File ID: 2026-01084 6/16/2026

[Contract] Approval of Commercial Waste Franchise Agreements for Commercial Solid Waste Collection and Hauling within the City of Sacramento

File ID: 2026-01084

Location: Citywide

Recommendation: Pass a **Motion** authorizing the City Manager or designee to execute a one-year franchise agreement with four additional one-year renewal options between the City of Sacramento and the following franchisees: 1) JLH Industries Inc. dba AAA Recycling; 2) Advance Disposal, Inc.; 3) Atlas Disposal Industries, LLC; 4) Cal Bin Rentals, LLC; 5) California Waste Recovery Systems, LLC; 6) Elk Grove Waste Management, LLC; 7) Ferma Greenbox, Inc.; 8) GreenWaste of Central Valley, LLC; 9) Long's Trash Hauling; 10) Mikes Junk Hauling dba Junkman Junk Removal & Dumpster Rental; 11) North Cal Hauling Company; 12) Patrick's Construction Clean up, Inc.; 13) Quality Construction Cleanup, Inc.; 14) Recology Sacramento; 15) Reliable Dumpster Service, LLC; 16) Allied Waste Services of North America, LLC, dba Republic Services of Sacramento; 17) Rich Custer's Junk Hauling & Dumpster Rental; 18) TKO Metals, Inc., dba Sacramento Recycling & Waste; 19) USA Waste of California, Inc., dba Waste Management of Sacramento; and 20) Waste Removal and Recycling, Inc.

Contact: Erin Treadwell, Integrated Waste Compliance Manager, (916) 808-4934, etreadwell@cityofsacramento.org; John Febbo, Integrated Waste General Manager, (916) 808-4949, jfebbo@cityofsacramento.org; Department of Public Works

Presenter: None

Attachments:
1-Description/Analysis
2-Franchise Agreement with JLH Industries Inc. dba AAA Recycling
3-Franchise Agreement with Advance Disposal, Inc.
4-Franchise Agreement with Atlas Disposal Industries, LLC
5-Franchise Agreement with Cal Bins Rentals, LLC
6-Franchise Agreement with California Waste Recovery Systems, LLC
7-Franchise Agreement with Elk Grove Waste Management, LLC
8-Franchise Agreement with Ferma Greenbox, Inc
9-Franchise Agreement with GreenWaste of Central Valley, LLC

10-Franchise Agreement with Long's Trash Hauling
11-Franchise Agreement with Mikes Junk Hauling dba Junkman Junk Removal & Dumpster Rental
12-Franchise Agreement with North Cal Hauling Company
13-Franchise Agreement with Patrick's Construction Clean up, Inc
14-Franchise Agreement with Quality Construction Cleanup, Inc.
15-Franchise Agreement with Recology Sacramento
16-Franchise Agreement with Reliable Dumpster Service LLC
17-Franchise Agreement with Allied Waste Services of North America, LLC, dba Republic Services of Sacramento
18-Franchise Agreement with Rich Custer's Junk Hauling & Dumpster Rental
19-Franchise Agreement with TKO Metals, Inc., dba Sacramento Recycling & Waste
20-Franchise Agreement with USA Waste of California, Inc., dba Waste Management of Sacramento
21-Franchise Agreement with Waste Removal and Recycling, Inc

Description/Analysis

Issue Detail: The City of Sacramento operates an open, non-exclusive franchise system for commercial hauling. This system allows several haulers to compete and provide waste services to the commercial sector which includes businesses, multi-family properties of five units or more, as well as construction and demolition projects. Haulers must receive a franchise from the City to operate. Section 13.24.090 of the City Code provides that the City Council may grant an applicant a non-exclusive franchise to collect, transport, or dispose of solid waste materials that are kept, have accumulated, or been generated in the city. Non-exclusive franchise agreements are valid for up to 1-year with up to four (4) optional 1-year extensions. These agreements require City Council approval at least once every five years, and 2026 is the five-year mark.

On January 27, 2026, the City Council adopted changes to the City Code which created an option for a separate franchise agreement for full-service haulers versus Construction and Demolition (C&D) only haulers. The purpose was to simplify the Construction and Demolition franchise agreements and revise sections of the code so that franchisees who only haul construction and demolition materials (C&D) are not required to submit reports that pertain to full-service haulers who provide garbage, recycling, and organics service to commercial businesses and multi-family properties. This update allowed Recycling & Solid Waste to have the option of using separate franchise agreement forms, one for C&D and one for full-service haulers.

For both full-service and construction and demolition (C&D) only haulers, the City's franchise hauler application and approval process includes a financial and legal background review, documentation of adequate insurance, and diversion plans.

Policy Considerations: The recommendations of this report comply with Sacramento City Code chapter 13.24, which requires that a franchise agreement be in place for a hauler to collect commercial waste within the City.

Economic Impacts: None.

Environmental Considerations: This action is not a “project” subject to CEQA because it involves administrative matters and will not result in new physical development, direct changes to the physical environment, and any reasonably foreseeable indirect physical change in the environment. (CEQA Guidelines § 15378(b)(5).)

Sustainability: As part of their application process, haulers must describe in detail how they will divert waste from landfills and educate customers on source separation and recycling.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The agreements that are part of this Council report have met the application requirements set forth in the City Code and staff recommends these haulers be awarded a franchise agreement:

1- JLH Industries Inc. dba AAA Recycling
2-Advance Disposal, Inc.
3-Atlas Disposal Industries, LLC
4-Cal Bins Rentals, LLC
5-California Waste Recovery Systems, LLC
6-Elk Grove Waste Management, LLC
7-Ferma Greenbox, Inc
8-GreenWaste of Sacramento Debris Services
9-Long’s Trash Hauling
10-Mikes Junk Hauling dba Junkman Junk Removal & Dumpster Rental
11-North Cal Hauling Company
12-Patrick’s Construction Clean up, Inc
13-Quality Construction Cleanup, Inc.
14-Recology Sacramento
15-Reliable Dumpster Service LLC
16-Allied Waste Services of North America, LLC, dba Republic Services of Sacramento
17-Rich Custer’s Junk Hauling & Dumpster Rental
18- TKO Metals, Inc., dba Sacramento Recycling & Waste
19-USA Waste of California, Inc., dba Waste Management of Sacramento
20- Waste Removal and Recycling, Inc

Financial Considerations: Each of the franchise agreements stipulates that the waste hauler will be charged a franchisee fee, which is 10% of the revenue generated from solid waste collection operations within city limits.

Local Business Enterprise (LBE): Not applicable.

City of SACRAMENTO

Contract Routing Sheet

☐ **Payment / Performance Bond Only**

General Routing Information

Department: Public Works Department

Contract Coordinator: Rachel Simpo Email: rsimpo@cityofsacramento.org

Effective Date: 07/01/2026 Expiration Date: 06/30/2027

Grant/Project Name: Commercial Waste Collection Franchise

Other Party: JLH Industries Inc. dba AAA Recycling

Original Not to Exceed Amount: $ 0.00

Assessor's Parcel Number(s):

Project Number: 15005861 Bid/RFQ/RFP#:

Supplements/Addendums/Change Orders ☐

Adjusted Amount of this Change (+/-): New Not to Exceed Amount:

Change In Scope: No

Original Contract Number: Supplement Number:

Council Approval ☑

Original Meeting Date: 6/16/26 Council File ID: 2026-01084

Supplement Meeting Date: Council File ID:

Processing Information

- ☐ Clerk's Office to Mail for Recording
- ☐ Return to Dept for Other Party Signature
- ☐ Real Estate
- ☐ Return to Dept for Recording
- ☐ Construction Related
- ☐ Additional Originals Attached – Return to Dept.

Add notes/instructions, including any other contract or council file ID numbers related to this agreement:

Agreement is to grant a franchise, no services provided - "Not to Exceed" limit does not apply.

Signing Authority - Department Directors up to $100K; $100K -$250K City Manager or Assistant City Manager; $250K+ Council Approval & Council Appointee or designee.

Department Review and Routing

AB 339 Review Confirmation (if needed)

Sign Yougnal Achari

Sign Margaret Kashuba

Sign John Febbo (May 22, 2026 08:28:46 PDT)

Sign Matt Eierman (May 22, 2026 10:41:56 PDT)

Sign

CONTRACT NAME: Commercial Waste Collection Franchise
CONTRACT PROJECT #: 15005861
DEPARTMENT: Public Works
DIVISION: Recycling and Solid Waste

CITY OF SACRAMENTO
FRANCHISE AGREEMENT FOR
COMMERCIAL SOLID WASTE COLLECTION (CONSTRUCTION & DEMOLITION/CLEAN-UP HAULING ONLY)

THIS AGREEMENT is made at Sacramento, California, by and between the CITY OF SACRAMENTO, a charter city and municipal corporation ("CITY"), and

JLH Industries Inc. dba AAA Recycling
1644 Auburn Blvd., Sacramento, CA 95815
(916)518-0222 | kc@werecycleusa.com

("FRANCHISEE"), as of the Effective Date, 7/1/2026, as defined below.

RECITALS

The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste collection within their jurisdiction; and

Chapter 13.24 of the Sacramento City Code authorizes the City Council to enter into non-exclusive franchise agreements for the collection, transportation, and disposal services of commercial solid waste, recyclable materials, organic materials, and construction and demolition debris; and

A non-exclusive franchise to operate, maintain, and provide the collection of solid waste, recyclable materials, and organic materials, and construction and demolition debris along, across, and over City public streets and rights of way promotes the public health, safety, and welfare by promoting permanence and stability among the businesses wishing to provide such services and accountability to the City for compliance with current and future state mandates; and

The City has determined that it is in its best interests to provide for commercial solid waste collection, transportation, and disposal services by means of non-exclusive franchisees; and

The City has determined that the grant of such franchise to the Franchisee is in the public interest; and

The State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement a recycling and waste management program. Through the enactment of various legislation, including the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), the State has directed local agencies, to promote diversion and 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 solid waste that must be disposed.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, CITY and FRANCHISEE agree

as follows:

Section 1: Agreement Documents

All exhibits and documents attached or referred to in this Agreement are incorporated as if set forth herein, including:

1. Exhibit A – Scope of Services
2. Exhibit B – Compensation
3. Exhibit C – Insurance

If there is a conflict between the terms and conditions of any document prepared or provided by the FRANCHISEE and made a part of this Agreement and the other terms or conditions of the Agreement, the other terms and conditions of the Agreement control.

Section 2: Grant and Acceptance of Franchise

1. By this Agreement, CITY hereby grants to FRANCHISEE a non-exclusive commercial solid waste collection franchise authorizing FRANCHISEE to engage in the business of collecting, transporting, and disposing of commercial solid waste generated in connection with construction, demolition, renovation, cleanup, or similar temporary projects accumulated or generated within the City of Sacramento and to use the public streets and rights of way for such purpose.
2. This grant is pursuant to the disclosures, statements, and information contained in FRANCHISEE's Application for City Franchise Agreement.
3. FRANCHISEE hereby accepts the Franchise on the terms and conditions set forth in this Agreement, and all related ordinances and resolutions.

Section 3: Representatives and Notice

CITY Representative for this Agreement is:

Erin Treadwell / Program Manager
2812 Meadowview Road, Building 1, Sacramento, CA 95832
Phone: (916) 808-4934 /Fax: (916) 808-4999 / etreadwell@cityofsacramento.org

The FRANCHISEE Representative for this Agreement is:

Kassandra Stone | Vice President
1644 Auburn Blvd., Sacramento, CA 95815
(916)518-0222 | kc@werecycleusa.com

Unless otherwise provided in this Agreement, all FRANCHISEE questions and correspondence pertaining to this Agreement must be addressed to the CITY Representative. All CITY questions and correspondence must be addressed to the FRANCHISEE Representative.

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

Notice shall be deemed effective on the date personally served or, if mailed, three days after the date

deposited in the mail.

FRANCHISEE shall maintain functional Electronic Mail (Email) during the entire duration of the Agreement and provide CITY with such Email address for CITY communication to FRANCHISEE. FRANCHISEE shall notify CITY of any change in its functional Email address in writing via US Mail or Email communication to CITY.

Section 4: Term and Scope of Services

1. **Services.** Subject to the terms and conditions set forth in this Agreement, FRANCHISEE shall provide the services described in attached Exhibit A ("Scope of Services").
2. **Commencement Date.** The Commencement Date of this Agreement shall be when FRANCHISEE commences with the provision of collection, transportation, processing, and disposal services described by this Agreement. During the time between the Effective Date and Commencement Date, FRANCHISEE shall perform any and all activities necessary to commence services on the Commencement Date.
3. **Term.** The Term of this Agreement shall be from the date the Agreement is signed by the Parties until June 30, 2027, unless extended by CITY pursuant to Subsection 4 below.
4. **Option to Extend Term.** CITY, at its sole discretion, shall have the option to extend this Agreement four (4) times by one (1) year, pursuant to the terms and conditions of this Agreement. If CITY elects to exercise the option, it shall give written notice of its election not less than thirty (30) calendar days prior to the initial expiration date or extended termination date of this Agreement.

Section 5: Compensation

1. Compensation under this Agreement shall be in accordance with Exhibit B ("Compensation") and Attachment 1 to Exhibit B, or Exhibit B and any attachments as modified by the CITY in accordance with express provisions in this Agreement and chapter 13.24 of the Sacramento City Code.
2. FRANCHISEE shall maintain for five years following expiration or termination of this Agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; applicable overhead and indirect expenditures.

Section 6: Conditions of Effectiveness

The effectiveness and validity of this Agreement is subject to FRANCHISEE's satisfaction of each and all of the conditions set forth below, each of which may be waived in whole or in part by CITY.

1. **Accuracy of Representations**. The representation and warranties made by FRANCHISEE in its Application for Franchise are true and correct on and as of the Effective Date of this Agreement.
2. **Effectiveness of City Council Action**. The City Council shall have taken action approving this Agreement prior to or on the Effective Date, provided that no restraining order of any kind has been issued.
3. **Furnishing of Insurance**. FRANCHISEE has furnished evidence of the insurance requirements set forth in the attached Exhibit C.

4. **Company Status**. FRANCHISEE is a business duly organized, validly existing, and in good standing under the laws of the State of California. It is qualified to transact business in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

5. **Company Authorization**. FRANCHISEE has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of FRANCHISEE (or the members, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The person signing this Agreement on behalf of FRANCHISEE has authority to do so.

6. **Agreement Will Not Cause Breach**. To the best of FRANCHISEE's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement nor the performance of this Agreement by FRANCHISEE: a) conflicts with, violates, or results in a breach of any applicable law; or, b) 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 is a party or by which FRANCHISEE or any of its properties or assets are bound, or constitutes a default thereunder.

7. **No Litigation**. To the best of FRANCHISEE's knowledge after reasonable investigation, 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 decided, pending or threatened against FRANCHISEE with an unfavorable decision, ruling, or finding, in any single case or in the aggregate, that would adversely affect the performance by FRANCHISEE of its obligations in this Agreement or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of FRANCHISEE or any surety guaranteeing FRANCHISEE's performance under this Agreement, which has not been waived by CITY in writing.

8. **No Adverse Judicial Decisions**. To the best of FRANCHISEE's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement and may subject this Agreement to legal challenge.

9. **Ability to Perform**. FRANCHISEE possesses the business, professional, and technical expertise to manage, collect, transport, treat, store, and dispose of the solid waste and to manage, collect, transport, store, and process recyclable materials and organic materials, and FRANCHISEE possesses the equipment, facility, and employee resources required to perform this Agreement.

10. **FRANCHISEE's Statements**. The FRANCHISEE's application and any other supplementary information submitted to CITY, which CITY has relied on in awarding and entering this Agreement, do not: a) contain any untrue statement of a material fact; orb) omits a material fact that would make any stated information misleading.

11. **FRANCHISEE's Investigation**. FRANCHISEE has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder. FRANCHISEE has taken such matters into consideration in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

12. **Non-Discrimination in Employee Benefits**. This Agreement may be subject to Sacramento City Code chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits

Code (Equal Benefits Ordinance)," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.54. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance.

FRANCHISEE's violation of Sacramento City Code chapter 3.54 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

13. **Considering Criminal Conviction Information in the Employment Application Process**. This Agreement may be subject to the requirements of Sacramento City Code chapter 3.62, Procedures for Considering Criminal Conviction Information in the Employment Application Process. A summary of the requirements, entitled "Ban-The-Box Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

The Ban-The-Box Requirements are applicable to certain contracts with CITY in an amount of $250,000 or more (either initial value or total value after amendment) or if the total value of all FRANCHISEE's contracts with CITY is $250,000 or more over a 12-month period.

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.62. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.62 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.62. FRANCHISEE's violation of Sacramento City Code chapter 3.62 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

14. **Local Business Enterprise Program**. The Local Business Enterprise Program Participation Requirements ("LBE Participation Requirements") may be applicable to this Agreement. A summary of the requirements, entitled "LBE Participation Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.60. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.60 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.60.

FRANCHISEE's violation of Sacramento City Code chapter 3.60 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

Section 7: Compliance with Laws

FRANCHISEE shall, at all times and at its sole cost and expense, observe and comply with all applicable Federal, State, regional, and City laws, regulations, rules, and ordinances, including those of other states, cities, or counties which may have jurisdiction over any service provided by FRANCHISEE under this Agreement.

Section 8: Governing Laws and Jurisdiction

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in the Sacramento County Superior Court, Sacramento, California or in the United States District Court for the Eastern District of California, as applicable.

Section 9: Licenses and Permits

1. FRANCHISEE shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, County of Sacramento and all other appropriate governmental agencies, including any certification and credentials required by CITY, including a City Business Tax Certificate and any required certification issued by the California Secretary of State. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the suspension or termination of this Agreement by CITY.
2. FRANCHISEE further certifies to CITY that it and its principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. FRANCHISEE certifies that it shall not contract with a subcontractor that is so debarred or suspended.

Section 10: Performance Standards

FRANCHISEE shall perform its services under this Agreement in accordance with the industry and/or professional standards applicable to FRANCHISEE'S services. FRANCHISEE shall assign only competent personnel to perform on its behalf under this Agreement.

Section 11: Ownership of Work Product

All technical data, evaluations, plans, specifications, reports, documents, or other work products developed by FRANCHISEE provided hereunder shall be the exclusive property of CITY and shall be delivered to CITY upon completion of the services authorized hereunder. FRANCHISEE may retain copies thereof for its files and internal use. Publication of the information directly derived from work performed or data obtained in connection with services rendered under this Agreement must first be approved in writing by CITY. CITY recognizes that all technical data, evaluations, plans, specifications, reports, and other work products are instruments of FRANCHISEE'S services and are not designed for use other than what is intended by this Agreement.

Section 12: Status of Franchisee - Independent Contractor

1. It is understood and agreed that FRANCHISEE (including FRANCHISEE'S employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Neither FRANCHISEE nor FRANCHISEE'S assigned personnel will be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to FRANCHISEE under the provisions of this

Agreement; and as an independent contractor, FRANCHISEE hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party, including any state or federal agency, that an employer-employee relationship exists by reason of this Agreement or by the reason of the nature or performance under the Agreement.

2. It is further understood and agreed by the parties hereto that FRANCHISEE in the performance of its obligation hereunder is subject to the control or direction of CITY as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by FRANCHISEE for accomplishing the results. To the extent that FRANCHISEE obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use will be at FRANCHISEE's sole discretion based on FRANCHISEE's determination that the use will promote FRANCHISEE's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that FRANCHISEE use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement. As used in this Agreement, "sole discretion" or "sole judgment" means that the party authorized to exercise its discretion or judgment may do so based on an unfettered assessment of its own interests, without considering how its decision affects the other party, and unconstrained by the implied covenant of good faith and fair dealing.

3. If, in the performance of this Agreement, any third persons are employed by FRANCHISEE, such person shall be entirely and exclusively under the direction, supervision, and control of FRANCHISEE. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by FRANCHISEE, and CITY shall have no right or authority over such persons or the terms of such employment.

4. It is further understood and agreed that as an independent contractor and not an employee of CITY, neither the FRANCHISEE nor FRANCHISEE'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of CITY in any capacity whatsoever as agent, nor to bind CITY to any obligation whatsoever. FRANCHISEE shall not be covered by worker's compensation; nor shall FRANCHISEE be entitled to compensated sick leave, vacation leave, retirement entitlement, participation in group health, dental, life and other insurance programs, or entitled to other fringe benefits payable by CITY to employees of CITY.

5. It is further understood and agreed that FRANCHISEE must issue W-2 and 941 Forms for income and employment tax purposes, for all of FRANCHISEE'S assigned personnel under the terms and conditions of this Agreement.

Section 13: FRANCHISEE Not an Agent

Except as CITY may specify in writing, FRANCHISEE and FRANCHISEE's personnel have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. FRANCHISEE and FRANCHISEE's personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.

Section 14: Conflict of Interest

FRANCHISEE covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the CITY's interests or that would in any way hinder FRANCHISEE's performance under this Agreement. FRANCHISEE further covenants that in the

performance of this Agreement, no person having any such interest will be employed by it as an officer, employee, agent, or subcontractor, without the City's written consent.

FRANCHISEE agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City's interests during the performance of this Agreement. If FRANCHISEE is or employs a former officer or employee of the CITY, FRANCHISEE and any former City officer or employee shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any CITY department, board, commission, or committee.

Section 15: Confidentiality of CITY Information

During performance of this Agreement, FRANCHISEE may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special, and unique assets of the CITY.

FRANCHISEE agrees to protect all CITY Information and treat it as strictly confidential, and further agrees that FRANCHISEE shall not at any time, either directly or indirectly, divulge, disclose, or communicate in any manner any CITY Information to any third party without the CITY's prior written consent.

In addition, FRANCHISEE must comply with all CITY policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by FRANCHISEE of this section is a material violation of this Agreement and shall justify legal and equitable relief.

Section 16: Franchisee Information

1. CITY shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by FRANCHISEE under this Agreement. In this Agreement, the term "information" means and includes: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. FRANCHISEE shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.
2. FRANCHISEE shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by FRANCHISEE under this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify FRANCHISEE not later than ten days after CITY is served with any such claim, action, lawsuit, or other proceeding. However, CITY's failure to provide notice within the ten-day period does not relieve FRANCHISEE of its obligations hereunder, which survive any termination or expiration of this Agreement.
3. All proprietary and other information received from FRANCHISEE by CITY, whether received in connection with FRANCHISEE's proposal to CITY or in connection with FRANCHISEE's

performance, will be disclosed upon receipt of a request for disclosure, in accordance with the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to FRANCHISEE of any request for the disclosure of such information.

FRANCHISEE will then have five days from the date it receives notice to petition the court for a protective order to prevent the disclosure of the information. FRANCHISEE shall have sole responsibility for defense of the actual "trade secret" designation of such information.

4. The parties understand and agree that any failure by FRANCHISEE to respond to the notice provided by CITY and seek a protective order, in accordance with the provisions of subsection C, above, constitutes a complete waiver by FRANCHISEE of any rights regarding the information designated "trade secret" by FRANCHISEE, and the information will be disclosed by CITY in accordance with the Public Records Act.

Section 17: Emergency/Declared Disaster Requirements

If an emergency is declared by the City Manager, or if any portion of the City is declared a disaster area by the county, state, or federal government, this Agreement may be subjected to increased usage. FRANCHISEE shall serve the CITY during a declared emergency or disaster, subject to the same terms and conditions that apply during non-emergency/non-disaster conditions. The compensation set forth in this Agreement will apply, without markup, regardless of the circumstances. If FRANCHISEE is unable to fulfill the terms of the Agreement because of a disruption in its routes or service, then FRANCHISEE shall provide proof of the disruption. Acceptable forms of proof will include, but are not limited to, a letter or notice from FRANCHISEE's source stating the reason for the disruption.

Section 18: Indemnity

1. Indemnity*:* FRANCHISEE shall defend, hold harmless, and indemnify CITY, its officers, and employees, and each and every one of them, from and against all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, and expenses of every type and description, whether arising on or off the site of the work or services performed under this Agreement, including any fees and costs reasonably incurred by CITY's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including Liabilities for personal injury or death, damage to personal, real, or intellectual property, damage to the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Agreement by FRANCHISEE, any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE, their respective officers and employees, and anyone else for whose acts of omissions any of them may be liable, whether or not the Liabilities (i) are caused in part by a party indemnified hereunder, or (ii) are litigated, settled, or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage, or expense, to the extent arising from the active negligence or willful misconduct of, or defects in design furnished by, CITY, its agents, servants, or independent contractors who are directly responsible to CITY, except when such agents, servants, or independent contractors are under the supervision and control of FRANCHISEE or any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE.

2. Insurance Policies; Intellectual Property Claims*:* The existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement will not affect or limit any of

CITY's rights under this Section, nor will the limits of any insurance limit the liability of FRANCHISEE hereunder. This section will not apply to any intellectual property claims, actions, lawsuits, or other proceedings subject to the provisions of FRANCHISEE Information above.

3. Survival: The provisions of this section will survive any expiration or termination of this Agreement.

Section 19: Insurance

Without limiting FRANCHISEE's indemnification, FRANCHISEE shall maintain in force at all times during the term of this Agreement and any extensions or modifications, insurance as specified in Exhibit C. It is the responsibility of FRANCHISEE to notify its insurance advisor or insurance carrier regarding coverage, limits, forms, and other insurance requirements specified in Exhibit C. Failure to maintain insurance as required in this Agreement may be grounds for termination of this Agreement.

Section 20: Debarment Certification

1. Pursuant to 2 CFR, Part 200, and applicable Executive Orders, the CITY is restricted in its ability to contract with certain parties that are debarred, suspended, or otherwise excluded or ineligible for participating in Federal assistance programs or activities. By signing this Agreement, FRANCHISEE warrants and certifies under penalty of perjury under the laws of the State of California that FRANCHISEE, including any owner, partner, director, officer, or principal of the FRANCHISEE, or any person in a position with management responsibility or responsibility for the administration of federal funds:

   (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency;

   (b) Has not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, or other criminal felony;

   (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above;

   (d) Has not, within a three-year period preceding this certification, had one or more public contracts (federal, state, or local) or transactions terminated for cause or default;

   (e) Has not been notified, within a three-year period preceding this certification, been notified of any delinquent Federal taxes in an amount that exceeds $3,500 for which the liability remains unsatisfied. Federal taxes are considered delinquent if the tax liability has been finally determined and the taxpayer is delinquent in making payment, as defined in Section 52.209-5 of the Federal Acquisition Regulations.

2. FRANCHISEE further warrants and certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency. Any exceptions to the warranties and certifications in this Section must be disclosed to the CITY.

3. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining FRANCHISEE's responsibility. Disclosures must indicate to whom exceptions apply, the initiating agency, and dates of action.
4. CITY will review the Federal Government's System for Award Management Exclusions maintained by the General Services Administration for eligibility, prior to the execution of this Agreement. FRANCHISEE shall provide immediate written notice to the CITY if, at any time prior to execution, FRANCHISEE learns this certification is erroneous or has become erroneous by reason of changed circumstances. If it is later determined that FRANCHISEE's warranties and certification in this Section were erroneous, the CITY may terminate this Agreement for default.

Section 21: Assignment

1. FRANCHISEE acknowledges that this Agreement involves rendering a vital service to temporary commercial solid waste generators within the City of Sacramento, and that CITY has franchised FRANCHISEE to perform the temporary services specified herein based on: (1) FRANCHISEE'S experience, skill, and reputation for conducting its solid waste collection in a safe, effective and responsible fashion, at all times in keeping with applicable waste management laws, regulations and good solid waste management practices, and (2) FRANCHISEE's financial resources to maintain the required equipment and to support its obligations to CITY under this Agreement. CITY has relied on each of these factors, among others, in choosing the FRANCHISEE to perform the services to be rendered under this Agreement.
2. This Agreement is a privilege to be held in trust by FRANCHISEE. A franchise granted by CITY shall not be transferred, sold, leased, assigned, or relinquished, or delegated to another person, either in whole or in part, whether by forced sale, merger, consolidation, bankruptcy laws or otherwise, without the prior approval of the Sacramento City Council ("CITY Council"). This restriction includes the transfer of ownership of the Agreement, or a majority of the ownership or control of the FRANCHISEE, or the conveyance of a majority of the FRANCHISEE's stock to a new controlling interest. This Agreement shall become void upon the abandonment of FRANCHISEE. CITY Council shall not unreasonably withhold approval of a franchise assignment, provided that such assignment does not unreasonably impact competition and the assignee is qualified to perform its obligations as required by this Agreement and any implementing City law, regulation, rule, or ordinance.
3. FRANCHISEE shall promptly notify the Solid Waste Manager in writing in advance of any proposed assignment, sale, or transfer. In the event the CITY Council approves of any assignment, sale, or transfer, said approval shall not relieve FRANCHISEE of any of its obligations or duties under this Agreement unless this Agreement is modified in writing to that effect.

Section 22: Amendment and Waiver

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon CITY unless agreed in writing by the CITY.

Section 23: Successors

Subject to the provisions of section 21, this Agreement shall bind the successors of CITY and FRANCHISEE in the same manner as if they were expressly named.

Section 24: Time

Time is of the essence in the performance of this Agreement. FRANCHISEE shall devote the necessary time and effort to its performance under this Agreement. Neither party will be considered in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

Section 25: Interpretation

This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

Section 26: Solid Waste Manager

As used in this Agreement, "Solid Waste Manager" shall mean the Integrated Waste General Manager of the Recycling and Solid Waste Division, City of Sacramento Department of Public Works or his/her designee. Solid Waste Manager shall administer this Agreement on behalf of CITY. FRANCHISEE shall meet and confer with the Solid Waste Manager to resolve differences, implement, and execute the requirements of this Agreement.

Section 27: Disputes

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. Pending resolution of any such dispute, FRANCHISEE shall continue without delay to carry out all its responsibilities under this Agreement unless the Agreement is otherwise suspended or terminated in accordance with chapter 13.24 of the Sacramento City Code or the Termination provisions of this Agreement. CITY shall not be required to make payments for any services that are the subject of this dispute resolution process until such dispute has been mutually resolved by the parties. If the dispute cannot be resolved either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California. Nothing in this Agreement or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state and federal law.

Section 28: Default, Termination

1. Default. Except for the occurrence of Force Majeure as described in paragraph 4 of this section, in the event of any material failure or refusal of FRANCHISEE to comply with any obligation or duty imposed on FRANCHISEE under this Agreement or the City Code or related ordinances, resolutions, or administrative rules, the CITY may provide notice of a default pursuant to the provisions of chapter 13.24 of the Sacramento City Code provided it is a situation where there is the ability to cure the default.
2. The following events shall constitute a material breach under this Agreement:
    A. *Misrepresentation*. Any misrepresentation or disclosure made to CITY by FRANCHISEE in connection with or as an inducement to entering this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time the representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

B. *Fraud or Deceit*. If FRANCHISEE practices, or attempts to practice, any fraud or deceit upon CITY.

C. *Failure to Maintain Insurance Coverage*. If FRANCHISEE fails to provide or maintain in full force and effect the Worker's Compensation, liability, or insurance coverage as required by this Agreement.

D. *Violations of Regulation*. If FRANCHISEE violates any permits, orders or filing of any regulatory body having jurisdiction over FRANCHISEE which violation or non-compliance materially affects FRANCHISEE'S ability to perform under this Agreement, provided that FRANCHISEE may contest any such orders as set forth in Chapter 13.24 of the Sacramento City Code, in which case no breach of the Agreement shall be deemed to have occurred during the pendency of the contestation or appeal, to the extent FRANCHISEE is able to adequately perform during that period.

E. *Acts or Omissions*. Any other act or omission by FRANCHISEE which materially violates the terms, conditions, or requirements of this Agreement; resolutions, administrative rules, or the City Code; the California Integrated Waste Management Act of 1989 (as codified in Public Resources Code section 40000 et seq.), as it may be amended from time to time; or any order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if FRANCHISEE cannot reasonably correct or remedy the breach within the time set forth in such notices, if FRANCHISEE should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

3. Termination. Upon the occurrence of a material breach, the CITY may have the right to terminate this Agreement pursuant to the provisions in chapter 13.24 of the Sacramento City Code.

4. Force Majeure. The performance of this Agreement may be discontinued or temporarily suspended in the event of Force Majeure. FRANCHISEE shall not be deemed to be in default and shall not be liable for failure to perform under this Agreement if FRANCHISEE'S performance is prevented or delayed by Force Majeure. Force Majeure means acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, public riots, breakage, explosions, or government restraint. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances, and litigation, including appeals, shall be entirely within the discretion of FRANCHISEE and FRANCHISEE may make settlement thereof at such time and on any such terms and conditions as it may deem to be advisable, and no delay in making such settlement shall deprive FRANCHISEE of the benefit of this section.

5. Notice of Termination. The CITY shall serve written notice in accordance with chapter 13.24 of the Sacramento City Code, either personally or by registered or certified mail, postage prepaid of the termination of a Franchise under this Agreement to the last place of business of FRANCHISEE.

Section 29: Conditions Upon Termination

1. In the event this Agreement is terminated:

A. FRANCHISEE shall have no right or authority to engage in commercial solid waste

collection, transportation, or disposal operations within the City.

B. FRANCHISEE shall, however, remain liable to CITY for any and all Franchise Fees that would otherwise be payable by FRANCHISEE, for any and all late payment charges and interest assessed, for any liquidated damages assessed pursuant to Exhibit B – Compensation or Attachment 1 to Exhibit B of this Agreement and for any and all delinquent report charges assessed pursuant to chapter 13.24 of the City Code.

C. FRANCHISEE shall have a continuing obligation to submit to CITY all reports required by Section 30 of this Agreement and chapter 13.24 of the City Code relating to commercial solid waste or recycling activities performed by FRANCHISEE up to and including the date of termination.

2. In the event this Agreement is terminated, then, within the time period specified by CITY, FRANCHISEE shall promptly remove all of FRANCHISEE's commercial solid waste and recyclables containers from all of FRANCHISEE's collection service locations and shall properly dispose of all solid waste or recyclables in such containers.

Section 30: Reports

1. FRANCHISEE shall submit quarterly tonnage reports on or before the first day of the second calendar month immediately following the reportable quarter and shall be submitted as required in CITY Code section 13.24.280 or as otherwise amended, in a format as required by the Solid Waste Manager.

2. FRANCHISEE shall submit monthly revenue reports on or before the first day of the second month immediately following the month in which collection services were provided as required in CITY Code section 13.24.280 or as otherwise amended. CITY shall provide FRANCHISEE with the required report format of such submittal.

Section 31: Audits, Records, and Inspection Authority

1. Upon CITY's request, FRANCHISEE shall promptly provide access to the Solid Waste Manager or his/her designees of all records, accounts, or other financial or program information pertinent to the conduct of the business and/or requirements of this Franchise as CITY deems necessary to determine FRANCHISEE's compliance with legal and contractual requirements, including the correctness and accuracy of claims submitted by FRANCHISEE.

2. FRANCHISEE shall certify that any response provided to the Solid Waste Manager or his/her designee, pursuant to this section, is true, complete, and correct.

3. In addition to the requirements in subsections 1 and 2 above, FRANCHISEE shall reimburse audit costs incurred by CITY staff, and any other costs for FRANCHISEE-related services provided by CITY staff or its contractors, in the event of significant audit findings including but not limited to, detailed follow-up audits when staff determines that documentation reported by FRANCHISEE is inadequate or incomplete. Where necessary, CITY staff will retain the services of an independent auditor to verify performance and conduct an audit of FRANCHISEE records.

Section 32: Prior Agreements

This Agreement constitutes the entire contract between CITY and FRANCHISEE regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between CITY and FRANCHISEE regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of

this Agreement.

Section 33: Severability

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

Section 34: Survival of Terms

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions, and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation, or termination of this Agreement shall so survive.

Section 35: Headings

The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

Section 36: Attorney Fees

Except as required by Section 19, the Parties will bear their own attorney fees and costs in connection with this Agreement.

Section 37: Authority to Execute

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

Section 38: Duplicate Counterparts

This Agreement may be executed in counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

Signatures scanned and transmitted electronically shall be deemed original signatures for purposes of this Agreement, with such scanned signatures having the same legal effect as original signatures. This Agreement may be executed through the use of an electronic signature and will be binding on each party as if it were physically executed.

(SIGNATURE PAGE FOLLOWS)

Executed as of the day and year first above stated.

CITY OF SACRAMENTO

A Municipal Corporation

By:_____

Print name: Ryan Moore

Title: Assistant City Manager

For: City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

Michael Fry (May 26, 2026 18:56:01 PDT)

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

JLH Industries Inc. dba AAA Recycling

NAME OF FIRM

862864967

Federal I.D. No.

14947774

State I.D. No.

1117789

City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY *(check one)*:

☐ Individual/Sole Proprietor
☐ Partnership
☑ Corporation *(may require 2 signatures)*
☐ Limited Liability Company
☐ Other (*please specify:* _____)

Gary Matranga
Gary Matranga (May 7, 2026 11:16:48 PDT)

05/08/2026

Signature of Authorized Person

Gary Matranga | Owner

Print Name and Title

Kassandra Stone (May 7, 2026 12:00:59 PDT)

Additional Signature *(if required)*

Kassandra Stone | Vice President

Print Name and Title

Exhibit A
Scope of Services

This Exhibit A incorporates by this reference the Franchise Agreement between *JLH Industries Inc. dba AAA Recycling* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Temporary Commercial Solid Waste Collection (the "Agreement"). This Exhibit A provides the Scope of Services for the Agreement. In the event of a conflict between Exhibit A and the Agreement, the terms of Exhibit A shall prevail.

1. Definitions

For purposes of this Agreement, all terms used shall have the same meaning as those defined in chapter 13.24 of the Sacramento City Code.

2. Ownership of Waste Material

CITY does not gain any ownership or right to possess commercial solid waste material collected by FRANCHISEE pursuant to this Agreement. Subject to the provisions of this Agreement, FRANCHISEE shall have the right to retain any benefit resulting from its right to retain, recycle, process, dispose of, or use the commercial solid waste material that it collects.

3. Disposal and Diversion of Commercially Generated Waste Material

FRANCHISEE shall dispose of commercial solid waste collected or transported by FRANCHISEE only by taking such commercial solid waste to a landfill or transfer station lawfully authorized to accept such solid waste. FRANCHISEE shall divert recyclable and organic material at facilities legally permitted to process source separated recyclable material and organic material. FRANCHISEE shall not dispose of commercial solid waste by depositing it on any land, whether public or private, or in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system.

4. Diversion Programs

A. Source Separated Recyclable Material and Organic Material: FRANCHISEE is required to divert from landfilling source separated recyclable material and organic material collected and removed by it within CITY region, in accordance with chapter 13.24 of the City Code. Failure to meet the diversion requirement will subject FRANCHISEE to the Recycling Shortfall Penalty provided for in CITY Code section 13.24.760, or as otherwise amended. FRANCHISEE shall not landfill source separated recyclable material and organic material without notifying CITY as described in CITY Code section 13.24.240, or as otherwise amended.

B. Construction and Demolition Debris: When FRANCHISEE provides commercial solid waste collection services for a project subject to Construction and Demolition ("C&D") Debris in chapter 8.124 of the City Code, FRANCHISEE shall assist their generators in complying with the C&D Debris requirements set forth in the City Code.

Diversion credit from mixed construction and demolition debris for compliance with mandates will only be recognized if FRANCHISEE delivers mixed C&D debris to a C&D Sorting Facility certified by the County of Sacramento and material is stamped as sorted by the certified C&D Sorting Facility.

5. Collection Equipment

A. Any and all vehicles used by FRANCHISEE to perform commercial solid waste collection

services shall meet the vehicle inspection, tag and covered load requirements of CITY Code section 13.24.430, 13.24.440 and 13.24.450, or as otherwise amended.

B. FRANCHISEE shall submit a Franchisee commercial solid waste vehicle inventory of FRANCHISEE's vehicles, as required in CITY Code section 13.24.110 or as otherwise amended, and shall include but not limited to, vehicle number, year, make, model, capacity, and vehicle identification number (VIN). FRANCHISEE is required to submit the Franchisee commercial solid waste vehicle inventory annually as part of its Franchise Application or Franchise Renewal Application.

C. If FRANCHISEE's vehicle inventory has changed between the application or renewal application date and the effective date of this agreement, FRANCHISEE must submit to Solid Waste Manager an amended inventory, as required in CITY Code section 13.24.180 or as otherwise amended, prior to commencing the provision of services under this Agreement.

6. Franchisee Provided Waste Material Containers

A. FRANCHISEE shall provide temporary containers used for storage of solid waste materials that meet the following requirements:

(i) FRANCHISEE shall place a label on the body or lid of each container that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that container. Container labels must be available in any non-English language spoken by a substantial number of the public in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

(ii) Container must be clearly identified, with the name, or recognizable corporate or company logo, and phone number of the Franchisee that is legible from a distance of fifty (50) feet.

(iii) Be adequately sized and serviced with adequate frequency to meet the waste material generation needs of the business.

(iv) Be designed and constructed to be watertight to prevent the leakage of liquids.

(v) Be equipped with lids which are to be kept closed and shall be placed in a way that does not prevent the lid from being closed.

(vi) Containers shall be equipped with functioning locking bars or a locking mechanism and shall remain locked at all times, except when solid waste or recyclable materials are being deposited or collected in accordance with the provisions of chapter 13.24 of Sacramento City Code.

(vii) Be kept free of graffiti.

(viii) Be replaced, cleaned, or repainted as needed so as to present a clean appearance.

(ix) No later than January 1, 2036, FRANCHISEE shall provide all generators with collection containers that comply with the container color requirements specified in in Title 14 of the California Code of Regulation ("CCR") Section 18982. 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. Until January 1, 2036, FRANCHISEE is not required to replace functional collection containers that do not comply with these color requirements

prior to the end of the useful life of those containers. New and replacement collection containers, however, must meet new color requirements.

B. Solid Waste Manager or designee may require special container equipment, and/or container labeling with customer identifying information.

C. Violations of the conditions of this section may become the basis for enforcement actions. In addition, violations of the conditions of this section may be determined to be a material breach of this Agreement and will subject the FRANCHISEE to payment of liquidated damages, pursuant to Exhibit B of this Agreement.

7. Abandoned Containers

A. If FRANCHISEE abandons any container used to provide commercial solid waste material collection services under the Agreement, CITY may remove the container and/or dispose of the contents of the container.

B. If CITY removes a container abandoned by FRANCHISEE and/or disposes of the contents of any container abandoned by FRANCHISEE, CITY may charge FRANCHISEE for CITY's costs incurred in such removal/disposal and for CITY's costs of storage of the container. FRANCHISEE shall reimburse CITY for such costs within ten (10) days of the date of CITY's invoice for such costs.

C. For the purposes of this section, "abandoned" includes:

(i) FRANCHISEE's failure to remove the container within the time period specified by termination of the Agreement pursuant to chapter 13.24 of the Sacramento City Code.

(ii) FRANCHISEE's failure to remove the container within a reasonable period after the expiration of the Franchise granted to FRANCHISEE, except in the case where FRANCHISEE has been granted an extension of the term of said Franchise or FRANCHISEE has been granted a subsequent commercial solid waste collection franchise authorizing FRANCHISEE to collect and transport the type or types of solid waste for which the container was used pursuant to this Agreement.

(iii) FRANCHISEE's failure to dispose of the contents of the container within five (5) days after CITY issues written notice to FRANCHISEE to dispose of the contents.

8. Personnel

A. Driver Qualifications. FRANCHISEE agrees that all drivers shall be trained and qualified in the operation of collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

B. Safety Training. FRANCHISEE shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection of solid waste, or who are otherwise directly involved in such collection.

9. Education and Outreach

A. FRANCHISEE shall assist CITY in educational and outreach activities to promote diversion of recyclable material and organic material.

B. FRANCHISEE shall provide an outreach and education plan according to FRANCHISEE's Diversion Plan.

C. Education and outreach materials must be translated into any non-English language spoken by a substantial number of the pubic in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

10. Diversion Plan

FRANCHISEE shall implement its Diversion Plan submitted annually as part of its Franchise Application or Franchise Renewal Application and approved by CITY. FRANCHISEE Diversion Plan shall contain the following elements:

A. A methodology for how FRANCHISEE will meet City diversion requirements.

B. A description of the FRANCHISEE's recordkeeping and reporting systems and how it will accurately meet CalRecycle mandatory reporting.

11. Restricted Collection Hours

A. Solid Waste shall be collected within residential areas or within mixed residential and commercial areas of the city only between the hours of 6:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day, and elsewhere within the city only between the hours of 4:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day as provided by chapter 13.10 of the Sacramento City Code, or as otherwise amended.

B. Violation of this provision will subject FRANCHISEE to liquidated damages identified in Exhibit B – Compensation or attachment 1 to Exhibit B.

12. Annual Mandatory Training

A. CITY will conduct annual training covering, at minimum, tonnage and revenue reporting requirements.

B. Attendance is required for a FRANCHISEE that meets any of the following criteria, including but not limited to reporting staff turnover with those responsible or involved in reporting, staff reassignment impacting reporting, significant or repeated reporting errors, or any other issue identified by CITY that may impact accurate or timely reporting.

C. CITY will notify FRANCHISEE at least thirty (30) calendar days in advance if attendance is required, specifying the date, time, and format of the training. All staff involved in reporting to the CITY should attend a training session, but at a minimum, at least one employee from FRANCHISEE must attend.

D. Failure to attend the annual mandatory training may result in the assessment of liquidated damages.

Attachment 1 to Exhibit A
Downtown Service Area

This Attachment 1 to Exhibit A incorporates by this reference the Franchise Agreement between *JLH Industries Inc. dba AAA Recycling* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit A defines the Downtown Service Area. In the event of a conflict between this Attachment 1 to Exhibit A and the Agreement, the terms of this Attachment 1 to Exhibit A shall prevail.

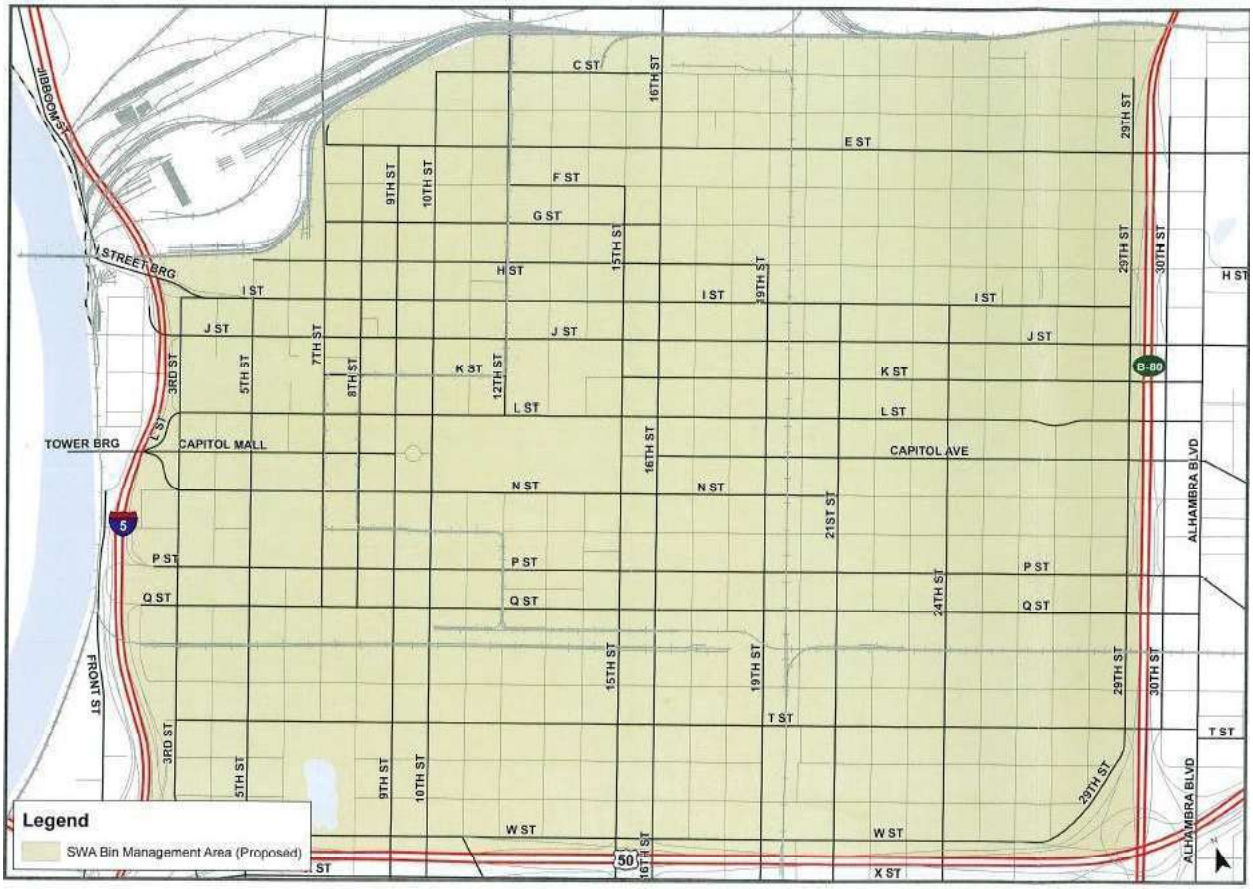


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Exhibit B provides the Compensation for the Agreement. In the event of a conflict between Exhibit B and the Agreement, the terms of Exhibit B shall prevail.

