it shall submit a written request for approval to the County thirty (30) Business Days prior to the desired date or as soon as practicable to use the Facility and shall obtain the County's written approval prior to use of the Facility. Franchisee's compensation and Rates shall not be adjusted for a Franchisee-initiated change in Facilities.
- 7. Notification of Emergency Conditions.** Franchisee shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent the Facility from Processing the Discarded Materials Collected for more than forty-eight (48) hours under this Agreement. Franchisee shall notify the County in accordance with Section 4.23 of the Agreement.
- 8. Approved Facility Unavailable/Use of Alternative Facility.** If Franchisee is unable to use the Approved Facility due to a sudden unforeseen closure of the Facility or other emergency conditions described in Section A.7 in this Exhibit 6.01, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written Notice to the County at least twenty-four (24) hours prior to the use of an Alternative Facility and receives approval from the County to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written Notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or used for an activity specified by pursuant to 14 CCR Section 18983.1(b) and not subsequently sent to Landfill Disposal; (ii) an "Organic Waste Processing Facility" pursuant to 14 CCR Section 18982(a)(14.5) for applicable Source Separated Recyclable Materials and Source Separated Organic Materials; (iii) a Transfer Facility; or, (iv) a Disposal Facility as

set forth in Applicable Law. If Franchisee is interested in using a Facility for Organic Waste Processing technology that is not listed above and not currently approved by CalRecycle, Franchisee shall be responsible for securing the approvals necessary from CalRecycle prior to the County's final approval of such Facility or activity, and shall do so in accordance with the procedures specified in 14 CCR Section 18983.2.

If any Approved Facility specified in this Exhibit becomes unavailable for use by Franchisee for Discarded Materials Collected in the County for a period of more than two (2) Days, County may designate an Alternative Facility. The Parties agree that the Approved Facility shall only be deemed to be "unavailable" if one or more of the following has occurred: (i) a Force Majeure event has occurred; (ii) a Facility has lost its permits to operate; (iii) a Facility has exhibited a pattern of Violation through the receipt of repeated Notices of Violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be "unavailable" if the lack of availability is due to Franchisee's negligence, illegal activity, or willful misconduct. At County's request, Franchisee shall research proposed Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the County within thirty (30) Days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility Including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Exhibit shall be modified accordingly to reflect the new County-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a subcontract agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Sections 6.01 and 7.01 of this Agreement and this Exhibit unless County waives one or more

requirements.

9. **Discarded Materials Monitoring, Waste Evaluations, and Capacity Planning Requirements.** Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in Section F in this Exhibit 6.01 to meet SB 1383 requirements. Upon County request, the Franchisee shall also participate in capacity planning studies, in accordance with Section 8.04 of this Agreement.
10. **Compliance with Applicable Law.** Franchisee (Including its Affiliates and Subcontractors) warrants throughout the Term of this Agreement and any extensions that the Approved Facilities will be respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law.
11. **Records and Investigations.** Franchisee shall maintain accurate Records of the quantities of Discard Materials Transported to and accepted at the Approved Facility(ies) and shall cooperate with County and any Regulatory Authority in any audits or investigations of such quantities.
12. **Inspection and Investigations.** An authorized County employee shall be allowed to enter upon reasonable request each Approved Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and Records pertaining to the Facility in order to determine compliance with Applicable Law, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit County or its agent to review or copy, or both, any paper, electronic, or other Records required by County necessary to determine compliance with this Agreement.

B. Processing Standards

1. **Recovery Required.** Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, and Source Separated Organic Materials Collected under this Agreement to the Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities at Approved Facilities for all Source Separated Recyclable Materials and Source Separated Organic Materials to recover Recyclable Materials and Organic Waste

to reduce Disposal.

The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law.

2. **Separate Handling Requirements at Approved Facilities**
 - a. Franchisee shall keep Source Separated Recyclable Materials and Source Separated Organic Materials separate from each other and separate from other Solid Waste streams and shall Process the materials separately from each other and separately from other Solid Waste streams.
 - b. Pursuant to 14 CCR Section 17409.5.6(a)(1), "Remnant Organic Waste" separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the Source Separated Organic Materials for recovery once the material from the Source Separated Organic Materials has gone through the Organic Waste recovery measurement protocol described in 14 CCR Section 17409.5.4.
3. **Residue Disposal.** Franchisee shall be responsible for Disposal of Residue from Processing activities at its own expense and may select the Disposal Facility(ies) to be used for such purpose to be approved by the County.
4. **Processing Facility Residue Guarantees.** Upon request of the County, Franchisee shall provide a certified statement from the Facility operator documenting its Residue level. The Residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing.
5. **Source Separated Recyclable Materials Processing Standards**
 - a. Franchisee shall Process all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as ADC or AIC.
 - b. Limits on Incompatible Materials in recovered Organic Waste:
 1. **Limits.** Franchisee's Approved Transfer/Processing Facility or operation shall only send offsite that Organic Waste (such as

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

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above for Source Separated Organic Materials Processing, Franchisee shall be responsible for securing the approvals necessary from CalRecycle prior to the County's final approval of such operation, Facility, or activity, and shall do so in accordance with the procedures specified in 14 CCR Section 18983.2.

- c. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
- d. Limits on Incompatible Materials in Recovered Organic Waste excluding County-owned Facilities
 1. **Limits.** Franchisee's Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the Source Separated Organic Materials that meets the following requirements as specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2024 with no more than 10 percent

(10%) of Incompatible Material by weight.

2. **Measurement.** Franchisee shall measure at any Approved Facility the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b), 14 CCR Section 17409.5.9 or Applicable Laws.
3. **Exceptions.** The limits in Section B.6.d.1. of this Exhibit 6.01 shall not apply to the recovered Organic Waste sent offsite from the Approved Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Approved Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, as specified in 14 CCR Section 17409.5.7(c).
 - i. A Transfer/Processing Facility or operation that complies with Section B.6.d.1. of this Exhibit 6.01;
 - ii. A compostable materials handling Facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is less than 10 percent (10%) on and after January 1, 2024.
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section 17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is less than 10 percent (10%) on and after January 1, 2024.
 - iv. An activity that meets the definition of a Recycling center as described in 14 CCR Section 17402.5(d).
7. **Plastic Bags.** Franchisee shall annually submit to County written Notice, if any, from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when Processing Source Separated Organic Materials.
8. **Compostable Plastics.** If the Approved Organic Waste Processing Facility accepts Compostable Plastics, Franchisee may deliver Compostable Plastics to the Approved Facility and shall provide the County with the Facility's written Notice confirming said Facility can Process and recover those Compostable Plastics.

9. **Marketing.** Upon request, Franchisee shall provide proof to the County that all Source Separated Recyclable Materials and Source Separated Organic Materials Collected by Franchisee were Processed and recovered materials were marketed for Recycling, salvage, or Reuse, or as recovered Organic Waste products in such a manner that materials are not deemed Landfill Disposal pursuant to SB 1383 and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the County as Residue and accounted for as Disposal tonnage at the Approved Disposal Facility. No Source Separated Recyclable Materials or Source Separated Organic Materials Material shall be Transported to a domestic or foreign location if Landfill Disposal of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the County that is not consistent with Applicable Law, Franchisee shall immediately inform the County and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials and Source Separated Organic Materials that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility “unavailable,” nor shall it be considered an acceptable basis for the need to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee’s compensation under this Agreement, other than as specifically contemplated in Article 6 of this Agreement.

10. **Disposal of Source Separated Recyclable Materials and Source Separated Organic Materials Prohibited.** Except as otherwise provided in the Agreement, Source Separated Recyclable Materials, and Source Separated Organic Materials Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the express written approval of the County.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal, Including use of Organic Waste as ADC or AIC, of the Source Separated Recyclable Materials or Source Separated Organic Materials Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for

Franchisee's belief (Including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the County is evaluating its request. If the County objects to the interim plans, the County shall provide written Notice to the Franchisee and request an alternative arrangement. The County shall consider the Franchisee's request and inform Franchisee in writing of its decision within thirty (30) Business Days. Depending on the nature of the Franchisee's request, County may extend the thirty (30) Business Day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

C. Gray Container Waste Disposal Standards

- 1. Disposal of Gray Container Waste Collected.** Franchisee shall Transport all Gray Container Waste Collected under this Agreement to the Approved Disposal Facility or other Approved Facility for Processing.
- 2. Disposal at Approved Facility.** Franchisee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

D. Weighing of Discarded Materials

- 1. Maintenance and Operation.** This Section applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) Days of County's request during the Term. Franchisee shall arrange for Facility operator to provide County with access to weighing information at all times and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in Section D.1. of this Exhibit 6.01.

2. **Vehicle Tare Weights for Approved Facility(ies).** Within thirty (30) Days prior to the Franchise Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection Vehicles used by Franchisee to Transport Discarded Materials to Approved Facilities are weighed to determine unloaded (“tare”) weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee’s, and provide a distinct vehicle identification number for each Vehicle. Franchisee shall provide County with a report listing the vehicle tare weight information upon request.
3. **Substitute Scales.** If any scale at the Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use Reasonable Business Efforts to weigh Vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.
4. **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities.

During any period of time the scales are out of service, at any Approved Facility, the Facility operator shall continue to record all information required by this Exhibit 6.01 for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

5. **Weighing Standards and Procedures.** At the Approved Facilities, Facility operator shall weigh and record inbound weights of all Vehicles delivering Discarded Materials when the Vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of Vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer Vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
6. **Records.** Facility operator shall maintain scale Records and reports that provide information Including: date of receipt, inbound time, load weights, vehicle identification number, jurisdiction of origin of materials delivered, type of

material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).

7. **Exceptions to Weighing Requirements.** If the Approved Facility does not have motor vehicle scales to weigh Franchisee's Vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the County.
8. **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make any retained videos available for County review during the Approved Facilities' operating hours, upon request of the County, and shall provide the vehicle identification number, and date and time of any particular load if available.

E. Rejection of Excluded Waste

1. **Inspection.** Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste during Collection and at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
2. **Excluded Waste Handling and Costs.** Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal Facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

F. Discarded Materials Evaluations at Approved Facilities

1. **General.** Franchisee shall conduct, or cause to be conducted, the following “evaluations” at Approved Facilities, if applicable to the type of Facility:
 - a. **Gray Container Waste Evaluations.** Waste evaluations of Gray Container Waste at the Approved Transfer Facility (if applicable) in accordance with 14 CCR 17409.5.7 or 14 CCR Section 17409.5.9.
 - b. **Organic Waste Recovery Efficiency Evaluations.** Waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 (for Transfer/Processing facilities), 17409.5.4 (for Source Separated Organic Waste Processing) or 17409.5.9.
 - c. **Evaluation of Organic Waste in Residuals.** Compliance evaluations of Organic Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.5, or 17409.5.9 (for Source Separated Organic Waste Processing), 17867(16) (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities), as applicable.
2. **Record Keeping and Reporting.** For the evaluations described above, Franchisee, for Approved Facilities, shall maintain all Records as described in 14 Section 17414.2, as applicable, and make them available as set forth in 14 CCR Section 17414.2.
3. **Scheduling of Evaluations.** Franchisee shall provide County Notice of its intent to conduct evaluations at the Approved Facility(ies) at least ten (10) Business Days in advance of the evaluations.
4. **Observance of Study by County and/or CalRecycle.** Franchisee acknowledges that, upon request, a representative of the County and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in Subsection 6.01.F of this Exhibit 6.01 conducted at the Approved Facility(ies).

EXHIBIT 6.03F DIVERSION PLAN

Franchisee will attach to this Exhibit its Diversion Plan with respect to the following:

1. Refuse and Mixed Waste
2. Recyclables
3. Organic Waste
4. Bulky Waste
5. Special Waste (Including E-waste)
6. Manure

Franchisee will include a description of how it will sort Recyclables and Organic Waste from Refuse Collected on wet-dry routes. Franchisee will describe how to corroborate whether discards in Bins contain 50% Recyclables and Green Waste.

Franchisee will include a plan for outreach to Customers to perform better source separation of Recyclables, Organic Material, and other Solid Waste that can be Diverted from Disposal.

Franchisee will revise this Diversion Plan upon request of County, and as acceptable to the County.

EXHIBIT 6.07 ACCEPTABLE RECYCLABLE MATERIALS

Due to fluctuating Recyclables commodity markets, County and Franchisee mutually agree that additional materials may be added or removed to the Recyclable Materials Collection program during the term of the Agreement without a formal amendment to this Agreement to reflect the Recyclable Materials that may be accepted by the appropriate Approved Facilities.