1. FRANCHISE FEES

A. During the term of the Agreement, FRANCHISEE shall pay Franchise Fees to CITY. Such fees shall be in the amount established for commercial solid waste services as set forth by resolution of the City Council and as described in chapter 13.24 of Sacramento City Code, pursuant to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. Franchise Fees shall not be owed by FRANCHISEE for revenues received from federal, state and local governments, including school districts.

C. FRANCHISEE shall pay Franchise Fees on all solid waste collected pursuant to this AGREEMENT regardless of the method of disposal or handling.

D. For calculation of gross collection revenue and calculation of franchise fees, FRANCHISEE may deduct collection revenues for source-separated recyclable material and organic material, provided those materials are diverted from disposal.

2. FRANCHISE FEE PAYMENT

A. FRANCHISEE shall pay Franchise Fees to CITY pursuant to CITY Code section 13.24.040, or as otherwise amended.

B. FRANCHISEE shall pay all required Franchise Fees to:

City of Sacramento, Recycling and Solid Waste Division
Attention: Accounts Receivable
2812 Meadowview Road, Building 1
Sacramento, CA 95832

C. If FRANCHISEE remits Franchise Fees by personal delivery to CITY, such Franchise Fees shall be deemed timely paid only if delivered on or before the due date. If FRANCHISEE remits Franchise Fees by mail or other delivery service, such Franchise Fees shall be deemed timely only if: (1) the envelope containing the Franchise Fee payment bears a postmark or receipt showing that the payment was mailed or sent on or before the due date or (2) FRANCHISEE submits proof satisfactory to Solid Waste Manager that the Franchise Fee payment was in fact deposited in the mail or sent on or before said due date.

D. In the event FRANCHISEE believes that it has paid Franchise Fees in excess of the amounts due to CITY, FRANCHISEE may submit a request for refund to Solid Waste Manager on a form provided by said Solid Waste Manager. If proof of overpayment is satisfactory to Solid Waste Manager, Solid Waste Manager shall refund to FRANCHISEE any overpayment. FRANCHISEE shall not apply any overpayment as a credit against any Recycling Shortfall Penalty, Franchise Fees, or other amounts payable to the CITY unless specifically so authorized by the Solid Waste Manager in writing.

3. Liquidated Damages

A. Failure of FRANCHISEE to provide solid waste collection containers and services that conform to this Agreement will be subject to liquidated damages according to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. If any deficiencies are brought to the attention of CITY, CITY shall notify FRANCHISEE in writing of such failure, including the associated liquidated damages amount. FRANCHISEE may be given a cure period to provide proof of corrective action for such deficiency prior to liquidated damages being assessed. However, not all deficiencies will have a cure period. Attachment 1 to Exhibit B – Fee and Penalty Schedule provides cure periods for deficiencies that shall be assessed liquidated damages. Proof of corrective action must be provided by FRANCHISEE as requested by CITY.

C. If proof of corrective action is not provided by FRANCHISEE within the cure period, CITY may take further enforcement action. Furthermore, continued failure to take corrective action shall be deemed a breach of this Agreement and shall constitute grounds for the termination of this Agreement by CITY.

D. Any Liquidated Damage fees shall be assessed to the FRANCHISEE and shall be due as part of FRANCHISEE's monthly payment to CITY.

4. LATE FEES AND PENALTIES

FRANCHISEE shall pay late fees and penalties to CITY pursuant to the Attachment 1 to Exhibit B – Fee and Penalty Schedule.

Attachment 1 to Exhibit B
Fee and Penalty Schedule

This Attachment 1 to Exhibit B incorporates by this reference the Franchise Agreement between ("FRANCHISEE") *JLH Industries Inc. dba AAA Recycling* and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit B provides the fees and penalties for the Agreement. In the event of a conflict between this Attachment 1 to Exhibit B and the Agreement, the terms of this Attachment 1 to Exhibit B shall prevail.

Fees and Charges

Fee	Amount	Notes
Franchise fee	10% of revenue	Calculated at 10% of reported disposal revenue. May require minimum of $1,000 per fiscal year (July-June).
Refundable cash deposit	$500.00 per vehicle	Required for each collection vehicle unless sufficient financial assurance provided to CITY.
Delinquent Franchise Fee Payment	10% of franchise fee owed, compounded 1.5% monthly until paid	Franchisee fees are due on the first business day of the second month following the close of each month. The 10% late fee is applied when the franchise fee is not paid on time. If it is still unpaid by the first of the next month, the franchise fee will increase by 1.5% of the owed franchise fee plus the original late fee plus applied interest.
Delinquent Quarterly Tonnage Report Fee	$50.00	Correct and accurate Quarterly Tonnage Reports are due the first business day of the second month following the close of each quarter. An automatic charge of $50/day will be applied until the accurate tonnage report is received. Staff will determine whether a tonnage report is correct.
Delinquent Quarterly Generator Report Fee	$25.00 / day	Correct and accurate Generator Reports are due by the date described in Sacramento City Code, section 13.24.600, or as otherwise amended. An automatic charge of $25/day will be applied until the accurate generator report is received. Staff will determine whether a generator report is correct.
Recycling shortfall penalty	$25.00 / ton of recycling shortfall	Charged per ton of shortfall from 30% diversion requirement.
Abandoned Container Fee	$400.00	Fee to cover the costs for the collection, emptying and storage of a Franchisee abandoned container. Containers are considered abandoned if not removed from the property of a customer within five business days of final termination of services to the customer (13.24.570 or as otherwise amended).

Liquidated Damages

Failure	Amount	Cure Period
Broken or missing lock bar / Broken or missing lock	$150.00 / bin / service address / day	Three (3) business days.
Broken or missing lid	$150.00 / bin / service address / day	Three (3) business days.

Container graffiti	$150.00 / bin / service address / day	Three (3) business days.
Bin not properly labeled	$150.00 / bin / service address / day	Three (3) business days.
Overflowing, spilling, or leaking bin	$250.00 / bin / service address / day	Three (3) business days.
Use of collection vehicle(s) without required inspection	$150.00 / vehicle / day	N/A / None.
Verified collection outside of restricted collection hours (Sacramento City Code 13.24.560 Hours of collection.)	$150.00 / incident	N/A – None.
Uncovered/Unsecured materials in collection vehicles	$150.00 / incident	N/A / None.
Provision of non-compliant service, including but not limited to failing to provide minimum service level requirements and failing to provide all required commodities.	$150.00 / commodity / day	N/A / None for service started on or after July 1, 2024. Generators must be provided compliant services from the commencement of services through final termination.
Providing ongoing or recurring commercial solid waste or recycling collection services for materials which are not generated in connection with construction, demolition, renovation, cleanup, or similar temporary projects.	$1,000.00 / occurrence / month	N/A/None.
Inaccurate Reporting	$100 / error after the first five (5) errors per report	N/A / None. Reports must be complete and accurate at the time of submission.
Failure to provide a generator with a copy of the service agreement/contract within timeframe allowable by Sacramento City Code 13.24.270 or as otherwise amended.	$100 / service agreement / day	N/A / None. Liquidated damages will be assessed beginning the first day after the allowable timeframe by Sacramento City Code
Placing a franchisee owned container requiring a minor encroachment permit as defined in Sacramento City Code 12.12 on a public right-of-way without approved minor encroachment permit or prior written approval from the City.	$150 / container / day	N/A / None. The required minor encroachment permit must be approved and attached to temporary container at the time the container is placed on the public right-of-way unless an exception as outlined in Sacramento City Code 12.12.020 applies.
Failure to provide service or response as outlined in Sacramento City Code 13.24.570.	$150 / failure / day	N/A / None. Liquidated damages will be assessed daily until proof of correction is supplied to City in a manner that is satisfactory to Solid Waste Manager or designee.
Failure to attend required hauler reporting training as outlined in Section 15 – Annual Mandatory Training.	$150 / meeting	N/A None. Haulers will be provided 30 days' advance notice for training. Failure to attend will result in immediate assessment of liquidated damages.

Exhibit C
Insurance

1. **Insurance Requirements**. During the entire term of this Agreement, FRANCHISEE shall maintain the insurance coverage described in the Insurance Terms below. Full compensation for all premiums that FRANCHISEE is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Agreement. No additional compensation will be provided for FRANCHISEE's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

   FRANCHISEE's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the FRANCHISEE in connection with this Agreement.

2. **General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the FRANCHISEE and subcontractors, products and completed operations of FRANCHISEE and subcontractors, and premises owned, leased, or used by FRANCHISEE and subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of FRANCHISEE and subcontractors; products and completed operations of FRANCHISEE and subcontractors; and premises owned, leased, or used by FRANCHISEE and subcontractors.

3. **Automobile Liability Minimum Scope and Limits of Insurance Coverage**. (*Check the applicable provision*.)

   X Automobile Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than three million dollars ($3,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the FRANCHISEE. The policy will contain an MCS-90 endorsement when applicable. FRANCHISEES who only operate non-commercial vehicles are required to provide limits of not less than $1,000,000 of Automobile Liability Insurance.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

   X Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract with limits of not less than one million dollars ($1,000,000). This coverage may also be provided on a Contractors Pollution Liability policy.

   If Pollution Liability insurance is written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

4. **Excess Insurance**. The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance contains, or is endorsed to contain, a provision that it will apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of FRANCHISEE's umbrella or excess coverage and will not contribute to it.

5. **Workers' Compensation Minimum Scope and Limits of Insurance Coverage.** (*Check the applicable provision*.)

_X_ Workers' Compensation Insurance is required with statutory limits and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000). The Workers' Compensation policy shall include a waiver of subrogation in favor of the City.

___ No work or services will be performed on or at CITY facilities or CITY Property, therefore a Workers' Compensation waiver of subrogation in favor of the CITY is not required.

___ No Workers' Compensation insurance is required, and by signing this Agreement, FRANCHISEE certifies as follows:

"FRANCHISEE certifies that its business has no employees, and that it does not employ anyone, and is therefore exempt from the legal requirements to provide Workers' Compensation insurance. If, however, FRANCHISEE hires any employee during the term of this Agreement, FRANCHISEE understands that Workers' Compensation with statutory limits and Employer's Liability Insurance with a limit of not less than one million dollars ($1,000,000) is required. The Workers' Compensation policy will include a waiver of subrogation in favor of the City."

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:

A. FRANCHISEE's insurance coverage, including excess insurance, shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-

insurance maintained by the City, its officials, employees or volunteers will be in excess of FRANCHISEE's insurance and will not contribute with it.

B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.

C. Coverage shall state that FRANCHISEE's insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

D. FRANCHISEE shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.

7. **Acceptability of Insurance**. Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Agreement.

8. **Verification of Coverage.**

A. FRANCHISEE shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.

B. FRANCHISEE shall send all insurance certificates and endorsements, including policy renewals, during the term of this Agreement directly to:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

C. Certificate Holder must be listed as:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

D. The City may withdraw its offer of Agreement or cancel this Agreement if the certificates of insurance and endorsements required have not been provided before execution of this Agreement. The City may withhold payments to FRANCHISEE and/or cancel the Agreement if the insurance is canceled or FRANCHISEE otherwise ceases to be insured as required herein.

9. **Subcontractor Insurance Coverage**. FRANCHISEE shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 4/8/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
McGee & Thielen Insurance Brokers, Inc.
3840 Rosin Court, Suite 245
Sacramento, CA 95834

www.mcgeethielen.com 0633187

CONTACT NAME: Shanon Pham
PHONE (A/C, No, Ext): 916-561-4609 **FAX (A/C, No):** 916-561-4656
E-MAIL ADDRESS: shanon@mcgeethielen.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Scottsdale Insurance Company	41297
INSURER B : StarStone National Insurance Company	25496
INSURER C : Insurance Company of the West	27847
INSURER D : Homeland Insurance Company of New York	34452
INSURER E : Ohio Casualty Insurance Company	24074
INSURER F : General Star Indemnity Company	37362

INSURED
JLH Industries Corporation
DBA: AAA Recycling
1644 Auburn Blvd.
Sacramento CA 95815-1951

COVERAGES **CERTIFICATE NUMBER:** 90110034 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☑ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☑ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:	✓	✓	CPS8261949	8/2/2025	10/10/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 500,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
B	**AUTOMOBILE LIABILITY** ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☑ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY	✓	✓	APM4100228#1	8/2/2025	10/10/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
F	☐ **UMBRELLA LIAB** ☑ OCCUR ☑ **EXCESS LIAB** ☐ CLAIMS-MADE ☐ DED ☐ RETENTION $			3220798	4/10/2026	10/10/2026	EACH OCCURRENCE AGGREGATE	$ 2,000,000 $ 2,000,000
C	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N: Y **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	✓	WSA 5086686 00	10/10/2025	10/10/2026	✓ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
D	Pollution Liability			793-01-33-51-0001	10/10/2025	10/10/2026	$1,000,000 Each/Agg	
E	Warehouse Legal Liability			BMO64039353	10/10/2025	10/10/2026	$1,000,000 / $10,000 Deductible	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City, its officials, employees and volunteers are included as additional insured under the General Liability and Automobile Liability coverages per attached blanket primary or non-contributory and waiver of subrogation included under the General Liability and Automobile Liability coverages per attached blanket forms. Workers Compensation waiver of subrogation included per attached blanket form.

CERTIFICATE HOLDER

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta CA 92564

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
John Bradford

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – AUTOMATIC STATUS WHEN REQUIRED IN A WRITTEN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Section II – Who Is An Insured is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
   - **a.** The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
   - **b.** Supervisory, inspection, architectural or engineering activities.

   This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

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90110034 | 25/26 GL/AUTO/IM/WC/POLL | Shanon Pham | 4/8/2026 12:21:15 PM (PDT) | Page 2 of 8
This certificate cancels and supersedes ALL previously issued certificates.

2. "Bodily injury" or "property damage" occurring after:

a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement you have entered into with the additional insured; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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COMMERCIAL GENERAL LIABILITY
CG 20 01 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

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COMMERCIAL GENERAL LIABILITY
CG 24 53 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION) – AUTOMATIC

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART DESIGNATED SITES
POLLUTION LIABILITY LIMITED COVERAGE PART DESIGNATED SITES
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY DESIGNATED TANKS

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery against any person or organization, because of any payment we make under this Coverage Part, to whom the insured has waived its right of recovery in a written contract or agreement. Such waiver by us applies only to the extent that the insured has waived its right of recovery against such person or organization prior to loss.

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This certificate cancels and supersedes ALL previously issued certificates.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: Jlh Industries Corporation DBA: AAA Recycling
Endorsement Effective Date: 08-02-2025

SCHEDULE

Name Of Person(s) Or Organization(s):
All persons or organizations for which coverage is required by contract or agreement.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph **A.1.** of Section **II** – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph **D.2.** of Section **I** – Covered Autos Coverages of the Auto Dealers Coverage Form.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: Jlh Industries Corporation DBA: AAA Recycling

Endorsement Effective Date: 08-13-2025

SCHEDULE

Name(s) Of Person(s) Or Organization(s):
All Persons or Organizations for which coverage is required by contract or agreement.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

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This certificate cancels and supersedes ALL previously issued certificates.

(Ed. 8-00)

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - BLANKET

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us).

The additional premium for this endorsement shall be **2** % of the total California Workers' Compensation premium otherwise due.

Schedule

Person or Organization	Job Description
ANY PERSON OR ORGANIZATION FOR WHOM THE NAMED INSURED IS REQUIRED UNDER WRITTEN CONTRACT TO FURNISH THIS WAIVER.	

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective **10/10/2025** Policy No. **WSA 5086686 00** Endorsement No. **001**

Insured **JLH INDUSTRIES CORPORATION** Premium $ **INCL.**

Insurance Company **INSURANCE COMPANY OF THE WEST**

Countersigned By _____

WC 99 06 34
(Ed. 8-00)

City of SACRAMENTO

Contract Routing Sheet

☐ **Payment / Performance Bond Only**

General Routing Information

Department: Public Works Department

Contract Coordinator: Rachel Simpo Email: rsimpo@cityofsacramento.org

Effective Date: 07/01/2026 Expiration Date: 06/30/2027

Grant/Project Name: Commercial Waste Collection Franchise

Other Party: Advance Disposal, Inc.

Original Not to Exceed Amount: $ 0.00

Assessor's Parcel Number(s):

Project Number: 15005861 Bid/RFQ/RFP#:

Supplements/Addendums/Change Orders ☐

Adjusted Amount of this Change (+/-): New Not to Exceed Amount:

Change In Scope: No

Original Contract Number: Supplement Number:

Council Approval ☑

Original Meeting Date: 6/16/26 Council File ID: 2026-01084

Supplement Meeting Date: Council File ID:

Processing Information

- ☐ Clerk's Office to Mail for Recording
- ☐ Return to Dept for Other Party Signature
- ☐ Real Estate
- ☐ Return to Dept for Recording
- ☐ Construction Related
- ☐ Additional Originals Attached – Return to Dept.

Add notes/instructions, including any other contract or council file ID numbers related to this agreement:

Agreement is to grant a franchise, no services provided - "Not to Exceed" limit does not apply.

Signing Authority - Department Directors up to $100K; $100K -$250K City Manager or Assistant City Manager; $250K+ Council Approval & Council Appointee or designee.

Department Review and Routing

AB 339 Review Confirmation (if needed)

Sign Gougnal Achari

Sign Margaret Kashuba

Sign John Febbo (May 22, 2026 08:28:06 PDT)

Sign Matt Eierman (May 22, 2026 08:29:05 PDT)

Sign

CONTRACT NAME: Commercial Waste Collection Franchise
CONTRACT PROJECT #: 15005861
DEPARTMENT: Public Works
DIVISION: Recycling and Solid Waste

CITY OF SACRAMENTO
FRANCHISE AGREEMENT FOR
COMMERCIAL SOLID WASTE COLLECTION (CONSTRUCTION & DEMOLITION/CLEAN-UP HAULING ONLY)

THIS AGREEMENT is made at Sacramento, California, by and between the CITY OF SACRAMENTO, a charter city and municipal corporation ("CITY"), and

Advance Disposal, Inc
PO Box 97, Standard, CA 95373
(916) 444-8676 | 4448676@gmail.com

("FRANCHISEE"), as of the Effective Date, 7/1/2026, as defined below.

RECITALS

The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste collection within their jurisdiction; and

Chapter 13.24 of the Sacramento City Code authorizes the City Council to enter into non-exclusive franchise agreements for the collection, transportation, and disposal services of commercial solid waste, recyclable materials, organic materials, and construction and demolition debris; and

A non-exclusive franchise to operate, maintain, and provide the collection of solid waste, recyclable materials, and organic materials, and construction and demolition debris along, across, and over City public streets and rights of way promotes the public health, safety, and welfare by promoting permanence and stability among the businesses wishing to provide such services and accountability to the City for compliance with current and future state mandates; and

The City has determined that it is in its best interests to provide for commercial solid waste collection, transportation, and disposal services by means of non-exclusive franchisees; and

The City has determined that the grant of such franchise to the Franchisee is in the public interest; and

The State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement a recycling and waste management program. Through the enactment of various legislation, including the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), the State has directed local agencies, to promote diversion and 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 solid waste that must be disposed.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, CITY and FRANCHISEE agree

as follows:

Section 1: Agreement Documents

All exhibits and documents attached or referred to in this Agreement are incorporated as if set forth herein, including:

1. Exhibit A – Scope of Services
2. Exhibit B – Compensation
3. Exhibit C – Insurance

If there is a conflict between the terms and conditions of any document prepared or provided by the FRANCHISEE and made a part of this Agreement and the other terms or conditions of the Agreement, the other terms and conditions of the Agreement control.

Section 2: Grant and Acceptance of Franchise

1. By this Agreement, CITY hereby grants to FRANCHISEE a non-exclusive commercial solid waste collection franchise authorizing FRANCHISEE to engage in the business of collecting, transporting, and disposing of commercial solid waste generated in connection with construction, demolition, renovation, cleanup, or similar temporary projects accumulated or generated within the City of Sacramento and to use the public streets and rights of way for such purpose.
2. This grant is pursuant to the disclosures, statements, and information contained in FRANCHISEE's Application for City Franchise Agreement.
3. FRANCHISEE hereby accepts the Franchise on the terms and conditions set forth in this Agreement, and all related ordinances and resolutions.

Section 3: Representatives and Notice

CITY Representative for this Agreement is:

Erin Treadwell / Program Manager
2812 Meadowview Road, Building 1, Sacramento, CA 95832
Phone: (916) 808-4934 /Fax: (916) 808-4999 / etreadwell@cityofsacramento.org

The FRANCHISEE Representative for this Agreement is:

Betzaida Dambacher | CEO/President
PO Box 97, Standard, CA 95373
(916) 444-8676 | ad_inc@mac.com

Unless otherwise provided in this Agreement, all FRANCHISEE questions and correspondence pertaining to this Agreement must be addressed to the CITY Representative. All CITY questions and correspondence must be addressed to the FRANCHISEE Representative.

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

Notice shall be deemed effective on the date personally served or, if mailed, three days after the date

deposited in the mail.

FRANCHISEE shall maintain functional Electronic Mail (Email) during the entire duration of the Agreement and provide CITY with such Email address for CITY communication to FRANCHISEE. FRANCHISEE shall notify CITY of any change in its functional Email address in writing via US Mail or Email communication to CITY.

Section 4: Term and Scope of Services

1. **Services.** Subject to the terms and conditions set forth in this Agreement, FRANCHISEE shall provide the services described in attached Exhibit A ("Scope of Services").
2. **Commencement Date.** The Commencement Date of this Agreement shall be when FRANCHISEE commences with the provision of collection, transportation, processing, and disposal services described by this Agreement. During the time between the Effective Date and Commencement Date, FRANCHISEE shall perform any and all activities necessary to commence services on the Commencement Date.
3. **Term.** The Term of this Agreement shall be from the date the Agreement is signed by the Parties until June 30, 2027, unless extended by CITY pursuant to Subsection 4 below.
4. **Option to Extend Term.** CITY, at its sole discretion, shall have the option to extend this Agreement four (4) times by one (1) year, pursuant to the terms and conditions of this Agreement. If CITY elects to exercise the option, it shall give written notice of its election not less than thirty (30) calendar days prior to the initial expiration date or extended termination date of this Agreement.

Section 5: Compensation

1. Compensation under this Agreement shall be in accordance with Exhibit B ("Compensation") and Attachment 1 to Exhibit B, or Exhibit B and any attachments as modified by the CITY in accordance with express provisions in this Agreement and chapter 13.24 of the Sacramento City Code.
2. FRANCHISEE shall maintain for five years following expiration or termination of this Agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; applicable overhead and indirect expenditures.

Section 6: Conditions of Effectiveness

The effectiveness and validity of this Agreement is subject to FRANCHISEE's satisfaction of each and all of the conditions set forth below, each of which may be waived in whole or in part by CITY.

1. **Accuracy of Representations**. The representation and warranties made by FRANCHISEE in its Application for Franchise are true and correct on and as of the Effective Date of this Agreement.
2. **Effectiveness of City Council Action**. The City Council shall have taken action approving this Agreement prior to or on the Effective Date, provided that no restraining order of any kind has been issued.
3. **Furnishing of Insurance**. FRANCHISEE has furnished evidence of the insurance requirements set forth in the attached Exhibit C.

4. **Company Status**. FRANCHISEE is a business duly organized, validly existing, and in good standing under the laws of the State of California. It is qualified to transact business in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

5. **Company Authorization**. FRANCHISEE has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of FRANCHISEE (or the members, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The person signing this Agreement on behalf of FRANCHISEE has authority to do so.

6. **Agreement Will Not Cause Breach**. To the best of FRANCHISEE's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement nor the performance of this Agreement by FRANCHISEE: a) conflicts with, violates, or results in a breach of any applicable law; or, b) 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 is a party or by which FRANCHISEE or any of its properties or assets are bound, or constitutes a default thereunder.

7. **No Litigation**. To the best of FRANCHISEE's knowledge after reasonable investigation, 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 decided, pending or threatened against FRANCHISEE with an unfavorable decision, ruling, or finding, in any single case or in the aggregate, that would adversely affect the performance by FRANCHISEE of its obligations in this Agreement or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of FRANCHISEE or any surety guaranteeing FRANCHISEE's performance under this Agreement, which has not been waived by CITY in writing.

8. **No Adverse Judicial Decisions**. To the best of FRANCHISEE's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement and may subject this Agreement to legal challenge.

9. **Ability to Perform**. FRANCHISEE possesses the business, professional, and technical expertise to manage, collect, transport, treat, store, and dispose of the solid waste and to manage, collect, transport, store, and process recyclable materials and organic materials, and FRANCHISEE possesses the equipment, facility, and employee resources required to perform this Agreement.

10. **FRANCHISEE's Statements**. The FRANCHISEE's application and any other supplementary information submitted to CITY, which CITY has relied on in awarding and entering this Agreement, do not: a) contain any untrue statement of a material fact; orb) omits a material fact that would make any stated information misleading.

11. **FRANCHISEE's Investigation**. FRANCHISEE has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder. FRANCHISEE has taken such matters into consideration in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

12. **Non-Discrimination in Employee Benefits**. This Agreement may be subject to Sacramento City Code chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits

Code (Equal Benefits Ordinance)," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.54. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance.

FRANCHISEE's violation of Sacramento City Code chapter 3.54 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

13. **Considering Criminal Conviction Information in the Employment Application Process**. This Agreement may be subject to the requirements of Sacramento City Code chapter 3.62, Procedures for Considering Criminal Conviction Information in the Employment Application Process. A summary of the requirements, entitled "Ban-The-Box Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

The Ban-The-Box Requirements are applicable to certain contracts with CITY in an amount of $250,000 or more (either initial value or total value after amendment) or if the total value of all FRANCHISEE's contracts with CITY is $250,000 or more over a 12-month period.

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.62. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.62 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.62. FRANCHISEE's violation of Sacramento City Code chapter 3.62 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

14. **Local Business Enterprise Program**. The Local Business Enterprise Program Participation Requirements ("LBE Participation Requirements") may be applicable to this Agreement. A summary of the requirements, entitled "LBE Participation Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.60. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.60 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.60.

FRANCHISEE's violation of Sacramento City Code chapter 3.60 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

Section 7: Compliance with Laws

FRANCHISEE shall, at all times and at its sole cost and expense, observe and comply with all applicable Federal, State, regional, and City laws, regulations, rules, and ordinances, including those of other states, cities, or counties which may have jurisdiction over any service provided by FRANCHISEE under this Agreement.

Section 8: Governing Laws and Jurisdiction

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in the Sacramento County Superior Court, Sacramento, California or in the United States District Court for the Eastern District of California, as applicable.

Section 9: Licenses and Permits

1. FRANCHISEE shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, County of Sacramento and all other appropriate governmental agencies, including any certification and credentials required by CITY, including a City Business Tax Certificate and any required certification issued by the California Secretary of State. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the suspension or termination of this Agreement by CITY.
2. FRANCHISEE further certifies to CITY that it and its principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. FRANCHISEE certifies that it shall not contract with a subcontractor that is so debarred or suspended.

Section 10: Performance Standards

FRANCHISEE shall perform its services under this Agreement in accordance with the industry and/or professional standards applicable to FRANCHISEE'S services. FRANCHISEE shall assign only competent personnel to perform on its behalf under this Agreement.

Section 11: Ownership of Work Product

All technical data, evaluations, plans, specifications, reports, documents, or other work products developed by FRANCHISEE provided hereunder shall be the exclusive property of CITY and shall be delivered to CITY upon completion of the services authorized hereunder. FRANCHISEE may retain copies thereof for its files and internal use. Publication of the information directly derived from work performed or data obtained in connection with services rendered under this Agreement must first be approved in writing by CITY. CITY recognizes that all technical data, evaluations, plans, specifications, reports, and other work products are instruments of FRANCHISEE'S services and are not designed for use other than what is intended by this Agreement.

Section 12: Status of Franchisee - Independent Contractor

1. It is understood and agreed that FRANCHISEE (including FRANCHISEE'S employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Neither FRANCHISEE nor FRANCHISEE'S assigned personnel will be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to FRANCHISEE under the provisions of this

Agreement; and as an independent contractor, FRANCHISEE hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party, including any state or federal agency, that an employer-employee relationship exists by reason of this Agreement or by the reason of the nature or performance under the Agreement.

2. It is further understood and agreed by the parties hereto that FRANCHISEE in the performance of its obligation hereunder is subject to the control or direction of CITY as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by FRANCHISEE for accomplishing the results. To the extent that FRANCHISEE obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use will be at FRANCHISEE's sole discretion based on FRANCHISEE's determination that the use will promote FRANCHISEE's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that FRANCHISEE use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement. As used in this Agreement, "sole discretion" or "sole judgment" means that the party authorized to exercise its discretion or judgment may do so based on an unfettered assessment of its own interests, without considering how its decision affects the other party, and unconstrained by the implied covenant of good faith and fair dealing.

3. If, in the performance of this Agreement, any third persons are employed by FRANCHISEE, such person shall be entirely and exclusively under the direction, supervision, and control of FRANCHISEE. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by FRANCHISEE, and CITY shall have no right or authority over such persons or the terms of such employment.

4. It is further understood and agreed that as an independent contractor and not an employee of CITY, neither the FRANCHISEE nor FRANCHISEE'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of CITY in any capacity whatsoever as agent, nor to bind CITY to any obligation whatsoever. FRANCHISEE shall not be covered by worker's compensation; nor shall FRANCHISEE be entitled to compensated sick leave, vacation leave, retirement entitlement, participation in group health, dental, life and other insurance programs, or entitled to other fringe benefits payable by CITY to employees of CITY.

5. It is further understood and agreed that FRANCHISEE must issue W-2 and 941 Forms for income and employment tax purposes, for all of FRANCHISEE'S assigned personnel under the terms and conditions of this Agreement.

Section 13: FRANCHISEE Not an Agent

Except as CITY may specify in writing, FRANCHISEE and FRANCHISEE's personnel have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. FRANCHISEE and FRANCHISEE's personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.

Section 14: Conflict of Interest

FRANCHISEE covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the CITY's interests or that would in any way hinder FRANCHISEE's performance under this Agreement. FRANCHISEE further covenants that in the

performance of this Agreement, no person having any such interest will be employed by it as an officer, employee, agent, or subcontractor, without the City's written consent.

FRANCHISEE agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City's interests during the performance of this Agreement. If FRANCHISEE is or employs a former officer or employee of the CITY, FRANCHISEE and any former City officer or employee shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any CITY department, board, commission, or committee.

Section 15: Confidentiality of CITY Information

During performance of this Agreement, FRANCHISEE may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special, and unique assets of the CITY.

FRANCHISEE agrees to protect all CITY Information and treat it as strictly confidential, and further agrees that FRANCHISEE shall not at any time, either directly or indirectly, divulge, disclose, or communicate in any manner any CITY Information to any third party without the CITY's prior written consent.

In addition, FRANCHISEE must comply with all CITY policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by FRANCHISEE of this section is a material violation of this Agreement and shall justify legal and equitable relief.

Section 16: Franchisee Information

1. CITY shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by FRANCHISEE under this Agreement. In this Agreement, the term "information" means and includes: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. FRANCHISEE shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.
2. FRANCHISEE shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by FRANCHISEE under this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify FRANCHISEE not later than ten days after CITY is served with any such claim, action, lawsuit, or other proceeding. However, CITY's failure to provide notice within the ten-day period does not relieve FRANCHISEE of its obligations hereunder, which survive any termination or expiration of this Agreement.
3. All proprietary and other information received from FRANCHISEE by CITY, whether received in connection with FRANCHISEE's proposal to CITY or in connection with FRANCHISEE's

performance, will be disclosed upon receipt of a request for disclosure, in accordance with the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to FRANCHISEE of any request for the disclosure of such information.

FRANCHISEE will then have five days from the date it receives notice to petition the court for a protective order to prevent the disclosure of the information. FRANCHISEE shall have sole responsibility for defense of the actual "trade secret" designation of such information.

4. The parties understand and agree that any failure by FRANCHISEE to respond to the notice provided by CITY and seek a protective order, in accordance with the provisions of subsection C, above, constitutes a complete waiver by FRANCHISEE of any rights regarding the information designated "trade secret" by FRANCHISEE, and the information will be disclosed by CITY in accordance with the Public Records Act.

Section 17: Emergency/Declared Disaster Requirements

If an emergency is declared by the City Manager, or if any portion of the City is declared a disaster area by the county, state, or federal government, this Agreement may be subjected to increased usage. FRANCHISEE shall serve the CITY during a declared emergency or disaster, subject to the same terms and conditions that apply during non-emergency/non-disaster conditions. The compensation set forth in this Agreement will apply, without markup, regardless of the circumstances. If FRANCHISEE is unable to fulfill the terms of the Agreement because of a disruption in its routes or service, then FRANCHISEE shall provide proof of the disruption. Acceptable forms of proof will include, but are not limited to, a letter or notice from FRANCHISEE's source stating the reason for the disruption.

Section 18: Indemnity

1. Indemnity*:* FRANCHISEE shall defend, hold harmless, and indemnify CITY, its officers, and employees, and each and every one of them, from and against all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, and expenses of every type and description, whether arising on or off the site of the work or services performed under this Agreement, including any fees and costs reasonably incurred by CITY's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including Liabilities for personal injury or death, damage to personal, real, or intellectual property, damage to the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Agreement by FRANCHISEE, any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE, their respective officers and employees, and anyone else for whose acts of omissions any of them may be liable, whether or not the Liabilities (i) are caused in part by a party indemnified hereunder, or (ii) are litigated, settled, or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage, or expense, to the extent arising from the active negligence or willful misconduct of, or defects in design furnished by, CITY, its agents, servants, or independent contractors who are directly responsible to CITY, except when such agents, servants, or independent contractors are under the supervision and control of FRANCHISEE or any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE.

2. Insurance Policies; Intellectual Property Claims*:* The existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement will not affect or limit any of

CITY's rights under this Section, nor will the limits of any insurance limit the liability of FRANCHISEE hereunder. This section will not apply to any intellectual property claims, actions, lawsuits, or other proceedings subject to the provisions of FRANCHISEE Information above.

3. Survival: The provisions of this section will survive any expiration or termination of this Agreement.

Section 19: Insurance

Without limiting FRANCHISEE's indemnification, FRANCHISEE shall maintain in force at all times during the term of this Agreement and any extensions or modifications, insurance as specified in Exhibit C. It is the responsibility of FRANCHISEE to notify its insurance advisor or insurance carrier regarding coverage, limits, forms, and other insurance requirements specified in Exhibit C. Failure to maintain insurance as required in this Agreement may be grounds for termination of this Agreement.

Section 20: Debarment Certification

1. Pursuant to 2 CFR, Part 200, and applicable Executive Orders, the CITY is restricted in its ability to contract with certain parties that are debarred, suspended, or otherwise excluded or ineligible for participating in Federal assistance programs or activities. By signing this Agreement, FRANCHISEE warrants and certifies under penalty of perjury under the laws of the State of California that FRANCHISEE, including any owner, partner, director, officer, or principal of the FRANCHISEE, or any person in a position with management responsibility or responsibility for the administration of federal funds:

   (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency;

   (b) Has not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, or other criminal felony;

   (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above;

   (d) Has not, within a three-year period preceding this certification, had one or more public contracts (federal, state, or local) or transactions terminated for cause or default;

   (e) Has not been notified, within a three-year period preceding this certification, been notified of any delinquent Federal taxes in an amount that exceeds $3,500 for which the liability remains unsatisfied. Federal taxes are considered delinquent if the tax liability has been finally determined and the taxpayer is delinquent in making payment, as defined in Section 52.209-5 of the Federal Acquisition Regulations.

2. FRANCHISEE further warrants and certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency. Any exceptions to the warranties and certifications in this Section must be disclosed to the CITY.

3. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining FRANCHISEE's responsibility. Disclosures must indicate to whom exceptions apply, the initiating agency, and dates of action.
4. CITY will review the Federal Government's System for Award Management Exclusions maintained by the General Services Administration for eligibility, prior to the execution of this Agreement. FRANCHISEE shall provide immediate written notice to the CITY if, at any time prior to execution, FRANCHISEE learns this certification is erroneous or has become erroneous by reason of changed circumstances. If it is later determined that FRANCHISEE's warranties and certification in this Section were erroneous, the CITY may terminate this Agreement for default.

Section 21: Assignment

1. FRANCHISEE acknowledges that this Agreement involves rendering a vital service to temporary commercial solid waste generators within the City of Sacramento, and that CITY has franchised FRANCHISEE to perform the temporary services specified herein based on: (1) FRANCHISEE'S experience, skill, and reputation for conducting its solid waste collection in a safe, effective and responsible fashion, at all times in keeping with applicable waste management laws, regulations and good solid waste management practices, and (2) FRANCHISEE's financial resources to maintain the required equipment and to support its obligations to CITY under this Agreement. CITY has relied on each of these factors, among others, in choosing the FRANCHISEE to perform the services to be rendered under this Agreement.
2. This Agreement is a privilege to be held in trust by FRANCHISEE. A franchise granted by CITY shall not be transferred, sold, leased, assigned, or relinquished, or delegated to another person, either in whole or in part, whether by forced sale, merger, consolidation, bankruptcy laws or otherwise, without the prior approval of the Sacramento City Council ("CITY Council"). This restriction includes the transfer of ownership of the Agreement, or a majority of the ownership or control of the FRANCHISEE, or the conveyance of a majority of the FRANCHISEE's stock to a new controlling interest. This Agreement shall become void upon the abandonment of FRANCHISEE. CITY Council shall not unreasonably withhold approval of a franchise assignment, provided that such assignment does not unreasonably impact competition and the assignee is qualified to perform its obligations as required by this Agreement and any implementing City law, regulation, rule, or ordinance.
3. FRANCHISEE shall promptly notify the Solid Waste Manager in writing in advance of any proposed assignment, sale, or transfer. In the event the CITY Council approves of any assignment, sale, or transfer, said approval shall not relieve FRANCHISEE of any of its obligations or duties under this Agreement unless this Agreement is modified in writing to that effect.

Section 22: Amendment and Waiver

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon CITY unless agreed in writing by the CITY.

Section 23: Successors

Subject to the provisions of section 21, this Agreement shall bind the successors of CITY and FRANCHISEE in the same manner as if they were expressly named.

Section 24: Time

Time is of the essence in the performance of this Agreement. FRANCHISEE shall devote the necessary time and effort to its performance under this Agreement. Neither party will be considered in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

Section 25: Interpretation

This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

Section 26: Solid Waste Manager

As used in this Agreement, "Solid Waste Manager" shall mean the Integrated Waste General Manager of the Recycling and Solid Waste Division, City of Sacramento Department of Public Works or his/her designee. Solid Waste Manager shall administer this Agreement on behalf of CITY. FRANCHISEE shall meet and confer with the Solid Waste Manager to resolve differences, implement, and execute the requirements of this Agreement.

Section 27: Disputes

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. Pending resolution of any such dispute, FRANCHISEE shall continue without delay to carry out all its responsibilities under this Agreement unless the Agreement is otherwise suspended or terminated in accordance with chapter 13.24 of the Sacramento City Code or the Termination provisions of this Agreement. CITY shall not be required to make payments for any services that are the subject of this dispute resolution process until such dispute has been mutually resolved by the parties. If the dispute cannot be resolved either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California. Nothing in this Agreement or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state and federal law.

Section 28: Default, Termination

1. Default. Except for the occurrence of Force Majeure as described in paragraph 4 of this section, in the event of any material failure or refusal of FRANCHISEE to comply with any obligation or duty imposed on FRANCHISEE under this Agreement or the City Code or related ordinances, resolutions, or administrative rules, the CITY may provide notice of a default pursuant to the provisions of chapter 13.24 of the Sacramento City Code provided it is a situation where there is the ability to cure the default.
2. The following events shall constitute a material breach under this Agreement:
    A. *Misrepresentation*. Any misrepresentation or disclosure made to CITY by FRANCHISEE in connection with or as an inducement to entering this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time the representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

B. *Fraud or Deceit*. If FRANCHISEE practices, or attempts to practice, any fraud or deceit upon CITY.

C. *Failure to Maintain Insurance Coverage*. If FRANCHISEE fails to provide or maintain in full force and effect the Worker's Compensation, liability, or insurance coverage as required by this Agreement.

D. *Violations of Regulation*. If FRANCHISEE violates any permits, orders or filing of any regulatory body having jurisdiction over FRANCHISEE which violation or non-compliance materially affects FRANCHISEE'S ability to perform under this Agreement, provided that FRANCHISEE may contest any such orders as set forth in Chapter 13.24 of the Sacramento City Code, in which case no breach of the Agreement shall be deemed to have occurred during the pendency of the contestation or appeal, to the extent FRANCHISEE is able to adequately perform during that period.

E. *Acts or Omissions*. Any other act or omission by FRANCHISEE which materially violates the terms, conditions, or requirements of this Agreement; resolutions, administrative rules, or the City Code; the California Integrated Waste Management Act of 1989 (as codified in Public Resources Code section 40000 et seq.), as it may be amended from time to time; or any order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if FRANCHISEE cannot reasonably correct or remedy the breach within the time set forth in such notices, if FRANCHISEE should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

3. Termination. Upon the occurrence of a material breach, the CITY may have the right to terminate this Agreement pursuant to the provisions in chapter 13.24 of the Sacramento City Code.

4. Force Majeure. The performance of this Agreement may be discontinued or temporarily suspended in the event of Force Majeure. FRANCHISEE shall not be deemed to be in default and shall not be liable for failure to perform under this Agreement if FRANCHISEE'S performance is prevented or delayed by Force Majeure. Force Majeure means acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, public riots, breakage, explosions, or government restraint. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances, and litigation, including appeals, shall be entirely within the discretion of FRANCHISEE and FRANCHISEE may make settlement thereof at such time and on any such terms and conditions as it may deem to be advisable, and no delay in making such settlement shall deprive FRANCHISEE of the benefit of this section.

5. Notice of Termination. The CITY shall serve written notice in accordance with chapter 13.24 of the Sacramento City Code, either personally or by registered or certified mail, postage prepaid of the termination of a Franchise under this Agreement to the last place of business of FRANCHISEE.

Section 29: Conditions Upon Termination

1. In the event this Agreement is terminated:

A. FRANCHISEE shall have no right or authority to engage in commercial solid waste

collection, transportation, or disposal operations within the City.

B. FRANCHISEE shall, however, remain liable to CITY for any and all Franchise Fees that would otherwise be payable by FRANCHISEE, for any and all late payment charges and interest assessed, for any liquidated damages assessed pursuant to Exhibit B – Compensation or Attachment 1 to Exhibit B of this Agreement and for any and all delinquent report charges assessed pursuant to chapter 13.24 of the City Code.

C. FRANCHISEE shall have a continuing obligation to submit to CITY all reports required by Section 30 of this Agreement and chapter 13.24 of the City Code relating to commercial solid waste or recycling activities performed by FRANCHISEE up to and including the date of termination.

2. In the event this Agreement is terminated, then, within the time period specified by CITY, FRANCHISEE shall promptly remove all of FRANCHISEE's commercial solid waste and recyclables containers from all of FRANCHISEE's collection service locations and shall properly dispose of all solid waste or recyclables in such containers.

Section 30: Reports

1. FRANCHISEE shall submit quarterly tonnage reports on or before the first day of the second calendar month immediately following the reportable quarter and shall be submitted as required in CITY Code section 13.24.280 or as otherwise amended, in a format as required by the Solid Waste Manager.

2. FRANCHISEE shall submit monthly revenue reports on or before the first day of the second month immediately following the month in which collection services were provided as required in CITY Code section 13.24.280 or as otherwise amended. CITY shall provide FRANCHISEE with the required report format of such submittal.

Section 31: Audits, Records, and Inspection Authority

1. Upon CITY's request, FRANCHISEE shall promptly provide access to the Solid Waste Manager or his/her designees of all records, accounts, or other financial or program information pertinent to the conduct of the business and/or requirements of this Franchise as CITY deems necessary to determine FRANCHISEE's compliance with legal and contractual requirements, including the correctness and accuracy of claims submitted by FRANCHISEE.

2. FRANCHISEE shall certify that any response provided to the Solid Waste Manager or his/her designee, pursuant to this section, is true, complete, and correct.

3. In addition to the requirements in subsections 1 and 2 above, FRANCHISEE shall reimburse audit costs incurred by CITY staff, and any other costs for FRANCHISEE-related services provided by CITY staff or its contractors, in the event of significant audit findings including but not limited to, detailed follow-up audits when staff determines that documentation reported by FRANCHISEE is inadequate or incomplete. Where necessary, CITY staff will retain the services of an independent auditor to verify performance and conduct an audit of FRANCHISEE records.

Section 32: Prior Agreements

This Agreement constitutes the entire contract between CITY and FRANCHISEE regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between CITY and FRANCHISEE regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of

this Agreement.

Section 33: Severability

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

Section 34: Survival of Terms

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions, and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation, or termination of this Agreement shall so survive.

Section 35: Headings

The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

Section 36: Attorney Fees

Except as required by Section 19, the Parties will bear their own attorney fees and costs in connection with this Agreement.

Section 37: Authority to Execute

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

Section 38: Duplicate Counterparts

This Agreement may be executed in counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

Signatures scanned and transmitted electronically shall be deemed original signatures for purposes of this Agreement, with such scanned signatures having the same legal effect as original signatures. This Agreement may be executed through the use of an electronic signature and will be binding on each party as if it were physically executed.

(SIGNATURE PAGE FOLLOWS)

Executed as of the day and year first above stated.

CITY OF SACRAMENTO

A Municipal Corporation

By:_____

Print name: Ryan Moore

Title: Assistant City Manager

For: City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

Michael Fry (May 26, 2026 14:21:37 PDT)

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Advance Disposal, Inc

NAME OF FIRM

61-1478501

Federal I.D. No.

61-1478501

State I.D. No.

1048088

City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY *(check one)*:

☐ Individual/Sole Proprietor
☐ Partnership
☐ Corporation *(may require 2 signatures)*
☐ Limited Liability Company
☑ Other (*please specify:* S Corporation)

Betzaida Dambacher 05/05/2026
Betzaida Dambacher (May 5, 2026 10:19:26 PDT)

Signature of Authorized Person

Betzaida Dambacher | CEO/President

Print Name and Title

Justin Dambacher
Justin Dambacher (May 7, 2026 17:26:56 PDT)

Additional Signature *(if required)*

Justin Dambacher | Owner

Print Name and Title

Exhibit A
Scope of Services

This Exhibit A incorporates by this reference the Franchise Agreement between *Advance Disposal, Inc* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Temporary Commercial Solid Waste Collection (the "Agreement"). This Exhibit A provides the Scope of Services for the Agreement. In the event of a conflict between Exhibit A and the Agreement, the terms of Exhibit A shall prevail.

1. Definitions

For purposes of this Agreement, all terms used shall have the same meaning as those defined in chapter 13.24 of the Sacramento City Code.

2. Ownership of Waste Material

CITY does not gain any ownership or right to possess commercial solid waste material collected by FRANCHISEE pursuant to this Agreement. Subject to the provisions of this Agreement, FRANCHISEE shall have the right to retain any benefit resulting from its right to retain, recycle, process, dispose of, or use the commercial solid waste material that it collects.

3. Disposal and Diversion of Commercially Generated Waste Material

FRANCHISEE shall dispose of commercial solid waste collected or transported by FRANCHISEE only by taking such commercial solid waste to a landfill or transfer station lawfully authorized to accept such solid waste. FRANCHISEE shall divert recyclable and organic material at facilities legally permitted to process source separated recyclable material and organic material. FRANCHISEE shall not dispose of commercial solid waste by depositing it on any land, whether public or private, or in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system.

4. Diversion Programs

A. Source Separated Recyclable Material and Organic Material: FRANCHISEE is required to divert from landfilling source separated recyclable material and organic material collected and removed by it within CITY region, in accordance with chapter 13.24 of the City Code. Failure to meet the diversion requirement will subject FRANCHISEE to the Recycling Shortfall Penalty provided for in CITY Code section 13.24.760, or as otherwise amended. FRANCHISEE shall not landfill source separated recyclable material and organic material without notifying CITY as described in CITY Code section 13.24.240, or as otherwise amended.

B. Construction and Demolition Debris: When FRANCHISEE provides commercial solid waste collection services for a project subject to Construction and Demolition ("C&D") Debris in chapter 8.124 of the City Code, FRANCHISEE shall assist their generators in complying with the C&D Debris requirements set forth in the City Code.

Diversion credit from mixed construction and demolition debris for compliance with mandates will only be recognized if FRANCHISEE delivers mixed C&D debris to a C&D Sorting Facility certified by the County of Sacramento and material is stamped as sorted by the certified C&D Sorting Facility.

5. Collection Equipment

A. Any and all vehicles used by FRANCHISEE to perform commercial solid waste collection

services shall meet the vehicle inspection, tag and covered load requirements of CITY Code section 13.24.430, 13.24.440 and 13.24.450, or as otherwise amended.

B. FRANCHISEE shall submit a Franchisee commercial solid waste vehicle inventory of FRANCHISEE's vehicles, as required in CITY Code section 13.24.110 or as otherwise amended, and shall include but not limited to, vehicle number, year, make, model, capacity, and vehicle identification number (VIN). FRANCHISEE is required to submit the Franchisee commercial solid waste vehicle inventory annually as part of its Franchise Application or Franchise Renewal Application.

C. If FRANCHISEE's vehicle inventory has changed between the application or renewal application date and the effective date of this agreement, FRANCHISEE must submit to Solid Waste Manager an amended inventory, as required in CITY Code section 13.24.180 or as otherwise amended, prior to commencing the provision of services under this Agreement.

6. Franchisee Provided Waste Material Containers

A. FRANCHISEE shall provide temporary containers used for storage of solid waste materials that meet the following requirements:

(i) FRANCHISEE shall place a label on the body or lid of each container that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that container. Container labels must be available in any non-English language spoken by a substantial number of the public in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

(ii) Container must be clearly identified, with the name, or recognizable corporate or company logo, and phone number of the Franchisee that is legible from a distance of fifty (50) feet.

(iii) Be adequately sized and serviced with adequate frequency to meet the waste material generation needs of the business.

(iv) Be designed and constructed to be watertight to prevent the leakage of liquids.

(v) Be equipped with lids which are to be kept closed and shall be placed in a way that does not prevent the lid from being closed.

(vi) Containers shall be equipped with functioning locking bars or a locking mechanism and shall remain locked at all times, except when solid waste or recyclable materials are being deposited or collected in accordance with the provisions of chapter 13.24 of Sacramento City Code.

(vii) Be kept free of graffiti.

(viii) Be replaced, cleaned, or repainted as needed so as to present a clean appearance.

(ix) No later than January 1, 2036, FRANCHISEE shall provide all generators with collection containers that comply with the container color requirements specified in in Title 14 of the California Code of Regulation ("CCR") Section 18982. 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. Until January 1, 2036, FRANCHISEE is not required to replace functional collection containers that do not comply with these color requirements

prior to the end of the useful life of those containers. New and replacement collection containers, however, must meet new color requirements.

B. Solid Waste Manager or designee may require special container equipment, and/or container labeling with customer identifying information.

C. Violations of the conditions of this section may become the basis for enforcement actions. In addition, violations of the conditions of this section may be determined to be a material breach of this Agreement and will subject the FRANCHISEE to payment of liquidated damages, pursuant to Exhibit B of this Agreement.

7. Abandoned Containers

A. If FRANCHISEE abandons any container used to provide commercial solid waste material collection services under the Agreement, CITY may remove the container and/or dispose of the contents of the container.

B. If CITY removes a container abandoned by FRANCHISEE and/or disposes of the contents of any container abandoned by FRANCHISEE, CITY may charge FRANCHISEE for CITY's costs incurred in such removal/disposal and for CITY's costs of storage of the container. FRANCHISEE shall reimburse CITY for such costs within ten (10) days of the date of CITY's invoice for such costs.

C. For the purposes of this section, "abandoned" includes:

(i) FRANCHISEE's failure to remove the container within the time period specified by termination of the Agreement pursuant to chapter 13.24 of the Sacramento City Code.

(ii) FRANCHISEE's failure to remove the container within a reasonable period after the expiration of the Franchise granted to FRANCHISEE, except in the case where FRANCHISEE has been granted an extension of the term of said Franchise or FRANCHISEE has been granted a subsequent commercial solid waste collection franchise authorizing FRANCHISEE to collect and transport the type or types of solid waste for which the container was used pursuant to this Agreement.

(iii) FRANCHISEE's failure to dispose of the contents of the container within five (5) days after CITY issues written notice to FRANCHISEE to dispose of the contents.

8. Personnel

A. Driver Qualifications. FRANCHISEE agrees that all drivers shall be trained and qualified in the operation of collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

B. Safety Training. FRANCHISEE shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection of solid waste, or who are otherwise directly involved in such collection.

9. Education and Outreach

A. FRANCHISEE shall assist CITY in educational and outreach activities to promote diversion of recyclable material and organic material.

B. FRANCHISEE shall provide an outreach and education plan according to FRANCHISEE's Diversion Plan.

C. Education and outreach materials must be translated into any non-English language spoken by a substantial number of the pubic in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

10. Diversion Plan

FRANCHISEE shall implement its Diversion Plan submitted annually as part of its Franchise Application or Franchise Renewal Application and approved by CITY. FRANCHISEE Diversion Plan shall contain the following elements:

A. A methodology for how FRANCHISEE will meet City diversion requirements.

B. A description of the FRANCHISEE's recordkeeping and reporting systems and how it will accurately meet CalRecycle mandatory reporting.

11. Restricted Collection Hours

A. Solid Waste shall be collected within residential areas or within mixed residential and commercial areas of the city only between the hours of 6:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day, and elsewhere within the city only between the hours of 4:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day as provided by chapter 13.10 of the Sacramento City Code, or as otherwise amended.

B. Violation of this provision will subject FRANCHISEE to liquidated damages identified in Exhibit B – Compensation or attachment 1 to Exhibit B.

12. Annual Mandatory Training

A. CITY will conduct annual training covering, at minimum, tonnage and revenue reporting requirements.

B. Attendance is required for a FRANCHISEE that meets any of the following criteria, including but not limited to reporting staff turnover with those responsible or involved in reporting, staff reassignment impacting reporting, significant or repeated reporting errors, or any other issue identified by CITY that may impact accurate or timely reporting.

C. CITY will notify FRANCHISEE at least thirty (30) calendar days in advance if attendance is required, specifying the date, time, and format of the training. All staff involved in reporting to the CITY should attend a training session, but at a minimum, at least one employee from FRANCHISEE must attend.

D. Failure to attend the annual mandatory training may result in the assessment of liquidated damages.

Attachment 1 to Exhibit A
Downtown Service Area

This Attachment 1 to Exhibit A incorporates by this reference the Franchise Agreement between *Advance Disposal, Inc* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit A defines the Downtown Service Area. In the event of a conflict between this Attachment 1 to Exhibit A and the Agreement, the terms of this Attachment 1 to Exhibit A shall prevail.

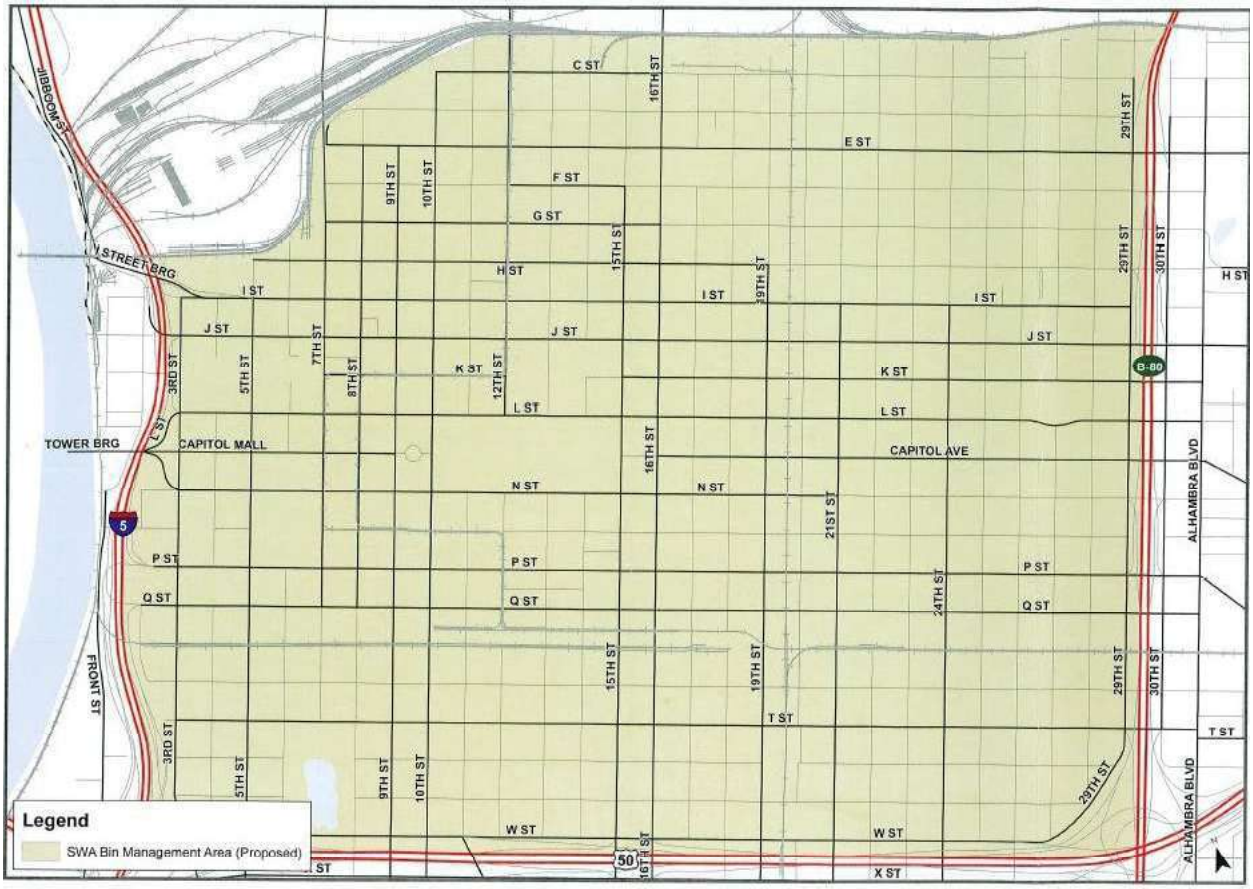


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Exhibit B provides the Compensation for the Agreement. In the event of a conflict between Exhibit B and the Agreement, the terms of Exhibit B shall prevail.

1. FRANCHISE FEES

A. During the term of the Agreement, FRANCHISEE shall pay Franchise Fees to CITY. Such fees shall be in the amount established for commercial solid waste services as set forth by resolution of the City Council and as described in chapter 13.24 of Sacramento City Code, pursuant to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. Franchise Fees shall not be owed by FRANCHISEE for revenues received from federal, state and local governments, including school districts.

C. FRANCHISEE shall pay Franchise Fees on all solid waste collected pursuant to this AGREEMENT regardless of the method of disposal or handling.

D. For calculation of gross collection revenue and calculation of franchise fees, FRANCHISEE may deduct collection revenues for source-separated recyclable material and organic material, provided those materials are diverted from disposal.

2. FRANCHISE FEE PAYMENT

A. FRANCHISEE shall pay Franchise Fees to CITY pursuant to CITY Code section 13.24.040, or as otherwise amended.

B. FRANCHISEE shall pay all required Franchise Fees to:

City of Sacramento, Recycling and Solid Waste Division
Attention: Accounts Receivable
2812 Meadowview Road, Building 1
Sacramento, CA 95832

C. If FRANCHISEE remits Franchise Fees by personal delivery to CITY, such Franchise Fees shall be deemed timely paid only if delivered on or before the due date. If FRANCHISEE remits Franchise Fees by mail or other delivery service, such Franchise Fees shall be deemed timely only if: (1) the envelope containing the Franchise Fee payment bears a postmark or receipt showing that the payment was mailed or sent on or before the due date or (2) FRANCHISEE submits proof satisfactory to Solid Waste Manager that the Franchise Fee payment was in fact deposited in the mail or sent on or before said due date.

D. In the event FRANCHISEE believes that it has paid Franchise Fees in excess of the amounts due to CITY, FRANCHISEE may submit a request for refund to Solid Waste Manager on a form provided by said Solid Waste Manager. If proof of overpayment is satisfactory to Solid Waste Manager, Solid Waste Manager shall refund to FRANCHISEE any overpayment. FRANCHISEE shall not apply any overpayment as a credit against any Recycling Shortfall Penalty, Franchise Fees, or other amounts payable to the CITY unless specifically so authorized by the Solid Waste Manager in writing.

3. Liquidated Damages

A. Failure of FRANCHISEE to provide solid waste collection containers and services that conform to this Agreement will be subject to liquidated damages according to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. If any deficiencies are brought to the attention of CITY, CITY shall notify FRANCHISEE in writing of such failure, including the associated liquidated damages amount. FRANCHISEE may be given a cure period to provide proof of corrective action for such deficiency prior to liquidated damages being assessed. However, not all deficiencies will have a cure period. Attachment 1 to Exhibit B – Fee and Penalty Schedule provides cure periods for deficiencies that shall be assessed liquidated damages. Proof of corrective action must be provided by FRANCHISEE as requested by CITY.

C. If proof of corrective action is not provided by FRANCHISEE within the cure period, CITY may take further enforcement action. Furthermore, continued failure to take corrective action shall be deemed a breach of this Agreement and shall constitute grounds for the termination of this Agreement by CITY.

D. Any Liquidated Damage fees shall be assessed to the FRANCHISEE and shall be due as part of FRANCHISEE's monthly payment to CITY.

4. LATE FEES AND PENALTIES

FRANCHISEE shall pay late fees and penalties to CITY pursuant to the Attachment 1 to Exhibit B – Fee and Penalty Schedule.

Attachment 1 to Exhibit B
Fee and Penalty Schedule

This Attachment 1 to Exhibit B incorporates by this reference the Franchise Agreement between ("FRANCHISEE") *Advance Disposal, Inc* and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit B provides the fees and penalties for the Agreement. In the event of a conflict between this Attachment 1 to Exhibit B and the Agreement, the terms of this Attachment 1 to Exhibit B shall prevail.

Fees and Charges

Fee	Amount	Notes
Franchise fee	10% of revenue	Calculated at 10% of reported disposal revenue. May require minimum of $1,000 per fiscal year (July-June).
Refundable cash deposit	$500.00 per vehicle	Required for each collection vehicle unless sufficient financial assurance provided to CITY.
Delinquent Franchise Fee Payment	10% of franchise fee owed, compounded 1.5% monthly until paid	Franchisee fees are due on the first business day of the second month following the close of each month. The 10% late fee is applied when the franchise fee is not paid on time. If it is still unpaid by the first of the next month, the franchise fee will increase by 1.5% of the owed franchise fee plus the original late fee plus applied interest.
Delinquent Quarterly Tonnage Report Fee	$50.00	Correct and accurate Quarterly Tonnage Reports are due the first business day of the second month following the close of each quarter. An automatic charge of $50/day will be applied until the accurate tonnage report is received. Staff will determine whether a tonnage report is correct.
Delinquent Quarterly Generator Report Fee	$25.00 / day	Correct and accurate Generator Reports are due by the date described in Sacramento City Code, section 13.24.600, or as otherwise amended. An automatic charge of $25/day will be applied until the accurate generator report is received. Staff will determine whether a generator report is correct.
Recycling shortfall penalty	$25.00 / ton of recycling shortfall	Charged per ton of shortfall from 30% diversion requirement.
Abandoned Container Fee	$400.00	Fee to cover the costs for the collection, emptying and storage of a Franchisee abandoned container. Containers are considered abandoned if not removed from the property of a customer within five business days of final termination of services to the customer (13.24.570 or as otherwise amended).

Liquidated Damages

Failure	Amount	Cure Period
Broken or missing lock bar / Broken or missing lock	$150.00 / bin / service address / day	Three (3) business days.
Broken or missing lid	$150.00 / bin / service address / day	Three (3) business days.

Container graffiti	$150.00 / bin / service address / day	Three (3) business days.
Bin not properly labeled	$150.00 / bin / service address / day	Three (3) business days.
Overflowing, spilling, or leaking bin	$250.00 / bin / service address / day	Three (3) business days.
Use of collection vehicle(s) without required inspection	$150.00 / vehicle / day	N/A / None.
Verified collection outside of restricted collection hours (Sacramento City Code 13.24.560 Hours of collection.)	$150.00 / incident	N/A – None.
Uncovered/Unsecured materials in collection vehicles	$150.00 / incident	N/A / None.
Provision of non-compliant service, including but not limited to failing to provide minimum service level requirements and failing to provide all required commodities.	$150.00 / commodity / day	N/A / None for service started on or after July 1, 2024. Generators must be provided compliant services from the commencement of services through final termination.
Providing ongoing or recurring commercial solid waste or recycling collection services for materials which are not generated in connection with construction, demolition, renovation, cleanup, or similar temporary projects.	$1,000.00 / occurrence / month	N/A/None.
Inaccurate Reporting	$100 / error after the first five (5) errors per report	N/A / None. Reports must be complete and accurate at the time of submission.
Failure to provide a generator with a copy of the service agreement/contract within timeframe allowable by Sacramento City Code 13.24.270 or as otherwise amended.	$100 / service agreement / day	N/A / None. Liquidated damages will be assessed beginning the first day after the allowable timeframe by Sacramento City Code
Placing a franchisee owned container requiring a minor encroachment permit as defined in Sacramento City Code 12.12 on a public right-of-way without approved minor encroachment permit or prior written approval from the City.	$150 / container / day	N/A / None. The required minor encroachment permit must be approved and attached to temporary container at the time the container is placed on the public right-of-way unless an exception as outlined in Sacramento City Code 12.12.020 applies.
Failure to provide service or response as outlined in Sacramento City Code 13.24.570.	$150 / failure / day	N/A / None. Liquidated damages will be assessed daily until proof of correction is supplied to City in a manner that is satisfactory to Solid Waste Manager or designee.
Failure to attend required hauler reporting training as outlined in Section 15 – Annual Mandatory Training.	$150 / meeting	N/A None. Haulers will be provided 30 days' advance notice for training. Failure to attend will result in immediate assessment of liquidated damages.

Exhibit C
Insurance

1. **Insurance Requirements**. During the entire term of this Agreement, FRANCHISEE shall maintain the insurance coverage described in the Insurance Terms below. Full compensation for all premiums that FRANCHISEE is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Agreement. No additional compensation will be provided for FRANCHISEE's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

   FRANCHISEE's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the FRANCHISEE in connection with this Agreement.

2. **General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the FRANCHISEE and subcontractors, products and completed operations of FRANCHISEE and subcontractors, and premises owned, leased, or used by FRANCHISEE and subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of FRANCHISEE and subcontractors; products and completed operations of FRANCHISEE and subcontractors; and premises owned, leased, or used by FRANCHISEE and subcontractors.

3. **Automobile Liability Minimum Scope and Limits of Insurance Coverage**. (*Check the applicable provision*.)

   X Automobile Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than three million dollars ($3,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the FRANCHISEE. The policy will contain an MCS-90 endorsement when applicable. FRANCHISEES who only operate non-commercial vehicles are required to provide limits of not less than $1,000,000 of Automobile Liability Insurance.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

   X Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract with limits of not less than one million dollars ($1,000,000). This coverage may also be provided on a Contractors Pollution Liability policy.

   If Pollution Liability insurance is written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

4. **Excess Insurance**. The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance contains, or is endorsed to contain, a provision that it will apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of FRANCHISEE's umbrella or excess coverage and will not contribute to it.

5. **Workers' Compensation Minimum Scope and Limits of Insurance Coverage.** (*Check the applicable provision*.)

_X_ Workers' Compensation Insurance is required with statutory limits and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000). The Workers' Compensation policy shall include a waiver of subrogation in favor of the City.

___ No work or services will be performed on or at CITY facilities or CITY Property, therefore a Workers' Compensation waiver of subrogation in favor of the CITY is not required.

___ No Workers' Compensation insurance is required, and by signing this Agreement, FRANCHISEE certifies as follows:

"FRANCHISEE certifies that its business has no employees, and that it does not employ anyone, and is therefore exempt from the legal requirements to provide Workers' Compensation insurance. If, however, FRANCHISEE hires any employee during the term of this Agreement, FRANCHISEE understands that Workers' Compensation with statutory limits and Employer's Liability Insurance with a limit of not less than one million dollars ($1,000,000) is required. The Workers' Compensation policy will include a waiver of subrogation in favor of the City."

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:

A. FRANCHISEE's insurance coverage, including excess insurance, shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-

insurance maintained by the City, its officials, employees or volunteers will be in excess of FRANCHISEE's insurance and will not contribute with it.

B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.

C. Coverage shall state that FRANCHISEE's insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

D. FRANCHISEE shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.

7. **Acceptability of Insurance**. Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Agreement.

8. **Verification of Coverage.**

A. FRANCHISEE shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.

B. FRANCHISEE shall send all insurance certificates and endorsements, including policy renewals, during the term of this Agreement directly to:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

C. Certificate Holder must be listed as:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

D. The City may withdraw its offer of Agreement or cancel this Agreement if the certificates of insurance and endorsements required have not been provided before execution of this Agreement. The City may withhold payments to FRANCHISEE and/or cancel the Agreement if the insurance is canceled or FRANCHISEE otherwise ceases to be insured as required herein.

9. **Subcontractor Insurance Coverage**. FRANCHISEE shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 4/10/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Arthur J. Gallagher Risk Management Services, LLC
419 Flint Street
Reno NV 89501

CONTACT NAME: Dera Gilmore
PHONE (A/C, No, Ext): 775-787-9474 **FAX (A/C, No):** 805-545-8224
E-MAIL ADDRESS: Dera_Gilmore@ajg.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Century Surety Company	36951
INSURER B : Key Risk Insurance Company	10885
INSURER C : Omaha National Casualty Company	32107
INSURER D :	
INSURER E :	
INSURER F :	

INSURED ADVADIS-02
Advance Disposal, Inc.
P.O. Box 97
Standard CA 95373

COVERAGES **CERTIFICATE NUMBER:** 2143564008 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	Y		CCP1318437	7/1/2025	7/1/2026	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
	X 2,500						MED EXP (Any one person)	$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY	$ 1,000,000
	X POLICY PRO-JECT LOC						GENERAL AGGREGATE	$ 2,000,000
	OTHER:						PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
B	AUTOMOBILE LIABILITY			BAP2035274-14	7/1/2025	7/1/2026	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB X OCCUR			CCP1318438	7/1/2025	7/1/2026	EACH OCCURRENCE	$ 4,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$ 4,000,000
	DED RETENTION $							$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N	N / A	Y	ONCC17013321-01	12/1/2025	12/1/2026	X PER STATUTE OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
A	Pollution Liability			CCP1318437	7/1/2025	7/1/2026	Each Occurrence Deductible	1,000,000 5,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
The City, its officials, employees and volunteers are an Additional Insured as respects General Liability and Auto Liability policies, pursuant to and subject to the policy's terms, definitions, conditions and exclusions per forms EAI 2010 1218, Ei 2037A 0619, & BENV CA 06 (09-2017). Insurance is Primary per form EAI20137a 0619. Waiver of Subrogation applies per form WCON04 WSA 0119. Primary Non-Contributory status is determined by attached forms EAI2037a 0619 and CA0449 1116. 30-day notice of cancellation applies except for non-payment of premium which is 10 days' notice. MSC 90 Form attached. Excess follows forms for the General Liability and Auto.

CERTIFICATE HOLDER

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta CA 92564
USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT–CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

Blanket Waiver: The additional premium for this endorsement shall be 2% of the California workers' compensation premium otherwise due on such remuneration.

Specific Waiver: The additional premium for this endorsement shall be 5% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization	**Job Description**
Blanket Waiver of Subrogation	As respects to all CA jobs performed by the named insured during the policy period where by written contract a waiver of subrogation is required prior to the commencement of work.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 12/01/2025 Policy No. ONCC17013321-01 Endorsement No.
Insured Insurance Company Omaha National Casualty Company

Advance Disposal, Inc.

Countersigned By Reagan Hall

ENDORSEMENT

This endorsement forms a part of the policy to which it is attached. Please read it carefully.

BUSINESS AUTO – ADDITIONAL INSURED
WHEN REQUIRED BY CONTRACT OR AGREEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section II - Liability Coverage A. - Coverage, 1. Who is an Insured, is amended to add:

d. Any person or organization to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into, excluding contracts or agreements for professional services, which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability arising out of your operations or premises owned by or rented to you. However, the insurance provided will not exceed the lesser of:

1. The coverage and/or limits of this policy; or

2. The coverage and/or limits required by said contract or agreement.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY SHALL APPLY AND REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. The following is added to the **Other Insurance** Condition in the Business Auto Coverage Form and the **Other Insurance – Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form and supersedes any provision to the contrary:

This Coverage Form's Covered Autos Liability Coverage is primary to and will not seek contribution from any other insurance available to an "insured" under your policy provided that:

1. Such "insured" is a Named Insured under such other insurance; and
2. You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to such "insured".

B. The following is added to the **Other Insurance** Condition in the Auto Dealers Coverage Form and supersedes any provision to the contrary:

This Coverage Form's Covered Autos Liability Coverage and General Liability Coverages are primary to and will not seek contribution from any other insurance available to an "insured" under your policy provided that:

1. Such "insured" is a Named Insured under such other insurance; and
2. You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to such

"insured".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL SERVICES LIABILITY COVERAGE FORM

SCHEDULE

Name of Additional Insured Person(s) Or Organization	Designated Project or Premises
Any person or organization as required by written contract with the Named Insured to be named as Additional Insured	Various locations as per written contract with the Named Insured

A. Section **II** – Who Is An Insured is amended to include as an additional insured, the person(s) or organization(s) shown in the Schedule, but only with respect to "bodily injury", "property damage", "personal and advertising injury" or "environmental damage" caused, in whole or in part, by:

1. Your acts or omissions; or

2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the designated project or premises shown above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. The following shall not apply to and shall afford no coverage to additional insureds shown in the Schedule above:

1. Coverage **E** – Consultants' Professional Liability; or

2. Coverage **F** – Scheduled Property Pollution Liability; or

3. Coverage **G** – Non-Owned Disposal Site Pollution Liability

C. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or "environmental damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the designated project or premises of the covered operations has been completed; or

2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

D. With respect to the insurance afforded to these additional insureds, the following is added to Section **III –** Limits of Insurance and Deductibles:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms and conditions of this policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – COMPLETED OPERATIONS PRIMARY AND NON-CONTRIBUTORY

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL SERVICES LIABILITY COVERAGE FORM

SCHEDULE

Designated Additional Insured(s)	**Designated Project or Premises**
Any person or organization as required by written contract with the Named Insured to be named as Additional Insured	Various locations as per written contract with the Named Insured

A. The following changes are made to Section **II** – Who is An Insured.

1. The designated additional insured shown in the Schedule above is included as an additional insured but only with respect to:

a. "Bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by "your work" at the designated project or premises shown in the Schedule above, performed for that designated additional insured and included in the "products-completed operations hazard" under Section **I** – Coverages, Commercial General Liability Coverage **A** – Bodily Injury and Property Damage Liability and Coverage **B** – Personal and Advertising Injury Liability; and

b. "Bodily injury", "property damage" or "environmental damage" caused, in whole or in part, by your "covered operations" at the designated project or premises shown in the Schedule above, performed for that designated additional insured under Section **I** – Coverages, Coverage **D** – Contractors' Pollution Liability if a Limit of Insurance is shown for Coverage **D** on the Declarations.

2. However:

a. The insurance afforded to such designated additional insured only applies to the extent permitted by law; and

b. If coverage provided to the designated additional insured is required by a contract or agreement, the insurance afforded to such designated additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. Under Section **I** – Coverages, Commercial General Liability Coverage **A** – Bodily Injury and Property Damage Liability and Commercial General Liability Coverage **B** – Personal and Advertising Injury Liability, the insurance provided for the benefit of the above designated additional insured shall be primary and non-contributory, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or

2. The acts or omissions of those acting on your behalf;

performed for the above designated additional insured at the above designated project or premises and included in the "products-completed operations hazard".

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C. Under Section **I** – Coverages, Coverage **D** – Contractors' Pollution Liability, the insurance provided for the benefit of the above designated additional insured shall be primary and non-contributory, but only with respect to liability for "bodily injury", "property damage", or "environmental damage" caused, in whole or in part, by:

1. Your acts or omissions; or

2. The acts or omissions of those acting on your behalf;

performed for the above designated additional insured at the above designated project or premises and included in the "covered operations".

D. With respect to the insurance afforded to these additional insureds, the following is added to Section **III** – Limits of Insurance and Deductibles:

If coverage provided to the designated additional insured is required by a contract or agreement, the most we will pay on behalf of the designated additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance Shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

E. The following shall not apply to and shall afford no coverage to designated additional insureds shown in the Schedule above:

1. Coverage **E** – Consultants' Professional Liability; or

2. Coverage **F** – Scheduled Property Pollution Liability; or

3. Coverage **G** – Non-Owned Disposal Site Pollution Liability.

All other terms and conditions of this policy remain unchanged.

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USDOT Number: _____ Date Received: _____

Please note, the expiration date as stated on this form relates to the process for renewing the Information Collection Request for this form with the Office of Management and Budget. This requirement to collect information as requested on this form does not expire. For questions, please contact the Office of Registration and Safety Information, Registration, Licensing, and Insurance Division.

A Federal Agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2126-0008. Public reporting for this collection of information is estimated to be approximately 2 minutes per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Motor Carrier Safety Administration, MC-RRA, Washington, D.C. 20590.

United States Department of Transportation
Federal Motor Carrier Safety Administration

Endorsement for Motor Carrier Policies of Insurance for Public Liability under Sections 29 and 30 of the Motor Carrier Act of 1980

FORM MCS-90

Issued to Advance Disposal, Inc. *(Motor Carrier name)* **of** PO Box 97 Standard, CA 95373 *(Motor Carrier state or province)*

Dated at 214 Senate, Avenue, Camp Hill, PA 17011 **on this** 1 **day of** July, 2022

Amending Policy Number: BAP2035274-11 **Effective Date:** 07/01/2022

Name of Insurance Company: Key Risk Insurance Company

Countersigned by: _____
(authorized company representative)

The policy to which this endorsement is attached provides primary or excess insurance, as indicated for the limits shown *(check only one)*:

☒ *This insurance is primary and the company shall not be liable for amounts in excess of $* 1,000,000 *for each accident.*

☐ *This insurance is excess and the company shall not be liable for amounts in excess of $* _____ *for each accident in excess of the underlying limit of $* _____ *for each accident.*

Whenever required by the Federal Motor Carrier Safety Administration (FMCSA), the company agrees to furnish the FMCSA a duplicate of said policy and all its endorsements. The company also agrees, upon telephone request by an authorized representative of the FMCSA , to verify that the policy is in force as of a particular date. The telephone number to call is: 717-214-7614.

Cancellation of this endorsement may be effected by the company of the insured by giving (1) thirty-five (35) days notice in writing to the other party (said 35 days notice to commence from the date the notice is mailed, proof of mailing shall be sufficient proof of notice), and (2) if the insured is subject to the FMCSA's registration requirements under 49 U.S.C. 13901, by providing thirty (30) days notice to the FMCSA (said 30 days notice to commence from the date the notice is received by the FMCSA at its office in Washington, DC).

Filings must be transmitted online via the Internet at http://www.fmcsa.dot.gov/urs.

(continued on next page)

City of SACRAMENTO

Contract Routing Sheet

☐ **Payment / Performance Bond Only**

General Routing Information

Department: Public Works Department

Contract Coordinator: Rachel Simpo Email: rsimpo@cityofsacramento.org

Effective Date: 07/01/2026 Expiration Date: 06/30/2027

Grant/Project Name: Commercial Waste Collection Franchise

Other Party: Atlas Disposal Industries, LLC

Original Not to Exceed Amount: $ 0.00

Assessor's Parcel Number(s):

Project Number: 15005861 Bid/RFQ/RFP#:

Supplements/Addendums/Change Orders ☐

Adjusted Amount of this Change (+/-): New Not to Exceed Amount:

Change In Scope: No

Original Contract Number: Supplement Number:

Council Approval ☑

Original Meeting Date: 6/16/26 Council File ID: 2026-01084

Supplement Meeting Date: Council File ID:

Processing Information

- ☐ Clerk's Office to Mail for Recording
- ☐ Return to Dept for Other Party Signature
- ☐ Real Estate
- ☐ Return to Dept for Recording
- ☐ Construction Related
- ☐ Additional Originals Attached – Return to Dept.

Add notes/instructions, including any other contract or council file ID numbers related to this agreement:

Agreement is to grant a franchise, no services provided - "Not to Exceed" limit does not apply.

Signing Authority - Department Directors up to $100K; $100K -$250K City Manager or Assistant City Manager; $250K+ Council Approval & Council Appointee or designee.

Department Review and Routing

AB 339 Review Confirmation (if needed)

Sign Yougnal Achari

Sign Margaret Kashuba

Sign John Febbo (May 22, 2026 08:29:26 PDT)

Sign Matt Eierman (May 22, 2026 10:41:09 PDT)

Sign

CONTRACT NAME: Commercial Waste Collection Franchise
CONTRACT PROJECT #: 15005861
DEPARTMENT: Public Works
DIVISION: Recycling and Solid Waste

CITY OF SACRAMENTO
FRANCHISE AGREEMENT FOR
COMMERCIAL SOLID WASTE COLLECTION

THIS AGREEMENT is made at Sacramento, California, by and between the CITY OF SACRAMENTO, a charter city and municipal corporation ("CITY"), and

Atlas Disposal Industries, LLC

3140 Gold Camp Dr Ste 30, Rancho Cordova, CA 95670

(916) 455-2800 | customerservice@atlasdisposal.com

("FRANCHISEE"), as of the Effective Date, 7/1/2026, as defined below.

RECITALS

The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste collection within their jurisdiction; and

Chapter 13.24 of the Sacramento City Code authorizes the City Council to enter into non-exclusive franchise agreements for the collection, transportation, and disposal services of commercial solid waste, recyclable materials, organic materials, and construction and demolition debris; and

A non-exclusive franchise to operate, maintain, and provide the collection of solid waste, recyclable materials, organic materials, and construction and demolition debris along, across, and over City public streets and rights of way promotes the public health, safety, and welfare by promoting permanence and stability among the businesses wishing to provide such services and accountability to the City for compliance with current and future state mandates; and

The City has determined that it is in its best interests to provide for commercial solid waste collection, transportation, and disposal services by means of non-exclusive franchisees; and

The City has determined that the grant of such franchise to the Franchisee is in the public interest; and

The State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement a recycling and waste management program. Through the enactment of various legislation, including the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), the State has directed local agencies, to promote diversion and 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 solid waste that must be disposed.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, CITY and FRANCHISEE agree

as follows:

Section 1: Agreement Documents

All exhibits and documents attached or referred to in this Agreement are incorporated as if set forth herein, including:

1. Exhibit A – Scope of Services
2. Exhibit B – Compensation
3. Exhibit C – Insurance

If there is a conflict between the terms and conditions of any document prepared or provided by the FRANCHISEE and made a part of this Agreement and the other terms or conditions of the Agreement, the other terms and conditions of the Agreement control.

Section 2: Grant and Acceptance of Franchise

1. By this Agreement, CITY hereby grants to FRANCHISEE a non-exclusive commercial solid waste collection franchise authorizing FRANCHISEE to engage in the business of collecting, transporting, and disposing of commercial solid waste accumulated or generated within the City of Sacramento and to use the public streets and rights of way for such purpose.
2. This grant is pursuant to the disclosures, statements, and information contained in FRANCHISEE's Application for City Franchise Agreement.
3. FRANCHISEE hereby accepts the Franchise on the terms and conditions set forth in this Agreement, and all related ordinances and resolutions.

Section 3: Representatives and Notice

CITY Representative for this Agreement is:

Erin Treadwell / Program Manager
2812 Meadowview Road, Building 1, Sacramento, CA 95832
Phone: (916) 808-4934 /Fax: (916) 808-4999 / etreadwell@cityofsacramento.org

The FRANCHISEE Representative for this Agreement is:

Grant Scruggs | Public Sector Services Manager

3140 Gold Camp Dr Ste 30, Rancho Cordova, CA 95670

(916) 455-2800 | grant@atlasdisposal.com

Unless otherwise provided in this Agreement, all FRANCHISEE questions and correspondence pertaining to this Agreement must be addressed to the CITY Representative. All CITY questions and correspondence must be addressed to the FRANCHISEE Representative.

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

Notice shall be deemed effective on the date personally served or, if mailed, three days after the date deposited in the mail.

FRANCHISEE shall maintain functional Electronic Mail (Email) during the entire duration of the Agreement and provide CITY with such Email address for CITY communication to FRANCHISEE. FRANCHISEE shall notify CITY of any change in its functional Email address in writing via US Mail or Email communication to CITY.

Section 4: Term and Scope of Services

1. **Services.** Subject to the terms and conditions set forth in this Agreement, FRANCHISEE shall provide the services described in attached Exhibit A ("Scope of Services").
2. **Commencement Date.** The Commencement Date of this Agreement shall be when FRANCHISEE commences with the provision of collection, transportation, processing, and disposal services described by this Agreement. During the time between the Effective Date and Commencement Date, FRANCHISEE shall perform any and all activities necessary to commence services on the Commencement Date.
3. **Term.** The Term of this Agreement shall be from the date the Agreement is signed by the Parties until June 30, 2027, unless extended by CITY pursuant to Subsection 4 below.
4. **Option to Extend Term.** CITY, at its sole discretion, shall have the option to extend this Agreement four (4) times by one (1) year, pursuant to the terms and conditions of this Agreement. If CITY elects to exercise the option, it shall give written notice of its election not less than thirty (30) calendar days prior to the initial expiration date or extended termination date of this Agreement.

Section 5: Compensation

1. Compensation under this Agreement shall be in accordance with Exhibit B ("Compensation") and Attachment 1 to Exhibit B, or Exhibit B and any attachments as modified by the CITY in accordance with express provisions in this Agreement and chapter 13.24 of the Sacramento City Code.
2. FRANCHISEE shall maintain for five years following expiration or termination of this Agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; applicable overhead and indirect expenditures.

Section 6: Conditions of Effectiveness

The effectiveness and validity of this Agreement is subject to FRANCHISEE's satisfaction of each and all of the conditions set forth below, each of which may be waived in whole or in part by CITY.

1. **Accuracy of Representations**. The representation and warranties made by FRANCHISEE in its Application for Franchise are true and correct on and as of the Effective Date of this Agreement.
2. **Effectiveness of City Council Action**. The City Council shall have taken action approving this Agreement prior to or on the Effective Date, provided that no restraining order of any kind has been issued.
3. **Furnishing of Insurance**. FRANCHISEE has furnished evidence of the insurance requirements set forth in the attached Exhibit C.
4. **Company Status**. FRANCHISEE is a business duly organized, validly existing, and in good standing under the laws of the State of California. It is qualified to transact business in the

State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

5. **Company Authorization**. FRANCHISEE has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of FRANCHISEE (or the members, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The person signing this Agreement on behalf of FRANCHISEE has authority to do so.

6. **Agreement Will Not Cause Breach**. To the best of FRANCHISEE's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement nor the performance of this Agreement by FRANCHISEE: a) conflicts with, violates, or results in a breach of any applicable law; or, b) 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 is a party or by which FRANCHISEE or any of its properties or assets are bound, or constitutes a default thereunder.

7. **No Litigation**. To the best of FRANCHISEE's knowledge after reasonable investigation, 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 decided, pending or threatened against FRANCHISEE with an unfavorable decision, ruling, or finding, in any single case or in the aggregate, that would adversely affect the performance by FRANCHISEE of its obligations in this Agreement or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of FRANCHISEE or any surety guaranteeing FRANCHISEE's performance under this Agreement, which has not been waived by CITY in writing.

8. **No Adverse Judicial Decisions**. To the best of FRANCHISEE's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement and may subject this Agreement to legal challenge.

9. **Ability to Perform**. FRANCHISEE possesses the business, professional, and technical expertise to manage, collect, transport, treat, store, and dispose of the solid waste and to manage, collect, transport, store, and process recyclable materials and organic materials, and FRANCHISEE possesses the equipment, facility, and employee resources required to perform this Agreement.

10. **FRANCHISEE's Statements**. The FRANCHISEE's application and any other supplementary information submitted to CITY, which CITY has relied on in awarding and entering this Agreement, do not: a) contain any untrue statement of a material fact; orb) omits a material fact that would make any stated information misleading.

11. **FRANCHISEE's Investigation**. FRANCHISEE has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder. FRANCHISEE has taken such matters into consideration in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

12. **Non-Discrimination in Employee Benefits**. This Agreement may be subject to Sacramento City Code chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits Code (Equal Benefits Ordinance)," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.54. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance.

FRANCHISEE's violation of Sacramento City Code chapter 3.54 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

13. **Considering Criminal Conviction Information in the Employment Application Process**. This Agreement may be subject to the requirements of Sacramento City Code chapter 3.62, Procedures for Considering Criminal Conviction Information in the Employment Application Process. A summary of the requirements, entitled "Ban-The-Box Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

The Ban-The-Box Requirements are applicable to certain contracts with CITY in an amount of $250,000 or more (either initial value or total value after amendment) or if the total value of all FRANCHISEE's contracts with CITY is $250,000 or more over a 12-month period.

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.62. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.62 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.62. FRANCHISEE's violation of Sacramento City Code chapter 3.62 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

14. **Local Business Enterprise Program**. The Local Business Enterprise Program Participation Requirements ("LBE Participation Requirements") may be applicable to this Agreement. A summary of the requirements, entitled "LBE Participation Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.60. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.60 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.60.

FRANCHISEE's violation of Sacramento City Code chapter 3.60 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

Section 7: Compliance with Laws

FRANCHISEE shall, at all times and at its sole cost and expense, observe and comply with all applicable

Federal, State, regional, and City laws, regulations, rules, and ordinances, including those of other states, cities, or counties which may have jurisdiction over any service provided by FRANCHISEE under this Agreement.

Section 8: Governing Laws and Jurisdiction

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in the Sacramento County Superior Court, Sacramento, California or in the United States District Court for the Eastern District of California, as applicable.

Section 9: Licenses and Permits

1. FRANCHISEE shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, County of Sacramento and all other appropriate governmental agencies, including any certification and credentials required by CITY, including a City Business Tax Certificate and any required certification issued by the California Secretary of State. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the suspension or termination of this Agreement by CITY.
2. FRANCHISEE further certifies to CITY that it and its principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. FRANCHISEE certifies that it shall not contract with a subcontractor that is so debarred or suspended.

Section 10: Performance Standards

FRANCHISEE shall perform its services under this Agreement in accordance with the industry and/or professional standards applicable to FRANCHISEE'S services. FRANCHISEE shall assign only competent personnel to perform on its behalf under this Agreement.

Section 11: Ownership of Work Product

All technical data, evaluations, plans, specifications, reports, documents, or other work products developed by FRANCHISEE provided hereunder shall be the exclusive property of CITY and shall be delivered to CITY upon completion of the services authorized hereunder. FRANCHISEE may retain copies thereof for its files and internal use. Publication of the information directly derived from work performed or data obtained in connection with services rendered under this Agreement must first be approved in writing by CITY. CITY recognizes that all technical data, evaluations, plans, specifications, reports, and other work products are instruments of FRANCHISEE'S services and are not designed for use other than what is intended by this Agreement.

Section 12: Status of Franchisee - Independent Contractor

1. It is understood and agreed that FRANCHISEE (including FRANCHISEE'S employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Neither FRANCHISEE nor FRANCHISEE'S assigned personnel will be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to FRANCHISEE under the provisions of this Agreement; and as an independent contractor, FRANCHISEE hereby indemnifies and holds

CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party, including any state or federal agency, that an employer-employee relationship exists by reason of this Agreement or by the reason of the nature or performance under the Agreement.

2. It is further understood and agreed by the parties hereto that FRANCHISEE in the performance of its obligation hereunder is subject to the control or direction of CITY as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by FRANCHISEE for accomplishing the results. To the extent that FRANCHISEE obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use will be at FRANCHISEE's sole discretion based on FRANCHISEE's determination that the use will promote FRANCHISEE's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that FRANCHISEE use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement. As used in this Agreement, "sole discretion" or "sole judgment" means that the party authorized to exercise its discretion or judgment may do so based on an unfettered assessment of its own interests, without considering how its decision affects the other party, and unconstrained by the implied covenant of good faith and fair dealing.

3. If, in the performance of this Agreement, any third persons are employed by FRANCHISEE, such person shall be entirely and exclusively under the direction, supervision, and control of FRANCHISEE. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by FRANCHISEE, and CITY shall have no right or authority over such persons or the terms of such employment.

4. It is further understood and agreed that as an independent contractor and not an employee of CITY, neither the FRANCHISEE nor FRANCHISEE'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of CITY in any capacity whatsoever as agent, nor to bind CITY to any obligation whatsoever. FRANCHISEE shall not be covered by worker's compensation; nor shall FRANCHISEE be entitled to compensated sick leave, vacation leave, retirement entitlement, participation in group health, dental, life and other insurance programs, or entitled to other fringe benefits payable by CITY to employees of CITY.

5. It is further understood and agreed that FRANCHISEE must issue W-2 and 941 Forms for income and employment tax purposes, for all of FRANCHISEE'S assigned personnel under the terms and conditions of this Agreement.

Section 13: FRANCHISEE Not an Agent

Except as CITY may specify in writing, FRANCHISEE and FRANCHISEE's personnel have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. FRANCHISEE and FRANCHISEE's personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.

Section 14: Conflict of Interest

FRANCHISEE covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the CITY's interests or that would in any way hinder FRANCHISEE's performance under this Agreement. FRANCHISEE further covenants that in the

performance of this Agreement, no person having any such interest will be employed by it as an officer, employee, agent, or subcontractor, without the City's written consent.

FRANCHISEE agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City's interests during the performance of this Agreement. If FRANCHISEE is or employs a former officer or employee of the CITY, FRANCHISEE and any former City officer or employee shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any CITY department, board, commission, or committee.

Section 15: Confidentiality of CITY Information

During performance of this Agreement, FRANCHISEE may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special, and unique assets of the CITY.

FRANCHISEE agrees to protect all CITY Information and treat it as strictly confidential, and further agrees that FRANCHISEE shall not at any time, either directly or indirectly, divulge, disclose, or communicate in any manner any CITY Information to any third party without the CITY's prior written consent.

In addition, FRANCHISEE must comply with all CITY policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by FRANCHISEE of this section is a material violation of this Agreement and shall justify legal and equitable relief.

Section 16: Franchisee Information

1. CITY shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by FRANCHISEE under this Agreement. In this Agreement, the term "information" means and includes: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. FRANCHISEE shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.
2. FRANCHISEE shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by FRANCHISEE under this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify FRANCHISEE not later than ten days after CITY is served with any such claim, action, lawsuit, or other proceeding. However, CITY's failure to provide notice within the ten-day period does not relieve FRANCHISEE of its obligations hereunder, which survive any termination or expiration of this Agreement.
3. All proprietary and other information received from FRANCHISEE by CITY, whether received in connection with FRANCHISEE's proposal to CITY or in connection with FRANCHISEE's

performance, will be disclosed upon receipt of a request for disclosure, in accordance with the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to FRANCHISEE of any request for the disclosure of such information.

FRANCHISEE will then have five days from the date it receives notice to petition the court for a protective order to prevent the disclosure of the information. FRANCHISEE shall have sole responsibility for defense of the actual "trade secret" designation of such information.

4. The parties understand and agree that any failure by FRANCHISEE to respond to the notice provided by CITY and seek a protective order, in accordance with the provisions of subsection C, above, constitutes a complete waiver by FRANCHISEE of any rights regarding the information designated "trade secret" by FRANCHISEE, and the information will be disclosed by CITY in accordance with the Public Records Act.

Section 17: Emergency/Declared Disaster Requirements

If an emergency is declared by the City Manager, or if any portion of the City is declared a disaster area by the county, state, or federal government, this Agreement may be subjected to increased usage. FRANCHISEE shall serve the CITY during a declared emergency or disaster, subject to the same terms and conditions that apply during non-emergency/non-disaster conditions. The compensation set forth in this Agreement will apply, without markup, regardless of the circumstances. If FRANCHISEE is unable to fulfill the terms of the Agreement because of a disruption in its routes or service, then FRANCHISEE shall provide proof of the disruption. Acceptable forms of proof will include, but are not limited to, a letter or notice from FRANCHISEE's source stating the reason for the disruption.