RECYCLABLES must be dry, loose (not bagged) and include the following:

Aluminum cans - empty	Printing and Writing Paper
Plastics with the symbol #1 through #7 - empty	Uncoated paperboard (ex. cereal boxes; food and snack boxes)
Aseptic packaging (Milk Cartons and Juice Boxes)	Uncoated printing, writing and office paper
Scrap Metal Including steel and tin cans - empty	Old corrugated containers/cardboard (uncoated)
Glass food and beverage containers – brown, clear, or green – empty	Magazines, glossy inserts and pamphlets
Paper Products	

COMMON EXAMPLES OF RECYCLABLE MATERIALS BY COMMODITY

Paper	Cardboard	Glass	Plastic	Metal
<ul style="list-style-type: none"> ▪ Office Paper ▪ Copy Paper ▪ Junk Mail ▪ Telephone Books ▪ Catalogs ▪ Computer Paper ▪ Envelopes ▪ Brochures ▪ Crayon Drawings ▪ Wrapping Paper 	<ul style="list-style-type: none"> ▪ Cardboard Boxes ▪ Cereal Boxes ▪ Tissue Boxes ▪ Food Boxes ▪ Milk Cartons ▪ Juice Boxes ▪ Soda/Beer Cartons ▪ Egg Cartons (Paper Fiber) ▪ Paper Bags ▪ Gift Boxes 	<ul style="list-style-type: none"> ▪ Juice Bottles ▪ Beer Bottles ▪ Wine Bottles ▪ Liquor Bottles ▪ Salad Dressing Bottles ▪ Condiment Jars ▪ Assorted Food Jars ▪ Jam & Jelly Jars ▪ Baby Food Jars 	<ul style="list-style-type: none"> ▪ Plastic Water Bottles ▪ Plastic Soda Bottles ▪ Plastic Milk Jugs ▪ Food Bottles ▪ Condiment Bottles ▪ Vegetable Oil Bottles ▪ Plastic Laundry Jugs ▪ Shampoo Bottles ▪ Lotion Bottles 	<ul style="list-style-type: none"> ▪ Aluminum Soda Cans ▪ Aluminum Beer Cans ▪ Fruit Cans ▪ Vegetable Cans ▪ Juice Cans ▪ Soup Cans ▪ Sauce Cans ▪ Assorted Food Cans ▪ Pet Food Cans

COMMON EXAMPLES OF RECYCLABLE MATERIALS FOR PLASTICS #1 THROUGH #7

Symbol	Common Examples of Acceptable Items
 PET	Water bottles, soda bottles, peanut butter jars, salad dressing bottles, etc.
 HDPE	Clear milk jugs, detergent bottles, bleach bottles, shampoo and conditioner bottles, plastic crates, plastic carts, lawn chairs, laundry baskets, etc.
 PVC	Food wrap, tile, PVC plumbing pipes, window frames, etc.
 LDPE	Grocery bags, shrink/cling wrap, garment bags, frozen food bags, sandwich bags, etc.
 PP	Tupper ware, yogurt containers, margarine tubs and other refrigerated containers, bottle tops, etc.
 PS	Throwaway utensils, meat packing, protective packing, Styrofoam insulation, packing peanuts, etc.
 OTHER	Plastic CDs/DVDs, baby bottles, eye glasses, exterior lighting fixtures, etc.

NON-RECYCLABLES include, but are not limited to the following:

Plastic bags	Microwavable trays
Mirrors	Window or auto glass
Light bulbs	Coated cardboard
Porcelain and ceramics	Unnumbered plastics
Expanded polystyrene	Coat hangers
Glass and metal cookware/bakeware	Household appliances and electronics
Hoses, cords, wires	Yard waste, construction and demolition debris, and wood
Flexible plastic or film packaging and multi-laminated materials	Needles, syringes, IV bags or other medical supplies
Food Waste and liquids, containers containing such items	Textiles, cloth, or any fabric (bedding, pillows, sheets, etc.)
Excluded Materials or containers which contained Excluded Materials	Napkins, paper towels, tissue, paper plates, paper cups, and plastic utensils
Any paper Recyclable Materials or pieces of paper Recyclables less than 4" in size in any dimension	Propane tanks, batteries
Cartons	

EXHIBIT 8.03A(1)

EXAMPLES OF APPLICABLE LAW

Examples of Applicable Law Include law relating to the following:

1. Health,
2. Safety,
3. Fire,
4. Mitigation monitoring plans,
5. Building codes,
6. Zoning,
7. Non-discrimination,
8. Vehicles
 - Control Measure for Diesel Particulate Matter from On-road Heavy-Duty Residential and Commercial Solid Waste Collection Vehicles, 13 CCR 2020 et seq.,
 - California Health and Safety Code § 43000 et seq., with respect to air emissions (smog checks),
 - California Vehicle Code § 27456b, with respect to tires,
 - California Vehicle Code § 34500 et seq., with respect to documentation through its maintenance log or otherwise of a safety compliance report issued under Division 14.8 of the California Vehicle Code as applicable to each vehicle, including bi-annual "BIT" inspections conducted by the California Highway Patrol, documentation through maintenance log or otherwise of a safety compliance report, vehicle highway lighting, flashing and warning lights, clearance lights, and warning flags, registration, weight limits, cleaning, enclosure / water-tight beds,
 - Rules and regulations promulgated under the California Vehicle Code with respect to vehicle highway lighting, flashing and warning lights, clearance lights, and warning flags,
 - Rules and regulations of the California Department of Motor Vehicles with respect to vehicle registration,
 - vehicle weight limits,
 - The appropriate class of drivers' licenses issued by the California Department of Motor Vehicles,
 - 14 CCR 17341, 17342, 17343 and 17344, with respect to equipment construction, safety, and parking and identification of operating equipment,
9. Containers, such as:

- 14 CCR 17314, with respect to maintenance and placement for Collection,
- 14 CCR 17317, with respect to placing Franchisee's name and telephone number on Receptacle,

10. Environmental Protection:

- CERCLA,
- RCRA,
- Clean Air Act, (42 U.S.C. §1351 et seq., 42 U.S.C. §7401-7642); and California Clean Air Act (Health & Safety Code Sections 1251 et seq. and Health and Safety Code §39000 et seq.);
- California Hazardous Waste Control Act, (California Health & Safety Code,
- §25100 et seq.);
- California Hazardous Materials Release Response Plan and Inventory Act (California Health & Safety Code, Division 20, Chapter 6.95, §25500 et seq.);
- Carpenter-Presley-Tanner Hazardous Substance Account Act, (California Health & Safety Code §25300 et seq.),
- Emergency Planning and Community Right to Know Act, (42 U.S.C. §11001 et seq.);
- NPPDES Industrial General Permit law, and

11. Labor, such as:

- Drug and alcohol testing,
- The Occupational Safety and Health Act, (29 U.S.C. §651 et seq.), including the Solid Waste Disposal Facility/Facilities Criteria promulgated by the U.S. EPA on October 9, 1991 (40 C.F.R., Parts 257 and 258), and corresponding State requirements,
- Employment taxes, withholding and insurance requirements,
- Immigration Reform and Control Act of 1986 (PL.99-603),
- Environmental Protection, such as:
 - CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act– Superfund- 42 U.S.C. 9601 et seq.),
 - California Hazardous Waste Control Act (California Health & Safety Code § 25100 et seq.),
 - California Hazardous Materials Release Response Plan and Inventory Act (California Health & Safety Code, Division 20, Chapter 6.95, § 25500 et seq.), and Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health & Safety Code § 25300 et seq.),
 - RCRA (Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq.),

- The Clean Air Act (42 U.S.C. §1351 et seq., 42 U.S.C. §7401-7642) and Clean Water Act, and, corresponding State requirements,
 - Emergency Planning and Community Right to Know Act, (42 U.S.C. §11001 et seq.),
 - Regulations governing the recovery of ozone-depleting refrigerants during the Disposal of air conditioning or refrigeration equipment, Including 40 C.F.R. Part 82, and
 - Any wash-down requirements for Containers, trucks or facilities,
12. County Code,
 13. Civil Rights Act of 1964 (Sub chapter VI or Chapter 21 of Title 42),
 14. Customers' privacy rights,
 15. Business-related laws, such as taxation, anti-trust, securities, privacy, data security, confidentiality, intellectual property, and reporting.

EXHIBIT 8.03A(2)
RULES AND REGULATIONS GOVERNING CHAPTER 17 OF THE COUNTY CODE

As amended on January 2022

CHAPTER 1-GENERAL PROVISIONS

1-100 Definitions

1-101. For the purposes of these Rules and Regulations, the following words and phrases shall have the meaning set forth herein, and words and phrases not ascribed a meaning herein shall have the meaning as set forth in Santa Barbara County Code, Chapter 17, as it may be amended from time to time:

"Applicant" means the person applying on behalf of a Solid Waste Enterprise to the County of Santa Barbara for a permit to provide **Unscheduled Solid Waste Handling Services**.

"County Code" means the Santa Barbara County Code.

"Service or Serviced" means the collection and transportation of Solid Waste to recycling and disposal facilities by a permittee during the provision of **Unscheduled Solid Waste Handling Services**.

CHAPTER 2-REGULAR SOLID WASTE HANDLING SERVICES

2-100 Commercial Recycling Program Protocols

2-101 Compliance Protocol

The Commercial Recycling Program Protocols (hereinafter "Protocol" or "Protocols") shall be applicable to and mandatory for all "persons" and "responsible parties" associated with "Commercial Premises" (hereinafter "Business" or "Businesses") as these terms are defined in County Code Chapter 17, excluding public and private educational institutions (i.e., schools). Further, state mandated commercial recycling has been in effect since 2011. Through AB 341, Mandatory Commercial Recycling, any Business generating four (4) or more cubic yards of Solid Waste per week is required to have a recycling program in place. Any Multi-Family Unit with five (5) or more units is required to have a recycling program in place. A Business will be in compliance with the Protocol if the Business subscribes to the

Collection services of an authorized Collector, or the Business chooses to donate or sell its Recyclables to a commercial recycler that does not charge for its service, or the Business provides its own Collection and transportation of Recyclables services (self-haul to drop-off facilities). Otherwise, the Business must qualify for and obtain an applicable waiver as described in Section 2-102 to be in compliance with the Protocol.

The key component to the Commercial Recycling Program Protocol is compliance by each Business. The following information outlines responsibilities of the County and Franchisee to ensure compliance.

Visual Inspection Schedule: Each Business's trash and recycling container will be checked by the Franchisee route driver in coordination with the inspection schedule for SB 1383 outlined in the Franchise Agreement. To ensure consistent inspections, the Franchisee will provide drivers with a list of Businesses to be checked for that day. Results of these inspections will be provided to the County as part of the monthly report.

Visual Inspection Process: If Recyclables are found in the trash container, the driver will document responses to the following questions:

- a. Does the Business have recycling containers?
- b. Are the containers being used?
- c. Does the Business need more recycling containers?

If the answer to question "a" is no, the driver will inform office staff that the Business is in non-compliance. Office staff will make a follow-up phone call to the Business explaining the requirements of the Protocols, options available, and repercussions of non-compliance.

If the answer to question "b" is no, the driver will inform office staff that the Business needs to be educated on the appropriate use of the containers. If the Business chooses to not use the containers, they will be informed of the non-compliance fee (see 2-103 below).

If the Business requests a waiver from the Protocols, see the Waiver Protocol (2-102) below.

If the answer to question "c" is yes, the driver will inform office staff that the Business requires additional recycling containers.

County Participation: County staff may ride with a driver to determine participation at the County's discretion. The County may conduct separate audits of each Business annually to ensure compliance. County staff will periodically review materials being tipped at area landfills to gauge the quantity of Recyclables that continue to be buried from the commercial sector and identify any particular routes that appear to be in non-compliance.

2-102 Waiver Protocol

The following outlines the procedure a Business shall use to obtain a waiver or exemption from the requirements of the Protocols

STEP 1: The Business expresses an interest in obtaining a waiver or being exempt from participating in the program.

STEP 2: Franchisee will refer the Business to the Mandatory Commercial Diversion Waiver form available on the County's LessIsMore.org website to formally request a waiver from the Protocol. For purposes of this section, the Business will have the burden to produce evidence sufficient to allow the County to make the determination that the Business qualifies for a waiver from the requirements of the Protocol.

The following are eligible reasons for being granted a waiver from the Protocol:

If the Business generates four (4) or more cubic yards of waste, or the Multi-Family complex has five (5) or more units, a waiver may be granted if:

- a. Physical Space Constraints – the area available to house containers is insufficient for the requisite service.
- b. De Minimis Volume – the Business or Multi-Family complex demonstrates that the quantities of Recyclable material discarded constitute less than 10% of the overall waste volume.

If the Business generates less than four (4) cubic yards of waste, or the Multi-Family complex has four (4) or fewer units, a waiver from the Protocol may be granted if:

- a. According to County Code 17-6, provided the Director, or his or her designee, after receiving a written application from the Business, finds that the requirements of the Protocol are infeasible or unnecessary to maintain the required level of service, or;
- b. The Business would suffer undue or unreasonable hardship by participating in the Protocol.

STEP 3: County will notify the Franchisee of the waiver application after which the Franchisee will arrange a site visit to verify the applicant's claim. Franchisee will notify the County of the date and time of the site visit so that County staff may attend if desired.

STEP 4: If Franchisee performs the site visit without County participation, Franchisee will document information about the site visit, including relevant photographic evidence, and

communicate it in a format acceptable to the County.

STEP 5: County determines if waiver is granted or not. County shall notify the Business of this determination (hereinafter, "Notice of Determination").

- a. If the County determines the Business is not entitled to the waiver or exemption, the Business may appeal by requesting an administrative review hearing of the adverse determination within ten (10) working days of personal service or the date of the mailing of the Notice of Determination.
- b. The Notice of Determination shall contain a statement that if the Business fails to request an appeal of an adverse determination, the Notice of Determination shall be deemed a final administrative order or decision for purposes of Code of Civil Procedure Section 1094.5.
- c. An appeal of the Notice of Determination shall be heard by the Director of Public Works (or his or her designee) as the hearing examiner. The administrative appeal hearing shall be set no sooner than twenty (20) and no later than forty-five (45) days following a request for an appeal hearing. Notice of the appeal hearing shall be mailed at least twelve (12) calendar days before the date set for the hearing. Failure to appear timely will cause the Notice of Determination to become a final order or decision.
- d. After the hearing, the hearing examiner shall uphold, vacate or modify the initial determination of the County. The decision of the hearing examiner shall be deemed a final administrative order or decision for purposes of Code of Civil Procedure 1094.5. The hearing examiner's decision shall be deemed served within two days after the date it was mailed to the address provided by the Business.