Section 18: Indemnity

1. Indemnity*:* FRANCHISEE shall defend, hold harmless, and indemnify CITY, its officers, and employees, and each and every one of them, from and against all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, and expenses of every type and description, whether arising on or off the site of the work or services performed under this Agreement, including any fees and costs reasonably incurred by CITY's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including Liabilities for personal injury or death, damage to personal, real, or intellectual property, damage to the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Agreement by FRANCHISEE, any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE, their respective officers and employees, and anyone else for whose acts of omissions any of them may be liable, whether or not the Liabilities (i) are caused in part by a party indemnified hereunder, or (ii) are litigated, settled, or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage, or expense, to the extent arising from the active negligence or willful misconduct of, or defects in design furnished by, CITY, its agents, servants, or independent contractors who are directly responsible to CITY, except when such agents, servants, or independent contractors are under the supervision and control of FRANCHISEE or any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE.

2. Insurance Policies; Intellectual Property Claims*:* The existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement will not affect or limit any of

CITY's rights under this Section, nor will the limits of any insurance limit the liability of FRANCHISEE hereunder. This section will not apply to any intellectual property claims, actions, lawsuits, or other proceedings subject to the provisions of FRANCHISEE Information above.

3. Survival: The provisions of this section will survive any expiration or termination of this Agreement.

Section 19: Insurance

Without limiting FRANCHISEE's indemnification, FRANCHISEE shall maintain in force at all times during the term of this Agreement and any extensions or modifications, insurance as specified in Exhibit C. It is the responsibility of FRANCHISEE to notify its insurance advisor or insurance carrier regarding coverage, limits, forms, and other insurance requirements specified in Exhibit C. Failure to maintain insurance as required in this Agreement may be grounds for termination of this Agreement.

Section 20: Debarment Certification

1. Pursuant to 2 CFR, Part 200, and applicable Executive Orders, the CITY is restricted in its ability to contract with certain parties that are debarred, suspended, or otherwise excluded or ineligible for participating in Federal assistance programs or activities. By signing this Agreement, FRANCHISEE warrants and certifies under penalty of perjury under the laws of the State of California that FRANCHISEE, including any owner, partner, director, officer, or principal of the FRANCHISEE, or any person in a position with management responsibility or responsibility for the administration of federal funds:

   (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency;

   (b) Has not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, or other criminal felony;

   (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above;

   (d) Has not, within a three-year period preceding this certification, had one or more public contracts (federal, state, or local) or transactions terminated for cause or default;

   (e) Has not been notified, within a three-year period preceding this certification, been notified of any delinquent Federal taxes in an amount that exceeds $3,500 for which the liability remains unsatisfied. Federal taxes are considered delinquent if the tax liability has been finally determined and the taxpayer is delinquent in making payment, as defined in Section 52.209-5 of the Federal Acquisition Regulations.

2. FRANCHISEE further warrants and certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency. Any exceptions to the warranties and certifications in this Section must be disclosed to the CITY.

3. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining FRANCHISEE's responsibility. Disclosures must indicate to whom exceptions apply, the initiating agency, and dates of action.

4. CITY will review the Federal Government's System for Award Management Exclusions maintained by the General Services Administration for eligibility, prior to the execution of this Agreement. FRANCHISEE shall provide immediate written notice to the CITY if, at any time prior to execution, FRANCHISEE learns this certification is erroneous or has become erroneous by reason of changed circumstances. If it is later determined that FRANCHISEE's warranties and certification in this Section were erroneous, the CITY may terminate this Agreement for default.

Section 21: Assignment

1. FRANCHISEE acknowledges that this Agreement involves rendering a vital service to commercial solid waste generators within the City of Sacramento, and that CITY has franchised FRANCHISEE to perform the services specified herein based on: (1) FRANCHISEE'S experience, skill, and reputation for conducting its solid waste collection in a safe, effective and responsible fashion, at all times in keeping with applicable waste management laws, regulations and good solid waste management practices, and (2) FRANCHISEE's financial resources to maintain the required equipment and to support its obligations to CITY under this Agreement. CITY has relied on each of these factors, among others, in choosing the FRANCHISEE to perform the services to be rendered under this Agreement.

2. This Agreement is a privilege to be held in trust by FRANCHISEE. A franchise granted by CITY shall not be transferred, sold, leased, assigned, or relinquished, or delegated to another person, either in whole or in part, whether by forced sale, merger, consolidation, bankruptcy laws or otherwise, without the prior approval of the Sacramento City Council ("CITY Council"). This restriction includes the transfer of ownership of the Agreement, or a majority of the ownership or control of the FRANCHISEE, or the conveyance of a majority of the FRANCHISEE's stock to a new controlling interest. This Agreement shall become void upon the abandonment of FRANCHISEE. CITY Council shall not unreasonably withhold approval of a franchise assignment, provided that such assignment does not unreasonably impact competition and the assignee is qualified to perform its obligations as required by this Agreement and any implementing City law, regulation, rule, or ordinance.

3. FRANCHISEE shall promptly notify the Solid Waste Manager in writing in advance of any proposed assignment, sale, or transfer. In the event the CITY Council approves of any assignment, sale, or transfer, said approval shall not relieve FRANCHISEE of any of its obligations or duties under this Agreement unless this Agreement is modified in writing to that effect.

Section 22: Amendment and Waiver

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon CITY unless agreed in writing by the CITY.

Section 23: Successors

Subject to the provisions of section 21, this Agreement shall bind the successors of CITY and FRANCHISEE in the same manner as if they were expressly named.

Section 24: Time

Time is of the essence in the performance of this Agreement. FRANCHISEE shall devote the necessary time and effort to its performance under this Agreement. Neither party will be considered in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

Section 25: Interpretation

This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

Section 26: Solid Waste Manager

As used in this Agreement, "Solid Waste Manager" shall mean the Integrated Waste General Manager of the Recycling and Solid Waste Division, City of Sacramento Department of Public Works or his/her designee. Solid Waste Manager shall administer this Agreement on behalf of CITY. FRANCHISEE shall meet and confer with the Solid Waste Manager to resolve differences, implement, and execute the requirements of this Agreement.

Section 27: Disputes

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. Pending resolution of any such dispute, FRANCHISEE shall continue without delay to carry out all its responsibilities under this Agreement unless the Agreement is otherwise suspended or terminated in accordance with chapter 13.24 of the Sacramento City Code or the Termination provisions of this Agreement. CITY shall not be required to make payments for any services that are the subject of this dispute resolution process until such dispute has been mutually resolved by the parties. If the dispute cannot be resolved either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California. Nothing in this Agreement or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state and federal law.

Section 28: Default, Termination

1. Default. Except for the occurrence of Force Majeure as described in paragraph 4 of this section, in the event of any material failure or refusal of FRANCHISEE to comply with any obligation or duty imposed on FRANCHISEE under this Agreement or the City Code or related ordinances, resolutions, or administrative rules, the CITY may provide notice of a default pursuant to the provisions of chapter 13.24 of the Sacramento City Code provided it is a situation where there is the ability to cure the default.

2. The following events shall constitute a material breach under this Agreement:

   A. *Misrepresentation*. Any misrepresentation or disclosure made to CITY by FRANCHISEE in connection with or as an inducement to entering this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time the representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

   B. *Fraud or Deceit*. If FRANCHISEE practices, or attempts to practice, any fraud or deceit

upon CITY.

C. *Failure to Maintain Insurance Coverage*. If FRANCHISEE fails to provide or maintain in full force and effect the Worker's Compensation, liability, or insurance coverage as required by this Agreement.

D. *Violations of Regulation*. If FRANCHISEE violates any permits, orders or filing of any regulatory body having jurisdiction over FRANCHISEE which violation or non-compliance materially affects FRANCHISEE'S ability to perform under this Agreement, provided that FRANCHISEE may contest any such orders as set forth in Chapter 13.24 of the Sacramento City Code, in which case no breach of the Agreement shall be deemed to have occurred during the pendency of the contestation or appeal, to the extent FRANCHISEE is able to adequately perform during that period.

E. *Acts or Omissions*. Any other act or omission by FRANCHISEE which materially violates the terms, conditions, or requirements of this Agreement; resolutions, administrative rules, or the City Code; the California Integrated Waste Management Act of 1989 (as codified in Public Resources Code section 40000 et seq.), as it may be amended from time to time; or any order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if FRANCHISEE cannot reasonably correct or remedy the breach within the time set forth in such notices, if FRANCHISEE should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

3. Termination. Upon the occurrence of a material breach, the CITY may have the right to terminate this Agreement pursuant to the provisions in chapter 13.24 of the Sacramento City Code.

4. Force Majeure. The performance of this Agreement may be discontinued or temporarily suspended in the event of Force Majeure. FRANCHISEE shall not be deemed to be in default and shall not be liable for failure to perform under this Agreement if FRANCHISEE'S performance is prevented or delayed by Force Majeure. Force Majeure means acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, public riots, breakage, explosions, or government restraint. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances, and litigation, including appeals, shall be entirely within the discretion of FRANCHISEE and FRANCHISEE may make settlement thereof at such time and on any such terms and conditions as it may deem to be advisable, and no delay in making such settlement shall deprive FRANCHISEE of the benefit of this section.

5. Notice of Termination. The CITY shall serve written notice in accordance with chapter 13.24 of the Sacramento City Code, either personally or by registered or certified mail, postage prepaid of the termination of a Franchise under this Agreement to the last place of business of FRANCHISEE.

Section 29: Conditions Upon Termination

1. In the event this Agreement is terminated:

A. FRANCHISEE shall have no right or authority to engage in commercial solid waste collection, transportation, or disposal operations within the City.

B. FRANCHISEE shall, however, remain liable to CITY for any and all Franchise Fees that would otherwise be payable by FRANCHISEE, for any and all late payment charges and interest assessed, for any liquidated damages assessed pursuant to Exhibit B – Compensation or Attachment 1 to Exhibit B of this Agreement and for any and all delinquent report charges assessed pursuant to chapter 13.24 of the City Code.

C. FRANCHISEE shall have a continuing obligation to submit to CITY all reports required by Section 30 of this Agreement and chapter 13.24 of the City Code relating to commercial solid waste or recycling activities performed by FRANCHISEE up to and including the date of termination.

2. In the event this Agreement is terminated, then, within the time period specified by CITY, FRANCHISEE shall promptly remove all of FRANCHISEE's commercial solid waste and recyclables containers from all of FRANCHISEE's collection service locations and shall properly dispose of all solid waste or recyclables in such containers.

Section 30: Reports

1. FRANCHISEE shall submit quarterly tonnage reports on or before the first day of the second calendar month immediately following the reportable quarter and shall be submitted as required in CITY Code section 13.24.280 or as otherwise amended, in a format as required by the Solid Waste Manager.

2. FRANCHISEE shall submit quarterly generator data in a format as required by the Solid Waste Manager as directed in CITY Code section 13.24.280 or as otherwise amended.

3. FRANCHISEE shall submit monthly generator compliance data to the City of Sacramento. CITY shall provide FRANCHISEE with the required report format and due date of such submittal as required by the Solid Waste Manager.

4. FRANCHISEE shall submit progress reports on the implementation of the FRANCHISEE'S Diversion Plan as provided for in the application form completed by FRANCHISEE as directed by the Solid Waste Manager pursuant to CITY Code section 13.24.280.A.5 or as otherwise amended.

5. FRANCHISEE shall report quarterly contamination to the CITY pursuant to Exhibit A, Section 8 — Contamination Monitoring, Recordkeeping, and Reporting.

6. FRANCHISEE shall submit monthly revenue reports on or before the first day of the second month immediately following the month in which collection services were provided as required in CITY Code section 13.24.280 or as otherwise amended. CITY shall provide FRANCHISEE with the required report format of such submittal.

Section 31: Audits, Records, and Inspection Authority

1. Upon CITY's request, FRANCHISEE shall promptly provide access to the Solid Waste Manager or his/her designees of all records, accounts, or other financial or program information pertinent to the conduct of the business and/or requirements of this Franchise as CITY deems necessary to determine FRANCHISEE's compliance with legal and contractual requirements, including the correctness and accuracy of claims submitted by FRANCHISEE.

2. FRANCHISEE shall certify that any response provided to the Solid Waste Manager or his/her designee, pursuant to this section, is true, complete, and correct.

3. In addition to the requirements in subsections 1 and 2 above, FRANCHISEE shall reimburse

audit costs incurred by CITY staff, and any other costs for FRANCHISEE-related services provided by CITY staff or its contractors, in the event of significant audit findings including but not limited to, detailed follow-up audits when staff determines that documentation reported by FRANCHISEE is inadequate or incomplete. Where necessary, CITY staff will retain the services of an independent auditor to verify performance and conduct an audit of FRANCHISEE records.

Section 32: Prior Agreements

This Agreement constitutes the entire contract between CITY and FRANCHISEE regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between CITY and FRANCHISEE regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.

Section 33: Severability

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

Section 34: Survival of Terms

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions, and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation, or termination of this Agreement shall so survive.

Section 35: Headings

The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

Section 36: Attorney Fees

Except as required by Section 19, the Parties will bear their own attorney fees and costs in connection with this Agreement.

Section 37: Authority to Execute

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

Section 38: Duplicate Counterparts

This Agreement may be executed in counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

Signatures scanned and transmitted electronically shall be deemed original signatures for purposes of this Agreement, with such scanned signatures having the same legal effect as original signatures. This

Agreement may be executed through the use of an electronic signature and will be binding on each party as if it were physically executed.

(SIGNATURE PAGE FOLLOWS)

Executed as of the day and year first above stated.

CITY OF SACRAMENTO

A Municipal Corporation

By: _____

Print name: Ryan Moore

Title: Assistant City Manager

For: City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

Michael Fry (May 27, 2026 10:22:26 PDT)

_____

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Atlas Disposal Industries, LLC

NAME OF FIRM

87-0579082

Federal I.D. No.

44434645

State I.D. No.

1049031

City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY *(check one)*:

☐ Individual/Sole Proprietor
☐ Partnership
☐ Corporation *(may require 2 signatures)*
☑ Limited Liability Company
☐ Other (*please specify:* _____)

Brian Waters

Signature of Authorized Person

Brian Waters| President and CEO

Print Name and Title

RStuhr 05/05/2026

Additional Signature *(if required)*

Robin Stuhr | Controller

Print Name and Title

Exhibit A
Scope of Services

This Exhibit A incorporates by this reference the Franchise Agreement between *Atlas Disposal Industries, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Exhibit A provides the Scope of Services for the Agreement. In the event of a conflict between Exhibit A and the Agreement, the terms of Exhibit A shall prevail.

1. Definitions

For purposes of this Agreement, all terms used shall have the same meaning as those defined in chapter 13.24 of the Sacramento City Code.

2. Ownership of Waste Material

CITY does not gain any ownership or right to possess commercial solid waste material collected by FRANCHISEE pursuant to this Agreement. Subject to the provisions of this Agreement, FRANCHISEE shall have the right to retain any benefit resulting from its right to retain, recycle, process, dispose of, or use the commercial solid waste material that it collects.

3. Disposal and Diversion of Commercially Generated Waste Material

FRANCHISEE shall dispose of commercial solid waste collected or transported by FRANCHISEE only by taking such commercial solid waste to a landfill or transfer station lawfully authorized to accept such solid waste. FRANCHISEE shall divert recyclable and organic material at facilities legally permitted to process source separated recyclable material and organic material. FRANCHISEE shall not dispose of commercial solid waste by depositing it on any land, whether public or private, or in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system.

4. Customer Service Agreements

A. Franchisee shall enter into customer service agreements with Generators consistent with Sacramento City Code section 13.24.570, or as otherwise amended.

B. Customer service agreement terms shall remain unchanged and shall not restart or be extended if adjustments to the levels of service are made at any point during the renewal contract term period, unless the customer explicitly states an interest in extending or renewing at the time an adjustment is made.

C. Customers must receive a separate and specific written notice of each customer service agreement renewal not less than sixty (60) days prior to the effective date of such renewal.

D. FRANCHISEE shall submit a copy of a current customer service agreement template to CITY on an annual basis and any time the customer service agreement template is changed.

5. Diversion Programs

A. Source Separated Recyclable Material and Organic Material: FRANCHISEE is required to divert from landfilling source separated recyclable material and organic material collected and removed by it within CITY region, in accordance with chapter 13.24 of the City Code. Failure to meet the diversion requirement will subject FRANCHISEE to the Recycling Shortfall Penalty provided for in CITY Code section 13.24.760, or as otherwise amended. FRANCHISEE shall not

landfill source separated recyclable material and organic material without notifying CITY as described in CITY Code section 13.24.240, or as otherwise amended.

B. Construction and Demolition Debris: When FRANCHISEE provides commercial solid waste collection services for a project subject to Construction and Demolition ("C&D") Debris in chapter 8.124 of the City Code, FRANCHISEE shall assist their generators in complying with the C&D Debris requirements set forth in the City Code.

Diversion credit from mixed construction and demolition debris for compliance with mandates will only be recognized if FRANCHISEE delivers mixed C&D debris to a C&D Sorting Facility certified by the County of Sacramento and material is stamped as sorted by the certified C&D Sorting Facility.

6. Collection Equipment

A. Any and all vehicles used by FRANCHISEE to perform commercial solid waste collection services shall meet the vehicle inspection, tag and covered load requirements of CITY Code section 13.24.430, 13.24.440 and 13.24.450, or as otherwise amended.

B. FRANCHISEE shall submit a Franchisee commercial solid waste vehicle inventory of FRANCHISEE's vehicles, as required in CITY Code section 13.24.110 or as otherwise amended, and shall include but not limited to, vehicle number, year, make, model, capacity, and vehicle identification number (VIN). FRANCHISEE is required to submit the Franchisee commercial solid waste vehicle inventory annually as part of its Franchise Application or Franchise Renewal Application.

C. If FRANCHISEE's vehicle inventory has changed between the application or renewal application date and the effective date of this agreement, FRANCHISEE must submit to Solid Waste Manager an amended inventory, as required in CITY Code section 13.24.180 or as otherwise amended, prior to commencing the provision of services under this Agreement.

7. Franchisee Provided Waste Material Containers

A. General. Each generator shall be provided solid waste, recyclable material, and organic material services. This provision of three or more containers shall comply with the collection container requirements specified in chapter 13.24 of the City Code and with the Container Color Requirements outlined in Senate Bill (SB) 1383 as codified in sections 18984.1 and 18984.7 of title 14 of the California Code of Regulations. FRANCHISEE is responsible for ensuring generator compliance with this requirement and use of proper facilities for collected material.

B. Source Separated Recyclable Materials Collection (Blue Container): FRANCHISEE shall provide blue containers to generators for collection of source separated recyclable materials and shall provide source separated recyclable materials collection service, as described below. FRANCHISEE shall transport the source separated recyclable materials to a recyclable materials processing facility.

Source separated recyclable materials that are mandated to be accepted for collection in the source separated recyclable materials commercial collection program include the following:

- Aluminum Containers
- Glass Containers
- Plastics #1 and #2
- Tin and Bi-Metal Containers

- Mixed Paper
- Cardboard

FRANCHISEE shall offer Generators, at minimum, 90-gallon containers for Recyclable Material collection.

C. Source Separated Organic Material (Organics Container): FRANCHISEE shall provide organic containers to generators for collection of organic material and shall provide organic material collection service.

FRANCHISEE shall transport organic material to an organic material processing facility, or a transfer facility for transfer and transport to an organic material processing facility.

Organic materials that are mandatory to be accepted for collection in the commercial collection program include the following:

Mandatory Commercial Organic Material
Food Waste
Food Soiled Paper
Green Waste
Compostable Plastic Bags*

*Compostable plastic bag material must meet ASTM D6400 sections 5.1 through 6.4.2 standard for compostability as published May 2019.

FRANCHISEE shall offer Generators, at minimum, 30-gallon containers for Organic Material collection.

D. Commercial Solid Waste Collection (Gray Container): FRANCHISEE shall provide gray containers to generators for collection of solid waste and shall provide solid waste collection service. FRANCHISEE shall transport the solid waste to a disposal facility or a transfer facility for transfer and transport to a disposal facility.

FRANCHISEE shall offer Generators, at minimum, 90-gallon containers for weekly Solid Waste collection.

E. FRANCHISEE shall provide containers used for storage of solid waste materials that meet the following requirements:

(i) FRANCHISEE shall place a label on the body or lid of each container that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that container. Container labels must be available in any non-English language spoken by a substantial number of the public in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

(ii) Container must be clearly identified, with the name, or recognizable corporate or company logo, and phone number of the Franchisee that is legible from a distance of fifty (50) feet.

(iii) Be adequately sized and serviced with adequate frequency to meet the waste material generation needs of the business.

(iv) Be designed and constructed to be watertight to prevent the leakage of liquids.

(v) Be equipped with lids which are to be kept closed and shall be placed in a way that does not prevent the lid from being closed.

(vi) Containers shall be equipped with functioning locking bars or a locking mechanism and shall remain locked at all times, except when solid waste or recyclable materials are being deposited or collected in accordance with the provisions of chapter 13.24 of Sacramento City Code.

(vii) Be kept free of graffiti.

(viii) Be replaced, cleaned, or repainted as needed so as to present a clean appearance.

(ix) No later than January 1, 2036, FRANCHISEE shall provide all generators with collection containers that comply with the container color requirements specified in in Title 14 of the California Code of Regulation ("CCR") Section 18982. 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. Until January 1, 2036, FRANCHISEE is not required to replace functional collection containers that do not comply with these color requirements prior to the end of the useful life of those containers. New and replacement collection containers, however, must meet new color requirements.

F. In addition to any and all requirements listed in section E., above, the owners and tenants of properties in the downtown collection area, as defined in Attachment 1 to Exhibit A, are required to comply with all of the requirements below, as specified in CITY Code section 13.10.510 or as otherwise amended:

(i) Intentionally omitted.

(ii) All commercial containers shall have the name, address, and telephone number of the owner, and of the tenant, if different than the owner, written on the front of the container with either paint or some form of indelible ink.

(iii) No container shall be placed or located in such a manner that blocks or impedes passage through the alley or through any doorway of any building adjoining the alley, even if the building is abandoned or out of use.

G. Solid Waste Manager or designee may require special container equipment, and/or container labeling with customer identifying information.

H. Violations of the conditions of this section may become the basis for enforcement actions. In addition, violations of the conditions of this section may be determined to be a material breach of this Agreement and will subject the FRANCHISEE to payment of liquidated damages, pursuant to Exhibit B of this Agreement.

8. Contamination Monitoring, Recordkeeping, and Reporting

FRANCHISEE shall implement a contamination monitoring, record keeping, and reporting program.

A. Contamination Monitoring. FRANCHISEE shall conduct a route review for prohibited container contaminants in containers in a manner that results in all routes being reviewed annually.

Containers may be randomly selected along a hauler route.

(i) Upon finding prohibited container contaminants in a container, the FRANCHISEE, shall notify the generator of the violation. The notice shall, at a minimum, include information regarding the generator's requirement to properly separate materials into the appropriate containers and may include photographic evidence of the violation. The notice may be left on the generator's container, gate, or door at the time the violation occurs, and must be mailed, e-mailed, or electronically messaged to the generator.

(ii) If a FRANCHISEE observes excessive prohibited container contaminants in a generator's collection container(s), it may dispose of the container's contents.

(iii) If a FRANCHISEE charges for contamination and the generator contests the charge, FRANCHISEE must provide photographic evidence of the contamination. If evidence of the contamination is not available, the contamination charge shall be refunded.

B. Route Review Contamination Recordkeeping and Reporting. FRANCHISEE shall conduct route reviews and submit reports related to the contamination monitoring program that includes, but is not limited to the following required fields.

Quarterly documentation of all route reviews conducted shall include, but is not limited to:

(i) Generator name

(ii) Generator site address

(iii) Generator account number

(iv) Container contamination found

(v) Copy of all contamination notices issued

(vi) Container contents disposed

On an annual basis, FRANCHISEE shall submit an Initial Route Review Plan that includes, but is not limited to:

(i) A list of routes, associated route numbers, and number of stops per route.

(ii) A description of the methodology for conducting route reviews.

(iii) A copy of the proposed contamination notice template.

All contamination monitoring documentation shall be submitted to CITY in a format as directed by the Solid Waste Manager and made part of CITY's operational record at the frequency as directed by the Solid Waste Manager and upon CITY request.

9. Abandoned Containers

A. If FRANCHISEE abandons any container used to provide commercial solid waste material collection services under the Agreement, CITY may remove the container and/or dispose of the contents of the container.

B. If CITY removes a container abandoned by FRANCHISEE and/or disposes of the contents of any container abandoned by FRANCHISEE, CITY may charge FRANCHISEE for CITY's costs incurred in such removal/disposal and for CITY's costs of storage of the container. FRANCHISEE shall reimburse CITY for such costs within ten (10) days of the date of CITY's

invoice for such costs.

C. For the purposes of this section, "abandoned" includes:

(i) FRANCHISEE's failure to remove the container within the time period specified by termination of the Agreement pursuant to chapter 13.24 of the Sacramento City Code.

(ii) FRANCHISEE's failure to remove the container within a reasonable period after the expiration of the Franchise granted to FRANCHISEE, except in the case where FRANCHISEE has been granted an extension of the term of said Franchise or FRANCHISEE has been granted a subsequent commercial solid waste collection franchise authorizing FRANCHISEE to collect and transport the type or types of solid waste for which the container was used pursuant to this Agreement.

(iii) FRANCHISEE's failure to dispose of the contents of the container within five (5) days after CITY issues written notice to FRANCHISEE to dispose of the contents.

10. Personnel

A. Driver Qualifications. FRANCHISEE agrees that all drivers shall be trained and qualified in the operation of collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

B. Safety Training. FRANCHISEE shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection of solid waste, or who are otherwise directly involved in such collection.

11. Education and Outreach

A. FRANCHISEE shall assist CITY in educational and outreach activities to promote diversion of recyclable material and organic material.

B. FRANCHISEE shall provide an outreach and education plan according to FRANCHISEE's Diversion Plan.

C. Education and outreach materials must be translated into any non-English language spoken by a substantial number of the pubic in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

12. Diversion Plan

FRANCHISEE shall implement its Diversion Plan submitted annually as part of its Franchise Application or Franchise Renewal Application and approved by CITY. FRANCHISEE Diversion Plan shall contain the following elements:

A. A methodology for how FRANCHISEE will meet City diversion requirements.

B. A compliance plan that describes the proposed methodology for identifying generators required to have source separated recycling and organic material services, proposed methodology for tracking compliant/noncompliant generators, and proposed efforts for increasing subscription levels.

C. A description of the Franchisee's contamination reduction program, as described in Section 7. Contamination Monitoring, Recordkeeping, and Reporting.

D. A description of a minimum of three (3) outreach and education campaigns and quantifiable goals for each campaign.

(i) At least one annual campaign will be directed at all serviced generators and will inform the serviced generators about both the State Mandatory Commercial Recycling Law (AB 341) and applicable City requirements, and State Mandatory Commercial Organics Recycling Law (AB 1826), the State Mandatory Short-Lived Climate Pollutants Law (SB 1383), and applicable City requirements, and how to comply with each Law.

(ii) At least one campaign will be specifically directed at those serviced generators that are not in compliance with either the State Mandatory Commercial Recycling Law (AB 341), the State Mandatory Commercial Organics Recycling Law (AB 1826) and/or the State Mandatory Short-Lived Climate Pollutants Law (SB 1383) and will inform them of their requirements and how they can comply.

(iii) One campaign will be at the choice of FRANCHISEE and will not be directly related to above campaigns subsections D(i) or D(ii) above.

E. A description of the FRANCHISEE's recordkeeping and reporting systems and how it will accurately meet CalRecycle mandatory reporting requirements under AB 341, AB 1826, and SB 1383.

13. Generator Waiver Program

A. CITY shall grant all generator recycling and organic recycling waivers.

B. Waiver applications must be submitted by the generator on a form provided by Solid Waste Manager.

C. FRANCHISEE may assist the generator with completing the waiver application but is prohibited from submitting a waiver on the generator's behalf.

D. CITY shall provide FRANCHISEE with an updated listing of waivers approved by CITY, including the generators' names, mailing address, service address, and type of waiver.

14. Restricted Collection Hours

A. Solid waste shall be collected within residential areas or within mixed residential and commercial areas of the city only between the hours of 6:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day, and elsewhere within the city only between the hours of 4:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day as provided by chapter 13.10 of the Sacramento City Code, or as otherwise amended.

B. Violation of this provision will subject FRANCHISEE to liquidated damages identified in Exhibit B – Compensation or attachment 1 to Exhibit B.

15. Annual Mandatory Training

A. CITY will conduct annual training covering, at minimum, tonnage and revenue reporting requirements.

B. Attendance is required for a FRANCHISEE that meets any of the following criteria, including but not limited to reporting staff turnover with those responsible or involved in reporting, staff reassignment impacting reporting, significant or repeated reporting errors, or any other issue identified by CITY that may impact accurate or timely reporting.

C. CITY will notify FRANCHISEE at least thirty (30) calendar days in advance if attendance is required, specifying the date, time, and format of the training. All staff involved in reporting to the CITY should attend a training session, but at a minimum, at least one employee from FRANCHISEE must attend.

D. Failure to attend the annual mandatory training may result in the assessment of liquidated damages.

Attachment 1 to Exhibit A
Downtown Service Area

This Attachment 1 to Exhibit A incorporates by this reference the Franchise Agreement between *Atlas Disposal Industries, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit A defines the Downtown Service Area. In the event of a conflict between this Attachment 1 to Exhibit A and the Agreement, the terms of this Attachment 1 to Exhibit A shall prevail.

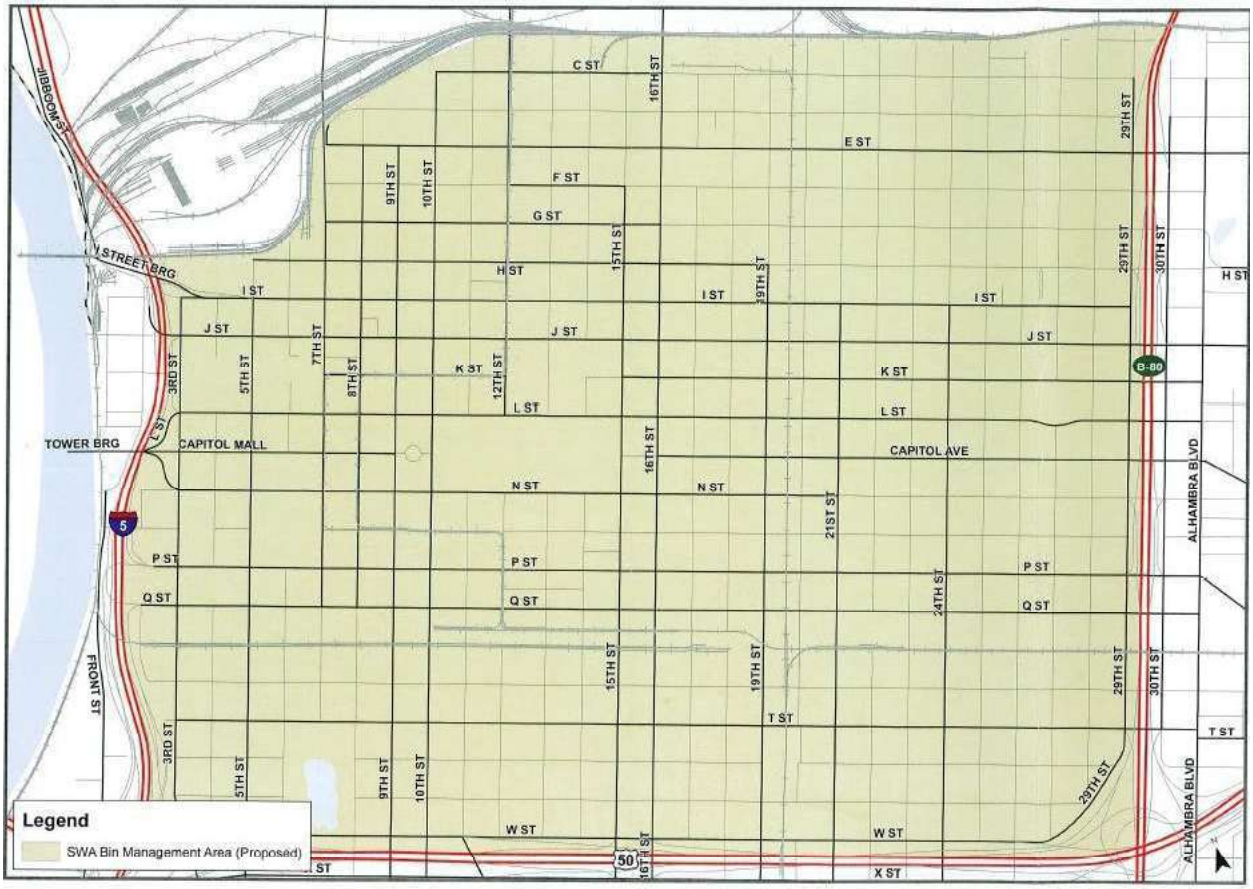


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between *Atlas Disposal Industries, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Exhibit B provides the Compensation for the Agreement. In the event of a conflict between Exhibit B and the Agreement, the terms of Exhibit B shall prevail.

1. FRANCHISE FEES

A. During the term of the Agreement, FRANCHISEE shall pay Franchise Fees to CITY. Such fees shall be in the amount established for commercial solid waste services as set forth by resolution of the City Council and as described in chapter 13.24 of Sacramento City Code, pursuant to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. Franchise Fees shall not be owed by FRANCHISEE for revenues received from federal, state and local governments, including school districts.

C. FRANCHISEE shall pay Franchise Fees on all solid waste collected pursuant to this AGREEMENT regardless of the method of disposal or handling.

D. For calculation of gross collection revenue and calculation of franchise fees, FRANCHISEE may deduct collection revenues for source-separated recyclable material and organic material, provided those materials are diverted from disposal.

2. FRANCHISE FEE PAYMENT

A. FRANCHISEE shall pay Franchise Fees to CITY pursuant to CITY Code section 13.24.040, or as otherwise amended.

B. FRANCHISEE shall pay all required Franchise Fees to:

City of Sacramento, Recycling and Solid Waste Division
Attention: Accounts Receivable
2812 Meadowview Road, Building 1
Sacramento, CA 95832

C. If FRANCHISEE remits Franchise Fees by personal delivery to CITY, such Franchise Fees shall be deemed timely paid only if delivered on or before the due date. If FRANCHISEE remits Franchise Fees by mail or other delivery service, such Franchise Fees shall be deemed timely only if: (1) the envelope containing the Franchise Fee payment bears a postmark or receipt showing that the payment was mailed or sent on or before the due date or (2) FRANCHISEE submits proof satisfactory to Solid Waste Manager that the Franchise Fee payment was in fact deposited in the mail or sent on or before said due date.

D. In the event FRANCHISEE believes that it has paid Franchise Fees in excess of the amounts due to CITY, FRANCHISEE may submit a request for refund to Solid Waste Manager on a form provided by said Solid Waste Manager. If proof of overpayment is satisfactory to Solid Waste Manager, Solid Waste Manager shall refund to FRANCHISEE any overpayment. FRANCHISEE shall not apply any overpayment as a credit against any Recycling Shortfall Penalty, Franchise Fees, or other amounts payable to the CITY unless specifically so authorized by the Solid Waste Manager in writing.

3. Liquidated Damages

A. Failure of FRANCHISEE to provide solid waste collection containers and services that conform to this Agreement will be subject to liquidated damages according to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. If any deficiencies are brought to the attention of CITY, CITY shall notify FRANCHISEE in writing of such failure, including the associated liquidated damages amount. FRANCHISEE may be given a cure period to provide proof of corrective action for such deficiency prior to liquidated damages being assessed. However, not all deficiencies will have a cure period. Attachment 1 to Exhibit B – Fee and Penalty Schedule provides cure periods for deficiencies that shall be assessed liquidated damages. Proof of corrective action must be provided by FRANCHISEE as requested by CITY.

C. If proof of corrective action is not provided by FRANCHISEE within the cure period, CITY may take further enforcement action. Furthermore, continued failure to take corrective action shall be deemed a breach of this Agreement and shall constitute grounds for the termination of this Agreement by CITY.

D. Any Liquidated Damage fees shall be assessed to the FRANCHISEE and shall be due as part of FRANCHISEE's monthly payment to CITY.

4. LATE FEES AND PENALTIES

FRANCHISEE shall pay late fees and penalties to CITY pursuant to the Attachment 1 to Exhibit B – Fee and Penalty Schedule.

Attachment 1 to Exhibit B
Fee and Penalty Schedule

This Attachment 1 to Exhibit B incorporates by this reference the Franchise Agreement between *Atlas Disposal Industries, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit B provides the fees and penalties for the Agreement. In the event of a conflict between this Attachment 1 to Exhibit B and the Agreement, the terms of this Attachment 1 to Exhibit B shall prevail.

Fees and Charges

Fee	Amount	Notes
Franchise fee	10% of revenue	Calculated at 10% of reported disposal revenue. May require minimum of $1,000 per fiscal year (July-June).
Refundable cash deposit	$500.00 per vehicle	Required for each collection vehicle unless sufficient financial assurance provided to CITY.
Delinquent Franchise Fee Payment	10% of franchise fee owed, compounded 1.5% monthly until paid	Franchisee fees are due on the first business day of the second month following the close of each month. The 10% late fee is applied when the franchise fee is not paid on time. If it is still unpaid by the first of the next month, the franchise fee will increase by 1.5% of the owed franchise fee plus the original late fee plus applied interest.
Delinquent Quarterly Tonnage Report Fee	$50.00	Correct and accurate Quarterly Tonnage Reports are due the first business day of the second month following the close of each quarter. An automatic charge of $50/day will be applied until the accurate tonnage report is received. Staff will determine whether a tonnage report is correct.
Delinquent Quarterly Generator Report Fee	$25.00 / day	Correct and accurate Generator Reports are due by the date described in Sacramento City Code, section 13.24.600, or as otherwise amended. An automatic charge of $25/day will be applied until the accurate generator report is received. Staff will determine whether a generator report is correct.
Recycling shortfall penalty	$25.00 / ton of recycling shortfall	Charged per ton of shortfall from 30% diversion requirement.
Abandoned Container Fee	$400.00	Fee to cover the costs for the collection, emptying and storage of a Franchisee abandoned container. Containers are considered abandoned if not removed from the property of a customer within five business days of final termination of services to the customer (13.24.570 or as otherwise amended).

Liquidated Damages

Failure	Amount	Cure Period
Broken or missing lock bar / Broken or missing lock	$150.00 / bin / service address / day	Three (3) business days.

Broken or missing lid	$150.00 / bin / service address / day	Three (3) business days.
Container graffiti	$150.00 / bin / service address / day	Three (3) business days.
Bin not properly labeled	$150.00 / bin / service address / day	Three (3) business days.
Overflowing, spilling, or leaking bin	$250.00 / bin / service address / day	Three (3) business days.
Use of collection vehicle(s) without required inspection	$150.00 / vehicle / day	N/A / None.
Verified collection outside of restricted collection hours (Sacramento City Code 13.24.560 Hours of collection.)	$150.00 / incident	N/A – None.
Uncovered/Unsecured materials in collection vehicles	$150.00 / incident	N/A / None.
Provision of non-compliant service, including but not limited to failing to provide minimum service level requirements and failing to provide all required commodities.	$150.00 / commodity / day	N/A / None for service started on or after July 1, 2024. Generators must be provided compliant services from the commencement of services through final termination.
Inaccurate Reporting	$100 / error after the first five (5) errors per report	N/A / None. Reports must be complete and accurate at the time of submission.
Failure to provide a generator with a copy of the service agreement/contract within timeframe allowable by Sacramento City Code 13.24.270 or as otherwise amended.	$100 / service agreement / day	N/A / None. Liquidated damages will be assessed beginning the first day after the allowable timeframe by Sacramento City Code
Placing a franchisee owned container requiring a minor encroachment permit as defined in Sacramento City Code 12.12 on a public right-of-way without approved minor encroachment permit or prior written approval from the City.	$150 / container / day	N/A / None. The required minor encroachment permit must be approved and attached to temporary container at the time the container is placed on the public right-of-way unless an exception as outlined in Sacramento City Code 12.12.020 applies.
Failure to provide service or response as outlined in Sacramento City Code 13.24.570.	$150 / failure / day	N/A / None. Liquidated damages will be assessed daily until proof of correction is supplied to City in a manner that is satisfactory to Solid Waste Manager or designee.
Failure to attend required hauler reporting training as outlined in Section 15 – Annual Mandatory Training.	$150 / meeting	N/A None. Haulers will be provided 30 days' advance notice for training. Failure to attend will result in immediate assessment of liquidated damages.

Exhibit C
Insurance

1. **Insurance Requirements**. During the entire term of this Agreement, FRANCHISEE shall maintain the insurance coverage described in the Insurance Terms below. Full compensation for all premiums that FRANCHISEE is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Agreement. No additional compensation will be provided for FRANCHISEE's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

   FRANCHISEE's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the FRANCHISEE in connection with this Agreement.

2. **General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the FRANCHISEE and subcontractors, products and completed operations of FRANCHISEE and subcontractors, and premises owned, leased, or used by FRANCHISEE and subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of FRANCHISEE and subcontractors; products and completed operations of FRANCHISEE and subcontractors; and premises owned, leased, or used by FRANCHISEE and subcontractors.

3. **Automobile Liability Minimum Scope and Limits of Insurance Coverage**. (*Check the applicable provision*.)

   X Automobile Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than three million dollars ($3,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the FRANCHISEE. The policy will contain an MCS-90 endorsement when applicable. FRANCHISEES who only operate non-commercial vehicles are required to provide limits of not less than $1,000,000 of Automobile Liability Insurance.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

   X Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract with limits of not less than one million dollars ($1,000,000). This coverage may also be provided on a Contractors Pollution Liability policy.

   If Pollution Liability insurance is written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

4. **Excess Insurance**. The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance contains, or is endorsed to contain, a provision that it will apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of FRANCHISEE's umbrella or excess coverage and will not contribute to it.

5. **Workers' Compensation Minimum Scope and Limits of Insurance Coverage.** (*Check the applicable provision*.)

_X_ Workers' Compensation Insurance is required with statutory limits and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000). The Workers' Compensation policy shall include a waiver of subrogation in favor of the City.

___ No work or services will be performed on or at CITY facilities or CITY Property, therefore a Workers' Compensation waiver of subrogation in favor of the CITY is not required.

___ No Workers' Compensation insurance is required, and by signing this Agreement, FRANCHISEE certifies as follows:

"FRANCHISEE certifies that its business has no employees, and that it does not employ anyone, and is therefore exempt from the legal requirements to provide Workers' Compensation insurance. If, however, FRANCHISEE hires any employee during the term of this Agreement, FRANCHISEE understands that Workers' Compensation with statutory limits and Employer's Liability Insurance with a limit of not less than one million dollars ($1,000,000) is required. The Workers' Compensation policy will include a waiver of subrogation in favor of the City."

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:

A. FRANCHISEE's insurance coverage, including excess insurance, shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-

insurance maintained by the City, its officials, employees or volunteers will be in excess of FRANCHISEE's insurance and will not contribute with it.

B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.

C. Coverage shall state that FRANCHISEE's insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

D. FRANCHISEE shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.

7. **Acceptability of Insurance**. Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Agreement.

8. **Verification of Coverage.**

A. FRANCHISEE shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.

B. FRANCHISEE shall send all insurance certificates and endorsements, including policy renewals, during the term of this Agreement directly to:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

C. Certificate Holder must be listed as:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

D. The City may withdraw its offer of Agreement or cancel this Agreement if the certificates of insurance and endorsements required have not been provided before execution of this Agreement. The City may withhold payments to FRANCHISEE and/or cancel the Agreement if the insurance is canceled or FRANCHISEE otherwise ceases to be insured as required herein.

9. **Subcontractor Insurance Coverage**. FRANCHISEE shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 3/24/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher Risk Management Services, LLC 419 Flint Street Reno NV 89501	**CONTACT NAME:** Vicki Vanderberg **PHONE (A/C, No, Ext):** 17754190773 **FAX (A/C, No):** 805-545-8224 **E-MAIL ADDRESS:** Vicki_Vanderberg@ajg.com
INSURED ATLADIS-01 Atlas Disposal Industries, LLC 3140 Gold Camp Drive, Suite #30 Rancho Cordova, CA 95670	**INSURER(S) AFFORDING COVERAGE** / **NAIC #** **INSURER A :** National Interstate Insurance Company 32620 **INSURER B :** Endurance American Specialty Ins Co 41718 **INSURER C :** Upland Specialty Insurance Company 16988 **INSURER D :** Harleysville Insurance Company of NY 10674 **INSURER E :** Ascot Specialty Insurance Company 45055 **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 194634519 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY** [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:	Y	Y	LJG8310005 01	7/1/2025	7/1/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG 	$ 1,000,000 $ 100,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $
A	**AUTOMOBILE LIABILITY** X ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY	Y	Y	WAR 8310005 11	7/1/2025	7/1/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) 	$ 1,000,000 $ $ $ $
B	[ ] **UMBRELLA LIAB** [X] OCCUR X **EXCESS LIAB** [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $			EXT30063943101 (AL.GL.EL)	7/1/2025	7/1/2026	EACH OCCURRENCE AGGREGATE 	$ 1,000,000 $ 1,000,000 $
A	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	WRW 8310005 12	7/1/2025	7/1/2026	X PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
C D E	Excess Liability (1st Layer) Excess Liability (2nd Layer) Pollution Liability			USXTL1024625 (AL.GL.EL) CRA0000204 (AL) ENPM2510001685-01	7/1/2025 7/1/2025 7/1/2025	7/1/2026 7/1/2026 7/1/2026	Occ / Agg Occ / Agg Occ / Agg	1,000,000 3,000,000 10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of FRANCHISEE and subcontractors; products and completed operations of FRANCHISEE and subcontractors; and premises owned, leased, or used by FRANCHISEE and subcontractors per form CG2010 1219 and with respects to Auto Liability per form NI CA 50 57 0614, MCS-90 endorsement attached. Waiver of Subrogation applies with respect to Workers Comp per form WC040306. 30 day notice of cancellation applies except for non-payment of premium which is 10 days notice.

CERTIFICATE HOLDER

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta CA 92564

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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COMMERCIAL AUTO
NI CA 50 57 06 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
AUTO DEALERS COVERAGE FORM
TRUCKERS COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

Who Is An Insured under **COVERED AUTOS LIABILITY COVERAGE** is amended to include as an "insured", any person or organization you are required to add as an additional insured on this policy under a written contract, agreement or permit which must be:

a. currently in effect or becoming effective during the term of the policy; and

b. executed prior to the "bodily injury" or "property damage."

The insurance provided to this additional insured is limited as follows:

1. That person or organization is an additional insured only with respect to liability arising out of your operations performed for that additional insured as specified in the written contract, agreement or permit.

2. The limits of insurance applicable to the additional insured are those in written contract, agreement, permit or in the Declarations for this policy, whichever are less. These limits of insurance are inclusive of and not in addition to the Limit of Insurance for Liability Coverage shown in the Declarations.

3. Coverage is not provided for "bodily injury" or "property damage" arising out of the sole negligence of the additional insured.

Any coverage provided hereunder will be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless a contract specifically requires that this insurance be primary.

When this insurance is in excess, we will have no duty to defend the additional insured against any "suit" if any other insurer has a duty to defend the additional insured against that "suit." If no other insurer defends, we will undertake to do so, but we will be entitled to the additional insurer's rights against all those other insurers.

All other terms and conditions of this policy remain unchanged.

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POLICY NUMBER: WAR 8310005 11

COMMERCIAL AUTO
CA 04 44 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:	ATLAS DISPOSAL INDUSTRIES
Endorsement Effective Date:	

SCHEDULE

Name(s) Of Person(s) Or Organization(s): Coverage provided by this endorsement applies on a blanket basis when required in a written contract.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Where required by written contract or agreement provided such contract was executed prior to the date of loss.	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Where required by written contract or agreement provided such contract was executed prior to the date of loss.	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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USDOT Number: 2737648 Date Received: 07/20/2022

Please note, the expiration date as stated on this form relates to the process for renewing the Information Collection Request for this form with the Office of Management and Budget. This requirement to collect information as requested on this form does not expire. For questions, please contact the Office of Registration and Safety Information, Registration, Licensing, and Insurance Division.

A Federal Agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2126-0008. Public reporting for this collection of information is estimated to be approximately 2 minutes per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Motor Carrier Safety Administration, MC-RRA, Washington, D.C. 20590.

United States Department of Transportation
Federal Motor Carrier Safety Administration

Endorsement for Motor Carrier Policies of Insurance for Public Liability under Sections 29 and 30 of the Motor Carrier Act of 1980

FORM MCS-90

Issued to ATLAS DISPOSAL INDUSTRIES LLC *(Motor Carrier name)* **of** California *(Motor Carrier state or province)*

Dated at 12:45 pm **on this** 20th **day of** July, 2022

Amending Policy Number: WAR 8310005-08 **Effective Date:** 07/01/2022

Name of Insurance Company: NATIONAL INTERSTATE INSURANCE COMPANY

Countersigned by: _____ *(authorized company representative)*

The policy to which this endorsement is attached provides primary or excess insurance, as indicated for the limits shown *(check only one)*:

- (●) *This insurance is primary and the company shall not be liable for amounts in excess of $* 1,000,000.00 *for each accident.*
- ( ) *This insurance is excess and the company shall not be liable for amounts in excess of $* _____ *for each accident in excess of the underlying limit of $* _____ *for each accident.*

Whenever required by the Federal Motor Carrier Safety Administration (FMCSA), the company agrees to furnish the FMCSA a duplicate of said policy and all its endorsements. The company also agrees, upon telephone request by an authorized representative of the FMCSA , to verify that the policy is in force as of a particular date. The telephone number to call is: (800) 929-1500.

Cancellation of this endorsement may be effected by the company or the insured by giving (1) thirty-five (35) days notice in writing to the other party (said 35 days notice to commence from the date the notice is mailed, proof of mailing shall be sufficient proof of notice), and (2) if the insured is subject to the FMCSA's registration requirements under 49 U.S.C. 13901, by providing thirty (30) days notice to the FMCSA (said 30 days notice to commence from the date the notice is received by the FMCSA at its office in Washington, DC).

Filings must be transmitted online via the Internet at http://www.fmcsa.dot.gov/urs.

(continued on next page)

DEFINITIONS AS USED IN THIS ENDORSEMENT

Accident includes continuous or repeated exposure to conditions or which results in bodily injury, property damage, or environmental damage which the insured neither expected nor intended.

Motor Vehicle means a land vehicle, machine, truck, tractor, trailer, or semitrailer propelled or drawn by mechanical power and used on a highway for transporting property, or any combination thereof.

Bodily Injury means injury to the body, sickness, or disease to any person, including death resulting from any of these.

Property Damage means damage to or loss of use of tangible property.

Environmental Restoration means restitution for the loss, damage, or destruction of natural resources arising out of the accidental discharge, dispersal, release or escape into or upon the land, atmosphere, watercourse, or body of water, of any commodity transported by a motor carrier. This shall include the cost of removal and the cost of necessary measures taken to minimize or mitigate damage to human health, the natural environment, fish, shellfish, and wildlife.

Public Liability means liability for bodily injury, property damage, and environmental restoration.

The insurance policy to which this endorsement is attached provides automobile liability insurance and is amended to assure compliance by the insured, within the limits stated herein, as a motor carrier of property, with Sections 29 and 30 of the Motor Carrier Act of 1980 and the rules and regulations of the Federal Motor Carrier Safety Administration (FMCSA).

In consideration of the premium stated in the policy to which this endorsement is attached, the insurer (the company) agrees to pay, within the limits of liability described herein, any final judgment recovered against the insured for public liability resulting from negligence in the operation, maintenance or use of motor vehicles subject to the financial responsibility requirements of Sections 29 and 30 of the Motor Carrier Act of 1980 regardless of whether or not each motor vehicle is specifically described in the policy and whether or not such negligence occurs on any route or in any territory authorized to be served by the insured or elsewhere. Such insurance as is afforded, for public liability, does not apply to injury to or death of the insured's employees while engaged in the course of their employment, or property transported by the insured, designated as cargo. It is understood and agreed that no condition, provision, stipulation, or limitation contained in the policy, this endorsement, or any other endorsement thereon, or violation thereof, shall relieve the company from liability or from the payment of any final judgment, within the limits of liability herein described, irrespective of the financial condition, insolvency or bankruptcy of the insured. However, all terms, conditions, and limitations in the policy to which the endorsement is attached shall remain in full force and effect as binding between the insured and the company. The insured agrees to reimburse the company for any payment made by the company on account of any accident, claim, or suit involving a breach of the terms of the policy, and for any payment that the company would not have been obligated to make under the provisions of the policy except for the agreement contained in this endorsement.

It is further understood and agreed that, upon failure of the company to pay any final judgment recovered against the insured as provided herein, the judgment creditor may maintain an action in any court of competent jurisdiction against the company to compel such payment.

The limits of the company's liability for the amounts prescribed in this endorsement apply separately to each accident and any payment under the policy because of anyone accident shall not operate to reduce the liability of the company for the payment of final judgments resulting from any other accident.

(continued on next page)

SCHEDULE OF LIMITS — PUBLIC LIABILITY

Type of carriage	Commodity transported	January 1, 1985
(1) For-hire (in interstate or foreign commerce, with a gross vehicle weight rating of 10,001 or more pounds).	Property (nonhazardous)	$750,000
(2) For-hire and Private (in interstate, foreign, or intrastate commerce, with a gross vehicle weight rating of 10,001 or more pounds).	Hazardous substances, as defined in 49 CFR 171.8, transported in cargo tanks, portable tanks, or hopper-type vehicles with capacities in excess of 3,500 water gallons; or in bulk Division 1.1, 1.2, and 1.3 materials, Division 2.3, Hazard Zone A, or Division 6.1, Packing Group I, Hazard Zone A material; in bulk Division 2.1 or 2.2; or highway route controlled quantities of a Class 7 material, as defined in 49 CFR 173.403.	$5,000,000
(3) For-hire and Private (in interstate or foreign commerce, in any quantity; or in intrastate commerce, in bulk only; with a gross vehicle weight rating of 10,001 or more pounds).	Oil listed in 49 CFR 172.101; hazardous waste, hazardous materials, and hazardous substances defined in 49 CFR 171.8 and listed in 49 CFR 172.101, but not mentioned in (2) above or (4) below.	$1,000,000
(4) For-hire and Private (In interstate or foreign commerce, with a gross vehicle weight rating of less than 10,001 pounds).	Any quantity of Division 1.1, 1.2, or 1.3 material; any quantity of a Division 2.3, Hazard Zone A, or Division 6.1, Packing Group I, Hazard Zone A material; or highway route controlled quantities of a Class 7 material as defined in 49 CFR 173.403.	$5,000,000

*The schedule of limits shown does not provide coverage. The limits shown in the schedule are for information purposes only.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT – CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be _____ of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization	Job Description
ANY PERSON OR ORGANIZATION AGAINST WHOM YOU HAVE AGREED TO WAIVE YOUR RIGHT OF RECOVERY IN A WRITTEN CONTRACT OR AGREEMENT PROVIDED SUCH CONTRACT WAS EXECUTED PRIOR TO THE DATE OF LOSS.	

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 07/01/2025 Policy No. WRW 8310005 12 Endorsement No.

Premium $

Insured
ATLAS DISPOSAL INDUSTRIES, LLC

Insurance Company
VANLINER INSURANCE COMPANY

Countersigned by _____

City of SACRAMENTO Contract Routing Sheet

☐ **Payment / Performance Bond Only**

General Routing Information

Department: Public Works Department

Contract Coordinator: Rachel Simpo Email: rsimpo@cityofsacramento.org

Effective Date: 07/01/2026 Expiration Date: 06/30/2027

Grant/Project Name: Commercial Waste Collection Franchise

Other Party: Cal Bin Rentals LLC

Original Not to Exceed Amount: $ 0.00

Assessor's Parcel Number(s):

Project Number: 15005861 Bid/RFQ/RFP#:

Supplements/Addendums/Change Orders ☐

Adjusted Amount of this Change (+/-): New Not to Exceed Amount:

Change In Scope: No

Original Contract Number: Supplement Number:

Council Approval ☑

Original Meeting Date: 6/16/26 Council File ID: 2026-01084

Supplement Meeting Date: Council File ID:

Processing Information

- ☐ Clerk's Office to Mail for Recording
- ☐ Return to Dept for Other Party Signature
- ☐ Real Estate
- ☐ Return to Dept for Recording
- ☐ Construction Related
- ☐ Additional Originals Attached – Return to Dept.

Add notes/instructions, including any other contract or council file ID numbers related to this agreement:

Agreement is to grant a franchise, no services provided - "Not to Exceed" limit does not apply.

Signing Authority - Department Directors up to $100K; $100K -$250K City Manager or Assistant City Manager; $250K+ Council Approval & Council Appointee or designee.

Department Review and Routing

AB 339 Review Confirmation (if needed)

Sign Yougnal Achari

Sign Margaret Kashuba

Sign John Ferbbs (May 21, 2026 17:01:45 PDT)

Sign Matt Eierman (May 22, 2026 10:42:27 PDT)

Sign

CONTRACT NAME: Commercial Waste Collection Franchise
CONTRACT PROJECT #: 15005861
DEPARTMENT: Public Works
DIVISION: Recycling and Solid Waste

CITY OF SACRAMENTO
FRANCHISE AGREEMENT FOR
COMMERCIAL SOLID WASTE COLLECTION (CONSTRUCTION & DEMOLITION/CLEAN-UP HAULING ONLY)

THIS AGREEMENT is made at Sacramento, California, by and between the CITY OF SACRAMENTO, a charter city and municipal corporation ("CITY"), and

Cal Bin Rentals LLC
8652 Elder Creek Road, Sacramento, CA 95828
(916) 379-7797 | calbinrentals@gmail.com

("FRANCHISEE"), as of the Effective Date, 7/1/2026, as defined below.

RECITALS

The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste collection within their jurisdiction; and

Chapter 13.24 of the Sacramento City Code authorizes the City Council to enter into non-exclusive franchise agreements for the collection, transportation, and disposal services of commercial solid waste, recyclable materials, organic materials, and construction and demolition debris; and

A non-exclusive franchise to operate, maintain, and provide the collection of solid waste, recyclable materials, and organic materials, and construction and demolition debris along, across, and over City public streets and rights of way promotes the public health, safety, and welfare by promoting permanence and stability among the businesses wishing to provide such services and accountability to the City for compliance with current and future state mandates; and

The City has determined that it is in its best interests to provide for commercial solid waste collection, transportation, and disposal services by means of non-exclusive franchisees; and

The City has determined that the grant of such franchise to the Franchisee is in the public interest; and

The State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement a recycling and waste management program. Through the enactment of various legislation, including the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), the State has directed local agencies, to promote diversion and 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 solid waste that must be disposed.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, CITY and FRANCHISEE agree

as follows:

Section 1: Agreement Documents

All exhibits and documents attached or referred to in this Agreement are incorporated as if set forth herein, including:

1. Exhibit A – Scope of Services
2. Exhibit B – Compensation
3. Exhibit C – Insurance

If there is a conflict between the terms and conditions of any document prepared or provided by the FRANCHISEE and made a part of this Agreement and the other terms or conditions of the Agreement, the other terms and conditions of the Agreement control.

Section 2: Grant and Acceptance of Franchise

1. By this Agreement, CITY hereby grants to FRANCHISEE a non-exclusive commercial solid waste collection franchise authorizing FRANCHISEE to engage in the business of collecting, transporting, and disposing of commercial solid waste generated in connection with construction, demolition, renovation, cleanup, or similar temporary projects accumulated or generated within the City of Sacramento and to use the public streets and rights of way for such purpose.
2. This grant is pursuant to the disclosures, statements, and information contained in FRANCHISEE's Application for City Franchise Agreement.
3. FRANCHISEE hereby accepts the Franchise on the terms and conditions set forth in this Agreement, and all related ordinances and resolutions.

Section 3: Representatives and Notice

CITY Representative for this Agreement is:

Erin Treadwell / Program Manager
2812 Meadowview Road, Building 1, Sacramento, CA 95832
Phone: (916) 808-4934 /Fax: (916) 808-4999 / etreadwell@cityofsacramento.org

The FRANCHISEE Representative for this Agreement is:

Vicky Lam | Partner
8652 Elder Creek Road, Sacramento, CA 95828
(916) 379-7797 | calbinrentals@gmail.com

Unless otherwise provided in this Agreement, all FRANCHISEE questions and correspondence pertaining to this Agreement must be addressed to the CITY Representative. All CITY questions and correspondence must be addressed to the FRANCHISEE Representative.

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

Notice shall be deemed effective on the date personally served or, if mailed, three days after the date

deposited in the mail.

FRANCHISEE shall maintain functional Electronic Mail (Email) during the entire duration of the Agreement and provide CITY with such Email address for CITY communication to FRANCHISEE. FRANCHISEE shall notify CITY of any change in its functional Email address in writing via US Mail or Email communication to CITY.

Section 4: Term and Scope of Services

1. **Services.** Subject to the terms and conditions set forth in this Agreement, FRANCHISEE shall provide the services described in attached Exhibit A ("Scope of Services").
2. **Commencement Date.** The Commencement Date of this Agreement shall be when FRANCHISEE commences with the provision of collection, transportation, processing, and disposal services described by this Agreement. During the time between the Effective Date and Commencement Date, FRANCHISEE shall perform any and all activities necessary to commence services on the Commencement Date.
3. **Term.** The Term of this Agreement shall be from the date the Agreement is signed by the Parties until June 30, 2027, unless extended by CITY pursuant to Subsection 4 below.
4. **Option to Extend Term.** CITY, at its sole discretion, shall have the option to extend this Agreement four (4) times by one (1) year, pursuant to the terms and conditions of this Agreement. If CITY elects to exercise the option, it shall give written notice of its election not less than thirty (30) calendar days prior to the initial expiration date or extended termination date of this Agreement.

Section 5: Compensation

1. Compensation under this Agreement shall be in accordance with Exhibit B ("Compensation") and Attachment 1 to Exhibit B, or Exhibit B and any attachments as modified by the CITY in accordance with express provisions in this Agreement and chapter 13.24 of the Sacramento City Code.
2. FRANCHISEE shall maintain for five years following expiration or termination of this Agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; applicable overhead and indirect expenditures.

Section 6: Conditions of Effectiveness

The effectiveness and validity of this Agreement is subject to FRANCHISEE's satisfaction of each and all of the conditions set forth below, each of which may be waived in whole or in part by CITY.

1. **Accuracy of Representations**. The representation and warranties made by FRANCHISEE in its Application for Franchise are true and correct on and as of the Effective Date of this Agreement.
2. **Effectiveness of City Council Action**. The City Council shall have taken action approving this Agreement prior to or on the Effective Date, provided that no restraining order of any kind has been issued.
3. **Furnishing of Insurance**. FRANCHISEE has furnished evidence of the insurance requirements set forth in the attached Exhibit C.

4. **Company Status**. FRANCHISEE is a business duly organized, validly existing, and in good standing under the laws of the State of California. It is qualified to transact business in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

5. **Company Authorization**. FRANCHISEE has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of FRANCHISEE (or the members, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The person signing this Agreement on behalf of FRANCHISEE has authority to do so.

6. **Agreement Will Not Cause Breach**. To the best of FRANCHISEE's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement nor the performance of this Agreement by FRANCHISEE: a) conflicts with, violates, or results in a breach of any applicable law; or, b) 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 is a party or by which FRANCHISEE or any of its properties or assets are bound, or constitutes a default thereunder.

7. **No Litigation**. To the best of FRANCHISEE's knowledge after reasonable investigation, 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 decided, pending or threatened against FRANCHISEE with an unfavorable decision, ruling, or finding, in any single case or in the aggregate, that would adversely affect the performance by FRANCHISEE of its obligations in this Agreement or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of FRANCHISEE or any surety guaranteeing FRANCHISEE's performance under this Agreement, which has not been waived by CITY in writing.

8. **No Adverse Judicial Decisions**. To the best of FRANCHISEE's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement and may subject this Agreement to legal challenge.

9. **Ability to Perform**. FRANCHISEE possesses the business, professional, and technical expertise to manage, collect, transport, treat, store, and dispose of the solid waste and to manage, collect, transport, store, and process recyclable materials and organic materials, and FRANCHISEE possesses the equipment, facility, and employee resources required to perform this Agreement.

10. **FRANCHISEE's Statements**. The FRANCHISEE's application and any other supplementary information submitted to CITY, which CITY has relied on in awarding and entering this Agreement, do not: a) contain any untrue statement of a material fact; orb) omits a material fact that would make any stated information misleading.

11. **FRANCHISEE's Investigation**. FRANCHISEE has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder. FRANCHISEE has taken such matters into consideration in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

12. **Non-Discrimination in Employee Benefits**. This Agreement may be subject to Sacramento City Code chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits

Code (Equal Benefits Ordinance)," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.54. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance.

FRANCHISEE's violation of Sacramento City Code chapter 3.54 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

13. **Considering Criminal Conviction Information in the Employment Application Process**. This Agreement may be subject to the requirements of Sacramento City Code chapter 3.62, Procedures for Considering Criminal Conviction Information in the Employment Application Process. A summary of the requirements, entitled "Ban-The-Box Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

The Ban-The-Box Requirements are applicable to certain contracts with CITY in an amount of $250,000 or more (either initial value or total value after amendment) or if the total value of all FRANCHISEE's contracts with CITY is $250,000 or more over a 12-month period.

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.62. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.62 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.62. FRANCHISEE's violation of Sacramento City Code chapter 3.62 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

14. **Local Business Enterprise Program**. The Local Business Enterprise Program Participation Requirements ("LBE Participation Requirements") may be applicable to this Agreement. A summary of the requirements, entitled "LBE Participation Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.60. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.60 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.60.

FRANCHISEE's violation of Sacramento City Code chapter 3.60 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

Section 7: Compliance with Laws

FRANCHISEE shall, at all times and at its sole cost and expense, observe and comply with all applicable Federal, State, regional, and City laws, regulations, rules, and ordinances, including those of other states, cities, or counties which may have jurisdiction over any service provided by FRANCHISEE under this Agreement.

Section 8: Governing Laws and Jurisdiction

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in the Sacramento County Superior Court, Sacramento, California or in the United States District Court for the Eastern District of California, as applicable.

Section 9: Licenses and Permits

1. FRANCHISEE shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, County of Sacramento and all other appropriate governmental agencies, including any certification and credentials required by CITY, including a City Business Tax Certificate and any required certification issued by the California Secretary of State. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the suspension or termination of this Agreement by CITY.
2. FRANCHISEE further certifies to CITY that it and its principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. FRANCHISEE certifies that it shall not contract with a subcontractor that is so debarred or suspended.

Section 10: Performance Standards

FRANCHISEE shall perform its services under this Agreement in accordance with the industry and/or professional standards applicable to FRANCHISEE'S services. FRANCHISEE shall assign only competent personnel to perform on its behalf under this Agreement.

Section 11: Ownership of Work Product

All technical data, evaluations, plans, specifications, reports, documents, or other work products developed by FRANCHISEE provided hereunder shall be the exclusive property of CITY and shall be delivered to CITY upon completion of the services authorized hereunder. FRANCHISEE may retain copies thereof for its files and internal use. Publication of the information directly derived from work performed or data obtained in connection with services rendered under this Agreement must first be approved in writing by CITY. CITY recognizes that all technical data, evaluations, plans, specifications, reports, and other work products are instruments of FRANCHISEE'S services and are not designed for use other than what is intended by this Agreement.

Section 12: Status of Franchisee - Independent Contractor

1. It is understood and agreed that FRANCHISEE (including FRANCHISEE'S employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Neither FRANCHISEE nor FRANCHISEE'S assigned personnel will be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to FRANCHISEE under the provisions of this

Agreement; and as an independent contractor, FRANCHISEE hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party, including any state or federal agency, that an employer-employee relationship exists by reason of this Agreement or by the reason of the nature or performance under the Agreement.

2. It is further understood and agreed by the parties hereto that FRANCHISEE in the performance of its obligation hereunder is subject to the control or direction of CITY as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by FRANCHISEE for accomplishing the results. To the extent that FRANCHISEE obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use will be at FRANCHISEE's sole discretion based on FRANCHISEE's determination that the use will promote FRANCHISEE's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that FRANCHISEE use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement. As used in this Agreement, "sole discretion" or "sole judgment" means that the party authorized to exercise its discretion or judgment may do so based on an unfettered assessment of its own interests, without considering how its decision affects the other party, and unconstrained by the implied covenant of good faith and fair dealing.

3. If, in the performance of this Agreement, any third persons are employed by FRANCHISEE, such person shall be entirely and exclusively under the direction, supervision, and control of FRANCHISEE. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by FRANCHISEE, and CITY shall have no right or authority over such persons or the terms of such employment.

4. It is further understood and agreed that as an independent contractor and not an employee of CITY, neither the FRANCHISEE nor FRANCHISEE'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of CITY in any capacity whatsoever as agent, nor to bind CITY to any obligation whatsoever. FRANCHISEE shall not be covered by worker's compensation; nor shall FRANCHISEE be entitled to compensated sick leave, vacation leave, retirement entitlement, participation in group health, dental, life and other insurance programs, or entitled to other fringe benefits payable by CITY to employees of CITY.

5. It is further understood and agreed that FRANCHISEE must issue W-2 and 941 Forms for income and employment tax purposes, for all of FRANCHISEE'S assigned personnel under the terms and conditions of this Agreement.

Section 13: FRANCHISEE Not an Agent

Except as CITY may specify in writing, FRANCHISEE and FRANCHISEE's personnel have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. FRANCHISEE and FRANCHISEE's personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.

Section 14: Conflict of Interest

FRANCHISEE covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the CITY's interests or that would in any way hinder FRANCHISEE's performance under this Agreement. FRANCHISEE further covenants that in the

performance of this Agreement, no person having any such interest will be employed by it as an officer, employee, agent, or subcontractor, without the City's written consent.

FRANCHISEE agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City's interests during the performance of this Agreement. If FRANCHISEE is or employs a former officer or employee of the CITY, FRANCHISEE and any former City officer or employee shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any CITY department, board, commission, or committee.

Section 15: Confidentiality of CITY Information

During performance of this Agreement, FRANCHISEE may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special, and unique assets of the CITY.

FRANCHISEE agrees to protect all CITY Information and treat it as strictly confidential, and further agrees that FRANCHISEE shall not at any time, either directly or indirectly, divulge, disclose, or communicate in any manner any CITY Information to any third party without the CITY's prior written consent.

In addition, FRANCHISEE must comply with all CITY policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by FRANCHISEE of this section is a material violation of this Agreement and shall justify legal and equitable relief.

Section 16: Franchisee Information

1. CITY shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by FRANCHISEE under this Agreement. In this Agreement, the term "information" means and includes: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. FRANCHISEE shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.
2. FRANCHISEE shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by FRANCHISEE under this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify FRANCHISEE not later than ten days after CITY is served with any such claim, action, lawsuit, or other proceeding. However, CITY's failure to provide notice within the ten-day period does not relieve FRANCHISEE of its obligations hereunder, which survive any termination or expiration of this Agreement.
3. All proprietary and other information received from FRANCHISEE by CITY, whether received in connection with FRANCHISEE's proposal to CITY or in connection with FRANCHISEE's

performance, will be disclosed upon receipt of a request for disclosure, in accordance with the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to FRANCHISEE of any request for the disclosure of such information.

FRANCHISEE will then have five days from the date it receives notice to petition the court for a protective order to prevent the disclosure of the information. FRANCHISEE shall have sole responsibility for defense of the actual "trade secret" designation of such information.

4. The parties understand and agree that any failure by FRANCHISEE to respond to the notice provided by CITY and seek a protective order, in accordance with the provisions of subsection C, above, constitutes a complete waiver by FRANCHISEE of any rights regarding the information designated "trade secret" by FRANCHISEE, and the information will be disclosed by CITY in accordance with the Public Records Act.

Section 17: Emergency/Declared Disaster Requirements

If an emergency is declared by the City Manager, or if any portion of the City is declared a disaster area by the county, state, or federal government, this Agreement may be subjected to increased usage. FRANCHISEE shall serve the CITY during a declared emergency or disaster, subject to the same terms and conditions that apply during non-emergency/non-disaster conditions. The compensation set forth in this Agreement will apply, without markup, regardless of the circumstances. If FRANCHISEE is unable to fulfill the terms of the Agreement because of a disruption in its routes or service, then FRANCHISEE shall provide proof of the disruption. Acceptable forms of proof will include, but are not limited to, a letter or notice from FRANCHISEE's source stating the reason for the disruption.

Section 18: Indemnity

1. Indemnity*:* FRANCHISEE shall defend, hold harmless, and indemnify CITY, its officers, and employees, and each and every one of them, from and against all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, and expenses of every type and description, whether arising on or off the site of the work or services performed under this Agreement, including any fees and costs reasonably incurred by CITY's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including Liabilities for personal injury or death, damage to personal, real, or intellectual property, damage to the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Agreement by FRANCHISEE, any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE, their respective officers and employees, and anyone else for whose acts of omissions any of them may be liable, whether or not the Liabilities (i) are caused in part by a party indemnified hereunder, or (ii) are litigated, settled, or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage, or expense, to the extent arising from the active negligence or willful misconduct of, or defects in design furnished by, CITY, its agents, servants, or independent contractors who are directly responsible to CITY, except when such agents, servants, or independent contractors are under the supervision and control of FRANCHISEE or any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE.

2. Insurance Policies; Intellectual Property Claims*:* The existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement will not affect or limit any of

CITY's rights under this Section, nor will the limits of any insurance limit the liability of FRANCHISEE hereunder. This section will not apply to any intellectual property claims, actions, lawsuits, or other proceedings subject to the provisions of FRANCHISEE Information above.

3. Survival: The provisions of this section will survive any expiration or termination of this Agreement.

Section 19: Insurance

Without limiting FRANCHISEE's indemnification, FRANCHISEE shall maintain in force at all times during the term of this Agreement and any extensions or modifications, insurance as specified in Exhibit C. It is the responsibility of FRANCHISEE to notify its insurance advisor or insurance carrier regarding coverage, limits, forms, and other insurance requirements specified in Exhibit C. Failure to maintain insurance as required in this Agreement may be grounds for termination of this Agreement.

Section 20: Debarment Certification

1. Pursuant to 2 CFR, Part 200, and applicable Executive Orders, the CITY is restricted in its ability to contract with certain parties that are debarred, suspended, or otherwise excluded or ineligible for participating in Federal assistance programs or activities. By signing this Agreement, FRANCHISEE warrants and certifies under penalty of perjury under the laws of the State of California that FRANCHISEE, including any owner, partner, director, officer, or principal of the FRANCHISEE, or any person in a position with management responsibility or responsibility for the administration of federal funds:

   (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency;

   (b) Has not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, or other criminal felony;

   (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above;

   (d) Has not, within a three-year period preceding this certification, had one or more public contracts (federal, state, or local) or transactions terminated for cause or default;

   (e) Has not been notified, within a three-year period preceding this certification, been notified of any delinquent Federal taxes in an amount that exceeds $3,500 for which the liability remains unsatisfied. Federal taxes are considered delinquent if the tax liability has been finally determined and the taxpayer is delinquent in making payment, as defined in Section 52.209-5 of the Federal Acquisition Regulations.

2. FRANCHISEE further warrants and certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency. Any exceptions to the warranties and certifications in this Section must be disclosed to the CITY.

3. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining FRANCHISEE's responsibility. Disclosures must indicate to whom exceptions apply, the initiating agency, and dates of action.
4. CITY will review the Federal Government's System for Award Management Exclusions maintained by the General Services Administration for eligibility, prior to the execution of this Agreement. FRANCHISEE shall provide immediate written notice to the CITY if, at any time prior to execution, FRANCHISEE learns this certification is erroneous or has become erroneous by reason of changed circumstances. If it is later determined that FRANCHISEE's warranties and certification in this Section were erroneous, the CITY may terminate this Agreement for default.

Section 21: Assignment

1. FRANCHISEE acknowledges that this Agreement involves rendering a vital service to temporary commercial solid waste generators within the City of Sacramento, and that CITY has franchised FRANCHISEE to perform the temporary services specified herein based on: (1) FRANCHISEE'S experience, skill, and reputation for conducting its solid waste collection in a safe, effective and responsible fashion, at all times in keeping with applicable waste management laws, regulations and good solid waste management practices, and (2) FRANCHISEE's financial resources to maintain the required equipment and to support its obligations to CITY under this Agreement. CITY has relied on each of these factors, among others, in choosing the FRANCHISEE to perform the services to be rendered under this Agreement.
2. This Agreement is a privilege to be held in trust by FRANCHISEE. A franchise granted by CITY shall not be transferred, sold, leased, assigned, or relinquished, or delegated to another person, either in whole or in part, whether by forced sale, merger, consolidation, bankruptcy laws or otherwise, without the prior approval of the Sacramento City Council ("CITY Council"). This restriction includes the transfer of ownership of the Agreement, or a majority of the ownership or control of the FRANCHISEE, or the conveyance of a majority of the FRANCHISEE's stock to a new controlling interest. This Agreement shall become void upon the abandonment of FRANCHISEE. CITY Council shall not unreasonably withhold approval of a franchise assignment, provided that such assignment does not unreasonably impact competition and the assignee is qualified to perform its obligations as required by this Agreement and any implementing City law, regulation, rule, or ordinance.
3. FRANCHISEE shall promptly notify the Solid Waste Manager in writing in advance of any proposed assignment, sale, or transfer. In the event the CITY Council approves of any assignment, sale, or transfer, said approval shall not relieve FRANCHISEE of any of its obligations or duties under this Agreement unless this Agreement is modified in writing to that effect.

Section 22: Amendment and Waiver

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon CITY unless agreed in writing by the CITY.

Section 23: Successors

Subject to the provisions of section 21, this Agreement shall bind the successors of CITY and FRANCHISEE in the same manner as if they were expressly named.

Section 24: Time

Time is of the essence in the performance of this Agreement. FRANCHISEE shall devote the necessary time and effort to its performance under this Agreement. Neither party will be considered in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

Section 25: Interpretation

This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

Section 26: Solid Waste Manager

As used in this Agreement, "Solid Waste Manager" shall mean the Integrated Waste General Manager of the Recycling and Solid Waste Division, City of Sacramento Department of Public Works or his/her designee. Solid Waste Manager shall administer this Agreement on behalf of CITY. FRANCHISEE shall meet and confer with the Solid Waste Manager to resolve differences, implement, and execute the requirements of this Agreement.

Section 27: Disputes

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. Pending resolution of any such dispute, FRANCHISEE shall continue without delay to carry out all its responsibilities under this Agreement unless the Agreement is otherwise suspended or terminated in accordance with chapter 13.24 of the Sacramento City Code or the Termination provisions of this Agreement. CITY shall not be required to make payments for any services that are the subject of this dispute resolution process until such dispute has been mutually resolved by the parties. If the dispute cannot be resolved either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California. Nothing in this Agreement or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state and federal law.

Section 28: Default, Termination

1. Default. Except for the occurrence of Force Majeure as described in paragraph 4 of this section, in the event of any material failure or refusal of FRANCHISEE to comply with any obligation or duty imposed on FRANCHISEE under this Agreement or the City Code or related ordinances, resolutions, or administrative rules, the CITY may provide notice of a default pursuant to the provisions of chapter 13.24 of the Sacramento City Code provided it is a situation where there is the ability to cure the default.
2. The following events shall constitute a material breach under this Agreement:
    A. *Misrepresentation*. Any misrepresentation or disclosure made to CITY by FRANCHISEE in connection with or as an inducement to entering this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time the representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

B. *Fraud or Deceit*. If FRANCHISEE practices, or attempts to practice, any fraud or deceit upon CITY.

C. *Failure to Maintain Insurance Coverage*. If FRANCHISEE fails to provide or maintain in full force and effect the Worker's Compensation, liability, or insurance coverage as required by this Agreement.

D. *Violations of Regulation*. If FRANCHISEE violates any permits, orders or filing of any regulatory body having jurisdiction over FRANCHISEE which violation or non-compliance materially affects FRANCHISEE'S ability to perform under this Agreement, provided that FRANCHISEE may contest any such orders as set forth in Chapter 13.24 of the Sacramento City Code, in which case no breach of the Agreement shall be deemed to have occurred during the pendency of the contestation or appeal, to the extent FRANCHISEE is able to adequately perform during that period.

E. *Acts or Omissions*. Any other act or omission by FRANCHISEE which materially violates the terms, conditions, or requirements of this Agreement; resolutions, administrative rules, or the City Code; the California Integrated Waste Management Act of 1989 (as codified in Public Resources Code section 40000 et seq.), as it may be amended from time to time; or any order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if FRANCHISEE cannot reasonably correct or remedy the breach within the time set forth in such notices, if FRANCHISEE should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

3. Termination. Upon the occurrence of a material breach, the CITY may have the right to terminate this Agreement pursuant to the provisions in chapter 13.24 of the Sacramento City Code.

4. Force Majeure. The performance of this Agreement may be discontinued or temporarily suspended in the event of Force Majeure. FRANCHISEE shall not be deemed to be in default and shall not be liable for failure to perform under this Agreement if FRANCHISEE'S performance is prevented or delayed by Force Majeure. Force Majeure means acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, public riots, breakage, explosions, or government restraint. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances, and litigation, including appeals, shall be entirely within the discretion of FRANCHISEE and FRANCHISEE may make settlement thereof at such time and on any such terms and conditions as it may deem to be advisable, and no delay in making such settlement shall deprive FRANCHISEE of the benefit of this section.

5. Notice of Termination. The CITY shall serve written notice in accordance with chapter 13.24 of the Sacramento City Code, either personally or by registered or certified mail, postage prepaid of the termination of a Franchise under this Agreement to the last place of business of FRANCHISEE.

Section 29: Conditions Upon Termination

1. In the event this Agreement is terminated:

A. FRANCHISEE shall have no right or authority to engage in commercial solid waste

collection, transportation, or disposal operations within the City.

B. FRANCHISEE shall, however, remain liable to CITY for any and all Franchise Fees that would otherwise be payable by FRANCHISEE, for any and all late payment charges and interest assessed, for any liquidated damages assessed pursuant to Exhibit B – Compensation or Attachment 1 to Exhibit B of this Agreement and for any and all delinquent report charges assessed pursuant to chapter 13.24 of the City Code.

C. FRANCHISEE shall have a continuing obligation to submit to CITY all reports required by Section 30 of this Agreement and chapter 13.24 of the City Code relating to commercial solid waste or recycling activities performed by FRANCHISEE up to and including the date of termination.

2. In the event this Agreement is terminated, then, within the time period specified by CITY, FRANCHISEE shall promptly remove all of FRANCHISEE's commercial solid waste and recyclables containers from all of FRANCHISEE's collection service locations and shall properly dispose of all solid waste or recyclables in such containers.

Section 30: Reports

1. FRANCHISEE shall submit quarterly tonnage reports on or before the first day of the second calendar month immediately following the reportable quarter and shall be submitted as required in CITY Code section 13.24.280 or as otherwise amended, in a format as required by the Solid Waste Manager.

2. FRANCHISEE shall submit monthly revenue reports on or before the first day of the second month immediately following the month in which collection services were provided as required in CITY Code section 13.24.280 or as otherwise amended. CITY shall provide FRANCHISEE with the required report format of such submittal.

Section 31: Audits, Records, and Inspection Authority

1. Upon CITY's request, FRANCHISEE shall promptly provide access to the Solid Waste Manager or his/her designees of all records, accounts, or other financial or program information pertinent to the conduct of the business and/or requirements of this Franchise as CITY deems necessary to determine FRANCHISEE's compliance with legal and contractual requirements, including the correctness and accuracy of claims submitted by FRANCHISEE.

2. FRANCHISEE shall certify that any response provided to the Solid Waste Manager or his/her designee, pursuant to this section, is true, complete, and correct.

3. In addition to the requirements in subsections 1 and 2 above, FRANCHISEE shall reimburse audit costs incurred by CITY staff, and any other costs for FRANCHISEE-related services provided by CITY staff or its contractors, in the event of significant audit findings including but not limited to, detailed follow-up audits when staff determines that documentation reported by FRANCHISEE is inadequate or incomplete. Where necessary, CITY staff will retain the services of an independent auditor to verify performance and conduct an audit of FRANCHISEE records.

Section 32: Prior Agreements

This Agreement constitutes the entire contract between CITY and FRANCHISEE regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between CITY and FRANCHISEE regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of

this Agreement.

Section 33: Severability

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

Section 34: Survival of Terms

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions, and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation, or termination of this Agreement shall so survive.

Section 35: Headings

The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

Section 36: Attorney Fees

Except as required by Section 19, the Parties will bear their own attorney fees and costs in connection with this Agreement.

Section 37: Authority to Execute

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

Section 38: Duplicate Counterparts

This Agreement may be executed in counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

Signatures scanned and transmitted electronically shall be deemed original signatures for purposes of this Agreement, with such scanned signatures having the same legal effect as original signatures. This Agreement may be executed through the use of an electronic signature and will be binding on each party as if it were physically executed.

(SIGNATURE PAGE FOLLOWS)

Executed as of the day and year first above stated.

CITY OF SACRAMENTO

A Municipal Corporation

By: _____

Print name: Ryan Moore

Title: Assistant City Manager

For: City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

Michael Fry (May 26, 2026 19:13:04 PDT)

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Cal Bin Rentals LLC

NAME OF FIRM

880846306

Federal I.D. No.

202205710066

State I.D. No.

1104622

City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY *(check one)*:

☐ Individual/Sole Proprietor
☐ Partnership
☐ Corporation *(may require 2 signatures)*
☑ Limited Liability Company
☐ Other (*please specify:* _____)

Vicky Lam (May 8, 2026 08:34:55 PDT) 05/08/2026

Signature of Authorized Person

Vicky Lam | Partner

Print Name and Title

_____

Additional Signature *(if required)*

_____

Print Name and Title

Exhibit A
Scope of Services

This Exhibit A incorporates by this reference the Franchise Agreement between *Cal Bin Rentals LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Temporary Commercial Solid Waste Collection (the "Agreement"). This Exhibit A provides the Scope of Services for the Agreement. In the event of a conflict between Exhibit A and the Agreement, the terms of Exhibit A shall prevail.

1. Definitions

For purposes of this Agreement, all terms used shall have the same meaning as those defined in chapter 13.24 of the Sacramento City Code.

2. Ownership of Waste Material

CITY does not gain any ownership or right to possess commercial solid waste material collected by FRANCHISEE pursuant to this Agreement. Subject to the provisions of this Agreement, FRANCHISEE shall have the right to retain any benefit resulting from its right to retain, recycle, process, dispose of, or use the commercial solid waste material that it collects.

3. Disposal and Diversion of Commercially Generated Waste Material

FRANCHISEE shall dispose of commercial solid waste collected or transported by FRANCHISEE only by taking such commercial solid waste to a landfill or transfer station lawfully authorized to accept such solid waste. FRANCHISEE shall divert recyclable and organic material at facilities legally permitted to process source separated recyclable material and organic material. FRANCHISEE shall not dispose of commercial solid waste by depositing it on any land, whether public or private, or in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system.

4. Diversion Programs

A. Source Separated Recyclable Material and Organic Material: FRANCHISEE is required to divert from landfilling source separated recyclable material and organic material collected and removed by it within CITY region, in accordance with chapter 13.24 of the City Code. Failure to meet the diversion requirement will subject FRANCHISEE to the Recycling Shortfall Penalty provided for in CITY Code section 13.24.760, or as otherwise amended. FRANCHISEE shall not landfill source separated recyclable material and organic material without notifying CITY as described in CITY Code section 13.24.240, or as otherwise amended.

B. Construction and Demolition Debris: When FRANCHISEE provides commercial solid waste collection services for a project subject to Construction and Demolition ("C&D") Debris in chapter 8.124 of the City Code, FRANCHISEE shall assist their generators in complying with the C&D Debris requirements set forth in the City Code.

Diversion credit from mixed construction and demolition debris for compliance with mandates will only be recognized if FRANCHISEE delivers mixed C&D debris to a C&D Sorting Facility certified by the County of Sacramento and material is stamped as sorted by the certified C&D Sorting Facility.

5. Collection Equipment

A. Any and all vehicles used by FRANCHISEE to perform commercial solid waste collection

services shall meet the vehicle inspection, tag and covered load requirements of CITY Code section 13.24.430, 13.24.440 and 13.24.450, or as otherwise amended.

B. FRANCHISEE shall submit a Franchisee commercial solid waste vehicle inventory of FRANCHISEE's vehicles, as required in CITY Code section 13.24.110 or as otherwise amended, and shall include but not limited to, vehicle number, year, make, model, capacity, and vehicle identification number (VIN). FRANCHISEE is required to submit the Franchisee commercial solid waste vehicle inventory annually as part of its Franchise Application or Franchise Renewal Application.

C. If FRANCHISEE's vehicle inventory has changed between the application or renewal application date and the effective date of this agreement, FRANCHISEE must submit to Solid Waste Manager an amended inventory, as required in CITY Code section 13.24.180 or as otherwise amended, prior to commencing the provision of services under this Agreement.

6. Franchisee Provided Waste Material Containers

A. FRANCHISEE shall provide temporary containers used for storage of solid waste materials that meet the following requirements:

(i) FRANCHISEE shall place a label on the body or lid of each container that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that container. Container labels must be available in any non-English language spoken by a substantial number of the public in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

(ii) Container must be clearly identified, with the name, or recognizable corporate or company logo, and phone number of the Franchisee that is legible from a distance of fifty (50) feet.

(iii) Be adequately sized and serviced with adequate frequency to meet the waste material generation needs of the business.

(iv) Be designed and constructed to be watertight to prevent the leakage of liquids.

(v) Be equipped with lids which are to be kept closed and shall be placed in a way that does not prevent the lid from being closed.

(vi) Containers shall be equipped with functioning locking bars or a locking mechanism and shall remain locked at all times, except when solid waste or recyclable materials are being deposited or collected in accordance with the provisions of chapter 13.24 of Sacramento City Code.

(vii) Be kept free of graffiti.

(viii) Be replaced, cleaned, or repainted as needed so as to present a clean appearance.

(ix) No later than January 1, 2036, FRANCHISEE shall provide all generators with collection containers that comply with the container color requirements specified in in Title 14 of the California Code of Regulation ("CCR") Section 18982. 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. Until January 1, 2036, FRANCHISEE is not required to replace functional collection containers that do not comply with these color requirements

prior to the end of the useful life of those containers. New and replacement collection containers, however, must meet new color requirements.

B. Solid Waste Manager or designee may require special container equipment, and/or container labeling with customer identifying information.

C. Violations of the conditions of this section may become the basis for enforcement actions. In addition, violations of the conditions of this section may be determined to be a material breach of this Agreement and will subject the FRANCHISEE to payment of liquidated damages, pursuant to Exhibit B of this Agreement.

7. Abandoned Containers

A. If FRANCHISEE abandons any container used to provide commercial solid waste material collection services under the Agreement, CITY may remove the container and/or dispose of the contents of the container.

B. If CITY removes a container abandoned by FRANCHISEE and/or disposes of the contents of any container abandoned by FRANCHISEE, CITY may charge FRANCHISEE for CITY's costs incurred in such removal/disposal and for CITY's costs of storage of the container. FRANCHISEE shall reimburse CITY for such costs within ten (10) days of the date of CITY's invoice for such costs.

C. For the purposes of this section, "abandoned" includes:

(i) FRANCHISEE's failure to remove the container within the time period specified by termination of the Agreement pursuant to chapter 13.24 of the Sacramento City Code.

(ii) FRANCHISEE's failure to remove the container within a reasonable period after the expiration of the Franchise granted to FRANCHISEE, except in the case where FRANCHISEE has been granted an extension of the term of said Franchise or FRANCHISEE has been granted a subsequent commercial solid waste collection franchise authorizing FRANCHISEE to collect and transport the type or types of solid waste for which the container was used pursuant to this Agreement.

(iii) FRANCHISEE's failure to dispose of the contents of the container within five (5) days after CITY issues written notice to FRANCHISEE to dispose of the contents.

8. Personnel

A. Driver Qualifications. FRANCHISEE agrees that all drivers shall be trained and qualified in the operation of collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

B. Safety Training. FRANCHISEE shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection of solid waste, or who are otherwise directly involved in such collection.

9. Education and Outreach

A. FRANCHISEE shall assist CITY in educational and outreach activities to promote diversion of recyclable material and organic material.

B. FRANCHISEE shall provide an outreach and education plan according to FRANCHISEE's Diversion Plan.

C. Education and outreach materials must be translated into any non-English language spoken by a substantial number of the pubic in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

10. Diversion Plan

FRANCHISEE shall implement its Diversion Plan submitted annually as part of its Franchise Application or Franchise Renewal Application and approved by CITY. FRANCHISEE Diversion Plan shall contain the following elements:

A. A methodology for how FRANCHISEE will meet City diversion requirements.

B. A description of the FRANCHISEE's recordkeeping and reporting systems and how it will accurately meet CalRecycle mandatory reporting.

11. Restricted Collection Hours

A. Solid Waste shall be collected within residential areas or within mixed residential and commercial areas of the city only between the hours of 6:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day, and elsewhere within the city only between the hours of 4:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day as provided by chapter 13.10 of the Sacramento City Code, or as otherwise amended.

B. Violation of this provision will subject FRANCHISEE to liquidated damages identified in Exhibit B – Compensation or attachment 1 to Exhibit B.

12. Annual Mandatory Training

A. CITY will conduct annual training covering, at minimum, tonnage and revenue reporting requirements.

B. Attendance is required for a FRANCHISEE that meets any of the following criteria, including but not limited to reporting staff turnover with those responsible or involved in reporting, staff reassignment impacting reporting, significant or repeated reporting errors, or any other issue identified by CITY that may impact accurate or timely reporting.

C. CITY will notify FRANCHISEE at least thirty (30) calendar days in advance if attendance is required, specifying the date, time, and format of the training. All staff involved in reporting to the CITY should attend a training session, but at a minimum, at least one employee from FRANCHISEE must attend.

D. Failure to attend the annual mandatory training may result in the assessment of liquidated damages.

Attachment 1 to Exhibit A
Downtown Service Area

This Attachment 1 to Exhibit A incorporates by this reference the Franchise Agreement between *Cal Bin Rentals LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit A defines the Downtown Service Area. In the event of a conflict between this Attachment 1 to Exhibit A and the Agreement, the terms of this Attachment 1 to Exhibit A shall prevail.

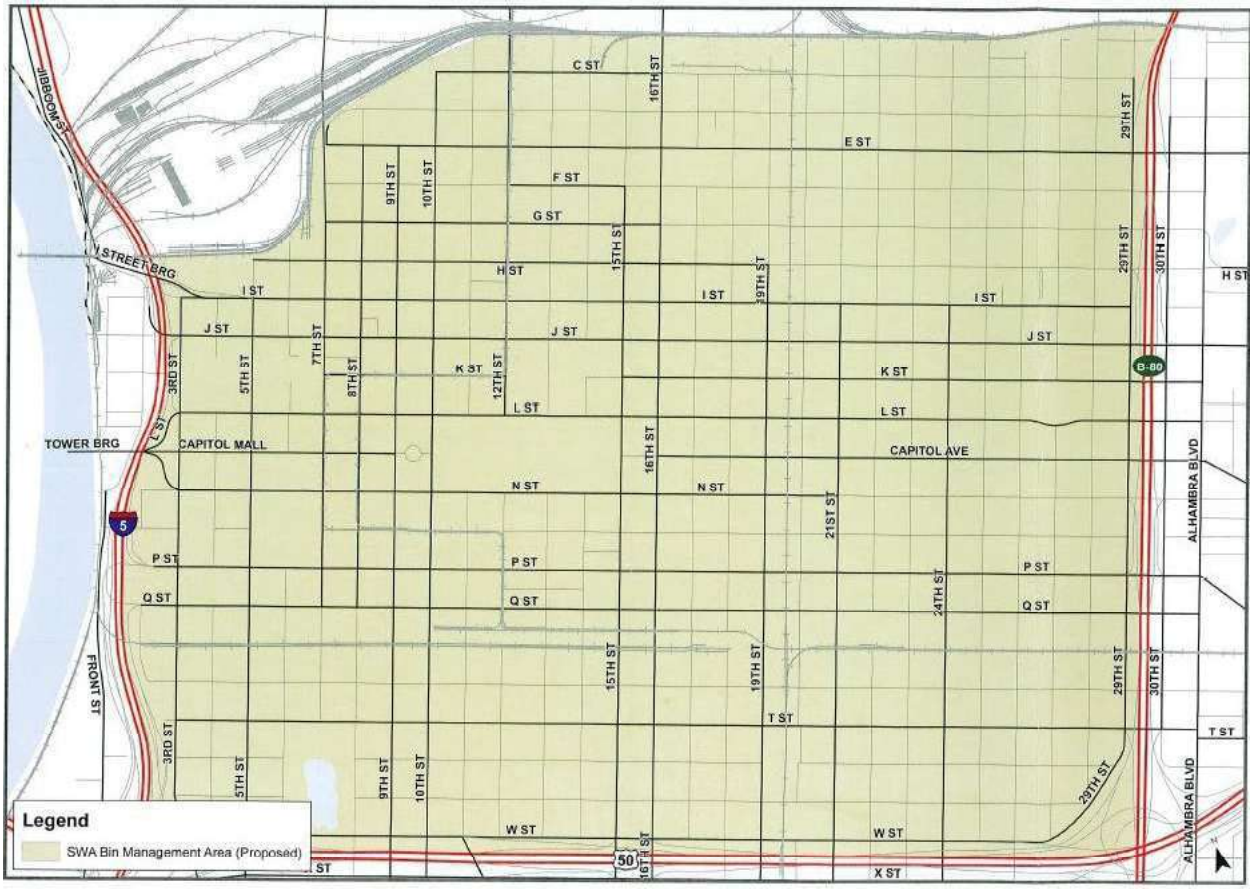


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Exhibit B provides the Compensation for the Agreement. In the event of a conflict between Exhibit B and the Agreement, the terms of Exhibit B shall prevail.