2-103 Non-Compliance Fee

The following explains the process for collecting the Non-Compliance Fee for Non-Compliance with the Commercial Recycling Program, how the fee or rate is imposed and collected, and the use of the fee.

Levying Fee: If a Business refuses to recycle or receives recycling containers but does not use them appropriately (high levels of contamination or trash), and has not been granted a waiver, the Business will be deemed to be in Non-Compliance with this Protocol, and State Law as appropriate.

Those Businesses that generate less than four (4) cubic yards of waste per week or Multi-Family complexes of less than five (5) units, that refuse to participate will pay a Non-Compliance Fee for Non-Compliance with the Commercial Recycling Program. This fee will be included in the Business trash bill and will be 20% of the Business's trash collection rate (not including bin rentals).

Prior to being referred to the County for confirmation that the Non-Compliance Fee is to be levied, the Franchisee will:

- a. Contact the Business via certified letter explaining their non-compliance and the potential for a fee to be levied if they do not participate, and
- b. One week after confirmation that the certified letter was received, provided the business has not implemented an appropriate recycling program, make a follow-up phone call to the Business explaining their non-compliance and that they will be assessed the Non-Compliance Fee if they do not participate.

If the Business fails to comply, the Franchisee will refer the Business to the County for a final determination of non-compliance. County staff will contact the non-compliant Business a final time to ensure that they are aware of the Protocol and the repercussions of not participating. Businesses that refuse to participate will be communicated to the Franchisee, and they will levy the Non-Compliance Fee as described above. The Franchisee will denote these Businesses in their database such that they are easily distinguishable from other customers.

Fee Distribution): Each month, haulers will submit a report identifying Businesses that are being assessed the non-compliance fee and shall forward all fee monies to the County. The County will expend funds generated by the fee on recycling education and promotion programs.

2-104 Non-Compliance – State Mandates

The following explains the process for enforcing Mandatory Commercial Recycling Law (AB 341) which supersedes the County Commercial Recycling Program.

Those Businesses that generate more than four (4) cubic yards of waste per week or Multi-Family complexes of five (5) units or more, that refuse to participate voluntarily will have appropriate recycling service established and billed by the Franchisee. Prior to being referred to the County for confirmation that recycling service will be established involuntarily, the Franchisee will:

- a. Contact the Business via certified letter explaining their non-compliance and the potential for service to be established involuntarily if they do not participate, and
- b. One week after confirmation that the certified letter was received, provided the business has not implemented an appropriate recycling program, make a follow-up phone call to the Business explaining their non-compliance and that they will have service automatically established if they do not voluntarily participate.

If the Business fails to comply, the Franchisee will refer them to the County for a final determination of non-compliance. County staff will contact the non-compliant Businesses a final

time to ensure that they are aware of the Protocol and the repercussions of not participating. Businesses that refuse to voluntarily participate will be communicated to the Franchisee, and they will establish recycling service at 30% of the current trash service level. At this point, the Business is eligible to incur the Non-Compliance Fee for non-use or contamination of the recycling bin as detailed above.

2-105 Contamination Protocol

A significant increase in the contamination of recyclables being collected can negatively impact the quality of all materials collected, increase the cost for processing, and decrease the revenues associated with the sale of the materials. Because of these significant impacts, a protocol for minimizing contamination is very important.

No level of putrescible material is acceptable. There can be no more than 25% overall contamination of the commingled recyclables collected. If the levels of contamination exceed the thresholds identified above, the Business will be notified immediately and the Franchisee will deliver educational materials regarding the appropriate use of the containers. Franchisee will place additional labeling on each container that identifies appropriate materials that are acceptable in the affected container(s). The Franchisee will also offer technical assistance, free of charge, to assist in establishing a proper recycling program. If a Business continues to contaminate their containers, the Franchisee will invoke the Non-Compliance process in Sections 2-103 and 2-104 as appropriate.

CHAPTER 3-UNSCHEDULED SOLID WASTE HANDLING SERVICES

3-100. Grant and Denial of a Permit

3-101. All persons interested in providing Unscheduled Solid Waste Handling Services who comply with the Application requirements of Article III, Section 17-44(d) of the County Code are eligible to apply for a permit. Permit applications shall be available through the Resource Recovery & Waste Management Division, and once completed, shall be filed with the Resource Recovery & Waste Management Division.

There will be up to ten (10) Unscheduled Solid Waste Handling permits issued by the Director of Public Works unless the Director determines a community need for additional permits based on public demand for Unscheduled Solid Waste Handling Services which are not being adequately supplied or capable of being supplied by the existing permittees.

3-102. Any person or Solid Waste Enterprise receiving payment for providing Unscheduled Solid Waste Handling Services must obtain a permit, unless such services are exempt pursuant to Article III, Section 17-44(k) of the County Code. Payment of services includes any type or manner of payment by a person or responsible party to a person or Solid Waste

Enterprise providing Unscheduled Solid Waste Handling Services, including but not limited to, payment for the Collection or transportation of Solid Waste, payment for the rent or lease of a Container, or payment for the cost of disposal at an authorized disposal site. In addition, any person or responsible party who receives a discount of, or a reduction in, the Collection service rate or who pays a person or Solid Waste Enterprise a consulting charge, fee or other tangible consideration shall be considered to be making a payment for purposes of this section.

3-103. Upon receipt of a completed application for a permit to provide Unscheduled Solid Waste Handling Services, the Director shall determine if the Applicant meets all the requirements of Chapter 17, the Rules and Regulations, and all applicable State and Federal laws and regulations. The Applicant shall be notified in writing of the Director's decision to issue or not to issue the permit within thirty (30) days from the receipt of a complete application.

3-104. If the Director determines that a permit will not be issued, the Applicant shall be notified in writing of the Director's decision within 30 (thirty) days from the receipt of a complete application. The notification shall state the reasons for denial. The Applicant may, within 15 days of the date of the notification, request in writing to the Clerk of the Board that a hearing be held pursuant to Section 17-44(e)(2) of the County Code. After the hearing and consideration of all relevant evidence, including the Director's recommendation, the Board shall do either of the following:

- .1 Grant the permit to provide Unscheduled Solid Waste Handling Services; or,
- .2 Deny the grant of a permit to provide unscheduled services pursuant to Section 17-44(e) (2) of the County Code. The reasons for denial shall be specified in writing.

3-105. The term of a permit to provide Unscheduled Solid Waste Handling Services shall be for a period of 5 (five) years from the date of issue, unless otherwise conditioned by the Board pursuant to Section 3-400.

3-106. By signing the permit in the space provided for signature, the Applicant shall be deemed to have accepted all of the terms and conditions specified in the permit.

3-107. No permit granted pursuant to these Rules and Regulations or Chapter 17 of the County Code shall be assignable or transferable, either voluntarily or by operation of law, without the written permission of the Board of Supervisors.

3-108. The accounting of a permittee shall be conducted in such a way to identify the assets, liabilities, revenues, expenses and net worth of the permitted unscheduled Solid Waste Enterprise operating in the County. The accounting shall not be combined, consolidated or in any

way incorporated with the accounting of any other entity owned or operated by the permittee. The permittee may be required to provide the Resource Recovery & Waste Management Division an annual notarized statement of the permittee's manager, or other responsible officer of the permittee, showing in detail the gross revenues arising from operations pursuant to the permit for the previous year. A permittee shall not be required to establish a separate legal business entity in order to comply with the accounting requirements of Chapter 17.

3-109. A permittee shall at all times comply with Section 17-20 of the County Code, pertaining to bonds, indemnification, and insurance. Once the determination has been made by the Director or the Board of Supervisors to issue a permit, a permittee must provide written documentation of compliance with this section prior to the actual issuance of the permit. No permit shall be valid until such written documentation has been delivered to, and approved by, the Resource Recovery & Waste Management Division.

3-110. Unscheduled Solid Waste Handling Services shall only be provided through the use of a roll-off Container. As a significant portion of the material collected in roll-off containers is collected from construction sites, the CalGreen Construction Waste Management Requirements pertaining to minimum recycling levels must be followed. As of 2021, a minimum of 65% of most construction material must be recycled. Adherence to the CalRecycle standards must be demonstrated annually by filling out an annual compliance form distributed by the County. An exemption to this requirement may be made by the Resource Recovery & Waste Management Division if the permittee can demonstrate that the material collected was not Recyclable.

3-200. Fees

3-201. A permittee shall pay a fee in the amount to be determined by Resource Recovery & Waste Management Division per Container per customer as stated in the release of the annual rates. The monthly fee must be payable to the Santa Barbara County Resource Recovery & Waste Management Division by the 15th of each month immediately following the billing period. All fees received pursuant to this section shall be deposited to the Solid Waste Enterprise fund or to such other fund as the board may designate. (Ord. No. 4188, § 2)

3-202. Accompanying payment of permit fees, the permittee must provide a monthly submittal to the Resource Recovery & Waste Management Division identifying the date of service, name of customer, drop location, and total revenue from each customer including bin delivery, bin rental, and bin transportation charges. If a customer is serviced more than once in a calendar month, this must be indicated by date on the submittal. If a question arises concerning the accuracy of the information contained in the monthly submittals, the Resource Recovery & Waste Management Division shall be allowed access to the permittee's financial records where costs for delivery, rental, transportation, and disposal are listed separately for unscheduled service. Unless disclosure of a permittee's financial records is otherwise required by law, this

monthly submittal will not be available for public inspection or review and is to be used only by the Resource Recovery & Waste Management Division to implement this section.

3-203. The delinquent payment or nonpayment of the fees required by this section from a permittee shall be prima facie evidence that the permittee is operating in violation of these Rules and Regulations and Chapter 17 of the County Code. For purposes of this section, a permittee shall be delinquent if the fees are not paid in full within 30 (thirty) days from its designated due date.

3-204. If necessary, fees may be adjusted each fiscal year by the Board subject to the limitations of Section 17-44(g) of the County Code.

3-300. Enforcement Program

3-301. In the event of an alleged violation of any provision of Chapter 17 of the County Code or these Rules and Regulations, the Resource Recovery & Waste Management Division will attempt to obtain the voluntary compliance of a permittee. Absent an immediate threat to the public health, safety or the environment, the Resource Recovery & Waste Management Division will advise the permittee in writing of the alleged violation and shall request the permittee to correct the alleged violation. The permittee shall have 48 (forty-eight) hours to correct an alleged violation unless the alleged violation is determined by the Director to pose an immediate threat to public health, safety or the environment, in which case the permittee shall be required to correct the alleged violation immediately.

3-302. In the event the permittee is unable to correct the alleged violation within the 48 (forty-eight) hour period, the Director may extend in writing the time for compliance up to an additional 30 (thirty) days. The Director shall have the discretion whether to extend the time for compliance, but in no event shall the time for compliance be extended if the Director determines the permittee has willfully refused to correct the alleged violation.

3-303. In the event the permittee is unable or unwilling to correct the alleged violation during the 48 (forty-eight) hour period or any extension thereof, the Director shall have the discretion to pursue any and all legal remedies to obtain the permittee's compliance with Chapter 17 and these Rules & Regulations including the suspension, amendment or revocation of the Unscheduled Solid Waste Handling Permit as described in Section 3-400.

3-304. Pursuant to Section 3-400, the number and location of the zones in which a permittee can operate may be designated or restricted, or the permit may be suspended, amended or revoked, if the Board finds that the provision of Unscheduled Solid Waste Handling Services is being used as a substitute for or in lieu of Regular Solid Waste Handling Services being provided by a Collector(s) franchised or licensed by the County to operate within a particular

zone(s). For purposes of this section, it is prima facie evidence that **Unscheduled Solid Waste Handling Services** are being used as a substitute for or in lieu of **Regular Solid Waste Handling Services** if one or more of the following conditions exist:

.1 A responsible party who is being provided with **Regular Solid Waste Handling Services** cancels such services and after such cancellation is serviced more than 20 (twenty) times in a calendar year by a **Solid Waste Enterprise(s)** permitted to provide **Unscheduled Solid Waste Handling Services** in the County.

.2 A responsible party who is not being provided with **Regular Solid Waste Handling Services** is serviced more than 20 (twenty) times in a calendar year by a **Solid Waste Enterprise(s)** permitted to provide **Unscheduled Solid Waste Handling Services** in the County.

3-305. Exemptions to the restrictions of Sections 3-304.1 and 3-304.2 may be granted by the Director upon written request by the permittee. The Director must determine that the exemption will not result in the unscheduled services being used as a substitute for or in lieu of **Regular Solid Waste Handling Services**. The written request for an exemption shall include the following information: the name of the customer; the location of the Container(s); the type of material to be collected or transported in the Container(s); the estimated duration of the unscheduled services, and; the estimated number of times the Container(s) will be serviced during the extension. The written request for an exemption shall be submitted to the Resource Recovery & Waste Management Division. The Director will inform the permittee whether the exemption is approved within 15 (fifteen) days of receipt of the request for an exemption. The intent of this Section is to protect a Collector who has been granted an exclusive franchise or license to provide **Regular Solid Waste Handling Services** and not to discourage competition among those authorized to provide **Unscheduled Solid Waste Handling Services**.