1. FRANCHISE FEES

A. During the term of the Agreement, FRANCHISEE shall pay Franchise Fees to CITY. Such fees shall be in the amount established for commercial solid waste services as set forth by resolution of the City Council and as described in chapter 13.24 of Sacramento City Code, pursuant to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. Franchise Fees shall not be owed by FRANCHISEE for revenues received from federal, state and local governments, including school districts.

C. FRANCHISEE shall pay Franchise Fees on all solid waste collected pursuant to this AGREEMENT regardless of the method of disposal or handling.

D. For calculation of gross collection revenue and calculation of franchise fees, FRANCHISEE may deduct collection revenues for source-separated recyclable material and organic material, provided those materials are diverted from disposal.

2. FRANCHISE FEE PAYMENT

A. FRANCHISEE shall pay Franchise Fees to CITY pursuant to CITY Code section 13.24.040, or as otherwise amended.

B. FRANCHISEE shall pay all required Franchise Fees to:

City of Sacramento, Recycling and Solid Waste Division
Attention: Accounts Receivable
2812 Meadowview Road, Building 1
Sacramento, CA 95832

C. If FRANCHISEE remits Franchise Fees by personal delivery to CITY, such Franchise Fees shall be deemed timely paid only if delivered on or before the due date. If FRANCHISEE remits Franchise Fees by mail or other delivery service, such Franchise Fees shall be deemed timely only if: (1) the envelope containing the Franchise Fee payment bears a postmark or receipt showing that the payment was mailed or sent on or before the due date or (2) FRANCHISEE submits proof satisfactory to Solid Waste Manager that the Franchise Fee payment was in fact deposited in the mail or sent on or before said due date.

D. In the event FRANCHISEE believes that it has paid Franchise Fees in excess of the amounts due to CITY, FRANCHISEE may submit a request for refund to Solid Waste Manager on a form provided by said Solid Waste Manager. If proof of overpayment is satisfactory to Solid Waste Manager, Solid Waste Manager shall refund to FRANCHISEE any overpayment. FRANCHISEE shall not apply any overpayment as a credit against any Recycling Shortfall Penalty, Franchise Fees, or other amounts payable to the CITY unless specifically so authorized by the Solid Waste Manager in writing.

3. Liquidated Damages

A. Failure of FRANCHISEE to provide solid waste collection containers and services that conform to this Agreement will be subject to liquidated damages according to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. If any deficiencies are brought to the attention of CITY, CITY shall notify FRANCHISEE in writing of such failure, including the associated liquidated damages amount. FRANCHISEE may be given a cure period to provide proof of corrective action for such deficiency prior to liquidated damages being assessed. However, not all deficiencies will have a cure period. Attachment 1 to Exhibit B – Fee and Penalty Schedule provides cure periods for deficiencies that shall be assessed liquidated damages. Proof of corrective action must be provided by FRANCHISEE as requested by CITY.

C. If proof of corrective action is not provided by FRANCHISEE within the cure period, CITY may take further enforcement action. Furthermore, continued failure to take corrective action shall be deemed a breach of this Agreement and shall constitute grounds for the termination of this Agreement by CITY.

D. Any Liquidated Damage fees shall be assessed to the FRANCHISEE and shall be due as part of FRANCHISEE's monthly payment to CITY.

4. LATE FEES AND PENALTIES

FRANCHISEE shall pay late fees and penalties to CITY pursuant to the Attachment 1 to Exhibit B – Fee and Penalty Schedule.

Attachment 1 to Exhibit B
Fee and Penalty Schedule

This Attachment 1 to Exhibit B incorporates by this reference the Franchise Agreement between ("FRANCHISEE") *Cal Bin Rentals LLC* and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit B provides the fees and penalties for the Agreement. In the event of a conflict between this Attachment 1 to Exhibit B and the Agreement, the terms of this Attachment 1 to Exhibit B shall prevail.

Fees and Charges

Fee	Amount	Notes
Franchise fee	10% of revenue	Calculated at 10% of reported disposal revenue. May require minimum of $1,000 per fiscal year (July-June).
Refundable cash deposit	$500.00 per vehicle	Required for each collection vehicle unless sufficient financial assurance provided to CITY.
Delinquent Franchise Fee Payment	10% of franchise fee owed, compounded 1.5% monthly until paid	Franchisee fees are due on the first business day of the second month following the close of each month. The 10% late fee is applied when the franchise fee is not paid on time. If it is still unpaid by the first of the next month, the franchise fee will increase by 1.5% of the owed franchise fee plus the original late fee plus applied interest.
Delinquent Quarterly Tonnage Report Fee	$50.00	Correct and accurate Quarterly Tonnage Reports are due the first business day of the second month following the close of each quarter. An automatic charge of $50/day will be applied until the accurate tonnage report is received. Staff will determine whether a tonnage report is correct.
Delinquent Quarterly Generator Report Fee	$25.00 / day	Correct and accurate Generator Reports are due by the date described in Sacramento City Code, section 13.24.600, or as otherwise amended. An automatic charge of $25/day will be applied until the accurate generator report is received. Staff will determine whether a generator report is correct.
Recycling shortfall penalty	$25.00 / ton of recycling shortfall	Charged per ton of shortfall from 30% diversion requirement.
Abandoned Container Fee	$400.00	Fee to cover the costs for the collection, emptying and storage of a Franchisee abandoned container. Containers are considered abandoned if not removed from the property of a customer within five business days of final termination of services to the customer (13.24.570 or as otherwise amended).

Liquidated Damages

Failure	Amount	Cure Period
Broken or missing lock bar / Broken or missing lock	$150.00 / bin / service address / day	Three (3) business days.
Broken or missing lid	$150.00 / bin / service address / day	Three (3) business days.

Container graffiti	$150.00 / bin / service address / day	Three (3) business days.
Bin not properly labeled	$150.00 / bin / service address / day	Three (3) business days.
Overflowing, spilling, or leaking bin	$250.00 / bin / service address / day	Three (3) business days.
Use of collection vehicle(s) without required inspection	$150.00 / vehicle / day	N/A / None.
Verified collection outside of restricted collection hours (Sacramento City Code 13.24.560 Hours of collection.)	$150.00 / incident	N/A – None.
Uncovered/Unsecured materials in collection vehicles	$150.00 / incident	N/A / None.
Provision of non-compliant service, including but not limited to failing to provide minimum service level requirements and failing to provide all required commodities.	$150.00 / commodity / day	N/A / None for service started on or after July 1, 2024. Generators must be provided compliant services from the commencement of services through final termination.
Providing ongoing or recurring commercial solid waste or recycling collection services for materials which are not generated in connection with construction, demolition, renovation, cleanup, or similar temporary projects.	$1,000.00 / occurrence / month	N/A/None.
Inaccurate Reporting	$100 / error after the first five (5) errors per report	N/A / None. Reports must be complete and accurate at the time of submission.
Failure to provide a generator with a copy of the service agreement/contract within timeframe allowable by Sacramento City Code 13.24.270 or as otherwise amended.	$100 / service agreement / day	N/A / None. Liquidated damages will be assessed beginning the first day after the allowable timeframe by Sacramento City Code
Placing a franchisee owned container requiring a minor encroachment permit as defined in Sacramento City Code 12.12 on a public right-of-way without approved minor encroachment permit or prior written approval from the City.	$150 / container / day	N/A / None. The required minor encroachment permit must be approved and attached to temporary container at the time the container is placed on the public right-of-way unless an exception as outlined in Sacramento City Code 12.12.020 applies.
Failure to provide service or response as outlined in Sacramento City Code 13.24.570.	$150 / failure / day	N/A / None. Liquidated damages will be assessed daily until proof of correction is supplied to City in a manner that is satisfactory to Solid Waste Manager or designee.
Failure to attend required hauler reporting training as outlined in Section 15 – Annual Mandatory Training.	$150 / meeting	N/A None. Haulers will be provided 30 days' advance notice for training. Failure to attend will result in immediate assessment of liquidated damages.

Exhibit C
Insurance

1. **Insurance Requirements**. During the entire term of this Agreement, FRANCHISEE shall maintain the insurance coverage described in the Insurance Terms below. Full compensation for all premiums that FRANCHISEE is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Agreement. No additional compensation will be provided for FRANCHISEE's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

   FRANCHISEE's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the FRANCHISEE in connection with this Agreement.

2. **General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the FRANCHISEE and subcontractors, products and completed operations of FRANCHISEE and subcontractors, and premises owned, leased, or used by FRANCHISEE and subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of FRANCHISEE and subcontractors; products and completed operations of FRANCHISEE and subcontractors; and premises owned, leased, or used by FRANCHISEE and subcontractors.

3. **Automobile Liability Minimum Scope and Limits of Insurance Coverage**. (*Check the applicable provision*.)

   X Automobile Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than three million dollars ($3,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the FRANCHISEE. The policy will contain an MCS-90 endorsement when applicable. FRANCHISEES who only operate non-commercial vehicles are required to provide limits of not less than $1,000,000 of Automobile Liability Insurance.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

   X Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract with limits of not less than one million dollars ($1,000,000). This coverage may also be provided on a Contractors Pollution Liability policy.

   If Pollution Liability insurance is written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

4. **Excess Insurance**. The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance contains, or is endorsed to contain, a provision that it will apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of FRANCHISEE's umbrella or excess coverage and will not contribute to it.

5. **Workers' Compensation Minimum Scope and Limits of Insurance Coverage.** (*Check the applicable provision*.)

_X_ Workers' Compensation Insurance is required with statutory limits and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000). The Workers' Compensation policy shall include a waiver of subrogation in favor of the City.

___ No work or services will be performed on or at CITY facilities or CITY Property, therefore a Workers' Compensation waiver of subrogation in favor of the CITY is not required.

___ No Workers' Compensation insurance is required, and by signing this Agreement, FRANCHISEE certifies as follows:

"FRANCHISEE certifies that its business has no employees, and that it does not employ anyone, and is therefore exempt from the legal requirements to provide Workers' Compensation insurance. If, however, FRANCHISEE hires any employee during the term of this Agreement, FRANCHISEE understands that Workers' Compensation with statutory limits and Employer's Liability Insurance with a limit of not less than one million dollars ($1,000,000) is required. The Workers' Compensation policy will include a waiver of subrogation in favor of the City."

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:

A. FRANCHISEE's insurance coverage, including excess insurance, shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-

insurance maintained by the City, its officials, employees or volunteers will be in excess of FRANCHISEE's insurance and will not contribute with it.

B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.

C. Coverage shall state that FRANCHISEE's insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

D. FRANCHISEE shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.

7. **Acceptability of Insurance**. Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Agreement.

8. **Verification of Coverage.**

A. FRANCHISEE shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.

B. FRANCHISEE shall send all insurance certificates and endorsements, including policy renewals, during the term of this Agreement directly to:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

C. Certificate Holder must be listed as:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

D. The City may withdraw its offer of Agreement or cancel this Agreement if the certificates of insurance and endorsements required have not been provided before execution of this Agreement. The City may withhold payments to FRANCHISEE and/or cancel the Agreement if the insurance is canceled or FRANCHISEE otherwise ceases to be insured as required herein.

9. **Subcontractor Insurance Coverage**. FRANCHISEE shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 3/27/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Nick Nghiem	
HighTech Insurance Solutions 1669 Flanigan Drive San Jose CA 95121	PHONE (A/C, No, Ext): (408) 440-5490	FAX (A/C, No):
	E-MAIL ADDRESS: nick@hitechins.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : PENN-STAR INSURANCE COMPANY	10673
INSURED CAL BIN RENTALS LIMITED LIABILITY COMPANY 8652 ELDER CREEK RD SACRAMENTO CA 95828	INSURER B : ARCH INSURANCE COMPANY	11150
	INSURER C : NAUTILUS INSURANCE COMPANY	17370
	INSURER D : INSURANCE COMPANY OF THE WEST	27847
	INSURER E : EVANSTON INSURANCE COMPANY	35378
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:	Y		CPV0051105	05/10/2026	05/10/2027	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ INCLUDED
B	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☒ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY	Y		FBCAT0647800	08/16/2025	08/16/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
C	☐ UMBRELLA LIAB ☒ OCCUR ☒ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION $			AN1313704	05/10/2026	05/10/2027	EACH OCCURRENCE AGGREGATE	$ 2,000,000 $ 2,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N ☐ (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	WPL506610600	06/15/2025	06/15/2026	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
F	POLLUTION LIABILITY			CPLMOL133114	07/21/2025	07/21/2026		1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City, its officials, employees and volunteers are additional insured. Primary and non-contributory. 30 day notice of cancellation

CERTIFICATE HOLDER

City of Sacramento c/o Exigis LLC
Po Box 947
Murrieta CA 92564

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

NICK NGHIEM

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
City of Sacramento c/o Exigis LLC PO Box 947 Murrieta , CA 92564	Any location(s) of your covered operations.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
City of Sacramento c/o Exigis LLC PO Box 947 Murrieta , CA 92564	Any and all of your completed operations.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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(Ed. 3-08)

POLICY INFORMATION PAGE ENDORSEMENT

The following item(s)

	Insured's Name (WC 89 06 01)		Item 3.B. Limits (WC 89 06 12)
	Policy Number (WC 89 06 02)		Item 3.C. States (WC 89 06 13)
	Effective Date (WC 89 06 03)	X	Item 3.D. Endorsement Numbers (WC 89 06 14)
	Expiration Date (WC 89 06 04)	X	Item 4. *Class, Rate, Other (WC 89 04 15)
	Insured's Mailing Address (WC 89 06 05)		Interim Adjustment of Premium (WC 89 04 16)
	Experience Modification (WC 89 04 06)		Carrier Servicing Office (WC 89 06 17)
	Producer's Name (WC 89 06 07)		Interstate/Intrastate Risk I.D. Number (WC 89 06 18)
	Change in Workplace of Insured (WC 89 06 08)		Carrier Number (WC 89 06 19)
	Insured's Legal Status (WC 89 06 10)		Issuing Agency/Producer Office Address (WC 89 06 25)
	Item 3.A. States (WC 89 06 11)		

is changed to read:

THE POLICY IS AMENDED AS FOLLOWS:
AMENDED POLICY TO ADD SPECIFIC WAIVERS OF SUBROGATION

CITY OF SACRAMENTO C/O EXIGIS LLC
PO BOX 947, MURRIETA, CA 92564

JOB DECRIPTION:
REQUIRED TO OBTAIN PERMIT FROM CITY OF SACRAMENTO

*Item 4. Change To:

Classifications	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per $100 of Remuneration	Estimated Annual Premium

Total Estimated Annual Premium **12,629**

Minimum Premium $ **650** Deposit Premium $ **1,792**

All other terms and conditions of this policy remain unchanged.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective **06-15-2025** Policy No.**WPL 5066106 03** Endorsement No. **001**

Insured **CAL BIN RENTALS LLC** Premium: **WAIVED UNTIL AUDIT**

Insurance Company
INSURANCE COMPANY OF THE WEST

Countersigned By _____

© 2001 National Council on Compensation Insurance, Inc.

INSURANCE COMPANY OF THE WEST
PO Box 509039
San Diego, CA 92150-9039

Standard Workers' Compensation and Employers' Liability Policy

Named Insured: CAL BIN RENTALS LLC
Agent Name: INS SERV OF SAN FRANCISCO
ISU INS SVCS OF SAN FRANCISCO

Agent No: 0004889

Policy Number: WPL 5066106 03
Policy Period: 06-15-2025 **To** 06-15-2026

WAIVER OF SUBROGATION SCHEDULE

Waiver No.	Class	Job No.	Job Description	Payroll	Rate	Premium
CALIFORNIA - WAIVER OF SUBROGATION						
1	9403	CITY OF SACRAME	REQUIRED TO OBTAIN PERMIT	$ 25,000	0.5335	$ 133.00
			CALIFORNIA - Waiver of Subrogation Total			$ 133.00

(Ed. 5-02)

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the schedule.

The additional premium for this endorsement shall be 5 % of the California Workers' Compensation premium otherwise due on such remuneration, subject to a minimum premium of $ 50.

Schedule

Person or Organization	Job Description
CITY OF SACRAMENTO C/O EXIGIS LLC PO BOX 947 MURRIETA, CA 92564	REQUIRED TO OBTAIN PERMIT FROM CITY OF SACRAMENTO

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 06/15/2025 Policy No. **WPL 5066106 03** Endorsement No. 001

Insured **CAL BIN RENTALS LLC** Premium $ **INCL.**

Insurance Company **INSURANCE COMPANY OF THE WEST**

Countersigned By _____

City of SACRAMENTO Contract Routing Sheet

☐ **Payment / Performance Bond Only**

General Routing Information

Department: Public Works Department

Contract Coordinator: Rachel Simpo Email: rsimpo@cityofsacramento.org

Effective Date: 07/01/2026 Expiration Date: 06/30/2027

Grant/Project Name: Commercial Waste Collection Franchise

Other Party: California Waste Recovery Systems, LLC

Original Not to Exceed Amount: $ 0.00

Assessor's Parcel Number(s):

Project Number: 15005861 Bid/RFQ/RFP#:

Supplements/Addendums/Change Orders ☐

Adjusted Amount of this Change (+/-): New Not to Exceed Amount:

Change In Scope: No

Original Contract Number: Supplement Number:

Council Approval ☑

Original Meeting Date: 6/16/26 Council File ID: 2026-01084

Supplement Meeting Date: Council File ID:

Processing Information

- ☐ Clerk's Office to Mail for Recording
- ☐ Return to Dept for Other Party Signature
- ☐ Real Estate
- ☐ Return to Dept for Recording
- ☐ Construction Related
- ☐ Additional Originals Attached – Return to Dept.

Add notes/instructions, including any other contract or council file ID numbers related to this agreement:

Agreement is to grant a franchise, no services provided - "Not to Exceed" limit does not apply.

Signing Authority - Department Directors up to $100K; $100K -$250K City Manager or Assistant City Manager; $250K+ Council Approval & Council Appointee or designee.

Department Review and Routing

AB 339 Review Confirmation (if needed)

Sign Gougnal Achari

Sign Margaret Kashuba

Sign John Hobbs (May 22, 2026 08:27:12 PDT)

Sign Matt Eierman (May 22, 2026 08:28:34 PDT)

Sign

Rev. 02032026

CONTRACT NAME: Commercial Waste Collection Franchise
CONTRACT PROJECT #: 15005861
DEPARTMENT: Public Works
DIVISION: Recycling and Solid Waste

CITY OF SACRAMENTO
FRANCHISE AGREEMENT FOR
COMMERCIAL SOLID WASTE COLLECTION

THIS AGREEMENT is made at Sacramento, California, by and between the CITY OF SACRAMENTO, a charter city and municipal corporation ("CITY"), and

California Waste Recovery Systems, LLC
175 Enterprise Ct., Ste A, Galt, CA 95632
(209) 369-6887 | customerservice@cal-waste.com

("FRANCHISEE"), as of the Effective Date, 7/1/2026, as defined below.

RECITALS

The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste collection within their jurisdiction; and

Chapter 13.24 of the Sacramento City Code authorizes the City Council to enter into non-exclusive franchise agreements for the collection, transportation, and disposal services of commercial solid waste, recyclable materials, organic materials, and construction and demolition debris; and

A non-exclusive franchise to operate, maintain, and provide the collection of solid waste, recyclable materials, organic materials, and construction and demolition debris along, across, and over City public streets and rights of way promotes the public health, safety, and welfare by promoting permanence and stability among the businesses wishing to provide such services and accountability to the City for compliance with current and future state mandates; and

The City has determined that it is in its best interests to provide for commercial solid waste collection, transportation, and disposal services by means of non-exclusive franchisees; and

The City has determined that the grant of such franchise to the Franchisee is in the public interest; and

The State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement a recycling and waste management program. Through the enactment of various legislation, including the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), the State has directed local agencies, to promote diversion and 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 solid waste that must be disposed.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, CITY and FRANCHISEE agree

as follows:

Section 1: Agreement Documents

All exhibits and documents attached or referred to in this Agreement are incorporated as if set forth herein, including:

1. Exhibit A – Scope of Services
2. Exhibit B – Compensation
3. Exhibit C – Insurance

If there is a conflict between the terms and conditions of any document prepared or provided by the FRANCHISEE and made a part of this Agreement and the other terms or conditions of the Agreement, the other terms and conditions of the Agreement control.

Section 2: Grant and Acceptance of Franchise

1. By this Agreement, CITY hereby grants to FRANCHISEE a non-exclusive commercial solid waste collection franchise authorizing FRANCHISEE to engage in the business of collecting, transporting, and disposing of commercial solid waste accumulated or generated within the City of Sacramento and to use the public streets and rights of way for such purpose.
2. This grant is pursuant to the disclosures, statements, and information contained in FRANCHISEE's Application for City Franchise Agreement.
3. FRANCHISEE hereby accepts the Franchise on the terms and conditions set forth in this Agreement, and all related ordinances and resolutions.

Section 3: Representatives and Notice

CITY Representative for this Agreement is:

Erin Treadwell / Program Manager
2812 Meadowview Road, Building 1, Sacramento, CA 95832
Phone: (916) 808-4934 /Fax: (916) 808-4999 / etreadwell@cityofsacramento.org

The FRANCHISEE Representative for this Agreement is:

Todd Snider | Director of Business Solutions
175 Enterprise Ct., Ste A, Galt, CA 95632
(209) 369-6887 | ToddSnider@cal-waste.com

Unless otherwise provided in this Agreement, all FRANCHISEE questions and correspondence pertaining to this Agreement must be addressed to the CITY Representative. All CITY questions and correspondence must be addressed to the FRANCHISEE Representative.

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

Notice shall be deemed effective on the date personally served or, if mailed, three days after the date deposited in the mail.

FRANCHISEE shall maintain functional Electronic Mail (Email) during the entire duration of the Agreement and provide CITY with such Email address for CITY communication to FRANCHISEE. FRANCHISEE shall notify CITY of any change in its functional Email address in writing via US Mail or Email communication to CITY.

Section 4: Term and Scope of Services

1. **Services.** Subject to the terms and conditions set forth in this Agreement, FRANCHISEE shall provide the services described in attached Exhibit A ("Scope of Services").
2. **Commencement Date.** The Commencement Date of this Agreement shall be when FRANCHISEE commences with the provision of collection, transportation, processing, and disposal services described by this Agreement. During the time between the Effective Date and Commencement Date, FRANCHISEE shall perform any and all activities necessary to commence services on the Commencement Date.
3. **Term.** The Term of this Agreement shall be from the date the Agreement is signed by the Parties until June 30, 2027, unless extended by CITY pursuant to Subsection 4 below.
4. **Option to Extend Term.** CITY, at its sole discretion, shall have the option to extend this Agreement four (4) times by one (1) year, pursuant to the terms and conditions of this Agreement. If CITY elects to exercise the option, it shall give written notice of its election not less than thirty (30) calendar days prior to the initial expiration date or extended termination date of this Agreement.

Section 5: Compensation

1. Compensation under this Agreement shall be in accordance with Exhibit B ("Compensation") and Attachment 1 to Exhibit B, or Exhibit B and any attachments as modified by the CITY in accordance with express provisions in this Agreement and chapter 13.24 of the Sacramento City Code.
2. FRANCHISEE shall maintain for five years following expiration or termination of this Agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; applicable overhead and indirect expenditures.

Section 6: Conditions of Effectiveness

The effectiveness and validity of this Agreement is subject to FRANCHISEE's satisfaction of each and all of the conditions set forth below, each of which may be waived in whole or in part by CITY.

1. **Accuracy of Representations**. The representation and warranties made by FRANCHISEE in its Application for Franchise are true and correct on and as of the Effective Date of this Agreement.
2. **Effectiveness of City Council Action**. The City Council shall have taken action approving this Agreement prior to or on the Effective Date, provided that no restraining order of any kind has been issued.
3. **Furnishing of Insurance**. FRANCHISEE has furnished evidence of the insurance requirements set forth in the attached Exhibit C.
4. **Company Status**. FRANCHISEE is a business duly organized, validly existing, and in good standing under the laws of the State of California. It is qualified to transact business in the

State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

5. **Company Authorization**. FRANCHISEE has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of FRANCHISEE (or the members, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The person signing this Agreement on behalf of FRANCHISEE has authority to do so.

6. **Agreement Will Not Cause Breach**. To the best of FRANCHISEE's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement nor the performance of this Agreement by FRANCHISEE: a) conflicts with, violates, or results in a breach of any applicable law; or, b) 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 is a party or by which FRANCHISEE or any of its properties or assets are bound, or constitutes a default thereunder.

7. **No Litigation**. To the best of FRANCHISEE's knowledge after reasonable investigation, 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 decided, pending or threatened against FRANCHISEE with an unfavorable decision, ruling, or finding, in any single case or in the aggregate, that would adversely affect the performance by FRANCHISEE of its obligations in this Agreement or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of FRANCHISEE or any surety guaranteeing FRANCHISEE's performance under this Agreement, which has not been waived by CITY in writing.

8. **No Adverse Judicial Decisions**. To the best of FRANCHISEE's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement and may subject this Agreement to legal challenge.

9. **Ability to Perform**. FRANCHISEE possesses the business, professional, and technical expertise to manage, collect, transport, treat, store, and dispose of the solid waste and to manage, collect, transport, store, and process recyclable materials and organic materials, and FRANCHISEE possesses the equipment, facility, and employee resources required to perform this Agreement.

10. **FRANCHISEE's Statements**. The FRANCHISEE's application and any other supplementary information submitted to CITY, which CITY has relied on in awarding and entering this Agreement, do not: a) contain any untrue statement of a material fact; orb) omits a material fact that would make any stated information misleading.

11. **FRANCHISEE's Investigation**. FRANCHISEE has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder. FRANCHISEE has taken such matters into consideration in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

12. **Non-Discrimination in Employee Benefits**. This Agreement may be subject to Sacramento City Code chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits Code (Equal Benefits Ordinance)," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.54. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance.

FRANCHISEE's violation of Sacramento City Code chapter 3.54 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

13. **Considering Criminal Conviction Information in the Employment Application Process**. This Agreement may be subject to the requirements of Sacramento City Code chapter 3.62, Procedures for Considering Criminal Conviction Information in the Employment Application Process. A summary of the requirements, entitled "Ban-The-Box Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

The Ban-The-Box Requirements are applicable to certain contracts with CITY in an amount of $250,000 or more (either initial value or total value after amendment) or if the total value of all FRANCHISEE's contracts with CITY is $250,000 or more over a 12-month period.

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.62. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.62 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.62. FRANCHISEE's violation of Sacramento City Code chapter 3.62 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

14. **Local Business Enterprise Program**. The Local Business Enterprise Program Participation Requirements ("LBE Participation Requirements") may be applicable to this Agreement. A summary of the requirements, entitled "LBE Participation Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.60. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.60 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.60.

FRANCHISEE's violation of Sacramento City Code chapter 3.60 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

Section 7: Compliance with Laws

FRANCHISEE shall, at all times and at its sole cost and expense, observe and comply with all applicable

Federal, State, regional, and City laws, regulations, rules, and ordinances, including those of other states, cities, or counties which may have jurisdiction over any service provided by FRANCHISEE under this Agreement.

Section 8: Governing Laws and Jurisdiction

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in the Sacramento County Superior Court, Sacramento, California or in the United States District Court for the Eastern District of California, as applicable.

Section 9: Licenses and Permits

1. FRANCHISEE shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, County of Sacramento and all other appropriate governmental agencies, including any certification and credentials required by CITY, including a City Business Tax Certificate and any required certification issued by the California Secretary of State. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the suspension or termination of this Agreement by CITY.
2. FRANCHISEE further certifies to CITY that it and its principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. FRANCHISEE certifies that it shall not contract with a subcontractor that is so debarred or suspended.

Section 10: Performance Standards

FRANCHISEE shall perform its services under this Agreement in accordance with the industry and/or professional standards applicable to FRANCHISEE'S services. FRANCHISEE shall assign only competent personnel to perform on its behalf under this Agreement.

Section 11: Ownership of Work Product

All technical data, evaluations, plans, specifications, reports, documents, or other work products developed by FRANCHISEE provided hereunder shall be the exclusive property of CITY and shall be delivered to CITY upon completion of the services authorized hereunder. FRANCHISEE may retain copies thereof for its files and internal use. Publication of the information directly derived from work performed or data obtained in connection with services rendered under this Agreement must first be approved in writing by CITY. CITY recognizes that all technical data, evaluations, plans, specifications, reports, and other work products are instruments of FRANCHISEE'S services and are not designed for use other than what is intended by this Agreement.

Section 12: Status of Franchisee - Independent Contractor

1. It is understood and agreed that FRANCHISEE (including FRANCHISEE'S employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Neither FRANCHISEE nor FRANCHISEE'S assigned personnel will be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to FRANCHISEE under the provisions of this Agreement; and as an independent contractor, FRANCHISEE hereby indemnifies and holds

CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party, including any state or federal agency, that an employer-employee relationship exists by reason of this Agreement or by the reason of the nature or performance under the Agreement.

2. It is further understood and agreed by the parties hereto that FRANCHISEE in the performance of its obligation hereunder is subject to the control or direction of CITY as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by FRANCHISEE for accomplishing the results. To the extent that FRANCHISEE obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use will be at FRANCHISEE's sole discretion based on FRANCHISEE's determination that the use will promote FRANCHISEE's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that FRANCHISEE use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement. As used in this Agreement, "sole discretion" or "sole judgment" means that the party authorized to exercise its discretion or judgment may do so based on an unfettered assessment of its own interests, without considering how its decision affects the other party, and unconstrained by the implied covenant of good faith and fair dealing.

3. If, in the performance of this Agreement, any third persons are employed by FRANCHISEE, such person shall be entirely and exclusively under the direction, supervision, and control of FRANCHISEE. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by FRANCHISEE, and CITY shall have no right or authority over such persons or the terms of such employment.

4. It is further understood and agreed that as an independent contractor and not an employee of CITY, neither the FRANCHISEE nor FRANCHISEE'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of CITY in any capacity whatsoever as agent, nor to bind CITY to any obligation whatsoever. FRANCHISEE shall not be covered by worker's compensation; nor shall FRANCHISEE be entitled to compensated sick leave, vacation leave, retirement entitlement, participation in group health, dental, life and other insurance programs, or entitled to other fringe benefits payable by CITY to employees of CITY.

5. It is further understood and agreed that FRANCHISEE must issue W-2 and 941 Forms for income and employment tax purposes, for all of FRANCHISEE'S assigned personnel under the terms and conditions of this Agreement.

Section 13: FRANCHISEE Not an Agent

Except as CITY may specify in writing, FRANCHISEE and FRANCHISEE's personnel have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. FRANCHISEE and FRANCHISEE's personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.

Section 14: Conflict of Interest

FRANCHISEE covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the CITY's interests or that would in any way hinder FRANCHISEE's performance under this Agreement. FRANCHISEE further covenants that in the

performance of this Agreement, no person having any such interest will be employed by it as an officer, employee, agent, or subcontractor, without the City's written consent.

FRANCHISEE agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City's interests during the performance of this Agreement. If FRANCHISEE is or employs a former officer or employee of the CITY, FRANCHISEE and any former City officer or employee shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any CITY department, board, commission, or committee.

Section 15: Confidentiality of CITY Information

During performance of this Agreement, FRANCHISEE may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special, and unique assets of the CITY.

FRANCHISEE agrees to protect all CITY Information and treat it as strictly confidential, and further agrees that FRANCHISEE shall not at any time, either directly or indirectly, divulge, disclose, or communicate in any manner any CITY Information to any third party without the CITY's prior written consent.

In addition, FRANCHISEE must comply with all CITY policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by FRANCHISEE of this section is a material violation of this Agreement and shall justify legal and equitable relief.

Section 16: Franchisee Information

1. CITY shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by FRANCHISEE under this Agreement. In this Agreement, the term "information" means and includes: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. FRANCHISEE shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.
2. FRANCHISEE shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by FRANCHISEE under this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify FRANCHISEE not later than ten days after CITY is served with any such claim, action, lawsuit, or other proceeding. However, CITY's failure to provide notice within the ten-day period does not relieve FRANCHISEE of its obligations hereunder, which survive any termination or expiration of this Agreement.
3. All proprietary and other information received from FRANCHISEE by CITY, whether received in connection with FRANCHISEE's proposal to CITY or in connection with FRANCHISEE's

performance, will be disclosed upon receipt of a request for disclosure, in accordance with the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to FRANCHISEE of any request for the disclosure of such information.

FRANCHISEE will then have five days from the date it receives notice to petition the court for a protective order to prevent the disclosure of the information. FRANCHISEE shall have sole responsibility for defense of the actual "trade secret" designation of such information.

4. The parties understand and agree that any failure by FRANCHISEE to respond to the notice provided by CITY and seek a protective order, in accordance with the provisions of subsection C, above, constitutes a complete waiver by FRANCHISEE of any rights regarding the information designated "trade secret" by FRANCHISEE, and the information will be disclosed by CITY in accordance with the Public Records Act.

Section 17: Emergency/Declared Disaster Requirements

If an emergency is declared by the City Manager, or if any portion of the City is declared a disaster area by the county, state, or federal government, this Agreement may be subjected to increased usage. FRANCHISEE shall serve the CITY during a declared emergency or disaster, subject to the same terms and conditions that apply during non-emergency/non-disaster conditions. The compensation set forth in this Agreement will apply, without markup, regardless of the circumstances. If FRANCHISEE is unable to fulfill the terms of the Agreement because of a disruption in its routes or service, then FRANCHISEE shall provide proof of the disruption. Acceptable forms of proof will include, but are not limited to, a letter or notice from FRANCHISEE's source stating the reason for the disruption.

Section 18: Indemnity

1. Indemnity*:* FRANCHISEE shall defend, hold harmless, and indemnify CITY, its officers, and employees, and each and every one of them, from and against all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, and expenses of every type and description, whether arising on or off the site of the work or services performed under this Agreement, including any fees and costs reasonably incurred by CITY's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including Liabilities for personal injury or death, damage to personal, real, or intellectual property, damage to the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Agreement by FRANCHISEE, any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE, their respective officers and employees, and anyone else for whose acts of omissions any of them may be liable, whether or not the Liabilities (i) are caused in part by a party indemnified hereunder, or (ii) are litigated, settled, or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage, or expense, to the extent arising from the active negligence or willful misconduct of, or defects in design furnished by, CITY, its agents, servants, or independent contractors who are directly responsible to CITY, except when such agents, servants, or independent contractors are under the supervision and control of FRANCHISEE or any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE.

2. Insurance Policies; Intellectual Property Claims*:* The existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement will not affect or limit any of

CITY's rights under this Section, nor will the limits of any insurance limit the liability of FRANCHISEE hereunder. This section will not apply to any intellectual property claims, actions, lawsuits, or other proceedings subject to the provisions of FRANCHISEE Information above.

3. Survival: The provisions of this section will survive any expiration or termination of this Agreement.

Section 19: Insurance

Without limiting FRANCHISEE's indemnification, FRANCHISEE shall maintain in force at all times during the term of this Agreement and any extensions or modifications, insurance as specified in Exhibit C. It is the responsibility of FRANCHISEE to notify its insurance advisor or insurance carrier regarding coverage, limits, forms, and other insurance requirements specified in Exhibit C. Failure to maintain insurance as required in this Agreement may be grounds for termination of this Agreement.

Section 20: Debarment Certification

1. Pursuant to 2 CFR, Part 200, and applicable Executive Orders, the CITY is restricted in its ability to contract with certain parties that are debarred, suspended, or otherwise excluded or ineligible for participating in Federal assistance programs or activities. By signing this Agreement, FRANCHISEE warrants and certifies under penalty of perjury under the laws of the State of California that FRANCHISEE, including any owner, partner, director, officer, or principal of the FRANCHISEE, or any person in a position with management responsibility or responsibility for the administration of federal funds:

   (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency;

   (b) Has not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, or other criminal felony;

   (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above;

   (d) Has not, within a three-year period preceding this certification, had one or more public contracts (federal, state, or local) or transactions terminated for cause or default;

   (e) Has not been notified, within a three-year period preceding this certification, been notified of any delinquent Federal taxes in an amount that exceeds $3,500 for which the liability remains unsatisfied. Federal taxes are considered delinquent if the tax liability has been finally determined and the taxpayer is delinquent in making payment, as defined in Section 52.209-5 of the Federal Acquisition Regulations.

2. FRANCHISEE further warrants and certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency. Any exceptions to the warranties and certifications in this Section must be disclosed to the CITY.

3. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining FRANCHISEE's responsibility. Disclosures must indicate to whom exceptions apply, the initiating agency, and dates of action.

4. CITY will review the Federal Government's System for Award Management Exclusions maintained by the General Services Administration for eligibility, prior to the execution of this Agreement. FRANCHISEE shall provide immediate written notice to the CITY if, at any time prior to execution, FRANCHISEE learns this certification is erroneous or has become erroneous by reason of changed circumstances. If it is later determined that FRANCHISEE's warranties and certification in this Section were erroneous, the CITY may terminate this Agreement for default.

Section 21: Assignment

1. FRANCHISEE acknowledges that this Agreement involves rendering a vital service to commercial solid waste generators within the City of Sacramento, and that CITY has franchised FRANCHISEE to perform the services specified herein based on: (1) FRANCHISEE'S experience, skill, and reputation for conducting its solid waste collection in a safe, effective and responsible fashion, at all times in keeping with applicable waste management laws, regulations and good solid waste management practices, and (2) FRANCHISEE's financial resources to maintain the required equipment and to support its obligations to CITY under this Agreement. CITY has relied on each of these factors, among others, in choosing the FRANCHISEE to perform the services to be rendered under this Agreement.

2. This Agreement is a privilege to be held in trust by FRANCHISEE. A franchise granted by CITY shall not be transferred, sold, leased, assigned, or relinquished, or delegated to another person, either in whole or in part, whether by forced sale, merger, consolidation, bankruptcy laws or otherwise, without the prior approval of the Sacramento City Council ("CITY Council"). This restriction includes the transfer of ownership of the Agreement, or a majority of the ownership or control of the FRANCHISEE, or the conveyance of a majority of the FRANCHISEE's stock to a new controlling interest. This Agreement shall become void upon the abandonment of FRANCHISEE. CITY Council shall not unreasonably withhold approval of a franchise assignment, provided that such assignment does not unreasonably impact competition and the assignee is qualified to perform its obligations as required by this Agreement and any implementing City law, regulation, rule, or ordinance.

3. FRANCHISEE shall promptly notify the Solid Waste Manager in writing in advance of any proposed assignment, sale, or transfer. In the event the CITY Council approves of any assignment, sale, or transfer, said approval shall not relieve FRANCHISEE of any of its obligations or duties under this Agreement unless this Agreement is modified in writing to that effect.

Section 22: Amendment and Waiver

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon CITY unless agreed in writing by the CITY.

Section 23: Successors

Subject to the provisions of section 21, this Agreement shall bind the successors of CITY and FRANCHISEE in the same manner as if they were expressly named.

Section 24: Time

Time is of the essence in the performance of this Agreement. FRANCHISEE shall devote the necessary time and effort to its performance under this Agreement. Neither party will be considered in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

Section 25: Interpretation

This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

Section 26: Solid Waste Manager

As used in this Agreement, "Solid Waste Manager" shall mean the Integrated Waste General Manager of the Recycling and Solid Waste Division, City of Sacramento Department of Public Works or his/her designee. Solid Waste Manager shall administer this Agreement on behalf of CITY. FRANCHISEE shall meet and confer with the Solid Waste Manager to resolve differences, implement, and execute the requirements of this Agreement.

Section 27: Disputes

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. Pending resolution of any such dispute, FRANCHISEE shall continue without delay to carry out all its responsibilities under this Agreement unless the Agreement is otherwise suspended or terminated in accordance with chapter 13.24 of the Sacramento City Code or the Termination provisions of this Agreement. CITY shall not be required to make payments for any services that are the subject of this dispute resolution process until such dispute has been mutually resolved by the parties. If the dispute cannot be resolved either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California. Nothing in this Agreement or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state and federal law.

Section 28: Default, Termination

1. Default. Except for the occurrence of Force Majeure as described in paragraph 4 of this section, in the event of any material failure or refusal of FRANCHISEE to comply with any obligation or duty imposed on FRANCHISEE under this Agreement or the City Code or related ordinances, resolutions, or administrative rules, the CITY may provide notice of a default pursuant to the provisions of chapter 13.24 of the Sacramento City Code provided it is a situation where there is the ability to cure the default.

2. The following events shall constitute a material breach under this Agreement:

   A. *Misrepresentation*. Any misrepresentation or disclosure made to CITY by FRANCHISEE in connection with or as an inducement to entering this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time the representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

   B. *Fraud or Deceit*. If FRANCHISEE practices, or attempts to practice, any fraud or deceit

upon CITY.

C. *Failure to Maintain Insurance Coverage*. If FRANCHISEE fails to provide or maintain in full force and effect the Worker's Compensation, liability, or insurance coverage as required by this Agreement.

D. *Violations of Regulation*. If FRANCHISEE violates any permits, orders or filing of any regulatory body having jurisdiction over FRANCHISEE which violation or non-compliance materially affects FRANCHISEE'S ability to perform under this Agreement, provided that FRANCHISEE may contest any such orders as set forth in Chapter 13.24 of the Sacramento City Code, in which case no breach of the Agreement shall be deemed to have occurred during the pendency of the contestation or appeal, to the extent FRANCHISEE is able to adequately perform during that period.

E. *Acts or Omissions*. Any other act or omission by FRANCHISEE which materially violates the terms, conditions, or requirements of this Agreement; resolutions, administrative rules, or the City Code; the California Integrated Waste Management Act of 1989 (as codified in Public Resources Code section 40000 et seq.), as it may be amended from time to time; or any order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if FRANCHISEE cannot reasonably correct or remedy the breach within the time set forth in such notices, if FRANCHISEE should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

3. Termination. Upon the occurrence of a material breach, the CITY may have the right to terminate this Agreement pursuant to the provisions in chapter 13.24 of the Sacramento City Code.

4. Force Majeure. The performance of this Agreement may be discontinued or temporarily suspended in the event of Force Majeure. FRANCHISEE shall not be deemed to be in default and shall not be liable for failure to perform under this Agreement if FRANCHISEE'S performance is prevented or delayed by Force Majeure. Force Majeure means acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, public riots, breakage, explosions, or government restraint. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances, and litigation, including appeals, shall be entirely within the discretion of FRANCHISEE and FRANCHISEE may make settlement thereof at such time and on any such terms and conditions as it may deem to be advisable, and no delay in making such settlement shall deprive FRANCHISEE of the benefit of this section.

5. Notice of Termination. The CITY shall serve written notice in accordance with chapter 13.24 of the Sacramento City Code, either personally or by registered or certified mail, postage prepaid of the termination of a Franchise under this Agreement to the last place of business of FRANCHISEE.

Section 29: Conditions Upon Termination

1. In the event this Agreement is terminated:

A. FRANCHISEE shall have no right or authority to engage in commercial solid waste collection, transportation, or disposal operations within the City.

B. FRANCHISEE shall, however, remain liable to CITY for any and all Franchise Fees that would otherwise be payable by FRANCHISEE, for any and all late payment charges and interest assessed, for any liquidated damages assessed pursuant to Exhibit B – Compensation or Attachment 1 to Exhibit B of this Agreement and for any and all delinquent report charges assessed pursuant to chapter 13.24 of the City Code.

C. FRANCHISEE shall have a continuing obligation to submit to CITY all reports required by Section 30 of this Agreement and chapter 13.24 of the City Code relating to commercial solid waste or recycling activities performed by FRANCHISEE up to and including the date of termination.

2. In the event this Agreement is terminated, then, within the time period specified by CITY, FRANCHISEE shall promptly remove all of FRANCHISEE's commercial solid waste and recyclables containers from all of FRANCHISEE's collection service locations and shall properly dispose of all solid waste or recyclables in such containers.

Section 30: Reports

1. FRANCHISEE shall submit quarterly tonnage reports on or before the first day of the second calendar month immediately following the reportable quarter and shall be submitted as required in CITY Code section 13.24.280 or as otherwise amended, in a format as required by the Solid Waste Manager.

2. FRANCHISEE shall submit quarterly generator data in a format as required by the Solid Waste Manager as directed in CITY Code section 13.24.280 or as otherwise amended.

3. FRANCHISEE shall submit monthly generator compliance data to the City of Sacramento. CITY shall provide FRANCHISEE with the required report format and due date of such submittal as required by the Solid Waste Manager.

4. FRANCHISEE shall submit progress reports on the implementation of the FRANCHISEE'S Diversion Plan as provided for in the application form completed by FRANCHISEE as directed by the Solid Waste Manager pursuant to CITY Code section 13.24.280.A.5 or as otherwise amended.

5. FRANCHISEE shall report quarterly contamination to the CITY pursuant to Exhibit A, Section 8 — Contamination Monitoring, Recordkeeping, and Reporting.

6. FRANCHISEE shall submit monthly revenue reports on or before the first day of the second month immediately following the month in which collection services were provided as required in CITY Code section 13.24.280 or as otherwise amended. CITY shall provide FRANCHISEE with the required report format of such submittal.

Section 31: Audits, Records, and Inspection Authority

1. Upon CITY's request, FRANCHISEE shall promptly provide access to the Solid Waste Manager or his/her designees of all records, accounts, or other financial or program information pertinent to the conduct of the business and/or requirements of this Franchise as CITY deems necessary to determine FRANCHISEE's compliance with legal and contractual requirements, including the correctness and accuracy of claims submitted by FRANCHISEE.

2. FRANCHISEE shall certify that any response provided to the Solid Waste Manager or his/her designee, pursuant to this section, is true, complete, and correct.

3. In addition to the requirements in subsections 1 and 2 above, FRANCHISEE shall reimburse

audit costs incurred by CITY staff, and any other costs for FRANCHISEE-related services provided by CITY staff or its contractors, in the event of significant audit findings including but not limited to, detailed follow-up audits when staff determines that documentation reported by FRANCHISEE is inadequate or incomplete. Where necessary, CITY staff will retain the services of an independent auditor to verify performance and conduct an audit of FRANCHISEE records.

Section 32: Prior Agreements

This Agreement constitutes the entire contract between CITY and FRANCHISEE regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between CITY and FRANCHISEE regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.

Section 33: Severability

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

Section 34: Survival of Terms

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions, and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation, or termination of this Agreement shall so survive.

Section 35: Headings

The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

Section 36: Attorney Fees

Except as required by Section 19, the Parties will bear their own attorney fees and costs in connection with this Agreement.

Section 37: Authority to Execute

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

Section 38: Duplicate Counterparts

This Agreement may be executed in counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

Signatures scanned and transmitted electronically shall be deemed original signatures for purposes of this Agreement, with such scanned signatures having the same legal effect as original signatures. This

Agreement may be executed through the use of an electronic signature and will be binding on each party as if it were physically executed.

(SIGNATURE PAGE FOLLOWS)

Executed as of the day and year first above stated.

CITY OF SACRAMENTO

A Municipal Corporation

By: _____

Print name: Ryan Moore

Title: Assistant City Manager

For: City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

Michael Fry (May 26, 2026 14:16:45 PDT)

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

California Waste Recovery Systems, LLC

NAME OF FIRM

91-1825094

Federal I.D. No.

199716910013

State I.D. No.

1050615

City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY *(check one)*:

☐ Individual/Sole Proprietor
☐ Partnership
☐ Corporation *(may require 2 signatures)*
☑ Limited Liability Company
☐ Other (*please specify:* _____)

Rudy Vaccarezza (May 5, 2026 15:52:08 PDT) 05/05/2026

Signature of Authorized Person

Rudy Vaccarezza | Chief Financial Officer

Print Name and Title

Todd Snider (May 5, 2026 16:53:38 MDT) 05/05/2026

Additional Signature *(if required)*

Todd Snider | Director of Business Solutions

Print Name and Title

Exhibit A
Scope of Services

This Exhibit A incorporates by this reference the Franchise Agreement between *California Waste Recovery Systems, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Exhibit A provides the Scope of Services for the Agreement. In the event of a conflict between Exhibit A and the Agreement, the terms of Exhibit A shall prevail.

1. Definitions

For purposes of this Agreement, all terms used shall have the same meaning as those defined in chapter 13.24 of the Sacramento City Code.