3-306. Enforcement of Sections 3-304.1 and 3-304.2 will be based, in part, upon the written or oral complaint of the franchised or licensed **Solid Waste Collector** entitled to provide exclusive **Regular Solid Waste Handling Services** within a particular zone to the Resource Recovery & Waste Management Division unless the violation of either of these sections is otherwise brought to the attention of the Director who has the discretion to enforce these Rules and Regulations.

3-307. Nothing in these Rules and Regulations shall limit in any way the authority of the Director or his or her designee, to issue citations for any violation of Chapter 17 of the County Code pursuant to Section 1-15 of the County Code.

3-308. On an annual basis, as referenced in Section 3-110, all **Unscheduled Solid Waste Handling** permittees shall submit a summary report that lists all landfill tipping receipts related to all unscheduled hauling services that requires a permit in the unincorporated area of Santa

Barbara County. Landfill tipping fees would include weight tickets associated with material to be landfilled and not preprocessed prior to disposal. This report shall be used to determine compliance with the requirement of all unscheduled haulers to divert material to the level determined by the CalGreen Construction Waste Management Requirements as defined by CCR Title 24, Part 11. Adherence to CalGreen standards is a requirement for a permit for the unincorporated area of Santa Barbara County. The deadline for this annual report will be April 1 of every year containing all data of the previous calendar year.

3-400. Suspension, Amendment, or Revocation of a Permit

3-401. The Director may recommend to the Board of Supervisors the suspension, amendment or revocation of a permit pursuant to Sections 17-44(e) and (f) of the County Code. The permittee shall be notified in writing of the Director's recommendation to suspend, amend, or revoke a permit. The notification shall state that the proposed action will be effective 15 (fifteen) days after the date of notification, unless the permittee requests in writing to the Clerk of the Board that a hearing be held pursuant to Section 17-44(e)(2). If the written request for a hearing is timely received by the Clerk of the Board, the proposed action shall be stayed until the conclusion of the hearing by the Board of Supervisors.

3-402. In making the determination to recommend to the Board the suspension, amendment, or revocation of a permit, the Director may consider all relevant evidence, including, but not limited to, the permittee's failure to recycle material at the levels established by the CalGreen standards, the permittee's failure to pay the fees required hereunder within 30 (thirty) days of the due date, the permittee's incursion of late fees pursuant to Section 17-59 of the County Code, and the degree of compliance or noncompliance by the permittee with the provisions of these Rules and Regulations and Chapter 17 of the County Code.

3-403. At the hearing, the Board may consider all relevant evidence, including, but not limited to, the recommendation of the Director, the permittee's failure to recycle material at the levels established by the CalGreen standards, the permittee's failure to pay the fees required hereunder within 30 (thirty) days of the due date, the permittee's incursion of late fees pursuant to Section 17-59 of the County Code, and the degree of compliance or noncompliance by the permittee with the provisions of these Rules and Regulations and Chapter 17 of the County Code. After the hearing, the permit may be suspended, amended, or revoked. If the permit is suspended or amended, the Board may grant a permit to provide Unscheduled Solid Waste Handling Services subject to conditions which will bring the Solid Waste Enterprise into compliance with the standards of Chapter 17 of the County Code, these Rules and Regulations, or applicable State or Federal laws or regulations. The conditions shall be specified in writing, and may include conditions which mitigate against potential adverse public safety, health, and welfare impacts. The Board may also limit the term of the permit notwithstanding any other law or regulation to the contrary.

CHAPTER 4-FEES FOR USE OF COUNTY OWNED AND/OR OPERATED FACILITIES

(Reserved)

CHAPTER 5-ABATEMENT OF NUISANCE

(Reserved)

CHAPTER 6-ENFORCEMENT AND PENALTIES

(Reserved)

EXHIBIT 8.03D PERMITS

Within two (2) Days of County request, Franchisee will provide County any applicable permit and demonstrate compliance with permits, Including, but not limited to the following:

1. County business license,
2. Any vehicle permits issued by CA Department of Motor Vehicles,
3. Application to CalRecycle - Certification Services Branch for registration to operate a curbside Recyclables program, covering this Agreement, and CalRecycle approval with registration number,
4. CalRecycle Application for Approval of Covered Electronic Waste Recovery and Recycling Payment System (Form 186), with approval, if Franchisee will itself Recycle CEDs that it Collects,
5. DTSC 1382 Notice of Intent to Handle Universal Waste Electronic Devices (UWEDs) and/or Cathode Ray Tube (CRT) Materials,
6. Used tire hauler registration under California Public Resources Code § 42950 *et seq.*,
7. CNG fueling Facility, and
8. NPDES Industrial General Permit.

EXHIBIT 10.01A RECORDS

Franchisee will daily collect and record, at a minimum, the information required in Monthly Reports under Exhibit 10.02a, and the following information, indicating the Day of the week and date:

1. Collection, Disposal and Processing:

- weight of each vehicle load (gross, tare and net), or volume estimates of Green Waste and corresponding tonnage equivalents, and number of tons of Refuse, Recyclables, Organic Waste and Bulky Waste Collected and delivered to each Approved Facility,
- route number(s),
- truck number,
- Approved Facility's certified weight ticket number for each load, and weight of each load (gross, tare and net), or volume estimates of Green Waste and corresponding tonnage equivalents, as appropriate, Disposal and Processing costs (per ton and aggregate),

2. Accounts Serviced:

- list of Customers Including the following:
 - name,
 - mailing address for bills,
 - address of serviced premise,
 - service subscription (Containers type, number capacity)
 - with addresses and Service subscription levels,
 - whether Commercial Customer has demonstrated that it is Self Hauling Recyclables or been granted an exemption from the County's Mandatory Business Recycling Program.
- the total number of Customers per route number and Customers added or deleted,
- number of *non-Collections* per route, address of each Customer where non-Collection occurred, and reason for non-Collection,
- promotional materials distributed - number of copies distributed, description, and route number(s).

3. Containers:

- number of Containers for each capacity:

- aggregate number,
 - per route,
 - Customer information
 - address
 - notation of any special service (such as regular Bin service, Roll-out)
 - type, number, and capacity of Containers,
 - ID numbers,
 - Customer requests to change frequency of Franchise Services or size of Containers, Including reason,
 - promotional, informational, or educational materials distributed (number of copies distributed, descriptions and route number(s)),
4. **Special Franchise Services - aggregate number:**
- regularly scheduled Bin service and number of Bins,
 - Bulky Waste Collection, and
 - emergency services (and description), Including the address of each Customer (or location of emergency services) and the total number of Customers for which Franchisee provided the special services,
5. **Billing Records** for each Customer under Section 4.15,
6. **Organic Waste** information, Including cost, productivity, tons Collected, Person hours, number of stops, number of participating homes, number of routes and all other data on Franchise Services with respect to Organic Waste,
7. Any and all ledgers, books of account, invoices, vouchers, canceled checks, and other Records or documents evidencing or relating to the amounts paid pursuant to this Agreement (Including the Rate, any fees paid to County, Solid Waste Program Fees, County and Franchisee Reimbursable Costs, and Franchisee fees described in Section 13.04, damages) or performance of this Agreement, Including the following:
- routing,
 - level of each Customer's services,
 - Customer complaints,
 - employee training,
 - inventory,
 - maintenance logs,
 - a complete Customer subscription information,
 - all information required for reports, and

- sufficient information for County to corroborate the amounts payable by Franchisee to County under this Agreement.

Section	Record Keeping Requirement
4.09b	Leaks
4.11b	Daily Customer communications
4.12c(4)(iv)	Phone response standards
4.15a(4)	Suspension / termination of service for non-payment; reinstatement of service
4.15a(5)	Customer refunds
5.01a	Route maps and schedules
5.02b(2)	Results of noise tests
5.02b(3)	Vehicle maintenance log / safety compliance reports
5.02d(2)(ii)	Dates Vehicles are painted
5.02d(3)	Evidence of oil Recycling / any use of re-refined oil
5.04c	CHP BIT inspection reports
5.05b	Container inventory
5.06b	Results of employee drug testing, driver safety training
5.06g	Compliance with Federal Immigration & Control Act of 1986
5.06g	Failure to abate Notices from CAL OSHA
6.01b	Weight Records
8.01	Direct Costs of providing emergency services

EXHIBIT 10.02A MONTHLY REPORTS

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

A. Tonnage Report

1. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section D of Exhibit 6.01. Tonnage shall be reported separately by:
 - a. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Mixed Waste, Gray Container Waste, and any other type of Discarded Material separately Collected by Franchisee (Including, but not limited to: Bulky Items, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
 - b. Customer/sector type (Single-Family, Multi-Family, Commercial Roll-off); and,
 - c. Approved Facility and Facility type.
2. Report Residue level and Tonnage for all Discarded Materials Processed, listed separately by material type Collected and Approved Facility(ies) used.
3. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and Including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
4. Documentation of all Discarded Materials exported out of State, as provided in 14CCR Sections 18800 through 18813.
5. A summary of Abandoned Waste incidents, Including: total number of incidents, the address of each incident, and a copy of all Abandoned Waste reports submitted to the County pursuant to Section 4.06a of this Agreement.
6. The transactional data, separated by jurisdiction, used to calculate the total Discarded Material tons as outlined in item 1 above. Transactional data shall include the following:

date, jurisdiction, route, ticket/reference number, destination, material, tons, cost, and route type.

B. Diversion Report

Franchisee shall report the Diversion level for each month and the cumulative Year-to-date Diversion Level.

C. Collection and Subscription Report

1. Number of Containers at each Service Level by Customer Type and program, Including:
 - a. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Roll-Off and Compactor service by Customer Type.
 - b. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
2. A summary of Customer subscription data, Including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
3. Documentation of the universal service enrollment process Including a copy of the County-wide Generator enrollment level evaluation conducted pursuant to Section 4.18 of this Agreement.
4. List of all Commercial and Multi-Family Customers with a Gray Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
5. The list of de minimis waivers, physical space constraint waivers, and Collection frequency waivers, separated by type, that are recorded in the Franchisee's system. The list shall consist of the Customer name, address, and internal Customer number for each waiver.
6. The individual Commercial and Multi-Family Customer Records used to calculate item 2 above. Customer record data shall include the following: internal Customer number, Customer name, address, contact name, contact phone, contact email, and detailed subscription service Including Container description, number of Containers, frequency, and Container volume.
7. Per Section 15.02(4), provide the number of new Carts distributed to Customers for each

month, and the cumulative number of new Carts distributed since July 1, 2024.

D. Contamination Monitoring Report

Franchisee may select one of the following methods:

Option 1: Hauler Route Reviews (Section 4.18c)

The Franchisee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 4.18 of this Agreement:

1. The number of Hauler Route reviews conducted pursuant to Section 4.18 of this Agreement;
2. Description of the Franchisee's process for determining the level of contamination;
3. A record of each inspection and contamination incident, which shall include, at a minimum:
 - a. Name of the Customer
 - b. Address of the Customer
 - c. The date the contaminated Container was observed
 - d. The staff who conducted the inspection
 - e. The total number of Violations found and a description of what action was taken for each
 - f. Copies of all Notices issued to Generators with Prohibited Container Contaminants
 - g. Any photographic documentation or supporting evidence.
4. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
5. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

Option 2: Waste Evaluations (Section 4.18d)

The Franchisee shall submit the following information regarding waste evaluations conducted pursuant to Section 4.18 of this Agreement:

1. A description of the Franchisee's process for conducting waste evaluations.

2. Documentation of the results of the waste evaluation studies, including information on and the number of targeted Hauler Route reviews conducted as a result of the waste evaluations. The documentation shall at a minimum include: dates of the studies; the location of the Facility where the study was performed; Hauler Routes from which samples were collected, and number of Generators on those Hauler Routes; the source sector (Customer type) of the material (Single-Family, Multi-Family, or Commercial); number of samples collected; total sample size (in pounds); weight of Prohibited Container Contaminants (in pounds); ratio of Prohibited Container Contaminants to total sample size; and, any photographic documentation taken or other physical evidence gathered during the process
3. Copies of all Notices issued to Generators with Prohibited Container Contaminants.
4. Documentation of the number of loads or Containers where the contents were disposed due to observation of Prohibited Container Contaminants, including the total weight of material disposed of, and proof of consent from the County to dispose of such material if given in a form other than this Agreement.
5. Any other information reasonably requested by the County, or specified in contamination monitoring provisions of this Agreement.

E. Customer Service Report (Section 4.11)

1. Customer complaint log, including missed pickups, and a description of how each complaint was resolved.
2. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, rate information, etc.). For complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.
3. Dates and locations of reported missed collections.
4. Number of new service requests for each Customer type and requested service(s).
5. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 4.11 of this Agreement and submit the following information:
 - a. Total number of complaints received and total number of complaints investigated.
 - b. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:

- i. The complaint as received;
 - ii. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - ii. The identity of the alleged violator, if known;
 - iii. A description of the alleged Violation; Including location(s) and all other relevant facts known to the complainant;
 - iv. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
 - v. The identity of any witnesses, if known.
- c. Copies of all complaint reports submitted to the County, pursuant to Section 4.11 of this Agreement.
- d. Copies of all investigation reports submitted to the County pursuant to Section 4.11 of this Agreement, which shall include at a minimum:
- i. The complaint as received;
 - ii. The date the Franchisee investigated the complaint;
 - iii. Documentation of the findings of the investigation;
 - iv. Any photographic or other evidence collected during the investigation; and,
 - v. Franchisee's recommendation to the County on whether or not the entity investigated is in Violation of SB 1383 Regulations based on the Franchisee's investigation.

F. Education Program Report

The monthly status of activities identified in the annual public education plan described in Section 4.13 of this Agreement.

G. Discarded Materials Evaluation Reports

In accordance with Section F.2 of Exhibit 6.01, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

H. Other Reports

In its Monthly Report, Franchisee will include the following other reports:

SECTION	REPORTING OBLIGATION
4.09c	Customers' Notices of damaged property, with resolution
4.12c(4)(iv)	Phone response standards
10.01a	Updated list of Customers and their respective Franchise Service subscriptions
6.03d AB 939 Information	Approved Facility Tonnage and County RDRS Tonnage
Operations	A discussion of Franchise Service or operational problems and their resolution or planned action
Section 13.04	Gross receipts for the month by sector (Residential, Commercial, Roll-off) and calculated Solid Waste Program Fees
	Any other information requested by County related to Franchisee providing Franchise Services and satisfying its franchise obligations, and to this Agreement

Franchisee will represent and warrant that it has met its franchise obligations during that month, or describe any that it has *not* met.

EXHIBIT 10.02B ANNUAL REPORTS

In addition to the Monthly Reporting requirements in Exhibit 10.02a, Franchisee shall provide an Annual Report, covering the most recently-completed Franchise Year from July 1 to June 30, in accordance with the format and submittal requirements of this Exhibit. The Annual Report shall include the information in the following subsections.

A. Collection and Subscription Report

1. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
2. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
3. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by Service Level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
4. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Mixed Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of June 30 (for the Year in which the report is submitted)
5. Participation and Service Level data for the Source Separated Recyclable Materials and SSGCOW Collection Service, including: total number of Generators not required to enroll; the total number of Generators required to enroll, and the total number of Generators actually enrolled and participating. Franchisee shall include a calculation of the overall participation rate for the Blue Container Collection Service and Green Container Collection Service, demonstrated as the percentage of Generators enrolled with Franchisee for the Blue Container and Green Container compared to the total amount of Generators.

B. Processing Facility Report

1. Temporary Equipment or Operations Failure: If Franchisee is granted a Processing Facility temporary equipment or operational failure waiver, in accordance with Section 4.23b of the Agreement, the Franchisee shall include the following documents and information:
 - a. The number of Days the Processing Facility temporary equipment waiver or operation failure waiver was in effect;
 - b. Copies of any notifications sent to the County pursuant to Section 4.23 of the Agreement, and copies of County Notices to Franchisee pursuant to Section 4.23 of the Agreement;
 - c. Documentation setting forth the date of issuance of the waiver, the timeframe for the waiver; and,
 - d. A record of the tons of Organic Waste, Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste redirected to an Alternative Facility or Disposed at an Approved Disposal Facility as a result of the waiver, recorded by Collection vehicle or transfer vehicle number/load, date, and weight.
2. Compostable Plastics in Green Containers: Written notification that the Approved Organic Waste Processing Facility(ies) has and will continue to have the capabilities to Process and recover the Compostable Plastics included with the SSGCOW Transported to the Approved Organic Waste Processing Facility.
3. Plastic Bags in Food Waste or Green Containers: Written notification to the County that the Approved Organic Waste Processing Facility has and will continue to have the capabilities to Process and recover plastic bags when it recovers SSGCOW.

C. Public Education and Outreach Report

1. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 4.13 of the Agreement, Including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
2. A record of the date and to whom the information was disseminated or direct contact made, in the form of a list that includes: the Generator's name or

- account name, the type of education or outreach received; the distribution date, and the method of distribution.
3. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
 4. For any mass distribution through mailings or bill inserts, Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.
 5. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
 6. A summary of the status of the annual education plan of the reporting Year, including activities conducted and the quantitative and/or qualitative results of those activities.
 7. The annual public education plan required by Section 4.13d of the Agreement for the upcoming Franchise Year. For example, Franchisee submittal of a 2025 Annual Report in July 2025 shall include Franchisee submittal of the annual public education plan for Franchise Year 2025-26.
 8. The annual outreach and technical assistance plan required by Section 4.20a.
 9. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 4.20 of the Agreement, including:
 - a. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - b. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - c. A copy of any written or electronic educational materials distributed during the technical assistance process.
 10. A copy of all special event reports, if any, submitted to the County in accordance with Section 4.06 of the Agreement.

D. Compliance Monitoring and Enforcement Report

1. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with

- Section 4.11d of the Agreement and Exhibit 10.02a, Section E.5.
2. The total number of Hauler Route reviews conducted pursuant to Section 4.18c and Section 4.21 of the Agreement.
 3. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
 4. A copy of written and/or electronic Records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 4.21 of the Agreement.
 5. The number of Commercial Businesses that were included in a compliance review performed by the Franchisee under Section 4.21a, the number of Violations identified and recommended for a Notice of non-compliance, and the number of non-compliant Commercial Businesses corrected through compliance reviews, including a list with each Generator's name or account name, address, and Generator type.
 6. Copies of all written Notices and educational materials issued to non-compliant Generators.
 7. Proposed Hauler Route review methodology for the coming Franchise Year describing proposed methodology for the Franchise Year and schedule for performance of each Hauler Route's annual review, per Section 4.18c.
 8. Proposed waste evaluation methodology and schedule of waste evaluations per Section 4.18d, if any.

E. Food Recovery Program Support

1. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the County.
2. The number of Food Recovery Services and Food Recovery Organizations located and operating within the County that contract or have written agreements with Commercial Edible Food Generators for Food Recovery, if known.

F. Vehicle and Equipment Inventory

1. A list of all Vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model Year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or Facility from whom RNG was procured.

3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee Vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee Vehicles in the Franchise Year, if these values are different.

G. Customer Revenue and County Fee Payment Report

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement and report of all County fees paid in accordance with Section 13.04 of this Agreement.

H. Additional Reports

1. Upon Incident Reporting. County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Franchisee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the County Contract Manager, which shall not exceed ten (10) Days.
2. AB 901 Reporting. At County's option, County may require that Franchisee provide the County copies of Franchisee's AB 901 reports on a regular basis (such as monthly, quarterly, or annually) or within ten (10) Business Days of the request.
3. Facility Capacity Planning Information. County may require Franchisee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to County within sixty (60) Days of County's request for information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis (such as monthly, quarterly, or annually). If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any County-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:

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

Franchisee will include the following information:

Section	Information
	Collated summary of the information contained in prior Monthly Reports for that Franchise Year
	Reconciliation of any adjustments from prior Monthly Reports
	Account information under Exhibit 10.01 for each Commercial and Multi-Family Customer
5.02b(2)	Certified results of vehicle noise tests
	Digital photograph of each vehicle used in the service area
5.05b	Updated Container inventory
RE AB 939: County's Diversion reporting requirements	Any information not previously supplied in any Monthly Reports necessary to meet the reporting requirements of the CA IWM Act

RE 6.03b	Substantiated calculation demonstrating (non)compliance with the Customer Participation Compliance Requirement
RE Article 12	Declarations of the current status of any pending criminal or civil litigation relating to the activities of Franchisee, Franchisee's Parent Company or any subsidiary naming any current officer of the Parent Company or any subsidiary company, if any, as a defendant. For these declarations, "current officers" includes individuals who are presently serving or who have served as an officer of the Parent Company or the subsidiary within the two (2) Years immediately preceding the date of the report.
	Any other information requested by County related to Franchisee providing Franchise Services and satisfying its franchise obligations, and to this Agreement

EXHIBIT 11.01 INSURANCE

a. Coverage Requirements. Without limiting its Indemnities, Franchisee will obtain insurance coverage meeting the requirements in this Exhibit or under law, whichever is greater.

Franchisee may use a combination of primary and excess insurance coverage to satisfy these requirements, but excess policies must provide coverage as broad (“follow form” over) the underlying primary policies.

1. **General Liability Insurance** written on Insurance Services Office (ISO) Form CG 00 01 covering CGL on an “occurrence” basis, Including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$5,000,000 per occurrence and \$10,000,000 in the aggregate:

Broad Form Property Damage:
Contractual Liability Premises and Operations
Products/Completion Operations Aggregate:
Personal and Advertising Injury:

The general liability policy must provide contractual liability coverage for Indemnities under Section 11.02, by endorsement, schedule or other documentation, if necessary to provide coverage.

2. **Pollution Legal Liability Coverage** with a limit of not less than \$5 million per occurrence covering loss (Including cleanup costs) that Franchisee becomes legally obligated to pay as a result of claims for bodily injury, property damage, and cleanup costs (Including expenses required by environmental laws or incurred by federal, State, or local governments or third parties) resulting from pollution conditions caused by transported cargo (Including waste). For the purpose of this Subsection, “pollution conditions” includes the dispersal, discharge, release, or escape of any solid, liquid, gaseous or thermal irritant or contaminant (such as smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste, and waste materials) into or upon land, any structure on land, the atmosphere, or any watercourse or body of water (Including groundwater), provided the conditions are not naturally present in the environment in the amounts or concentrations discovered.

The liability coverage for pollution must provide contractual liability coverage, by endorsement or schedule, if necessary, for Indemnities.

3. Automobile Liability Coverage

- written on ISO policy forms CA 00 12 pr CA 00 20 (or their equivalent) (occurrence) with a combined limit of liability not less than \$3 million for each accident,
- endorsed to delete the pollution and/or the asbestos exclusion and include pollution liability (using form CA 99 48 or its equivalent) for accidental spills and discharges while Transporting and/or Processing materials, and
- covering all Vehicles (any auto): owned, non-owned or hired autos.

If Franchisee is subject to federal regulations, Franchisee also will maintain any other coverage necessary to satisfy State or federal financial responsibility requirements.

4. Workers' Compensation and Employers' Liability insurance providing

- workers' compensation benefits required by the California Labor Code or by any other State labor law, and for which Franchisee is responsible, and
- Employers' Liability coverage with limits of not less than the following:

Each accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

b. Insurer qualifications. Franchisee will secure insurance provided by an insurer meeting the following qualifications:

1. is acceptable to County,
2. is an admitted company in California,
3. has a size category of VII or larger by A.M. Best Company, Inc., and
4. has a rating of A or better by A.M. Best Company, Inc.

c. Insurance Coverage Requirements for Subcontractors. Franchisee will insure each Subcontractor performing Collection by providing evidence that either:

1. Franchisee is maintaining insurance required by this Section protecting Franchisee and

- County interests against Liabilities caused by the acts, errors or omissions of the Subcontractor, or
2. the Subcontractor is maintaining that insurance itself.

d. Evidence of Coverage

(1) Provision. Franchisee will provide endorsements, schedules and certificates of insurance with respect to Franchisee and any Subcontractor requested by and acceptable to County, at the following times:

1. on or before the Agreement Execution Date,
2. before policy's renewal, and
3. within ten (10) County Business Days of County request.

Neither County failure to obtain, nor County receipt of, or failure to object to a non-complying insurance certificate or endorsement or any other insurance documentation or information provided by Franchisee, Franchisee insurance broker(s) and/or insurer(s), can be construed as a waiver of any obligation under this Exhibit.

d(2)-(5) Franchisee will give County the documentation required in following Subsections d(2)-(5), attached to this Exhibit, Including the following:

- (2)** Certificates of insurance with evidence of insurer's qualifications,
- (3)** Endorsements,
- (4)** Schedules of Broker's letters,
- (5)** Signature verification.

EXHIBIT 11.01D(2) CERTIFICATES OF INSURANCE

Franchisee will provide certificates (or other evidence of coverage) containing at a minimum, the following information with respect to Franchisee and any Subcontractor:

1. **Agreement name:** explicitly identifying this Agreement (for example, UNDER DESCRIPTION OF OPERATIONS), and if necessary to secure contractual liability coverage as an “insured contract” or otherwise, include a schedule or endorsement that specifically identifies this Agreement,
2. **Insured Party:** naming the insured Party that matches the name of Franchisee,
3. **Insurer:** providing the full name of each insurer providing coverage and the insurer’s NAIC (National Association of Insurance Commissioners) identification number,
4. Financial rating of insurer,
5. **Types, policy numbers, policy effective / expiration dates and limits:** explicitly referencing each type and corresponding limit of coverage required under this Agreement, together with the following:
 - policy number,
 - effective date and expiration date,
 - identification of each required ISO policy form or confirmation of its equivalency to ISO policy forms required under this Agreement (such as “auto liability ISO form CA 00 12”). Where the Agreement does not require a specific ISO policy form, the certificate of insurance must specifically reference the required type of coverage (such as “pollution liability” under TYPE OF INSURANCE – OTHER) together with a summary description of its coverage (such as “pollution conditions caused by transported cargo” under SPECIAL PROVISIONS),
6. **Thirty (30) Days’ cancellation Notice:** containing the express condition that County must be given written Notice by mail at least thirty (30) Days in advance of cancellation (ten (10) Days, with respect to cancellation for nonpayment of premium) for all policies evidenced on the certificate of insurance. CANCELLATION information on the certificate of insurance must delete language such as “failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives,”
7. **Deductibles and self-insured retentions:** Upon County request, Franchisee will provide a letter of credit, certificate of deposit or other financial assurance acceptable to County guaranteeing payment of all retained losses and related costs and expenses related to investigations, claims administrations, and legal defense. The letter of credit or certificate of deposit must be provided by a bank satisfactory to County. Policies must not obligate County to pay any part of any deductible or SIR. If anyone makes a claim

against Franchisee or any Subcontractors exceeding the amount of any deductibles or self-insured reserves, Franchisee will inform the following Persons at the following times:

- the County, within a reasonable time of the claim, and
 - the insurer, within the time required under the policy, and
8. **Claims made:** if any insurance coverage is written on a claims-made form (such as pollution liability), evidencing that the “retro date” is before the Agreement Execution Date. Franchisee must maintain that coverage for at least five (5) Years after the Termination Date. Within two (2) Days of upon County request, Franchisee must provide County with evidence of that coverage. **FRANCHISEE’S OBLIGATION SURVIVES THE FRANCHISE TERM.**

[FRANCHISEE, ATTACH COIs AND EVIDENCE OF INSURER’S QUALIFICATIONS TO THIS EXHIBIT.]