2. Ownership of Waste Material

CITY does not gain any ownership or right to possess commercial solid waste material collected by FRANCHISEE pursuant to this Agreement. Subject to the provisions of this Agreement, FRANCHISEE shall have the right to retain any benefit resulting from its right to retain, recycle, process, dispose of, or use the commercial solid waste material that it collects.

3. Disposal and Diversion of Commercially Generated Waste Material

FRANCHISEE shall dispose of commercial solid waste collected or transported by FRANCHISEE only by taking such commercial solid waste to a landfill or transfer station lawfully authorized to accept such solid waste. FRANCHISEE shall divert recyclable and organic material at facilities legally permitted to process source separated recyclable material and organic material. FRANCHISEE shall not dispose of commercial solid waste by depositing it on any land, whether public or private, or in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system.

4. Customer Service Agreements

A. Franchisee shall enter into customer service agreements with Generators consistent with Sacramento City Code section 13.24.570, or as otherwise amended.

B. Customer service agreement terms shall remain unchanged and shall not restart or be extended if adjustments to the levels of service are made at any point during the renewal contract term period, unless the customer explicitly states an interest in extending or renewing at the time an adjustment is made.

C. Customers must receive a separate and specific written notice of each customer service agreement renewal not less than sixty (60) days prior to the effective date of such renewal.

D. FRANCHISEE shall submit a copy of a current customer service agreement template to CITY on an annual basis and any time the customer service agreement template is changed.

5. Diversion Programs

A. Source Separated Recyclable Material and Organic Material: FRANCHISEE is required to divert from landfilling source separated recyclable material and organic material collected and removed by it within CITY region, in accordance with chapter 13.24 of the City Code. Failure to meet the diversion requirement will subject FRANCHISEE to the Recycling Shortfall Penalty provided for in CITY Code section 13.24.760, or as otherwise amended. FRANCHISEE shall not

landfill source separated recyclable material and organic material without notifying CITY as described in CITY Code section 13.24.240, or as otherwise amended.

B. Construction and Demolition Debris: When FRANCHISEE provides commercial solid waste collection services for a project subject to Construction and Demolition ("C&D") Debris in chapter 8.124 of the City Code, FRANCHISEE shall assist their generators in complying with the C&D Debris requirements set forth in the City Code.

Diversion credit from mixed construction and demolition debris for compliance with mandates will only be recognized if FRANCHISEE delivers mixed C&D debris to a C&D Sorting Facility certified by the County of Sacramento and material is stamped as sorted by the certified C&D Sorting Facility.

6. Collection Equipment

A. Any and all vehicles used by FRANCHISEE to perform commercial solid waste collection services shall meet the vehicle inspection, tag and covered load requirements of CITY Code section 13.24.430, 13.24.440 and 13.24.450, or as otherwise amended.

B. FRANCHISEE shall submit a Franchisee commercial solid waste vehicle inventory of FRANCHISEE's vehicles, as required in CITY Code section 13.24.110 or as otherwise amended, and shall include but not limited to, vehicle number, year, make, model, capacity, and vehicle identification number (VIN). FRANCHISEE is required to submit the Franchisee commercial solid waste vehicle inventory annually as part of its Franchise Application or Franchise Renewal Application.

C. If FRANCHISEE's vehicle inventory has changed between the application or renewal application date and the effective date of this agreement, FRANCHISEE must submit to Solid Waste Manager an amended inventory, as required in CITY Code section 13.24.180 or as otherwise amended, prior to commencing the provision of services under this Agreement.

7. Franchisee Provided Waste Material Containers

A. General. Each generator shall be provided solid waste, recyclable material, and organic material services. This provision of three or more containers shall comply with the collection container requirements specified in chapter 13.24 of the City Code and with the Container Color Requirements outlined in Senate Bill (SB) 1383 as codified in sections 18984.1 and 18984.7 of title 14 of the California Code of Regulations. FRANCHISEE is responsible for ensuring generator compliance with this requirement and use of proper facilities for collected material.

B. Source Separated Recyclable Materials Collection (Blue Container): FRANCHISEE shall provide blue containers to generators for collection of source separated recyclable materials and shall provide source separated recyclable materials collection service, as described below. FRANCHISEE shall transport the source separated recyclable materials to a recyclable materials processing facility.

Source separated recyclable materials that are mandated to be accepted for collection in the source separated recyclable materials commercial collection program include the following:

- Aluminum Containers
- Glass Containers
- Plastics #1 and #2
- Tin and Bi-Metal Containers

- Mixed Paper
- Cardboard

FRANCHISEE shall offer Generators, at minimum, 90-gallon containers for Recyclable Material collection.

C. Source Separated Organic Material (Organics Container): FRANCHISEE shall provide organic containers to generators for collection of organic material and shall provide organic material collection service.

FRANCHISEE shall transport organic material to an organic material processing facility, or a transfer facility for transfer and transport to an organic material processing facility.

Organic materials that are mandatory to be accepted for collection in the commercial collection program include the following:

Mandatory Commercial Organic Material
Food Waste
Food Soiled Paper
Green Waste
Compostable Plastic Bags*

*Compostable plastic bag material must meet ASTM D6400 sections 5.1 through 6.4.2 standard for compostability as published May 2019.

FRANCHISEE shall offer Generators, at minimum, 30-gallon containers for Organic Material collection.

D. Commercial Solid Waste Collection (Gray Container): FRANCHISEE shall provide gray containers to generators for collection of solid waste and shall provide solid waste collection service. FRANCHISEE shall transport the solid waste to a disposal facility or a transfer facility for transfer and transport to a disposal facility.

FRANCHISEE shall offer Generators, at minimum, 90-gallon containers for weekly Solid Waste collection.

E. FRANCHISEE shall provide containers used for storage of solid waste materials that meet the following requirements:

(i) FRANCHISEE shall place a label on the body or lid of each container that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that container. Container labels must be available in any non-English language spoken by a substantial number of the public in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

(ii) Container must be clearly identified, with the name, or recognizable corporate or company logo, and phone number of the Franchisee that is legible from a distance of fifty (50) feet.

(iii) Be adequately sized and serviced with adequate frequency to meet the waste material generation needs of the business.

(iv) Be designed and constructed to be watertight to prevent the leakage of liquids.

(v) Be equipped with lids which are to be kept closed and shall be placed in a way that does not prevent the lid from being closed.

(vi) Containers shall be equipped with functioning locking bars or a locking mechanism and shall remain locked at all times, except when solid waste or recyclable materials are being deposited or collected in accordance with the provisions of chapter 13.24 of Sacramento City Code.

(vii) Be kept free of graffiti.

(viii) Be replaced, cleaned, or repainted as needed so as to present a clean appearance.

(ix) No later than January 1, 2036, FRANCHISEE shall provide all generators with collection containers that comply with the container color requirements specified in in Title 14 of the California Code of Regulation ("CCR") Section 18982. 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. Until January 1, 2036, FRANCHISEE is not required to replace functional collection containers that do not comply with these color requirements prior to the end of the useful life of those containers. New and replacement collection containers, however, must meet new color requirements.

F. In addition to any and all requirements listed in section E., above, the owners and tenants of properties in the downtown collection area, as defined in Attachment 1 to Exhibit A, are required to comply with all of the requirements below, as specified in CITY Code section 13.10.510 or as otherwise amended:

(i) Intentionally omitted.

(ii) All commercial containers shall have the name, address, and telephone number of the owner, and of the tenant, if different than the owner, written on the front of the container with either paint or some form of indelible ink.

(iii) No container shall be placed or located in such a manner that blocks or impedes passage through the alley or through any doorway of any building adjoining the alley, even if the building is abandoned or out of use.

G. Solid Waste Manager or designee may require special container equipment, and/or container labeling with customer identifying information.

H. Violations of the conditions of this section may become the basis for enforcement actions. In addition, violations of the conditions of this section may be determined to be a material breach of this Agreement and will subject the FRANCHISEE to payment of liquidated damages, pursuant to Exhibit B of this Agreement.

8. Contamination Monitoring, Recordkeeping, and Reporting

FRANCHISEE shall implement a contamination monitoring, record keeping, and reporting program.

A. Contamination Monitoring. FRANCHISEE shall conduct a route review for prohibited container contaminants in containers in a manner that results in all routes being reviewed annually.

Containers may be randomly selected along a hauler route.

(i) Upon finding prohibited container contaminants in a container, the FRANCHISEE, shall notify the generator of the violation. The notice shall, at a minimum, include information regarding the generator's requirement to properly separate materials into the appropriate containers and may include photographic evidence of the violation. The notice may be left on the generator's container, gate, or door at the time the violation occurs, and must be mailed, e-mailed, or electronically messaged to the generator.

(ii) If a FRANCHISEE observes excessive prohibited container contaminants in a generator's collection container(s), it may dispose of the container's contents.

(iii) If a FRANCHISEE charges for contamination and the generator contests the charge, FRANCHISEE must provide photographic evidence of the contamination. If evidence of the contamination is not available, the contamination charge shall be refunded.

B. Route Review Contamination Recordkeeping and Reporting. FRANCHISEE shall conduct route reviews and submit reports related to the contamination monitoring program that includes, but is not limited to the following required fields.

Quarterly documentation of all route reviews conducted shall include, but is not limited to:

(i) Generator name

(ii) Generator site address

(iii) Generator account number

(iv) Container contamination found

(v) Copy of all contamination notices issued

(vi) Container contents disposed

On an annual basis, FRANCHISEE shall submit an Initial Route Review Plan that includes, but is not limited to:

(i) A list of routes, associated route numbers, and number of stops per route.

(ii) A description of the methodology for conducting route reviews.

(iii) A copy of the proposed contamination notice template.

All contamination monitoring documentation shall be submitted to CITY in a format as directed by the Solid Waste Manager and made part of CITY's operational record at the frequency as directed by the Solid Waste Manager and upon CITY request.

9. Abandoned Containers

A. If FRANCHISEE abandons any container used to provide commercial solid waste material collection services under the Agreement, CITY may remove the container and/or dispose of the contents of the container.

B. If CITY removes a container abandoned by FRANCHISEE and/or disposes of the contents of any container abandoned by FRANCHISEE, CITY may charge FRANCHISEE for CITY's costs incurred in such removal/disposal and for CITY's costs of storage of the container. FRANCHISEE shall reimburse CITY for such costs within ten (10) days of the date of CITY's

invoice for such costs.

C. For the purposes of this section, "abandoned" includes:

(i) FRANCHISEE's failure to remove the container within the time period specified by termination of the Agreement pursuant to chapter 13.24 of the Sacramento City Code.

(ii) FRANCHISEE's failure to remove the container within a reasonable period after the expiration of the Franchise granted to FRANCHISEE, except in the case where FRANCHISEE has been granted an extension of the term of said Franchise or FRANCHISEE has been granted a subsequent commercial solid waste collection franchise authorizing FRANCHISEE to collect and transport the type or types of solid waste for which the container was used pursuant to this Agreement.

(iii) FRANCHISEE's failure to dispose of the contents of the container within five (5) days after CITY issues written notice to FRANCHISEE to dispose of the contents.

10. Personnel

A. Driver Qualifications. FRANCHISEE agrees that all drivers shall be trained and qualified in the operation of collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

B. Safety Training. FRANCHISEE shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection of solid waste, or who are otherwise directly involved in such collection.

11. Education and Outreach

A. FRANCHISEE shall assist CITY in educational and outreach activities to promote diversion of recyclable material and organic material.

B. FRANCHISEE shall provide an outreach and education plan according to FRANCHISEE's Diversion Plan.

C. Education and outreach materials must be translated into any non-English language spoken by a substantial number of the pubic in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

12. Diversion Plan

FRANCHISEE shall implement its Diversion Plan submitted annually as part of its Franchise Application or Franchise Renewal Application and approved by CITY. FRANCHISEE Diversion Plan shall contain the following elements:

A. A methodology for how FRANCHISEE will meet City diversion requirements.

B. A compliance plan that describes the proposed methodology for identifying generators required to have source separated recycling and organic material services, proposed methodology for tracking compliant/noncompliant generators, and proposed efforts for increasing subscription levels.

C. A description of the Franchisee's contamination reduction program, as described in Section 7. Contamination Monitoring, Recordkeeping, and Reporting.

D. A description of a minimum of three (3) outreach and education campaigns and quantifiable goals for each campaign.

(i) At least one annual campaign will be directed at all serviced generators and will inform the serviced generators about both the State Mandatory Commercial Recycling Law (AB 341) and applicable City requirements, and State Mandatory Commercial Organics Recycling Law (AB 1826), the State Mandatory Short-Lived Climate Pollutants Law (SB 1383), and applicable City requirements, and how to comply with each Law.

(ii) At least one campaign will be specifically directed at those serviced generators that are not in compliance with either the State Mandatory Commercial Recycling Law (AB 341), the State Mandatory Commercial Organics Recycling Law (AB 1826) and/or the State Mandatory Short-Lived Climate Pollutants Law (SB 1383) and will inform them of their requirements and how they can comply.

(iii) One campaign will be at the choice of FRANCHISEE and will not be directly related to above campaigns subsections D(i) or D(ii) above.

E. A description of the FRANCHISEE's recordkeeping and reporting systems and how it will accurately meet CalRecycle mandatory reporting requirements under AB 341, AB 1826, and SB 1383.

13. Generator Waiver Program

A. CITY shall grant all generator recycling and organic recycling waivers.

B. Waiver applications must be submitted by the generator on a form provided by Solid Waste Manager.

C. FRANCHISEE may assist the generator with completing the waiver application but is prohibited from submitting a waiver on the generator's behalf.

D. CITY shall provide FRANCHISEE with an updated listing of waivers approved by CITY, including the generators' names, mailing address, service address, and type of waiver.

14. Restricted Collection Hours

A. Solid waste shall be collected within residential areas or within mixed residential and commercial areas of the city only between the hours of 6:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day, and elsewhere within the city only between the hours of 4:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day as provided by chapter 13.10 of the Sacramento City Code, or as otherwise amended.

B. Violation of this provision will subject FRANCHISEE to liquidated damages identified in Exhibit B – Compensation or attachment 1 to Exhibit B.

15. Annual Mandatory Training

A. CITY will conduct annual training covering, at minimum, tonnage and revenue reporting requirements.

B. Attendance is required for a FRANCHISEE that meets any of the following criteria, including but not limited to reporting staff turnover with those responsible or involved in reporting, staff reassignment impacting reporting, significant or repeated reporting errors, or any other issue identified by CITY that may impact accurate or timely reporting.

C. CITY will notify FRANCHISEE at least thirty (30) calendar days in advance if attendance is required, specifying the date, time, and format of the training. All staff involved in reporting to the CITY should attend a training session, but at a minimum, at least one employee from FRANCHISEE must attend.

D. Failure to attend the annual mandatory training may result in the assessment of liquidated damages.

Attachment 1 to Exhibit A
Downtown Service Area

This Attachment 1 to Exhibit A incorporates by this reference the Franchise Agreement between *California Waste Recovery Systems, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit A defines the Downtown Service Area. In the event of a conflict between this Attachment 1 to Exhibit A and the Agreement, the terms of this Attachment 1 to Exhibit A shall prevail.

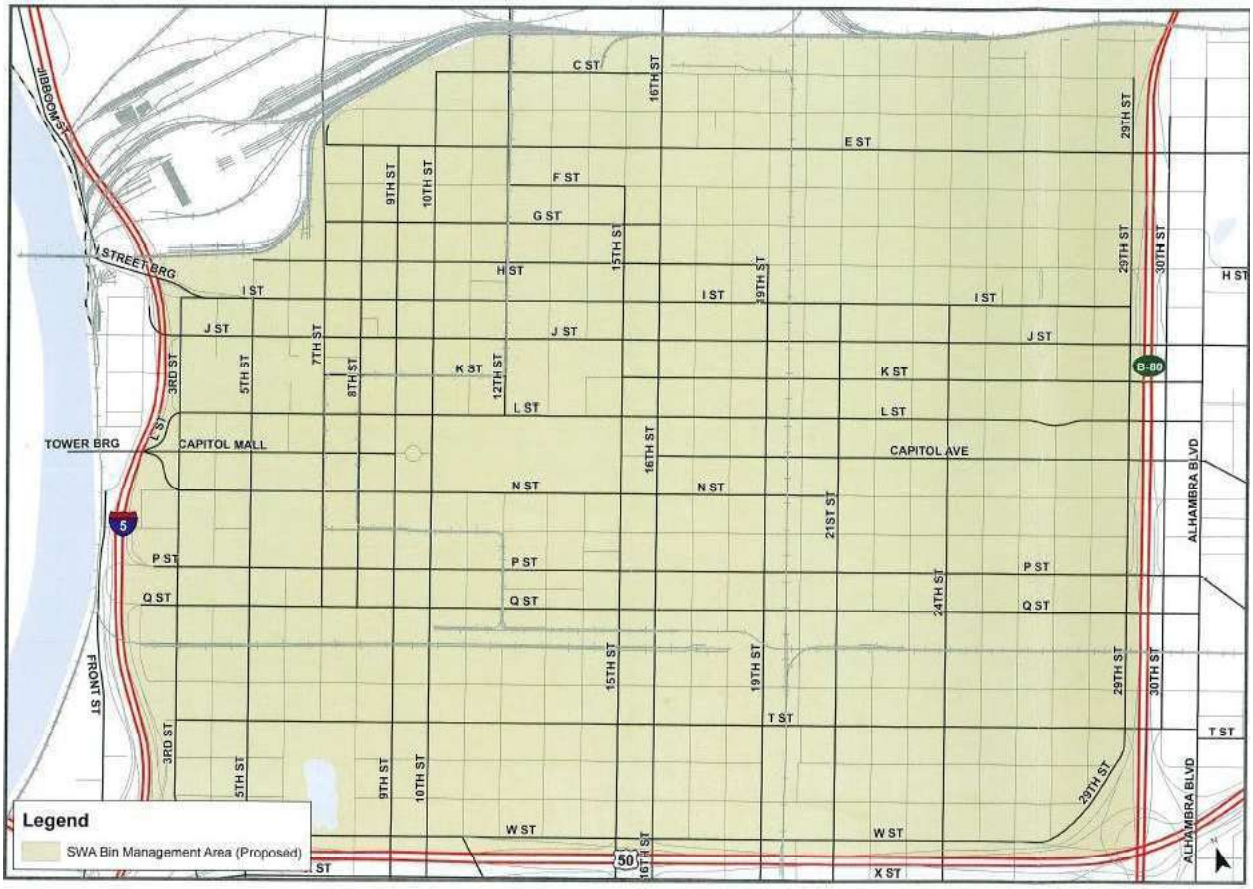


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between *California Waste Recovery Systems, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Exhibit B provides the Compensation for the Agreement. In the event of a conflict between Exhibit B and the Agreement, the terms of Exhibit B shall prevail.

1. FRANCHISE FEES

A. During the term of the Agreement, FRANCHISEE shall pay Franchise Fees to CITY. Such fees shall be in the amount established for commercial solid waste services as set forth by resolution of the City Council and as described in chapter 13.24 of Sacramento City Code, pursuant to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. Franchise Fees shall not be owed by FRANCHISEE for revenues received from federal, state and local governments, including school districts.

C. FRANCHISEE shall pay Franchise Fees on all solid waste collected pursuant to this AGREEMENT regardless of the method of disposal or handling.

D. For calculation of gross collection revenue and calculation of franchise fees, FRANCHISEE may deduct collection revenues for source-separated recyclable material and organic material, provided those materials are diverted from disposal.

2. FRANCHISE FEE PAYMENT

A. FRANCHISEE shall pay Franchise Fees to CITY pursuant to CITY Code section 13.24.040, or as otherwise amended.

B. FRANCHISEE shall pay all required Franchise Fees to:

City of Sacramento, Recycling and Solid Waste Division
Attention: Accounts Receivable
2812 Meadowview Road, Building 1
Sacramento, CA 95832

C. If FRANCHISEE remits Franchise Fees by personal delivery to CITY, such Franchise Fees shall be deemed timely paid only if delivered on or before the due date. If FRANCHISEE remits Franchise Fees by mail or other delivery service, such Franchise Fees shall be deemed timely only if: (1) the envelope containing the Franchise Fee payment bears a postmark or receipt showing that the payment was mailed or sent on or before the due date or (2) FRANCHISEE submits proof satisfactory to Solid Waste Manager that the Franchise Fee payment was in fact deposited in the mail or sent on or before said due date.

D. In the event FRANCHISEE believes that it has paid Franchise Fees in excess of the amounts due to CITY, FRANCHISEE may submit a request for refund to Solid Waste Manager on a form provided by said Solid Waste Manager. If proof of overpayment is satisfactory to Solid Waste Manager, Solid Waste Manager shall refund to FRANCHISEE any overpayment. FRANCHISEE shall not apply any overpayment as a credit against any Recycling Shortfall Penalty, Franchise Fees, or other amounts payable to the CITY unless specifically so authorized by the Solid Waste Manager in writing.

3. Liquidated Damages

A. Failure of FRANCHISEE to provide solid waste collection containers and services that conform to this Agreement will be subject to liquidated damages according to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. If any deficiencies are brought to the attention of CITY, CITY shall notify FRANCHISEE in writing of such failure, including the associated liquidated damages amount. FRANCHISEE may be given a cure period to provide proof of corrective action for such deficiency prior to liquidated damages being assessed. However, not all deficiencies will have a cure period. Attachment 1 to Exhibit B – Fee and Penalty Schedule provides cure periods for deficiencies that shall be assessed liquidated damages. Proof of corrective action must be provided by FRANCHISEE as requested by CITY.

C. If proof of corrective action is not provided by FRANCHISEE within the cure period, CITY may take further enforcement action. Furthermore, continued failure to take corrective action shall be deemed a breach of this Agreement and shall constitute grounds for the termination of this Agreement by CITY.

D. Any Liquidated Damage fees shall be assessed to the FRANCHISEE and shall be due as part of FRANCHISEE's monthly payment to CITY.

4. LATE FEES AND PENALTIES

FRANCHISEE shall pay late fees and penalties to CITY pursuant to the Attachment 1 to Exhibit B – Fee and Penalty Schedule.

Attachment 1 to Exhibit B
Fee and Penalty Schedule

This Attachment 1 to Exhibit B incorporates by this reference the Franchise Agreement between *California Waste Recovery Systems, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit B provides the fees and penalties for the Agreement. In the event of a conflict between this Attachment 1 to Exhibit B and the Agreement, the terms of this Attachment 1 to Exhibit B shall prevail.

Fees and Charges

Fee	Amount	Notes
Franchise fee	10% of revenue	Calculated at 10% of reported disposal revenue. May require minimum of $1,000 per fiscal year (July-June).
Refundable cash deposit	$500.00 per vehicle	Required for each collection vehicle unless sufficient financial assurance provided to CITY.
Delinquent Franchise Fee Payment	10% of franchise fee owed, compounded 1.5% monthly until paid	Franchisee fees are due on the first business day of the second month following the close of each month. The 10% late fee is applied when the franchise fee is not paid on time. If it is still unpaid by the first of the next month, the franchise fee will increase by 1.5% of the owed franchise fee plus the original late fee plus applied interest.
Delinquent Quarterly Tonnage Report Fee	$50.00	Correct and accurate Quarterly Tonnage Reports are due the first business day of the second month following the close of each quarter. An automatic charge of $50/day will be applied until the accurate tonnage report is received. Staff will determine whether a tonnage report is correct.
Delinquent Quarterly Generator Report Fee	$25.00 / day	Correct and accurate Generator Reports are due by the date described in Sacramento City Code, section 13.24.600, or as otherwise amended. An automatic charge of $25/day will be applied until the accurate generator report is received. Staff will determine whether a generator report is correct.
Recycling shortfall penalty	$25.00 / ton of recycling shortfall	Charged per ton of shortfall from 30% diversion requirement.
Abandoned Container Fee	$400.00	Fee to cover the costs for the collection, emptying and storage of a Franchisee abandoned container. Containers are considered abandoned if not removed from the property of a customer within five business days of final termination of services to the customer (13.24.570 or as otherwise amended).

Liquidated Damages

Failure	Amount	Cure Period
Broken or missing lock bar / Broken or missing lock	$150.00 / bin / service address / day	Three (3) business days.

Broken or missing lid	$150.00 / bin / service address / day	Three (3) business days.
Container graffiti	$150.00 / bin / service address / day	Three (3) business days.
Bin not properly labeled	$150.00 / bin / service address / day	Three (3) business days.
Overflowing, spilling, or leaking bin	$250.00 / bin / service address / day	Three (3) business days.
Use of collection vehicle(s) without required inspection	$150.00 / vehicle / day	N/A / None.
Verified collection outside of restricted collection hours (Sacramento City Code 13.24.560 Hours of collection.)	$150.00 / incident	N/A – None.
Uncovered/Unsecured materials in collection vehicles	$150.00 / incident	N/A / None.
Provision of non-compliant service, including but not limited to failing to provide minimum service level requirements and failing to provide all required commodities.	$150.00 / commodity / day	N/A / None for service started on or after July 1, 2024. Generators must be provided compliant services from the commencement of services through final termination.
Inaccurate Reporting	$100 / error after the first five (5) errors per report	N/A / None. Reports must be complete and accurate at the time of submission.
Failure to provide a generator with a copy of the service agreement/contract within timeframe allowable by Sacramento City Code 13.24.270 or as otherwise amended.	$100 / service agreement / day	N/A / None. Liquidated damages will be assessed beginning the first day after the allowable timeframe by Sacramento City Code
Placing a franchisee owned container requiring a minor encroachment permit as defined in Sacramento City Code 12.12 on a public right-of-way without approved minor encroachment permit or prior written approval from the City.	$150 / container / day	N/A / None. The required minor encroachment permit must be approved and attached to temporary container at the time the container is placed on the public right-of-way unless an exception as outlined in Sacramento City Code 12.12.020 applies.
Failure to provide service or response as outlined in Sacramento City Code 13.24.570.	$150 / failure / day	N/A / None. Liquidated damages will be assessed daily until proof of correction is supplied to City in a manner that is satisfactory to Solid Waste Manager or designee.
Failure to attend required hauler reporting training as outlined in Section 15 – Annual Mandatory Training.	$150 / meeting	N/A None. Haulers will be provided 30 days' advance notice for training. Failure to attend will result in immediate assessment of liquidated damages.

Exhibit C
Insurance

1. **Insurance Requirements**. During the entire term of this Agreement, FRANCHISEE shall maintain the insurance coverage described in the Insurance Terms below. Full compensation for all premiums that FRANCHISEE is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Agreement. No additional compensation will be provided for FRANCHISEE's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

   FRANCHISEE's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the FRANCHISEE in connection with this Agreement.

2. **General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the FRANCHISEE and subcontractors, products and completed operations of FRANCHISEE and subcontractors, and premises owned, leased, or used by FRANCHISEE and subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of FRANCHISEE and subcontractors; products and completed operations of FRANCHISEE and subcontractors; and premises owned, leased, or used by FRANCHISEE and subcontractors.

3. **Automobile Liability Minimum Scope and Limits of Insurance Coverage**. (*Check the applicable provision*.)

   X Automobile Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than three million dollars ($3,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the FRANCHISEE. The policy will contain an MCS-90 endorsement when applicable. FRANCHISEES who only operate non-commercial vehicles are required to provide limits of not less than $1,000,000 of Automobile Liability Insurance.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

   X Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract with limits of not less than one million dollars ($1,000,000). This coverage may also be provided on a Contractors Pollution Liability policy.

   If Pollution Liability insurance is written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

4. **Excess Insurance**. The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance contains, or is endorsed to contain, a provision that it will apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of FRANCHISEE's umbrella or excess coverage and will not contribute to it.

5. **Workers' Compensation Minimum Scope and Limits of Insurance Coverage.** (*Check the applicable provision*.)

_X_ Workers' Compensation Insurance is required with statutory limits and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000). The Workers' Compensation policy shall include a waiver of subrogation in favor of the City.

___ No work or services will be performed on or at CITY facilities or CITY Property, therefore a Workers' Compensation waiver of subrogation in favor of the CITY is not required.

___ No Workers' Compensation insurance is required, and by signing this Agreement, FRANCHISEE certifies as follows:

"FRANCHISEE certifies that its business has no employees, and that it does not employ anyone, and is therefore exempt from the legal requirements to provide Workers' Compensation insurance. If, however, FRANCHISEE hires any employee during the term of this Agreement, FRANCHISEE understands that Workers' Compensation with statutory limits and Employer's Liability Insurance with a limit of not less than one million dollars ($1,000,000) is required. The Workers' Compensation policy will include a waiver of subrogation in favor of the City."

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:

A. FRANCHISEE's insurance coverage, including excess insurance, shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-

insurance maintained by the City, its officials, employees or volunteers will be in excess of FRANCHISEE's insurance and will not contribute with it.

B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.

C. Coverage shall state that FRANCHISEE's insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

D. FRANCHISEE shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.

7. **Acceptability of Insurance**. Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Agreement.

8. **Verification of Coverage.**

A. FRANCHISEE shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.

B. FRANCHISEE shall send all insurance certificates and endorsements, including policy renewals, during the term of this Agreement directly to:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

C. Certificate Holder must be listed as:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

D. The City may withdraw its offer of Agreement or cancel this Agreement if the certificates of insurance and endorsements required have not been provided before execution of this Agreement. The City may withhold payments to FRANCHISEE and/or cancel the Agreement if the insurance is canceled or FRANCHISEE otherwise ceases to be insured as required herein.

9. **Subcontractor Insurance Coverage**. FRANCHISEE shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 4/7/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Sequel Insurance Services 111 Scripps Drive Sacramento CA 95825 License#: 6010509	**CONTACT NAME:** **PHONE (A/C, No, Ext):** 279-202-3979 **FAX (A/C, No):** 279-688-0001 **E-MAIL ADDRESS:** certificates@sequelins.com
INSURED CALIWAS-01 California Waste Recovery Systems, LLC; CWR Industries, Inc.; DKCR Properties Inc.; 175 Enterprise Ct., Suite A Galt CA 95632-9047	**INSURER(S) AFFORDING COVERAGE** / **NAIC #** **INSURER A :** National Union Fire Insurance Company of Pittsburg — 19445 **INSURER B :** Admiral Insurance Company — 24856 **INSURER C :** Landmark American Insurance Company — 33138 **INSURER D :** General Star Indemnity Company — 37362 **INSURER E :** StarStone National Insurance Company — 25496 **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 1035734854 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [X] PRO-JECT [ ] LOC [ ] OTHER:	Y		461-15-42	3/1/2026	3/1/2027	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Deductible: $0	$ 2,000,000 $ 300,000 $ 25,000 $ 2,000,000 $ 4,000,000 $ 4,000,000 $
A	AUTOMOBILE LIABILITY X ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS X HIRED AUTOS ONLY X NON-OWNED AUTOS ONLY	Y		709-34-97	3/1/2026	3/1/2027	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Comp/Coll Deductible	$ 2,000,000 $ $ $ $ $250
E D	[ ] UMBRELLA LIAB [X] OCCUR X EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $			AXS00289553P-04 IXG681875A	3/1/2026 3/1/2026	3/1/2027 3/1/2027	EACH OCCURRENCE AGGREGATE 2nd Layer Excess Liab	$ 2,000,000 $ 2,000,000 $ 3,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	WC 031-56-6161	3/1/2026	3/1/2027	X PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 2,000,000 $ 2,000,000 $ 2,000,000
B C	Pollution Liability 3rd Layer Excess Liability			FEI-EIL-23153-07 LHA611497	11/1/2024 3/1/2026	11/25/2026 3/1/2027	Per Condition/Agg Deductible Each Occ / Aggregate	2,000,000 10,000 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Ongoing Operations with the Named Insured
The City of Sacramento, its officials, employees, and volunteers are listed as General Liability and Auto Liability Additional Insureds per terms and conditions of the attached endorsement(s).
Primary and Non-Contributory Wording for General Liability and Auto Liability applies per terms and conditions of the attached endorsements.
Workers Compensation Waiver of Subrogation applies per terms and conditions of the attached endorsement.
30 Day Notice of Cancellation provisions apply per terms and conditions of the attached endorsement(s).
Excess Liability is follow form for underlying General Liability, Auto Liability and Employers Liability policies.

CERTIFICATE HOLDER

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta CA 92564

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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ENDORSEMENT

This endorsement, effective 12:01 A.M. 03/01/2026
forms a part of Policy No. 461-15-42
issued to California Waste Recovery Systems, LLC;
by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

LIMITED ADVICE OF CANCELLATION PROVIDED VIA E-MAIL TO ENTITIES OTHER THAN THE FIRST NAMED INSURED

This policy is amended as follows:

In the event that the **Insurer** cancels this policy for any reason other than non-payment of premium, and

1. the cancellation effective date is prior to this policy's expiration date;

2. the **First Named Insured** is under an existing contractual obligation to notify a certificate holder when this policy is canceled (hereinafter, the "Certificate Holder(s)") and has provided to the **Insurer**, either directly or through its broker of record, the email address of a contact at each such entity; and

3. the **Insurer** received this information after the **First Named Insured** receives notice of cancellation of this policy and prior to this policy's cancellation effective date, via an electronic spreadsheet that is acceptable to the **Insurer,**

the **Insurer** will provide advice of cancellation (the "Advice") via e-mail to each such Certificate Holders within 30 days after the **First Named Insured** provides such information to the **Insurer**; provided, however, that if a specific number of days is not stated above, then the Advice will be provided to such Certificate Holder(s) as soon as reasonably practicable after the **First Named Insured** provides such information to the **Insurer.**

Proof of the **Insurer** emailing the Advice, using the information provided by the **First Named Insured**, will serve as proof that the **Insurer** has fully satisfied its obligations under this endorsement.

This endorsement does not affect, in any way, coverage provided under this policy or the cancellation of this policy or the effective date thereof, nor shall this endorsement invest any rights in any entity not insured under this policy.

The following Definitions apply to this endorsement:

1. **First Named Insured** means the Named Insured shown on the Declarations Page of this policy.
2. **Insurer** means the insurance company shown in the header on the Declarations page of this policy.

All other terms, conditions and exclusions shall remain the same.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	PER THE CONTRACT OR AGREEMENT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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ENDORSEMENT

This endorsement, effective 12:01 A.M. 03/01/2026

forms a part of Policy No. 709-34-97

issued to California Waste Recovery Systems, LLC;

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

INSURANCE PRIMARY AS TO CERTAIN ADDITIONAL INSUREDS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, B., General Conditions, 5., Other Insurance, c., is amended by the addition of the following sentence:

The insurance afforded under this policy to an additional insured will apply as primary insurance for such additional insured where so required under an agreement executed prior to the date of accident. We will not ask any insurer that has issued other insurance to such additional insured to contribute to the settlement of loss arising out of such accident.

All other terms and conditions remain unchanged.



Authorized Representative or Countersignature (in States Where Applicable)

BLANKET WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 03/01/2026 forms a part of Policy No. WC 031-56-6161

Issued to California Waste Recovery Systems, LLC;

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

We have a right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against any person or organization with whom you have a written contract that requires you to obtain this agreement from us, as regards any work you perform for such person or organization.

The additional premium for this endorsement shall be 2.00 % of the total estimated workers compensation premium for this policy.

WC 04 03 61
(Ed. 11/90)

Countersigned by _____

Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 A.M. 03/01/2026
forms a part of Policy No. 709-34-97
issued to California Waste Recovery Systems, LLC;
by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

SCHEDULE

ADDITIONAL INSURED:
Any person or organization for whom you are contractually bound to provide Additional Insured status but only to the extent of such person's or organization's liability arising out of the use of a covered "auto".

I. SECTION II - LIABILITY COVERAGE, A. Coverage, 1. - Who Is Insured, is amended to add:

d. Any person or organization, shown in the schedule above, to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability arising out of use of a covered "auto". However, the insurance provided will not exceed the lesser of:

(1) The coverage and/or limits of this policy, or

(2) The coverage and/or limits required by said contract or agreement.

Authorized Representative or Countersignature (in States Where Applicable)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 03/01/2026 forms a part of Policy No. WC 031-56-6161

Issued to California Waste Recovery Systems, LLC;

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

LIMITED ADVICE OF CANCELLATION PROVIDED VIA E-MAIL TO ENTITIES OTHER THAN THE NAMED INSURED (WORKERS' COMPENSATION ONLY)

This policy is amended as follows:

In the event that the **Insurer** cancels this policy for any reason other than non-payment of premium, and

1. the cancellation effective date is prior to this policy's expiration date;

2. the **Named Insured** or, if applicable, any other employers named in Item 1 of the Information Page is under an existing contractual obligation to notify a certificate holder when this policy is canceled (hereinafter, the "Certificate Holder(s)") and the **Named Insured** has provided to the **Insurer**, either directly or through its broker of record, the email address of a contact at each such entity; and

3. the **Insurer** received this information after the **Named Insured** receives notice of cancellation of this policy and prior to this policy's cancellation effective date, via an electronic spreadsheet that is acceptable to the **Insurer**,

the **Insurer** will provide advice of cancellation (the "Advice") via e-mail to each such Certificate Holders within 30 days after the **Named Insured** provides such information to the **Insurer**; provided, however, that if a specific number of days is not stated above, then the Advice will be provided to such Certificate Holder(s) as soon as reasonably practicable after the **Named Insured** provides such information to the **Insurer**.

Proof of the **Insurer** emailing the Advice, using the information provided by the **First Named Insured**, will serve as proof that the **Insurer** has fully satisfied its obligations under this endorsement.

This endorsement does not affect, in any way, coverage provided under this policy or the cancellation of this policy or the effective date thereof, nor shall this endorsement invest any rights in any entity not insured under this policy.

The following definitions apply to this endorsement:

1. **Named Insured** means the insured first named employer in Item 1 of the Information Page of this policy.

2. **Insurer** means the insurance company shown in the header on the Information Page of this policy.

All other terms, conditions and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	PER THE CONTRACT OR AGREEMENT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY - OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

© Insurance Services Office, Inc., 2018

ENDORSEMENT

This endorsement, effective 12:01 A.M. 03/01/2026
forms a part of Policy No. 709-34-97
issued to California Waste Recovery Systems, LLC;
by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

LIMITED ADVICE OF CANCELLATION PROVIDED VIA E-MAIL TO ENTITIES OTHER THAN THE FIRST NAMED INSURED

This policy is amended as follows:

In the event that the **Insurer** cancels this policy for any reason other than non-payment of premium, and

1. the cancellation effective date is prior to this policy's expiration date;

2. the **First Named Insured** is under an existing contractual obligation to notify a certificate holder when this policy is canceled (hereinafter, the "Certificate Holder(s)") and has provided to the **Insurer**, either directly or through its broker of record, the email address of a contact at each such entity; and

3. the **Insurer** received this information after the **First Named Insured** receives notice of cancellation of this policy and prior to this policy's cancellation effective date, via an electronic spreadsheet that is acceptable to the **Insurer,**

the **Insurer** will provide advice of cancellation (the "Advice") via e-mail to each such Certificate Holders within 30 days after the **First Named Insured** provides such information to the **Insurer**; provided, however, that if a specific number of days is not stated above, then the Advice will be provided to such Certificate Holder(s) as soon as reasonably practicable after the **First Named Insured** provides such information to the **Insurer.**

Proof of the **Insurer** emailing the Advice, using the information provided by the **First Named Insured**, will serve as proof that the **Insurer** has fully satisfied its obligations under this endorsement.

This endorsement does not affect, in any way, coverage provided under this policy or the cancellation of this policy or the effective date thereof, nor shall this endorsement invest any rights in any entity not insured under this policy.

The following Definitions apply to this endorsement:

1. **First Named Insured** means the Named Insured shown on the Declarations Page of this policy.
2. **Insurer** means the insurance company shown in the header on the Declarations page of this policy.

All other terms, conditions and exclusions shall remain the same.

Authorized Representative

City of SACRAMENTO

Contract Routing Sheet

☐ **Payment / Performance Bond Only**

General Routing Information

Department: Public Works Department

Contract Coordinator: Rachel Simpo Email: rsimpo@cityofsacramento.org

Effective Date: 07/01/2026 Expiration Date: 06/30/2027

Grant/Project Name: Commercial Waste Collection Franchise

Other Party: Elk Grove Waste Management, LLC

Original Not to Exceed Amount: $ 0.00

Assessor's Parcel Number(s):

Project Number: 15005861 Bid/RFQ/RFP#:

Supplements/Addendums/Change Orders ☐

Adjusted Amount of this Change (+/-): New Not to Exceed Amount:

Change In Scope: No

Original Contract Number: Supplement Number:

Council Approval ☑

Original Meeting Date: 6/16/26 Council File ID: 2026-01084

Supplement Meeting Date: Council File ID:

Processing Information

- ☐ Clerk's Office to Mail for Recording
- ☐ Return to Dept for Other Party Signature
- ☐ Real Estate
- ☐ Return to Dept for Recording
- ☐ Construction Related
- ☐ Additional Originals Attached – Return to Dept.

Add notes/instructions, including any other contract or council file ID numbers related to this agreement:

Agreement is to grant a franchise, no services provided - "Not to Exceed" limit does not apply.

Signing Authority - Department Directors up to $100K; $100K -$250K City Manager or Assistant City Manager; $250K+ Council Approval & Council Appointee or designee.

Department Review and Routing

AB 339 Review Confirmation (if needed)

Sign Yougnal Achari

Sign Margaret Kaahuba

Sign John Hebbe (May 21, 2026 15:12:54 PDT)

Sign Matt Eierman (May 22, 2026 08:29:55 PDT)

Sign

CONTRACT NAME: Commercial Waste Collection Franchise
CONTRACT PROJECT #: 15005861
DEPARTMENT: Public Works
DIVISION: Recycling and Solid Waste

CITY OF SACRAMENTO
FRANCHISE AGREEMENT FOR
COMMERCIAL SOLID WASTE COLLECTION (CONSTRUCTION & DEMOLITION/CLEAN-UP HAULING ONLY)

THIS AGREEMENT is made at Sacramento, California, by and between the CITY OF SACRAMENTO, a charter city and municipal corporation ("CITY"), and

Elk Grove Waste Management, LLC
7320 14th Ave., Sacramento CA 95820
916-689-4052 | paul@concretewashout.com

("FRANCHISEE"), as of the Effective Date, 7/1/2026, as defined below.

RECITALS

The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste collection within their jurisdiction; and

Chapter 13.24 of the Sacramento City Code authorizes the City Council to enter into non-exclusive franchise agreements for the collection, transportation, and disposal services of commercial solid waste, recyclable materials, organic materials, and construction and demolition debris; and

A non-exclusive franchise to operate, maintain, and provide the collection of solid waste, recyclable materials, and organic materials, and construction and demolition debris along, across, and over City public streets and rights of way promotes the public health, safety, and welfare by promoting permanence and stability among the businesses wishing to provide such services and accountability to the City for compliance with current and future state mandates; and

The City has determined that it is in its best interests to provide for commercial solid waste collection, transportation, and disposal services by means of non-exclusive franchisees; and

The City has determined that the grant of such franchise to the Franchisee is in the public interest; and

The State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement a recycling and waste management program. Through the enactment of various legislation, including the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), the State has directed local agencies, to promote diversion and 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 solid waste that must be disposed.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, CITY and FRANCHISEE agree

as follows:

Section 1: Agreement Documents

All exhibits and documents attached or referred to in this Agreement are incorporated as if set forth herein, including:

1. Exhibit A – Scope of Services
2. Exhibit B – Compensation
3. Exhibit C – Insurance

If there is a conflict between the terms and conditions of any document prepared or provided by the FRANCHISEE and made a part of this Agreement and the other terms or conditions of the Agreement, the other terms and conditions of the Agreement control.

Section 2: Grant and Acceptance of Franchise

1. By this Agreement, CITY hereby grants to FRANCHISEE a non-exclusive commercial solid waste collection franchise authorizing FRANCHISEE to engage in the business of collecting, transporting, and disposing of commercial solid waste generated in connection with construction, demolition, renovation, cleanup, or similar temporary projects accumulated or generated within the City of Sacramento and to use the public streets and rights of way for such purpose.
2. This grant is pursuant to the disclosures, statements, and information contained in FRANCHISEE's Application for City Franchise Agreement.
3. FRANCHISEE hereby accepts the Franchise on the terms and conditions set forth in this Agreement, and all related ordinances and resolutions.

Section 3: Representatives and Notice

CITY Representative for this Agreement is:

Erin Treadwell / Program Manager
2812 Meadowview Road, Building 1, Sacramento, CA 95832
Phone: (916) 808-4934 /Fax: (916) 808-4999 / etreadwell@cityofsacramento.org

The FRANCHISEE Representative for this Agreement is:

Paul Caminata | General Manager
7320 14th Ave., Sacramento CA 95820
916-689-4052 | paul@concretewashout.com

Unless otherwise provided in this Agreement, all FRANCHISEE questions and correspondence pertaining to this Agreement must be addressed to the CITY Representative. All CITY questions and correspondence must be addressed to the FRANCHISEE Representative.

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

Notice shall be deemed effective on the date personally served or, if mailed, three days after the date

deposited in the mail.

FRANCHISEE shall maintain functional Electronic Mail (Email) during the entire duration of the Agreement and provide CITY with such Email address for CITY communication to FRANCHISEE. FRANCHISEE shall notify CITY of any change in its functional Email address in writing via US Mail or Email communication to CITY.

Section 4: Term and Scope of Services

1. **Services.** Subject to the terms and conditions set forth in this Agreement, FRANCHISEE shall provide the services described in attached Exhibit A ("Scope of Services").
2. **Commencement Date.** The Commencement Date of this Agreement shall be when FRANCHISEE commences with the provision of collection, transportation, processing, and disposal services described by this Agreement. During the time between the Effective Date and Commencement Date, FRANCHISEE shall perform any and all activities necessary to commence services on the Commencement Date.
3. **Term.** The Term of this Agreement shall be from the date the Agreement is signed by the Parties until June 30, 2027, unless extended by CITY pursuant to Subsection 4 below.
4. **Option to Extend Term.** CITY, at its sole discretion, shall have the option to extend this Agreement four (4) times by one (1) year, pursuant to the terms and conditions of this Agreement. If CITY elects to exercise the option, it shall give written notice of its election not less than thirty (30) calendar days prior to the initial expiration date or extended termination date of this Agreement.

Section 5: Compensation

1. Compensation under this Agreement shall be in accordance with Exhibit B ("Compensation") and Attachment 1 to Exhibit B, or Exhibit B and any attachments as modified by the CITY in accordance with express provisions in this Agreement and chapter 13.24 of the Sacramento City Code.
2. FRANCHISEE shall maintain for five years following expiration or termination of this Agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; applicable overhead and indirect expenditures.

Section 6: Conditions of Effectiveness

The effectiveness and validity of this Agreement is subject to FRANCHISEE's satisfaction of each and all of the conditions set forth below, each of which may be waived in whole or in part by CITY.

1. **Accuracy of Representations**. The representation and warranties made by FRANCHISEE in its Application for Franchise are true and correct on and as of the Effective Date of this Agreement.
2. **Effectiveness of City Council Action**. The City Council shall have taken action approving this Agreement prior to or on the Effective Date, provided that no restraining order of any kind has been issued.
3. **Furnishing of Insurance**. FRANCHISEE has furnished evidence of the insurance requirements set forth in the attached Exhibit C.

4. **Company Status**. FRANCHISEE is a business duly organized, validly existing, and in good standing under the laws of the State of California. It is qualified to transact business in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

5. **Company Authorization**. FRANCHISEE has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of FRANCHISEE (or the members, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The person signing this Agreement on behalf of FRANCHISEE has authority to do so.

6. **Agreement Will Not Cause Breach**. To the best of FRANCHISEE's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement nor the performance of this Agreement by FRANCHISEE: a) conflicts with, violates, or results in a breach of any applicable law; or, b) 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 is a party or by which FRANCHISEE or any of its properties or assets are bound, or constitutes a default thereunder.

7. **No Litigation**. To the best of FRANCHISEE's knowledge after reasonable investigation, 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 decided, pending or threatened against FRANCHISEE with an unfavorable decision, ruling, or finding, in any single case or in the aggregate, that would adversely affect the performance by FRANCHISEE of its obligations in this Agreement or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of FRANCHISEE or any surety guaranteeing FRANCHISEE's performance under this Agreement, which has not been waived by CITY in writing.

8. **No Adverse Judicial Decisions**. To the best of FRANCHISEE's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement and may subject this Agreement to legal challenge.

9. **Ability to Perform**. FRANCHISEE possesses the business, professional, and technical expertise to manage, collect, transport, treat, store, and dispose of the solid waste and to manage, collect, transport, store, and process recyclable materials and organic materials, and FRANCHISEE possesses the equipment, facility, and employee resources required to perform this Agreement.

10. **FRANCHISEE's Statements**. The FRANCHISEE's application and any other supplementary information submitted to CITY, which CITY has relied on in awarding and entering this Agreement, do not: a) contain any untrue statement of a material fact; orb) omits a material fact that would make any stated information misleading.