EXHIBIT 11.01D(3) ENDORSEMENTS

Franchisee will give County copies of the following endorsements (or with respect to “additional insured” evidence of blanket or contractual additional insured status) or other documentation with respect to Franchisee and any Subcontractor satisfactory to County, including the following:

1. **additional insured** endorsement to each liability policy, explicitly adding **County Insureds** as additional insureds (coverage must not contain any special limitations on the scope of protection of County Insureds; the endorsement may be an automatic additional insured endorsement if it meets these requirements),
2. **waiver of subrogation** necessary to effect Franchisee waiver of its and its insurer(s)' rights of recovery against County under all insurance, to the fullest extent permitted by Applicable Law.
3. insurance is excess or **primary and not contributing** with any other insurance or self-insurance programs maintained by County Insureds,
4. the **full policy limits** and scope of protection applies to each of County Insureds, even if those limits or scope exceed the minimum required insurance specifications in this Agreement,
5. **Insured-vs.-insured**. Clearly evidence that all liability policies provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured-versus-insured exclusions or limitations,
6. any failure to comply with reporting provisions of policies will not affect coverage provided to County Insureds.

[FRANCHISEE, ATTACH ENDORSEMENTS TO THIS EXHIBIT.]

EXHIBIT 11.01D(4)
SCHEDULES OR BROKER'S LETTER

Franchisee must provide schedules or other evidence (such as written confirmation of Franchisee's broker) that policies comply with this Agreement, including:

1. Coverage will contain no special limitations on the scope of protection afforded to County Insureds,
2. Liability policies of Franchisee and any Subcontractor provide contractual liability coverage for Indemnities, such as listing this Agreement as an "insured contract", and
3. Any failure to comply with reporting provisions of policies will not affect coverage provided to County Insureds.

[FRANCHISEE, ATTACH SCHEDULES OR BROKER'S LETTERS TO THIS EXHIBIT.]

EXHIBIT 11.01D(5)
SIGNATURE VERIFICATION

Upon County request, Franchisee must provide documentation verifying that the individual signing or countersigning the certificates, policies, endorsements, or other evidence of coverage of Franchisee and any Subcontractor is authorized to do so and identifies his or her company Affiliation and title. County may require complete, certified copies of Franchisee insurance policies at any time.

[FRANCHISEE, ATTACH COIs AND EVIDENCE OF INSURER'S QUALIFICATIONS TO THIS EXHIBIT.]

EXHIBIT 11.03A LETTER OF CREDIT

a. **Draws.** Within ten (10) Days after the Franchise Date, Franchisee will give County a letter of credit under which County can draw up to the stated amount under Section 11.03a during the Franchise Term in one or more drawings, in any of the following events:

1. Franchisee does not timely pay County any monetary obligation, including the following:
 - Liquidated Damages or compensatory damages assessed by County,
 - County's Reimbursement Costs under County's invoice for those costs,
 - Franchisee Fees or Solid Waste Program Fees,
2. Franchisee does not pay any self-insured retention under any insurance policy,
3. Franchisee fails to provide an Assurance of Performance requested by County,
4. Franchisee does not replace an expiring letter of credit (including expiration for non-renewal) with a new letter of credit at least ninety (90) Days before the expiration date,
5. Franchisee does not honor an Indemnification,
6. Guarantor does not honor its Guaranty, or
7. An event of default.

The letter of credit means the irrevocable standby letter of credit for the benefit of County, issued by a Bank, in form satisfactory to County in County sole discretion, including the procedures for and place of demand for payment, and a drawing certificate.

The letter of credit may be released when the Bank receives a certificate from County stating the following:

1. this Agreement has expired, or
2. this Agreement has been terminated for a period of one-hundred and eighty days (180) Days or other preference period provided under Law with respect to bankruptcy or insolvency of Franchisee, or
3. Franchisee has substituted an alternative letter of credit or other security document acceptable to County in County sole discretion, and
4. Franchisee does not owe County any money.

The Bank means a financial institution satisfactory to County, having at least one of the following minimum ratings:

1. Moody's A2 or better LT Issuer Credit and B or better for Bank Financial Strength,
2. Standard and Poor's: A or better for LT Issuer Credit,
3. Bauer Financial: 4 Stars or better,
4. TheStreet.com Ratings: B or better.

b. Term. The term of the letter of credit must be either of the following:

1. The same as the Franchise Term plus one-hundred and eighty (180) Days, or
2. Renewable annually or at other period up to the Franchise Term plus one-hundred and eighty (180) Days.

c. Assignment. The letter of credit must be transferable to any successor or Assign of County.

Franchisee may substitute another letter of credit acceptable to County.

Upon request of the County, Franchisee shall provide an updated letter of credit at least every five (5) Years.

[FRANCHISEE, ATTACH LETTER OF CREDIT TO THIS EXHIBIT.]

**EXHIBIT 11.03B
PERFORMANCE BOND**

Collector's form of performance bond which Franchisee must provide in accordance with Section 11.03b is attached hereto.

[FRANCHISEE, ATTACH PERFORMANCE BOND TO THIS EXHIBIT.]

EXHIBIT 12.01A
FRANCHISEE OR ANY OF ITS “FRANCHISEE MANAGERS”

Franchisee will update this list of Franchise Managers in its Annual Report, or within one week of County request.

[FRANCHISEE, ATTACH LIST OF FRANCHISEE AND FRANCHISEE MANAGERS.]

POSITION

President
Vice President
Reporting Manager
Human Resources Manager
Controller
Customer Service Manager
Maintenance Manager
Public Education Specialist
Commercial Route Supervisor
Residential Route Supervisor
Safety Manager

PERSONNEL

Brian Borgatello
Derek Carlson
Dena Philips
Susie Couture
Sam Guevara
Tisha Levy
Arno Babakhanloe
Sarah Stark
Ben Puente
Ben Puente
Jesus Rios

EXHIBIT 13.02A RATE SCHEDULE

Franchisee has proposed rates in Franchise Year 2022-23 price levels that will be adjusted twice prior to the start of service on July 1, 2024 following the adjustment procedures in Exhibit 13.02b.

The initial Rates for this Franchise Agreement include the constituent parts used to arrive at each rate. The constituent parts include the Collection/operations charge and the current tipping fee.

The following Rates are subject to adjustment annually as evidenced by Resolution or other action of the County Board.

The Tipping Fee Portion of each Rate (defined in Exhibit 13.02b Rate Adjustments) will be adjusted based on changes in tipping fees.

The Operations Portion of each Rate (defined in Exhibit 13.02b Rate Adjustment) will be annually adjusted by CPI.

RATE SCHEDULE (TO BE UPDATED)

(CHECKLIST) Parties acknowledge that the Rate Schedule will include at least the following maximum Rates:

RESIDENTIAL (Single & Multi-Family) / COMMERCIAL CARTS / BINS	
4.04a & b, 4.05	Regularly scheduled Collection of Refuse, Recyclables and Organic Materials
RESIDENTIAL (Single & Multi-Family) CARTS / BIN	
4.04a(1),(2), (3), (4)	Additional Refuse, Recyclables and Organic Material Containers (if applicable)
4.04a(5) 4.04b(5)	Extra on-call Collections of bulky and Special Waste service
4.04a(7) 4.04b(8)	Collection of Holiday Trees after January 14
4.04a(9)	Carry-out services for non-qualifying Customers
RESIDENTIAL: Multi-Family only CARTS only	
4.04a(3) & (4)	Optional Organic Material service in Carts
RESIDENTIAL (Single & Multi-Family) BINS only	
4.04b(3)	Organic Material service in Carts or Bins
4.04b(10)	Optional Manure service
COMMERCIAL CARTS & BINS	
4.05(2)(i)	Recyclables service in Carts or Bins
4.05(3)	Organic Material service in Carts or Bins
4.05(4)	Food Waste service in Carts or Bins
COMMERCIAL ROLL-OFF	
4.05(5)	Regular Roll-off service

Zone 4

Solid Waste Service Rates

FY 2022/23 Proposed rates from Franchisee's proposal. Rates to be updated, effective July 1, 2024, using rate adjustment methodology per Exhibit 13.02b.

Residential Cart Services (With Green Waste)		Bin Services						
Service Level		Trash	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk	6x/wk
30 Gallons	\$ 28.47	1.5 cubic yard	\$ 123.23	\$ 246.46	\$ 369.69	\$ 492.92	\$ 616.15	\$ 739.38
60 Gallons	\$ 32.29	2 cubic yard	\$ 159.83	\$ 295.69	\$ 428.35	\$ 562.60	\$ 696.86	\$ 831.12
90 Gallons	\$ 35.95	3 cubic yard	\$ 225.39	\$ 416.97	\$ 608.55	\$ 800.13	\$ 993.97	\$ 1,117.93
<i>Includes Recycling & Green Waste plus up to 2 extra Recycling Carts and 1 extra Green Waste Cart upon customer request.</i>		4 cubic yard	\$ 292.77	\$ 535.77	\$ 799.26	\$ 1,051.05	\$ 1,302.83	\$ 1,455.07
Additional Trash		Residential & Multi-Family Trash includes recycling at 30% of the trash volume Manure price same as Trash						
30 Gallons		Recycling	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk	6x/wk
30 Gallons	\$ 6.32	1.5 cubic yard	\$ 133.99	\$ 267.98	\$ 401.97	\$ 535.96	\$ 669.95	\$ 803.94
60 Gallons	\$ 9.33	2 cubic yard	\$ 165.69	\$ 306.53	\$ 444.05	\$ 583.23	\$ 722.41	\$ 861.59
90 Gallons	\$ 12.39	3 cubic yard	\$ 227.61	\$ 421.08	\$ 614.55	\$ 808.02	\$ 1,003.77	\$ 1,128.95
Additional Recycling (after included extras)		4 cubic yard	\$ 294.89	\$ 539.65	\$ 805.05	\$ 1,058.65	\$ 1,312.26	\$ 1,465.60
30 Gallons	\$ -	Green	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk	6x/wk
60 Gallons	\$ -	1.5 cubic yard	\$ 107.30	\$ 214.60	\$ 321.90	\$ 429.20	\$ 536.50	\$ 643.80
90 Gallons	\$ -	2 cubic yard	\$ 138.62	\$ 256.45	\$ 371.50	\$ 487.94	\$ 604.38	\$ 720.82
Additional Green (after included extra)		3 cubic yard	\$ 193.85	\$ 358.62	\$ 523.40	\$ 688.17	\$ 854.88	\$ 961.50
30 Gallons	\$ 5.72	4 cubic yard	\$ 250.94	\$ 459.22	\$ 685.07	\$ 900.87	\$ 1,116.68	\$ 1,247.17
60 Gallons	\$ 6.48	Food Waste	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk	6x/wk
90 Gallons	\$ 7.24	2 cubic yard	\$ 138.62	\$ 277.24	\$ 415.86	\$ 554.48	\$ 693.10	\$ 831.72
		<i>350 gallon carts are priced the same as 1.5 CY bins 350 gallon priced at 50% of that rate if bi-weekly.</i>						
Multi-family w/no Green Waste		Extra Bin Services						
Service Level		Extra Dump						
30 Gallons	\$ 27.07	1.5 cubic yard	\$ 30.28					
60 Gallons	\$ 30.09	2 cubic yard	\$ 38.82					
90 Gallons	\$ 32.87	3 cubic yard	\$ 55.50					
<i>Includes Recycling and up to 2 extra Recycling Carts upon customer request</i>		4 cubic yard	\$ 72.12					
Additional Trash		On-call Bins						
30 Gallons	\$ 6.30	1.5 cubic yard	\$ 64.63					
60 Gallons	\$ 9.32	2 cubic yard	\$ 84.03					
90 Gallons	\$ 12.38	3 cubic yard	\$ 119.08					
Additional Recycling (after included extras)		4 cubic yard	\$ 155.08					
30 Gallons	\$ -	Replacement of Lids						
60 Gallons	\$ -	1.5 cubic yard	\$ 75.00					
90 Gallons	\$ -	2 cubic yard	\$ 75.00					
		3 cubic yard	\$ 75.00					
		4 cubic yard	\$ 75.00					
Other Charges		Commercial Cart Services						
Extra Bag Tag	\$ 2.98	1x per week Trash		Food Waste		Rolloffs		
Container Exchange > 1x year	\$ 13.59	30 Gallons	\$ 35.69	\$ 28.13	Rental per day	\$ 5.55		
Container Cleaning	\$ 13.59	60 Gallons	\$ 37.40	\$ 30.53	Service	\$ 311.91		
Replacement of Damaged Cart	\$ 90.48	90 Gallons	\$ 39.11					
Return Trip	\$ 10.10	Additional						
Check Return	\$ 23.77	30 Gallons	\$ 7.37	\$ 5.46				
Resume Service After Closure	\$ 18.11	60 Gallons	\$ 10.39	\$ 6.23				
Redelivery of Cart After Closure	\$ 9.04	90 Gallons	\$ 13.44					
Fee for Monthly Billing	\$ 1.21							
Backyard Svc. Trash	\$ 20.00	2x per week						
Backyard Svc. Rec/GW	\$ 10.00	30 Gallons	\$ 64.32	\$ 52.06				

Zone 4

Solid Waste Service Rates

Recycling Only	\$ 17.64	60 Gallons	\$ 67.71	\$ 55.40
Greenwaste Only	\$ 19.20	90 Gallons	\$ 69.82	
Pup Truck Trash	\$ 2.69	Additional		
Pup Truck Rec/GW	\$ 1.34	30 Gallons	\$ 14.80	\$ 12.44
		60 Gallons	\$ 20.83	\$ 13.97
		90 Gallons	\$ 26.94	
Distance Refuse - per 100'	\$ 5.57			
Distance Rec/GW - per 100'	\$ 2.78			
Distance > 500'	Negotiated	1x per week Recycling		Bi-Weekly 50% the cost of weekly
Push out per 25'	\$ 1.83	30 Gallons	\$ 13.09	
Distance > 200'	Negotiated	60 Gallons	\$ 16.52	
Bin Distance per 1000 feet*	\$ 4.85	90 Gallons	\$ 19.97	
		Additional		
		30 Gallons	\$ 6.88	
Collection Agency	\$ 16.52	60 Gallons	\$ 9.18	
Cleaning Bin > 1x per year	\$ 40.61	90 Gallons	\$ 11.53	
Return Trip	\$ 35.18			
Overloaded Bin per CY	\$ 17.15	1x per week Organics		Bi-Weekly 50% the cost of weekly
Install Locks	\$ 36.75	30 Gallons	\$ 16.44	
Replace Lock	\$ 8.48	60 Gallons	\$ 17.36	
Locking Bin Service	\$ 24.49	90 Gallons	\$ 18.22	
(per bin x collections per week)		Additional		
		30 Gallons	\$ 6.58	
Commercial Recycling Non-Compliance = 20%		60 Gallons	\$ 7.35	
Surcharge on Trash		90 Gallons	\$ 8.10	
Compacted Waste	2x Trash Rate			

Zone 4 - Santa Ynez

Solid Waste Service Rates

FY 2022/23 Proposed rates from Franchisee's proposal. Rates to be updated, effective July 1, 2024, using rate adjustment methodology per Exhibit 13.02b.

Residential Cart Services (With Green Waste)		Bin Services						
Service Level		Trash	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk	6x/wk
30 Gallons	\$ 31.69	1.5 cubic yard	\$ 176.79	\$ 353.58	\$ 530.37	\$ 707.16	\$ 883.95	\$ 1,060.74
60 Gallons	\$ 39.15	2 cubic yard	\$ 231.24	\$ 425.71	\$ 619.96	\$ 814.43	\$ 1,008.67	\$ 1,203.14
90 Gallons	\$ 46.48	3 cubic yard	\$ 332.50	\$ 616.12	\$ 899.41	\$ 1,183.04	\$ 1,466.66	\$ 1,651.86
<i>Includes Recycling & Green Waste plus up to 2 extra Recycling Carts and 1 extra Green Waste Cart upon customer request.</i>		4 cubic yard	\$ 435.59	\$ 811.50	\$ 1,187.86	\$ 1,563.77	\$ 1,939.68	\$ 2,316.03
		Residential & Multi-Family Trash includes recycling at 30% of the trash volume Manure price same as Trash						
Additional Trash		Recycling	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk	6x/wk
30 Gallons	\$ 10.05	1.5 cubic yard	\$ 148.97	\$ 297.94	\$ 446.91	\$ 595.88	\$ 744.85	\$ 893.82
60 Gallons	\$ 17.40	2 cubic yard	\$ 222.54	\$ 396.34	\$ 570.37	\$ 744.17	\$ 917.98	\$ 1,091.78
90 Gallons	\$ 24.66	3 cubic yard	\$ 315.52	\$ 560.36	\$ 804.26	\$ 1,050.05	\$ 1,294.89	\$ 1,540.05
Additional Recycling (after included extras)		4 cubic yard	\$ 414.74	\$ 728.70	\$ 1,063.39	\$ 1,388.14	\$ 1,712.46	\$ 2,037.20
30 Gallons	\$ -	Green	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk	6x/wk
60 Gallons	\$ -	1.5 cubic yard	\$ 100.63	\$ 201.26	\$ 301.89	\$ 402.52	\$ 503.15	\$ 603.78
90 Gallons	\$ -	2 cubic yard	\$ 129.69	\$ 238.76	\$ 347.70	\$ 456.77	\$ 565.71	\$ 674.78
Additional Green (after included extra)		3 cubic yard	\$ 180.47	\$ 334.41	\$ 488.17	\$ 642.11	\$ 796.05	\$ 896.57
30 Gallons	\$ 5.55	4 cubic yard	\$ 233.10	\$ 434.26	\$ 635.66	\$ 836.82	\$ 1,037.99	\$ 1,239.39
60 Gallons	\$ 6.37	<i>350 gallon carts are priced the same as 1.5 CY bins 350 gallon priced at 50% of that rate if bi-weekly.</i>						
90 Gallons	\$ 7.17							
Multi-family w/no Green Waste		Extra Bin Services						
Service Level		Extra Dump						
30 Gallons	\$ 30.78	1.5 cubic yard	\$ 42.65					
60 Gallons	\$ 37.60	2 cubic yard	\$ 55.80					
90 Gallons	\$ 44.00	3 cubic yard	\$ 80.23					
<i>Includes Recycling and up to 2 extra Recycling Carts upon customer request</i>		4 cubic yard	\$ 105.11					
Additional Trash		On-call Bins						
30 Gallons	\$ 10.03	1.5 cubic yard	\$ 77.00					
60 Gallons	\$ 17.39	2 cubic yard	\$ 100.51					
90 Gallons	\$ 24.65	3 cubic yard	\$ 143.82					
Additional Recycling (after included extras)		4 cubic yard	\$ 188.06					
30 Gallons	\$ -	Replacement of Lids						
60 Gallons	\$ -	1.5 cubic yard	\$ 75.00					
90 Gallons	\$ -	2 cubic yard	\$ 75.00					
		3 cubic yard	\$ 75.00					
		4 cubic yard	\$ 75.00					
Other Charges		Commercial Cart Services						
		1x per week Trash			Rolloffs			
Extra Bag Tag	\$ 2.98	30 Gallons	\$ 39.42	Rental per day	\$ 5.50			
Container Exchange > 1x year	\$ 13.59	60 Gallons	\$ 44.99	Service	\$ 348.52			
Container Cleaning	\$ 13.59	90 Gallons	\$ 50.45					
Replacement of Damaged Cart	\$ 90.48	Additional						
Return Trip	\$ 10.10	30 Gallons	\$ 11.10					
Check Return	\$ 23.53	60 Gallons	\$ 18.46					
Resume Service After Closure	\$ 18.11	90 Gallons	\$ 25.72					
Redelivery of Cart After Closure	\$ 9.04	2x per week						
Fee for Monthly Billing	\$ 1.21	30 Gallons	\$ 71.79					
Backyard Svc. Trash	\$ 20.00	60 Gallons	\$ 82.91					
Backyard Svc. Rec/GW	\$ 10.00	90 Gallons	\$ 92.49					
Recycling Only	\$ 17.46							

Zone 4 - Santa Ynez

Solid Waste Service Rates

Greenwaste Only	\$ 19.01	Additional		
Pup Truck Trash	\$ 2.69	30 Gallons	\$ 22.28	
Pup Truck Rec/GW	\$ 1.34	60 Gallons	\$ 37.00	
		90 Gallons	\$ 51.52	
Distance Refuse - per 100'	\$ 5.57			
Distance Rec/GW - per 100'	\$ 2.78	1x per week Recycling		Bi-Weekly 50% the cost of weekly
Distance > 500'	Negotiated	30 Gallons	\$ 13.09	
Push out per 25'	\$ 1.83	60 Gallons	\$ 16.52	
Distance > 200'	Negotiated	90 Gallons	\$ 19.97	
Bin Distance per 1000 feet*	\$ 4.85	Additional		
		30 Gallons	\$ 6.87	
		60 Gallons	\$ 9.17	
		90 Gallons	\$ 11.52	
Collection Agency	\$ 16.52			
Cleaning Bin > 1x per year	\$ 40.61			
Return Trip	\$ 35.18	1x per week Green		Bi-Weekly 50% the cost of weekly
Overloaded Bin per CY	\$ 17.15	30 Gallons	\$ 16.26	
Install Locks	\$ 36.75	60 Gallons	\$ 17.03	
Replace Lock	\$ 8.48	90 Gallons	\$ 17.73	
Locking Bin Service	\$ 24.49	Additional		
(per bin x collections per week)		30 Gallons	\$ 6.42	
Commercial Recycling Non-Compliance =		60 Gallons	\$ 7.24	
20% Surcharge on Trash		90 Gallons	\$ 8.04	
Compacted Waste	2x Trash Rate			

Zone 5

Solid Waste Service Rates

FY 2022/23 Proposed rates from Franchisee's proposal. Rates to be updated, effective July 1, 2024, using rate adjustment methodology per Exhibit 13.02b.

Residential Cart Services (With Green Waste)			Bin Services						
Service Level*			Trash	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk	6x/wk
30 Gallons	\$	30.19	1.5 cubic yard	\$ 132.69	\$ 244.35	\$ 356.02	\$ 467.68	\$ 579.37	\$ 691.02
60 Gallons	\$	34.29	2 cubic yard	\$ 172.44	\$ 310.20	\$ 448.05	\$ 585.88	\$ 723.73	\$ 861.51
90 Gallons	\$	38.21	3 cubic yard	\$ 244.31	\$ 445.74	\$ 647.69	\$ 849.66	\$ 1,051.60	\$ 1,253.58
<i>Includes Recycling & Green Waste plus up to 2 extra Recycling Carts and 1 extra Green Waste Cart upon customer request.</i>			4 cubic yard	\$ 318.00	\$ 586.39	\$ 854.78	\$ 1,122.32	\$ 1,391.41	\$ 1,659.93
			Residential & Multi-Family Trash includes recycling at 30% of the trash volume Manure price same as refuse						
Additional Trash			Recycling	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk	6x/wk
30 Gallons	\$	6.39	1.5 cubic yard	\$ 117.22	\$ 215.86	\$ 314.51	\$ 413.15	\$ 511.82	\$ 610.46
60 Gallons	\$	9.51	2 cubic yard	\$ 131.99	\$ 237.44	\$ 342.95	\$ 448.45	\$ 553.96	\$ 659.47
90 Gallons	\$	12.67	3 cubic yard	\$ 193.37	\$ 352.80	\$ 512.64	\$ 672.50	\$ 832.34	\$ 992.20
Additional Recycling (after included extras)			4 cubic yard	\$ 251.49	\$ 463.75	\$ 676.00	\$ 887.58	\$ 1,100.39	\$ 1,312.75
30 Gallons	\$	-	Green	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk	6x/wk
60 Gallons	\$	-	1.5 cubic yard	\$ 118.64	\$ 210.89	\$ 303.14	\$ 395.39	\$ 487.63	\$ 579.89
90 Gallons	\$	-	2 cubic yard	\$ 153.70	\$ 271.12	\$ 388.58	\$ 518.69	\$ 640.40	\$ 762.12
Additional Green (after included extra)			3 cubic yard	\$ 216.47	\$ 396.83	\$ 566.83	\$ 741.67	\$ 917.14	\$ 1,092.37
30 Gallons	\$	5.96	4 cubic yard	\$ 281.10	\$ 495.86	\$ 710.68	\$ 925.52	\$ 1,140.40	\$ 1,355.24
60 Gallons	\$	6.98	Food Waste	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk	6x/wk
90 Gallons	\$	7.98	2 cubic yard	\$ 168.69	\$ 297.57	\$ 426.48	\$ 555.41	\$ 714.71	\$ 851.26
			<i>350 gallon carts are priced the same as 1.5 CY bins 350 gallon priced at 50% of that rate if bi-weekly.</i>						
Multi-family w/no Green Waste			Extra Bin Services						
Service Level			Extra Dump						
30 Gallons	\$	26.64	1.5 cubic yard	\$ 32.46					
60 Gallons	\$	29.67	2 cubic yard	\$ 42.22					
90 Gallons	\$	32.42	3 cubic yard	\$ 59.86					
<i>Includes Recycling and up to 2 extra Recycling Carts upon customer request</i>			4 cubic yard	\$ 77.94					
			On-call Bins						
Additional Trash			1.5 cubic yard	\$ 66.81					
30 Gallons	\$	6.38	2 cubic yard	\$ 86.94					
60 Gallons	\$	9.50	3 cubic yard	\$ 123.45					
90 Gallons	\$	12.65	4 cubic yard	\$ 160.91					
Additional Recycling (after included extras)			Replacement of lids						
30 Gallons	\$	-	1.5 cubic yard	\$ 75.00					
60 Gallons	\$	-	2 cubic yard	\$ 75.00					
90 Gallons	\$	-	3 cubic yard	\$ 75.00					
			4 cubic yard	\$ 75.00					
Other Charges			Commercial Cart Services						
Extra Bag Tag	\$	2.98	1x per week Trash		Food Waste		Rolloffs		
Container Exchange > 1x year	\$	13.59	30 Gallons	\$ 35.78	\$ 26.85		Rental per day	\$ 6.11	
Container Cleaning	\$	13.59	60 Gallons	\$ 37.56	\$ 26.55		Service	\$ 251.08	
Replacement of Damaged Cart	\$	90.48	90 Gallons	\$ 39.37					
Return Trip	\$	10.10	Additional						
Check Return	\$	23.53	30 Gallons	\$ 7.46	\$ 4.20				
Resume Service After Closure	\$	18.11	60 Gallons	\$ 10.58	\$ 4.96				
Redelivery of Can After Closure	\$	9.04	90 Gallons	\$ 13.73					
Fee for Monthly Billing	\$	1.21	2x per week						
Backyard Svc. Trash	\$	20.00	30 Gallons	\$ 64.50	\$ 48.06				
Backyard Svc. Rec/GW	\$	10.00							

Zone 5

Solid Waste Service Rates

Recycling Only	\$ 17.01	60 Gallons	\$ 68.05	\$ 47.45
Greenwaste Only	\$ 19.07	90 Gallons	\$ 70.33	
Pup Truck Trash	\$ 2.69	Additional		
Pup Truck Rec/GW	\$ 1.34	30 Gallons	\$ 14.99	\$ 8.39
		60 Gallons	\$ 21.22	\$ 9.92
Distance Refuse - per 100'	\$ 5.61	90 Gallons	\$ 27.53	
Distance Rec/GW - per 100'	\$ 2.80			
Distance > 500'	Negotiated	1x per week Recycling		Bi-Weekly 50% the cost of weekly
Push out per 25'	\$ 1.73	30 Gallons	\$ 12.77	
Distance > 200'	Negotiated	60 Gallons	\$ 17.99	
Bin Distance per 1000 feet*	\$ 4.85	90 Gallons	\$ 22.22	
		Additional		
		30 Gallons	\$ 6.56	
Collection Agency	\$ 16.36	60 Gallons	\$ 8.58	
Cleaning Bin > 1x per year	\$ 40.61	90 Gallons	\$ 10.83	
Return Trip	\$ 35.18			
Overloaded Bin per CY	\$ 17.15	1x per week Organics		Bi-Weekly 50% the cost of weekly
Install Locks	\$ 36.38	30 Gallons	\$ 16.67	
Replace Lock	\$ 8.48	60 Gallons	\$ 17.86	
Locking Bin Service	\$ 24.24	90 Gallons	\$ 18.97	
(per bin x collections per week)		Additional		
Commercial Recycling Non-Compliance = 20%		30 Gallons	\$ 6.82	
Surcharge on Trash		60 Gallons	\$ 7.84	
Compacted Waste	2x Trash Rate	90 Gallons	\$ 8.84	

EXHIBIT 13.02B RATE ADJUSTMENTS

a. **Annual Indexed and Pass-Through Adjustments.** Each Year the maximum Rate will be adjusted effective July 1, according to the principles outlined in this Subsection, as implemented by County in spreadsheets. Rates will be escalated only if no event of default exists.

(1) **Indexed Adjustment of Operations Portion.** The Operations Portion is the percent of the Rate equal to the current Rate (which excludes Solid Waste Program Fees), minus the current Tipping Fee Portion. The Tipping Fee Portion means the percent of the Rate attributable to Franchisee's Direct Cost of service at each Approved Waste Management Facility (Processing or tipping fees). The Operations Portion of the maximum Rate is adjusted by 100% of the *average* monthly percent change in the CPI Index between the calendar Year ended the December prior to the Franchise Year anniversary date, and the calendar Year ended the prior December. The total adjustment of the Operations Portion of each Rate, whether upward or downward, may not exceed 5% in any one Franchise Year. Starting with the Rate adjustment effective July 1, 2025, to the extent that a Rate adjustment otherwise allowable is not granted due to this limitation, any excess above five percent (5%) shall be rolled over and applied to subsequent Rate adjustments (provided that no subsequent Rate adjustment would exceed five percent (5%)). If an adjustment results in a Rate decrease, then the County shall maintain the current Rates and rollover the Rate decrease to the next Rate adjustment; the intent is to ensure subsequent Rate increases shall be offset with any decrease not previously implemented. If any index is discontinued or revised during the Franchise Term, County will substitute another government index or computation that County determines to be comparable.

Franchisee has proposed Rates in Franchise Year 2022-23 price levels that will be adjusted twice prior to the start of service on July 1, 2024. For the Operations Portion of the initial Rates effective July 1, 2024, the change in the CPI Index shall be measured under two annual CPI adjustments. The first change in the CPI index shall be measured as the percentage change from the average of the monthly indices for calendar Year 2021 to the average of the monthly indices for calendar Year 2022, subject to the 5% limit mentioned above, with no rollover of amounts that exceed 5%. The second change in the CPI index shall be measured as the percentage change from the average of the monthly indices for calendar Year 2022 to the average of the monthly indices for calendar Year 2023, subject to the 5% limit mentioned above, with no rollover of amounts that exceed 5%.

For the first Rate increase effective July 1, 2025, the change in the CPI Index shall be measured as the percentage change from the average of the monthly indices for calendar Year 2023 to the average of the monthly indices for calendar Year 2024, subject to the 5% limit mentioned above,

and any excess above five percent (5%) shall be rolled over and applied to subsequent Rate adjustments (provided that no subsequent Rate adjustment would exceed five percent (5%)).

The CPI Index is the Consumer Price Index, All-Items Index (Los Angeles-Long Beach-Anaheim CUURS49ASA0) (All Urban Consumers 1982-84 = 100) compiled and published by the U.S. Department of Labor / Bureau of Labor Statistics (in effect on March 1, whether initial or subsequent release).

(2) **Pass-Through of Tipping Fee Changes.** The Tipping Fee Portion of the maximum Rate is adjusted by 100% of the allocable difference in tipping fees at each MRF and Disposal Facility on March 1 of the prior calendar Year and the end of February of the current calendar Year. In the event that a Facility utilized under this Agreement will raise its rates on July 1, the Maximum Rate will be adjusted so that it coincides with the increase at such Facility, provided that the amount of such increase can be confirmed with certainty by March 1 prior to the July 1 rate adjustment.

(3) **Subtotal: Operations Portion + Tipping Fee Portion.** The dollar amount of the Operations Portion is added to the dollar amount of the Tipping Fee Portion.

(4) **Changes in Fees.** The subtotal is multiplied by the Solid Waste Program Fee.

(5) **Rate Schedule.** The Rate Schedule will be updated to reflect the sum of the following:

1. Operations Portion,
2. Tipping Fee Portion,
3. Solid Waste Program Fee.

b. **Adjustments for Change in Law or Franchise Services.** Once each contract Year Franchisee may request an adjustment of (or County may adjust) the maximum Rate if Franchisee's Direct Costs of providing Franchise Services (other than Direct Costs of gate fees charged at an Approved Facility) have increased or decreased due to a Change in Law or Franchise Service specifications.

c. **Adjustment Process**

(1) **Adjustment Requests, Review, Consent**

1. **Information.**

Within fifteen (15) Days of County request, Franchisee will give County any information from Franchisee or its Affiliates related to

adjustment of the maximum Rate.

Franchisee will attach the following information in any request it might have for adjustment of the maximum Rate due to Change in Law or service specifications:

- The amount of the requested adjustment,
- The Change in Law or Franchise Service specifications and Franchisee's Direct Cost of providing new or different Franchise Service, and the consequent change in Operations Portion of the Rate,
- Franchisee's calculations to support its request, and
- All financial and other Records related to its request.

2. **Additional Information.** Within ten (10) Days of County request, Franchisee will give County any additional information from Franchisee or Franchisee's Affiliates reasonably related to adjustment of the maximum Rate.
3. After County has had a reasonable period of time to request, review, and audit the requested information, it may adjust the Rate limit in its sole discretion, subject to Franchisee dispute under Subsection d(3) below.

(2) **Calculations.** All calculations are rounded to the nearest 1/100th decimal place (for example, 101.9656% to 101.97%, or 101.9637% to 101.96). The decimal 5 is rounded down (for example, 101.965% to 101.96%).

Adjustments to the maximum Rate are rounded to the nearest penny (for example, \$25.34).

(3) **Franchisee Dispute.** Upon Franchisee request, Franchisee may meet with representatives of County (such as County Representative or County Manager) to resolve a dispute with respect to maximum Rate. The existing maximum Rate limit will remain in effect until Parties resolve the dispute or County terminates this Agreement. If they cannot resolve the dispute, then County may terminate this Agreement effective at a date no sooner than three (3) months from the date printed on the Notice of termination, or a shorter time to which Franchisee agrees.

d. **Extraordinary Adjustments.** Franchisee may request an adjustment to maximum Rates at reasonable times other than that allowed under Section 13.02 for the purpose of recovering extraordinary changes in the cost of providing service under this Agreement. Such changes shall not include changes in tipping fees for Refuse Disposal, or Recyclable Material or Organic Waste Processing costs, changes in the market value of Recyclable Materials from the values assumed by Franchisee, inaccurate estimates by the Franchisee of its proposed cost of operations,

container weighting assumptions, unionization of Franchisee's work force, change in wage rates or employee benefits, changes in the cost of vehicle, health, comprehensive, workers' compensation or any other type of insurance. The only exception that would permit an extraordinary adjustment based upon changes to the Refuse Disposal gate rate would be an increase in a direct per ton surcharge assessed at the Disposal Site or Transfer Station by federal, State or local regulatory agencies after the Franchise Date, and County's approval of this adjustment will not be unreasonably withheld. Extraordinary Rate adjustments shall only be effective after approval by County Board and may be applied retroactively in the County Board's discretion.

For each request for an adjustment to the maximum Rates that Franchisee may charge Customers brought pursuant to this section, Franchisee shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to County with support for assumptions made by Franchisee in preparing the estimate. Franchisee shall also submit a schedule showing how its total costs and total revenues have changed over the past three (3) Years for the services provided under this Agreement.

County shall review Franchisee's request and, in County's sole judgment and absolute, unfettered discretion except as provided for above, make the final determination as to whether an adjustment to the maximum Rates will be made, and, if an adjustment is permitted, the appropriate amount of the adjustment. Notwithstanding the above, County's approval of a requested adjustment may not be withheld, upon verification of the supporting information, where arising from amendments to the County Code that increase Franchisee's cost of operations, or a County mandate that Franchisee use a particular alternative Processing technology. County may consider increases or decreases in the Franchisee's total revenues and total cost of services when reviewing an extraordinary Rate adjustment request.

e. Supporting Documents. Where required in the County's judgment to adequately document a request for an adjustment to the maximum Rates made pursuant to Section 13.02, the Rate adjustment request shall be accompanied by, or Franchisee will send County upon request, a copy of Franchisee's certified annual financial statements prepared by a Certified Public Accountant, which shall have been prepared in compliance with Rule 58 of the "Rules and Regulations of the State Board of Accountancy," as established by the California Code of Regulations, Title 16, Chapter 1. Such Certified Public Accountant shall be entirely independent of Franchisee and shall have no financial interest whatsoever in the business of Franchisee. County may specify the form and detail of the financial statements. Company shall also include complete descriptions of related party transactions (corporate and/or regional management fees, inter-company profits from Transfer, Processing, or Disposal operations).

EXHIBIT 13.02C
EXAMPLE CALCULATION FOR AVERAGE ANNUAL PERCENT CHANGE IN
PUBLISHED CONSUMER PRICE INDEX

The rate adjustment index is calculated using the average annual percent change as demonstrated in the example below, measured for the calendar Year ended in the December before each rate adjustment, as compared to the calendar Year ended the prior December.

The CPI Index is the Consumer Price Index, All-Items Index (Los Angeles-Long Beach-Anaheim CUURS49ASAO) (All Urban Consumers 1982-84 = 100) compiled and published by the U.S. Department of Labor / Bureau of Labor Statistics (in effect on March 1, whether initial or subsequent release).

If a rate adjustment based on this CPI index were to be implemented as of July 1, 2022, the calendar year 2020 average annual index is 278.567, and the calendar Year 2021 average annual index is 289.244. This would have resulted in a 3.8% increase to the Operations Portion of the Rates.

Consumer Price Index – All items Index
Los Angeles-Long Beach-Anaheim, CA, CUURS49ASAO

Year	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Average
2020	277.755	278.657	276.589	275.853	276.842	278.121	279.899	280.116	279.366	279.947	280.102	279.560	278.567
2021	280.178	281.347	282.648	285.808	287.620	289.218	290.890	291.333	292.209	294.961	296.790	297.925	289.244
Average Annual Change:													3.8%

EXHIBIT 17.07A(1)
COUNTY REPRESENTATIVE

Name	Leslie Robinson Collections and Materials Manager, Public Works Department (Resource Recovery and Waste Management Division)
Telephone number	(805) 882-3615
E-mail address	lrobins@countyofsb.org
Mailing address	County of Santa Barbara Resource Recovery and Waste Management Division 130 E. Victoria St., Suite 100 Santa Barbara, CA 93101
Franchisee office address	Same as mailing address

County may change its representative following Notice to Franchisee.

EXHIBIT 17.07B
FRANCHISEE REPRESENTATIVE

Name	Derek Carlson
Telephone number	805-963-1852
E-mail address	Dcarlson@marborg.com
Mailing address	PO Box 4127, Santa Barbara, CA 93140
Franchisee office address	728 E Yanonali St, Santa Barbara, CA 93103

Franchisee may change any of this information following Notice to County.