11. **FRANCHISEE's Investigation**. FRANCHISEE has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder. FRANCHISEE has taken such matters into consideration in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

12. **Non-Discrimination in Employee Benefits**. This Agreement may be subject to Sacramento City Code chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits

Code (Equal Benefits Ordinance)," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.54. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance.

FRANCHISEE's violation of Sacramento City Code chapter 3.54 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

13. **Considering Criminal Conviction Information in the Employment Application Process**. This Agreement may be subject to the requirements of Sacramento City Code chapter 3.62, Procedures for Considering Criminal Conviction Information in the Employment Application Process. A summary of the requirements, entitled "Ban-The-Box Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

The Ban-The-Box Requirements are applicable to certain contracts with CITY in an amount of $250,000 or more (either initial value or total value after amendment) or if the total value of all FRANCHISEE's contracts with CITY is $250,000 or more over a 12-month period.

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.62. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.62 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.62. FRANCHISEE's violation of Sacramento City Code chapter 3.62 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

14. **Local Business Enterprise Program**. The Local Business Enterprise Program Participation Requirements ("LBE Participation Requirements") may be applicable to this Agreement. A summary of the requirements, entitled "LBE Participation Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.60. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.60 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.60.

FRANCHISEE's violation of Sacramento City Code chapter 3.60 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

Section 7: Compliance with Laws

FRANCHISEE shall, at all times and at its sole cost and expense, observe and comply with all applicable Federal, State, regional, and City laws, regulations, rules, and ordinances, including those of other states, cities, or counties which may have jurisdiction over any service provided by FRANCHISEE under this Agreement.

Section 8: Governing Laws and Jurisdiction

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in the Sacramento County Superior Court, Sacramento, California or in the United States District Court for the Eastern District of California, as applicable.

Section 9: Licenses and Permits

1. FRANCHISEE shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, County of Sacramento and all other appropriate governmental agencies, including any certification and credentials required by CITY, including a City Business Tax Certificate and any required certification issued by the California Secretary of State. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the suspension or termination of this Agreement by CITY.
2. FRANCHISEE further certifies to CITY that it and its principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. FRANCHISEE certifies that it shall not contract with a subcontractor that is so debarred or suspended.

Section 10: Performance Standards

FRANCHISEE shall perform its services under this Agreement in accordance with the industry and/or professional standards applicable to FRANCHISEE'S services. FRANCHISEE shall assign only competent personnel to perform on its behalf under this Agreement.

Section 11: Ownership of Work Product

All technical data, evaluations, plans, specifications, reports, documents, or other work products developed by FRANCHISEE provided hereunder shall be the exclusive property of CITY and shall be delivered to CITY upon completion of the services authorized hereunder. FRANCHISEE may retain copies thereof for its files and internal use. Publication of the information directly derived from work performed or data obtained in connection with services rendered under this Agreement must first be approved in writing by CITY. CITY recognizes that all technical data, evaluations, plans, specifications, reports, and other work products are instruments of FRANCHISEE'S services and are not designed for use other than what is intended by this Agreement.

Section 12: Status of Franchisee - Independent Contractor

1. It is understood and agreed that FRANCHISEE (including FRANCHISEE'S employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Neither FRANCHISEE nor FRANCHISEE'S assigned personnel will be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to FRANCHISEE under the provisions of this

Agreement; and as an independent contractor, FRANCHISEE hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party, including any state or federal agency, that an employer-employee relationship exists by reason of this Agreement or by the reason of the nature or performance under the Agreement.

2. It is further understood and agreed by the parties hereto that FRANCHISEE in the performance of its obligation hereunder is subject to the control or direction of CITY as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by FRANCHISEE for accomplishing the results. To the extent that FRANCHISEE obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use will be at FRANCHISEE's sole discretion based on FRANCHISEE's determination that the use will promote FRANCHISEE's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that FRANCHISEE use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement. As used in this Agreement, "sole discretion" or "sole judgment" means that the party authorized to exercise its discretion or judgment may do so based on an unfettered assessment of its own interests, without considering how its decision affects the other party, and unconstrained by the implied covenant of good faith and fair dealing.

3. If, in the performance of this Agreement, any third persons are employed by FRANCHISEE, such person shall be entirely and exclusively under the direction, supervision, and control of FRANCHISEE. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by FRANCHISEE, and CITY shall have no right or authority over such persons or the terms of such employment.

4. It is further understood and agreed that as an independent contractor and not an employee of CITY, neither the FRANCHISEE nor FRANCHISEE'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of CITY in any capacity whatsoever as agent, nor to bind CITY to any obligation whatsoever. FRANCHISEE shall not be covered by worker's compensation; nor shall FRANCHISEE be entitled to compensated sick leave, vacation leave, retirement entitlement, participation in group health, dental, life and other insurance programs, or entitled to other fringe benefits payable by CITY to employees of CITY.

5. It is further understood and agreed that FRANCHISEE must issue W-2 and 941 Forms for income and employment tax purposes, for all of FRANCHISEE'S assigned personnel under the terms and conditions of this Agreement.

Section 13: FRANCHISEE Not an Agent

Except as CITY may specify in writing, FRANCHISEE and FRANCHISEE's personnel have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. FRANCHISEE and FRANCHISEE's personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.

Section 14: Conflict of Interest

FRANCHISEE covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the CITY's interests or that would in any way hinder FRANCHISEE's performance under this Agreement. FRANCHISEE further covenants that in the

performance of this Agreement, no person having any such interest will be employed by it as an officer, employee, agent, or subcontractor, without the City's written consent.

FRANCHISEE agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City's interests during the performance of this Agreement. If FRANCHISEE is or employs a former officer or employee of the CITY, FRANCHISEE and any former City officer or employee shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any CITY department, board, commission, or committee.

Section 15: Confidentiality of CITY Information

During performance of this Agreement, FRANCHISEE may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special, and unique assets of the CITY.

FRANCHISEE agrees to protect all CITY Information and treat it as strictly confidential, and further agrees that FRANCHISEE shall not at any time, either directly or indirectly, divulge, disclose, or communicate in any manner any CITY Information to any third party without the CITY's prior written consent.

In addition, FRANCHISEE must comply with all CITY policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by FRANCHISEE of this section is a material violation of this Agreement and shall justify legal and equitable relief.

Section 16: Franchisee Information

1. CITY shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by FRANCHISEE under this Agreement. In this Agreement, the term "information" means and includes: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. FRANCHISEE shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.
2. FRANCHISEE shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by FRANCHISEE under this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify FRANCHISEE not later than ten days after CITY is served with any such claim, action, lawsuit, or other proceeding. However, CITY's failure to provide notice within the ten-day period does not relieve FRANCHISEE of its obligations hereunder, which survive any termination or expiration of this Agreement.
3. All proprietary and other information received from FRANCHISEE by CITY, whether received in connection with FRANCHISEE's proposal to CITY or in connection with FRANCHISEE's

performance, will be disclosed upon receipt of a request for disclosure, in accordance with the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to FRANCHISEE of any request for the disclosure of such information.

FRANCHISEE will then have five days from the date it receives notice to petition the court for a protective order to prevent the disclosure of the information. FRANCHISEE shall have sole responsibility for defense of the actual "trade secret" designation of such information.

4. The parties understand and agree that any failure by FRANCHISEE to respond to the notice provided by CITY and seek a protective order, in accordance with the provisions of subsection C, above, constitutes a complete waiver by FRANCHISEE of any rights regarding the information designated "trade secret" by FRANCHISEE, and the information will be disclosed by CITY in accordance with the Public Records Act.

Section 17: Emergency/Declared Disaster Requirements

If an emergency is declared by the City Manager, or if any portion of the City is declared a disaster area by the county, state, or federal government, this Agreement may be subjected to increased usage. FRANCHISEE shall serve the CITY during a declared emergency or disaster, subject to the same terms and conditions that apply during non-emergency/non-disaster conditions. The compensation set forth in this Agreement will apply, without markup, regardless of the circumstances. If FRANCHISEE is unable to fulfill the terms of the Agreement because of a disruption in its routes or service, then FRANCHISEE shall provide proof of the disruption. Acceptable forms of proof will include, but are not limited to, a letter or notice from FRANCHISEE's source stating the reason for the disruption.

Section 18: Indemnity

1. Indemnity*:* FRANCHISEE shall defend, hold harmless, and indemnify CITY, its officers, and employees, and each and every one of them, from and against all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, and expenses of every type and description, whether arising on or off the site of the work or services performed under this Agreement, including any fees and costs reasonably incurred by CITY's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including Liabilities for personal injury or death, damage to personal, real, or intellectual property, damage to the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Agreement by FRANCHISEE, any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE, their respective officers and employees, and anyone else for whose acts of omissions any of them may be liable, whether or not the Liabilities (i) are caused in part by a party indemnified hereunder, or (ii) are litigated, settled, or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage, or expense, to the extent arising from the active negligence or willful misconduct of, or defects in design furnished by, CITY, its agents, servants, or independent contractors who are directly responsible to CITY, except when such agents, servants, or independent contractors are under the supervision and control of FRANCHISEE or any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE.

2. Insurance Policies; Intellectual Property Claims*:* The existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement will not affect or limit any of

CITY's rights under this Section, nor will the limits of any insurance limit the liability of FRANCHISEE hereunder. This section will not apply to any intellectual property claims, actions, lawsuits, or other proceedings subject to the provisions of FRANCHISEE Information above.

3. Survival: The provisions of this section will survive any expiration or termination of this Agreement.

Section 19: Insurance

Without limiting FRANCHISEE's indemnification, FRANCHISEE shall maintain in force at all times during the term of this Agreement and any extensions or modifications, insurance as specified in Exhibit C. It is the responsibility of FRANCHISEE to notify its insurance advisor or insurance carrier regarding coverage, limits, forms, and other insurance requirements specified in Exhibit C. Failure to maintain insurance as required in this Agreement may be grounds for termination of this Agreement.

Section 20: Debarment Certification

1. Pursuant to 2 CFR, Part 200, and applicable Executive Orders, the CITY is restricted in its ability to contract with certain parties that are debarred, suspended, or otherwise excluded or ineligible for participating in Federal assistance programs or activities. By signing this Agreement, FRANCHISEE warrants and certifies under penalty of perjury under the laws of the State of California that FRANCHISEE, including any owner, partner, director, officer, or principal of the FRANCHISEE, or any person in a position with management responsibility or responsibility for the administration of federal funds:

   (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency;

   (b) Has not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, or other criminal felony;

   (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above;

   (d) Has not, within a three-year period preceding this certification, had one or more public contracts (federal, state, or local) or transactions terminated for cause or default;

   (e) Has not been notified, within a three-year period preceding this certification, been notified of any delinquent Federal taxes in an amount that exceeds $3,500 for which the liability remains unsatisfied. Federal taxes are considered delinquent if the tax liability has been finally determined and the taxpayer is delinquent in making payment, as defined in Section 52.209-5 of the Federal Acquisition Regulations.

2. FRANCHISEE further warrants and certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency. Any exceptions to the warranties and certifications in this Section must be disclosed to the CITY.

3. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining FRANCHISEE's responsibility. Disclosures must indicate to whom exceptions apply, the initiating agency, and dates of action.
4. CITY will review the Federal Government's System for Award Management Exclusions maintained by the General Services Administration for eligibility, prior to the execution of this Agreement. FRANCHISEE shall provide immediate written notice to the CITY if, at any time prior to execution, FRANCHISEE learns this certification is erroneous or has become erroneous by reason of changed circumstances. If it is later determined that FRANCHISEE's warranties and certification in this Section were erroneous, the CITY may terminate this Agreement for default.

Section 21: Assignment

1. FRANCHISEE acknowledges that this Agreement involves rendering a vital service to temporary commercial solid waste generators within the City of Sacramento, and that CITY has franchised FRANCHISEE to perform the temporary services specified herein based on: (1) FRANCHISEE'S experience, skill, and reputation for conducting its solid waste collection in a safe, effective and responsible fashion, at all times in keeping with applicable waste management laws, regulations and good solid waste management practices, and (2) FRANCHISEE's financial resources to maintain the required equipment and to support its obligations to CITY under this Agreement. CITY has relied on each of these factors, among others, in choosing the FRANCHISEE to perform the services to be rendered under this Agreement.
2. This Agreement is a privilege to be held in trust by FRANCHISEE. A franchise granted by CITY shall not be transferred, sold, leased, assigned, or relinquished, or delegated to another person, either in whole or in part, whether by forced sale, merger, consolidation, bankruptcy laws or otherwise, without the prior approval of the Sacramento City Council ("CITY Council"). This restriction includes the transfer of ownership of the Agreement, or a majority of the ownership or control of the FRANCHISEE, or the conveyance of a majority of the FRANCHISEE's stock to a new controlling interest. This Agreement shall become void upon the abandonment of FRANCHISEE. CITY Council shall not unreasonably withhold approval of a franchise assignment, provided that such assignment does not unreasonably impact competition and the assignee is qualified to perform its obligations as required by this Agreement and any implementing City law, regulation, rule, or ordinance.
3. FRANCHISEE shall promptly notify the Solid Waste Manager in writing in advance of any proposed assignment, sale, or transfer. In the event the CITY Council approves of any assignment, sale, or transfer, said approval shall not relieve FRANCHISEE of any of its obligations or duties under this Agreement unless this Agreement is modified in writing to that effect.

Section 22: Amendment and Waiver

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon CITY unless agreed in writing by the CITY.

Section 23: Successors

Subject to the provisions of section 21, this Agreement shall bind the successors of CITY and FRANCHISEE in the same manner as if they were expressly named.

Section 24: Time

Time is of the essence in the performance of this Agreement. FRANCHISEE shall devote the necessary time and effort to its performance under this Agreement. Neither party will be considered in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

Section 25: Interpretation

This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

Section 26: Solid Waste Manager

As used in this Agreement, "Solid Waste Manager" shall mean the Integrated Waste General Manager of the Recycling and Solid Waste Division, City of Sacramento Department of Public Works or his/her designee. Solid Waste Manager shall administer this Agreement on behalf of CITY. FRANCHISEE shall meet and confer with the Solid Waste Manager to resolve differences, implement, and execute the requirements of this Agreement.

Section 27: Disputes

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. Pending resolution of any such dispute, FRANCHISEE shall continue without delay to carry out all its responsibilities under this Agreement unless the Agreement is otherwise suspended or terminated in accordance with chapter 13.24 of the Sacramento City Code or the Termination provisions of this Agreement. CITY shall not be required to make payments for any services that are the subject of this dispute resolution process until such dispute has been mutually resolved by the parties. If the dispute cannot be resolved either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California. Nothing in this Agreement or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state and federal law.

Section 28: Default, Termination

1. Default. Except for the occurrence of Force Majeure as described in paragraph 4 of this section, in the event of any material failure or refusal of FRANCHISEE to comply with any obligation or duty imposed on FRANCHISEE under this Agreement or the City Code or related ordinances, resolutions, or administrative rules, the CITY may provide notice of a default pursuant to the provisions of chapter 13.24 of the Sacramento City Code provided it is a situation where there is the ability to cure the default.
2. The following events shall constitute a material breach under this Agreement:
    A. *Misrepresentation*. Any misrepresentation or disclosure made to CITY by FRANCHISEE in connection with or as an inducement to entering this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time the representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

B. *Fraud or Deceit*. If FRANCHISEE practices, or attempts to practice, any fraud or deceit upon CITY.

C. *Failure to Maintain Insurance Coverage*. If FRANCHISEE fails to provide or maintain in full force and effect the Worker's Compensation, liability, or insurance coverage as required by this Agreement.

D. *Violations of Regulation*. If FRANCHISEE violates any permits, orders or filing of any regulatory body having jurisdiction over FRANCHISEE which violation or non-compliance materially affects FRANCHISEE'S ability to perform under this Agreement, provided that FRANCHISEE may contest any such orders as set forth in Chapter 13.24 of the Sacramento City Code, in which case no breach of the Agreement shall be deemed to have occurred during the pendency of the contestation or appeal, to the extent FRANCHISEE is able to adequately perform during that period.

E. *Acts or Omissions*. Any other act or omission by FRANCHISEE which materially violates the terms, conditions, or requirements of this Agreement; resolutions, administrative rules, or the City Code; the California Integrated Waste Management Act of 1989 (as codified in Public Resources Code section 40000 et seq.), as it may be amended from time to time; or any order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if FRANCHISEE cannot reasonably correct or remedy the breach within the time set forth in such notices, if FRANCHISEE should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

3. Termination. Upon the occurrence of a material breach, the CITY may have the right to terminate this Agreement pursuant to the provisions in chapter 13.24 of the Sacramento City Code.

4. Force Majeure. The performance of this Agreement may be discontinued or temporarily suspended in the event of Force Majeure. FRANCHISEE shall not be deemed to be in default and shall not be liable for failure to perform under this Agreement if FRANCHISEE'S performance is prevented or delayed by Force Majeure. Force Majeure means acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, public riots, breakage, explosions, or government restraint. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances, and litigation, including appeals, shall be entirely within the discretion of FRANCHISEE and FRANCHISEE may make settlement thereof at such time and on any such terms and conditions as it may deem to be advisable, and no delay in making such settlement shall deprive FRANCHISEE of the benefit of this section.

5. Notice of Termination. The CITY shall serve written notice in accordance with chapter 13.24 of the Sacramento City Code, either personally or by registered or certified mail, postage prepaid of the termination of a Franchise under this Agreement to the last place of business of FRANCHISEE.

Section 29: Conditions Upon Termination

1. In the event this Agreement is terminated:

A. FRANCHISEE shall have no right or authority to engage in commercial solid waste

collection, transportation, or disposal operations within the City.

B. FRANCHISEE shall, however, remain liable to CITY for any and all Franchise Fees that would otherwise be payable by FRANCHISEE, for any and all late payment charges and interest assessed, for any liquidated damages assessed pursuant to Exhibit B – Compensation or Attachment 1 to Exhibit B of this Agreement and for any and all delinquent report charges assessed pursuant to chapter 13.24 of the City Code.

C. FRANCHISEE shall have a continuing obligation to submit to CITY all reports required by Section 30 of this Agreement and chapter 13.24 of the City Code relating to commercial solid waste or recycling activities performed by FRANCHISEE up to and including the date of termination.

2. In the event this Agreement is terminated, then, within the time period specified by CITY, FRANCHISEE shall promptly remove all of FRANCHISEE's commercial solid waste and recyclables containers from all of FRANCHISEE's collection service locations and shall properly dispose of all solid waste or recyclables in such containers.

Section 30: Reports

1. FRANCHISEE shall submit quarterly tonnage reports on or before the first day of the second calendar month immediately following the reportable quarter and shall be submitted as required in CITY Code section 13.24.280 or as otherwise amended, in a format as required by the Solid Waste Manager.

2. FRANCHISEE shall submit monthly revenue reports on or before the first day of the second month immediately following the month in which collection services were provided as required in CITY Code section 13.24.280 or as otherwise amended. CITY shall provide FRANCHISEE with the required report format of such submittal.

Section 31: Audits, Records, and Inspection Authority

1. Upon CITY's request, FRANCHISEE shall promptly provide access to the Solid Waste Manager or his/her designees of all records, accounts, or other financial or program information pertinent to the conduct of the business and/or requirements of this Franchise as CITY deems necessary to determine FRANCHISEE's compliance with legal and contractual requirements, including the correctness and accuracy of claims submitted by FRANCHISEE.

2. FRANCHISEE shall certify that any response provided to the Solid Waste Manager or his/her designee, pursuant to this section, is true, complete, and correct.

3. In addition to the requirements in subsections 1 and 2 above, FRANCHISEE shall reimburse audit costs incurred by CITY staff, and any other costs for FRANCHISEE-related services provided by CITY staff or its contractors, in the event of significant audit findings including but not limited to, detailed follow-up audits when staff determines that documentation reported by FRANCHISEE is inadequate or incomplete. Where necessary, CITY staff will retain the services of an independent auditor to verify performance and conduct an audit of FRANCHISEE records.

Section 32: Prior Agreements

This Agreement constitutes the entire contract between CITY and FRANCHISEE regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between CITY and FRANCHISEE regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of

this Agreement.

Section 33: Severability

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

Section 34: Survival of Terms

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions, and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation, or termination of this Agreement shall so survive.

Section 35: Headings

The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

Section 36: Attorney Fees

Except as required by Section 19, the Parties will bear their own attorney fees and costs in connection with this Agreement.

Section 37: Authority to Execute

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

Section 38: Duplicate Counterparts

This Agreement may be executed in counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

Signatures scanned and transmitted electronically shall be deemed original signatures for purposes of this Agreement, with such scanned signatures having the same legal effect as original signatures. This Agreement may be executed through the use of an electronic signature and will be binding on each party as if it were physically executed.

(SIGNATURE PAGE FOLLOWS)

Executed as of the day and year first above stated.

CITY OF SACRAMENTO

A Municipal Corporation

By: _____

Print name: Ryan Moore

Title: Assistant City Manager

For: City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

Michael Fry (May 26, 2026 19:18:29 PDT)

_____

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Elk Grove Waste Management, LLC

NAME OF FIRM

30-0016002

Federal I.D. No.

200026310005

State I.D. No.

1048722

City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY *(check one)*:

☐ Individual/Sole Proprietor
☐ Partnership
☐ Corporation *(may require 2 signatures)*
☑ Limited Liability Company
☐ Other (*please specify:* _____)

mark jenkins (May 5, 2026 08:28:18 PDT) 05/05/2026

Signature of Authorized Person

Mark Jenkins | Managing Member

Print Name and Title

Additional Signature *(if required)*

Print Name and Title

Exhibit A
Scope of Services

This Exhibit A incorporates by this reference the Franchise Agreement between *Elk Grove Waste Management, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Temporary Commercial Solid Waste Collection (the "Agreement"). This Exhibit A provides the Scope of Services for the Agreement. In the event of a conflict between Exhibit A and the Agreement, the terms of Exhibit A shall prevail.

1. Definitions

For purposes of this Agreement, all terms used shall have the same meaning as those defined in chapter 13.24 of the Sacramento City Code.

2. Ownership of Waste Material

CITY does not gain any ownership or right to possess commercial solid waste material collected by FRANCHISEE pursuant to this Agreement. Subject to the provisions of this Agreement, FRANCHISEE shall have the right to retain any benefit resulting from its right to retain, recycle, process, dispose of, or use the commercial solid waste material that it collects.

3. Disposal and Diversion of Commercially Generated Waste Material

FRANCHISEE shall dispose of commercial solid waste collected or transported by FRANCHISEE only by taking such commercial solid waste to a landfill or transfer station lawfully authorized to accept such solid waste. FRANCHISEE shall divert recyclable and organic material at facilities legally permitted to process source separated recyclable material and organic material. FRANCHISEE shall not dispose of commercial solid waste by depositing it on any land, whether public or private, or in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system.

4. Diversion Programs

A. Source Separated Recyclable Material and Organic Material: FRANCHISEE is required to divert from landfilling source separated recyclable material and organic material collected and removed by it within CITY region, in accordance with chapter 13.24 of the City Code. Failure to meet the diversion requirement will subject FRANCHISEE to the Recycling Shortfall Penalty provided for in CITY Code section 13.24.760, or as otherwise amended. FRANCHISEE shall not landfill source separated recyclable material and organic material without notifying CITY as described in CITY Code section 13.24.240, or as otherwise amended.

B. Construction and Demolition Debris: When FRANCHISEE provides commercial solid waste collection services for a project subject to Construction and Demolition ("C&D") Debris in chapter 8.124 of the City Code, FRANCHISEE shall assist their generators in complying with the C&D Debris requirements set forth in the City Code.

Diversion credit from mixed construction and demolition debris for compliance with mandates will only be recognized if FRANCHISEE delivers mixed C&D debris to a C&D Sorting Facility certified by the County of Sacramento and material is stamped as sorted by the certified C&D Sorting Facility.

5. Collection Equipment

A. Any and all vehicles used by FRANCHISEE to perform commercial solid waste collection

services shall meet the vehicle inspection, tag and covered load requirements of CITY Code section 13.24.430, 13.24.440 and 13.24.450, or as otherwise amended.

B. FRANCHISEE shall submit a Franchisee commercial solid waste vehicle inventory of FRANCHISEE's vehicles, as required in CITY Code section 13.24.110 or as otherwise amended, and shall include but not limited to, vehicle number, year, make, model, capacity, and vehicle identification number (VIN). FRANCHISEE is required to submit the Franchisee commercial solid waste vehicle inventory annually as part of its Franchise Application or Franchise Renewal Application.

C. If FRANCHISEE's vehicle inventory has changed between the application or renewal application date and the effective date of this agreement, FRANCHISEE must submit to Solid Waste Manager an amended inventory, as required in CITY Code section 13.24.180 or as otherwise amended, prior to commencing the provision of services under this Agreement.

6. Franchisee Provided Waste Material Containers

A. FRANCHISEE shall provide temporary containers used for storage of solid waste materials that meet the following requirements:

(i) FRANCHISEE shall place a label on the body or lid of each container that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that container. Container labels must be available in any non-English language spoken by a substantial number of the public in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

(ii) Container must be clearly identified, with the name, or recognizable corporate or company logo, and phone number of the Franchisee that is legible from a distance of fifty (50) feet.

(iii) Be adequately sized and serviced with adequate frequency to meet the waste material generation needs of the business.

(iv) Be designed and constructed to be watertight to prevent the leakage of liquids.

(v) Be equipped with lids which are to be kept closed and shall be placed in a way that does not prevent the lid from being closed.

(vi) Containers shall be equipped with functioning locking bars or a locking mechanism and shall remain locked at all times, except when solid waste or recyclable materials are being deposited or collected in accordance with the provisions of chapter 13.24 of Sacramento City Code.

(vii) Be kept free of graffiti.

(viii) Be replaced, cleaned, or repainted as needed so as to present a clean appearance.

(ix) No later than January 1, 2036, FRANCHISEE shall provide all generators with collection containers that comply with the container color requirements specified in in Title 14 of the California Code of Regulation ("CCR") Section 18982. 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. Until January 1, 2036, FRANCHISEE is not required to replace functional collection containers that do not comply with these color requirements

prior to the end of the useful life of those containers. New and replacement collection containers, however, must meet new color requirements.

B. Solid Waste Manager or designee may require special container equipment, and/or container labeling with customer identifying information.

C. Violations of the conditions of this section may become the basis for enforcement actions. In addition, violations of the conditions of this section may be determined to be a material breach of this Agreement and will subject the FRANCHISEE to payment of liquidated damages, pursuant to Exhibit B of this Agreement.

7. Abandoned Containers

A. If FRANCHISEE abandons any container used to provide commercial solid waste material collection services under the Agreement, CITY may remove the container and/or dispose of the contents of the container.

B. If CITY removes a container abandoned by FRANCHISEE and/or disposes of the contents of any container abandoned by FRANCHISEE, CITY may charge FRANCHISEE for CITY's costs incurred in such removal/disposal and for CITY's costs of storage of the container. FRANCHISEE shall reimburse CITY for such costs within ten (10) days of the date of CITY's invoice for such costs.

C. For the purposes of this section, "abandoned" includes:

(i) FRANCHISEE's failure to remove the container within the time period specified by termination of the Agreement pursuant to chapter 13.24 of the Sacramento City Code.

(ii) FRANCHISEE's failure to remove the container within a reasonable period after the expiration of the Franchise granted to FRANCHISEE, except in the case where FRANCHISEE has been granted an extension of the term of said Franchise or FRANCHISEE has been granted a subsequent commercial solid waste collection franchise authorizing FRANCHISEE to collect and transport the type or types of solid waste for which the container was used pursuant to this Agreement.

(iii) FRANCHISEE's failure to dispose of the contents of the container within five (5) days after CITY issues written notice to FRANCHISEE to dispose of the contents.

8. Personnel

A. Driver Qualifications. FRANCHISEE agrees that all drivers shall be trained and qualified in the operation of collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

B. Safety Training. FRANCHISEE shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection of solid waste, or who are otherwise directly involved in such collection.

9. Education and Outreach

A. FRANCHISEE shall assist CITY in educational and outreach activities to promote diversion of recyclable material and organic material.

B. FRANCHISEE shall provide an outreach and education plan according to FRANCHISEE's Diversion Plan.

C. Education and outreach materials must be translated into any non-English language spoken by a substantial number of the pubic in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

10. Diversion Plan

FRANCHISEE shall implement its Diversion Plan submitted annually as part of its Franchise Application or Franchise Renewal Application and approved by CITY. FRANCHISEE Diversion Plan shall contain the following elements:

A. A methodology for how FRANCHISEE will meet City diversion requirements.

B. A description of the FRANCHISEE's recordkeeping and reporting systems and how it will accurately meet CalRecycle mandatory reporting.

11. Restricted Collection Hours

A. Solid Waste shall be collected within residential areas or within mixed residential and commercial areas of the city only between the hours of 6:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day, and elsewhere within the city only between the hours of 4:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day as provided by chapter 13.10 of the Sacramento City Code, or as otherwise amended.

B. Violation of this provision will subject FRANCHISEE to liquidated damages identified in Exhibit B – Compensation or attachment 1 to Exhibit B.

12. Annual Mandatory Training

A. CITY will conduct annual training covering, at minimum, tonnage and revenue reporting requirements.

B. Attendance is required for a FRANCHISEE that meets any of the following criteria, including but not limited to reporting staff turnover with those responsible or involved in reporting, staff reassignment impacting reporting, significant or repeated reporting errors, or any other issue identified by CITY that may impact accurate or timely reporting.

C. CITY will notify FRANCHISEE at least thirty (30) calendar days in advance if attendance is required, specifying the date, time, and format of the training. All staff involved in reporting to the CITY should attend a training session, but at a minimum, at least one employee from FRANCHISEE must attend.

D. Failure to attend the annual mandatory training may result in the assessment of liquidated damages.

Attachment 1 to Exhibit A
Downtown Service Area

This Attachment 1 to Exhibit A incorporates by this reference the Franchise Agreement between *Elk Grove Waste Management, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit A defines the Downtown Service Area. In the event of a conflict between this Attachment 1 to Exhibit A and the Agreement, the terms of this Attachment 1 to Exhibit A shall prevail.

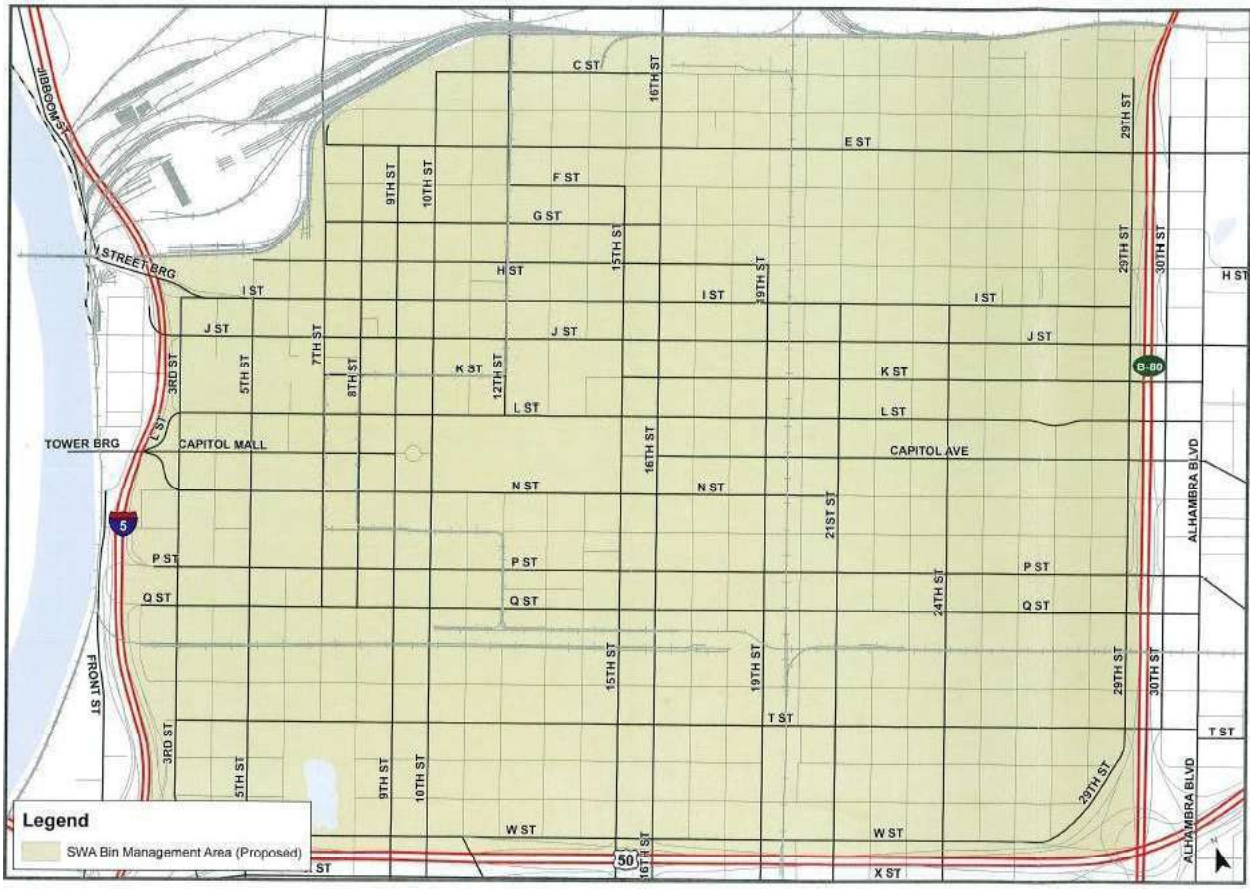


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Exhibit B provides the Compensation for the Agreement. In the event of a conflict between Exhibit B and the Agreement, the terms of Exhibit B shall prevail.

1. FRANCHISE FEES

A. During the term of the Agreement, FRANCHISEE shall pay Franchise Fees to CITY. Such fees shall be in the amount established for commercial solid waste services as set forth by resolution of the City Council and as described in chapter 13.24 of Sacramento City Code, pursuant to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. Franchise Fees shall not be owed by FRANCHISEE for revenues received from federal, state and local governments, including school districts.

C. FRANCHISEE shall pay Franchise Fees on all solid waste collected pursuant to this AGREEMENT regardless of the method of disposal or handling.

D. For calculation of gross collection revenue and calculation of franchise fees, FRANCHISEE may deduct collection revenues for source-separated recyclable material and organic material, provided those materials are diverted from disposal.

2. FRANCHISE FEE PAYMENT

A. FRANCHISEE shall pay Franchise Fees to CITY pursuant to CITY Code section 13.24.040, or as otherwise amended.

B. FRANCHISEE shall pay all required Franchise Fees to:

City of Sacramento, Recycling and Solid Waste Division
Attention: Accounts Receivable
2812 Meadowview Road, Building 1
Sacramento, CA 95832

C. If FRANCHISEE remits Franchise Fees by personal delivery to CITY, such Franchise Fees shall be deemed timely paid only if delivered on or before the due date. If FRANCHISEE remits Franchise Fees by mail or other delivery service, such Franchise Fees shall be deemed timely only if: (1) the envelope containing the Franchise Fee payment bears a postmark or receipt showing that the payment was mailed or sent on or before the due date or (2) FRANCHISEE submits proof satisfactory to Solid Waste Manager that the Franchise Fee payment was in fact deposited in the mail or sent on or before said due date.

D. In the event FRANCHISEE believes that it has paid Franchise Fees in excess of the amounts due to CITY, FRANCHISEE may submit a request for refund to Solid Waste Manager on a form provided by said Solid Waste Manager. If proof of overpayment is satisfactory to Solid Waste Manager, Solid Waste Manager shall refund to FRANCHISEE any overpayment. FRANCHISEE shall not apply any overpayment as a credit against any Recycling Shortfall Penalty, Franchise Fees, or other amounts payable to the CITY unless specifically so authorized by the Solid Waste Manager in writing.

3. Liquidated Damages

A. Failure of FRANCHISEE to provide solid waste collection containers and services that conform to this Agreement will be subject to liquidated damages according to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. If any deficiencies are brought to the attention of CITY, CITY shall notify FRANCHISEE in writing of such failure, including the associated liquidated damages amount. FRANCHISEE may be given a cure period to provide proof of corrective action for such deficiency prior to liquidated damages being assessed. However, not all deficiencies will have a cure period. Attachment 1 to Exhibit B – Fee and Penalty Schedule provides cure periods for deficiencies that shall be assessed liquidated damages. Proof of corrective action must be provided by FRANCHISEE as requested by CITY.

C. If proof of corrective action is not provided by FRANCHISEE within the cure period, CITY may take further enforcement action. Furthermore, continued failure to take corrective action shall be deemed a breach of this Agreement and shall constitute grounds for the termination of this Agreement by CITY.

D. Any Liquidated Damage fees shall be assessed to the FRANCHISEE and shall be due as part of FRANCHISEE's monthly payment to CITY.

4. LATE FEES AND PENALTIES

FRANCHISEE shall pay late fees and penalties to CITY pursuant to the Attachment 1 to Exhibit B – Fee and Penalty Schedule.

Attachment 1 to Exhibit B
Fee and Penalty Schedule

This Attachment 1 to Exhibit B incorporates by this reference the Franchise Agreement between ("FRANCHISEE") *Elk Grove Waste Management, LLC* and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit B provides the fees and penalties for the Agreement. In the event of a conflict between this Attachment 1 to Exhibit B and the Agreement, the terms of this Attachment 1 to Exhibit B shall prevail.

Fees and Charges

Fee	Amount	Notes
Franchise fee	10% of revenue	Calculated at 10% of reported disposal revenue. May require minimum of $1,000 per fiscal year (July-June).
Refundable cash deposit	$500.00 per vehicle	Required for each collection vehicle unless sufficient financial assurance provided to CITY.
Delinquent Franchise Fee Payment	10% of franchise fee owed, compounded 1.5% monthly until paid	Franchisee fees are due on the first business day of the second month following the close of each month. The 10% late fee is applied when the franchise fee is not paid on time. If it is still unpaid by the first of the next month, the franchise fee will increase by 1.5% of the owed franchise fee plus the original late fee plus applied interest.
Delinquent Quarterly Tonnage Report Fee	$50.00	Correct and accurate Quarterly Tonnage Reports are due the first business day of the second month following the close of each quarter. An automatic charge of $50/day will be applied until the accurate tonnage report is received. Staff will determine whether a tonnage report is correct.
Delinquent Quarterly Generator Report Fee	$25.00 / day	Correct and accurate Generator Reports are due by the date described in Sacramento City Code, section 13.24.600, or as otherwise amended. An automatic charge of $25/day will be applied until the accurate generator report is received. Staff will determine whether a generator report is correct.
Recycling shortfall penalty	$25.00 / ton of recycling shortfall	Charged per ton of shortfall from 30% diversion requirement.
Abandoned Container Fee	$400.00	Fee to cover the costs for the collection, emptying and storage of a Franchisee abandoned container. Containers are considered abandoned if not removed from the property of a customer within five business days of final termination of services to the customer (13.24.570 or as otherwise amended).

Liquidated Damages

Failure	Amount	Cure Period
Broken or missing lock bar / Broken or missing lock	$150.00 / bin / service address / day	Three (3) business days.
Broken or missing lid	$150.00 / bin / service address / day	Three (3) business days.

Container graffiti	$150.00 / bin / service address / day	Three (3) business days.
Bin not properly labeled	$150.00 / bin / service address / day	Three (3) business days.
Overflowing, spilling, or leaking bin	$250.00 / bin / service address / day	Three (3) business days.
Use of collection vehicle(s) without required inspection	$150.00 / vehicle / day	N/A / None.
Verified collection outside of restricted collection hours (Sacramento City Code 13.24.560 Hours of collection.)	$150.00 / incident	N/A – None.
Uncovered/Unsecured materials in collection vehicles	$150.00 / incident	N/A / None.
Provision of non-compliant service, including but not limited to failing to provide minimum service level requirements and failing to provide all required commodities.	$150.00 / commodity / day	N/A / None for service started on or after July 1, 2024. Generators must be provided compliant services from the commencement of services through final termination.
Providing ongoing or recurring commercial solid waste or recycling collection services for materials which are not generated in connection with construction, demolition, renovation, cleanup, or similar temporary projects.	$1,000.00 / occurrence / month	N/A/None.
Inaccurate Reporting	$100 / error after the first five (5) errors per report	N/A / None. Reports must be complete and accurate at the time of submission.
Failure to provide a generator with a copy of the service agreement/contract within timeframe allowable by Sacramento City Code 13.24.270 or as otherwise amended.	$100 / service agreement / day	N/A / None. Liquidated damages will be assessed beginning the first day after the allowable timeframe by Sacramento City Code
Placing a franchisee owned container requiring a minor encroachment permit as defined in Sacramento City Code 12.12 on a public right-of-way without approved minor encroachment permit or prior written approval from the City.	$150 / container / day	N/A / None. The required minor encroachment permit must be approved and attached to temporary container at the time the container is placed on the public right-of-way unless an exception as outlined in Sacramento City Code 12.12.020 applies.
Failure to provide service or response as outlined in Sacramento City Code 13.24.570.	$150 / failure / day	N/A / None. Liquidated damages will be assessed daily until proof of correction is supplied to City in a manner that is satisfactory to Solid Waste Manager or designee.
Failure to attend required hauler reporting training as outlined in Section 15 – Annual Mandatory Training.	$150 / meeting	N/A None. Haulers will be provided 30 days' advance notice for training. Failure to attend will result in immediate assessment of liquidated damages.

Exhibit C
Insurance

1. **Insurance Requirements**. During the entire term of this Agreement, FRANCHISEE shall maintain the insurance coverage described in the Insurance Terms below. Full compensation for all premiums that FRANCHISEE is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Agreement. No additional compensation will be provided for FRANCHISEE's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

   FRANCHISEE's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the FRANCHISEE in connection with this Agreement.

2. **General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the FRANCHISEE and subcontractors, products and completed operations of FRANCHISEE and subcontractors, and premises owned, leased, or used by FRANCHISEE and subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of FRANCHISEE and subcontractors; products and completed operations of FRANCHISEE and subcontractors; and premises owned, leased, or used by FRANCHISEE and subcontractors.

3. **Automobile Liability Minimum Scope and Limits of Insurance Coverage**. (*Check the applicable provision*.)

   X Automobile Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than three million dollars ($3,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the FRANCHISEE. The policy will contain an MCS-90 endorsement when applicable. FRANCHISEES who only operate non-commercial vehicles are required to provide limits of not less than $1,000,000 of Automobile Liability Insurance.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

   X Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract with limits of not less than one million dollars ($1,000,000). This coverage may also be provided on a Contractors Pollution Liability policy.

   If Pollution Liability insurance is written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

4. **Excess Insurance**. The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance contains, or is endorsed to contain, a provision that it will apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of FRANCHISEE's umbrella or excess coverage and will not contribute to it.

5. **Workers' Compensation Minimum Scope and Limits of Insurance Coverage.** (*Check the applicable provision*.)

_X_ Workers' Compensation Insurance is required with statutory limits and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000). The Workers' Compensation policy shall include a waiver of subrogation in favor of the City.

___ No work or services will be performed on or at CITY facilities or CITY Property, therefore a Workers' Compensation waiver of subrogation in favor of the CITY is not required.

___ No Workers' Compensation insurance is required, and by signing this Agreement, FRANCHISEE certifies as follows:

"FRANCHISEE certifies that its business has no employees, and that it does not employ anyone, and is therefore exempt from the legal requirements to provide Workers' Compensation insurance. If, however, FRANCHISEE hires any employee during the term of this Agreement, FRANCHISEE understands that Workers' Compensation with statutory limits and Employer's Liability Insurance with a limit of not less than one million dollars ($1,000,000) is required. The Workers' Compensation policy will include a waiver of subrogation in favor of the City."

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:

A. FRANCHISEE's insurance coverage, including excess insurance, shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-

insurance maintained by the City, its officials, employees or volunteers will be in excess of FRANCHISEE's insurance and will not contribute with it.

B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.

C. Coverage shall state that FRANCHISEE's insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

D. FRANCHISEE shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.

7. **Acceptability of Insurance**. Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Agreement.

8. **Verification of Coverage.**

A. FRANCHISEE shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.

B. FRANCHISEE shall send all insurance certificates and endorsements, including policy renewals, during the term of this Agreement directly to:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

C. Certificate Holder must be listed as:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

D. The City may withdraw its offer of Agreement or cancel this Agreement if the certificates of insurance and endorsements required have not been provided before execution of this Agreement. The City may withhold payments to FRANCHISEE and/or cancel the Agreement if the insurance is canceled or FRANCHISEE otherwise ceases to be insured as required herein.

9. **Subcontractor Insurance Coverage**. FRANCHISEE shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.

ELKGROV-01 JHOLM

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 3/23/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 92472 Beehive Insurance Agency Inc Agency CA License #0582035 1289 S Interstate Dr #200 Cedar City, UT 84720-3658	CONTACT NAME: Jessica Holm PHONE (A/C, No, Ext): (801) 685-6860 FAX (A/C, No): (801) 685-2899 E-MAIL ADDRESS: jholm@beehiveinsurance.com
INSURED Elk Grove Waste Management, LLC 7320 14th Ave Sacramento, CA 95820	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Great Divide Insurance Company — 25224 INSURER B : Key Risk Insurance Company — 10885 INSURER C : StarStone Specialty Insurance Company — 44776 INSURER D : Westchester Surplus Lines Insurance — 10172 INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC OTHER:			GLP2044744-11	9/19/2025	9/19/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
B	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY SCHEDULED AUTOS HIRED AUTOS ONLY NON-OWNED AUTOS ONLY			BAP2044743-11	9/19/2025	9/19/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
C	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $			CSX00210365P-01	9/19/2025	9/19/2026	EACH OCCURRENCE AGGREGATE	$ 2,000,000 $ 2,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
D	Pollution Liability			G48768787 002	9/19/2025	9/19/2026	Aggregate	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
The City, its officials, employees and volunteers are Additional Insured in regards to the general liability per terms and conditions of the attached endorsement(s).

CERTIFICATE HOLDER

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:
Any person or organization with whom the insured has entered a written contract prior to loss.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY - OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
Those entities with whom the Named Insured has executed a written contract.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or

2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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Named Insured Elk Grove Waste Management LLC			Endorsement Number
Policy Symbol CPW	Policy Number G48768787 002	Policy Period 09/19/2025 to 09/19/2026	Effective Date of Endorsement 09/19/2025
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
CONTRACTORS POLLUTION LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization: As required by written contract, prior to a loss to which this insurance applies.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The **TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition** is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or **your work** done under a contract with that person or organization and included in the **products-completed operations hazard**. This waiver applies only to the person or organization shown in the Schedule above.

All other terms and conditions remain the same.

Westchester
A Chubb Company

ADDITIONAL INSURED ENDORSEMENT – ONGOING WORK OR OPERATIONS

Named Insured Elk Grove Waste Management LLC			Endorsement Number
Policy Symbol CPW	Policy Number G48768787 002	Policy Period 09/19/2025 to 09/19/2026	Effective Date of Endorsement 09/19/2025
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

CONTRACTORS POLLUTION LIABILITY COVERAGE PART

SCHEDULE:

Name of Person(s) or Organization(s): As required by written contract, prior to a loss to which this insurance applies.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured the persons or organizations shown in the Schedule, but only with respect to liability for injury or damage, to which this insurance applies, caused in ,whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insureds.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following exclusion is added:

Exclusions

This insurance does not apply to injury or damage occurring after:

a. All work or operations, including materials, parts or equipment furnished in connection with such work or operations, on the project (other than service, maintenance or repairs) to be performed by you or on your behalf at the site of the covered operations has been completed; or

b. That portion of **your work** out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for the additional insured as a part of the same project.

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C. With respect to the insurance afforded to these additional insureds, the following is added to S**ECTION III – LIMITS OF INSURANCE:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms and conditions of this policy remain unchanged.

Westchester
A Chubb Company

ADDITIONAL INSURED ENDORSEMENT – PRODUCTS-COMPLETED OPERATIONS HAZARD

Named Insured Elk Grove Waste Management LLC			Endorsement Number
Policy Symbol CPW	Policy Number G48768787 002	Policy Period 09/19/2025 to 09/19/2026	Effective Date of Endorsement 09/19/2025
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

CONTRACTORS POLLUTION LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization(s): As required by written contract, prior to a loss to which this insurance applies.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. **SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for injury or damage, to which this insurance applies, caused by or resulting from **your work** performed for that additional insured and included in the **products-completed operations hazard,** and only to the extent that such injury or damage is caused, in whole or in part, by your negligence or the negligence of those acting on your behalf.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III - LIMITS OF INSURANCE:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms and conditions of this policy remain unchanged.

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Westchester
A Chubb Company

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

Named Insured Elk Grove Waste Management LLC			Endorsement Number
Policy Symbol CPW	Policy Number G48768787 002	Policy Period 09/19/2025 to 09/19/2026	Effective Date of Endorsement 09/19/2025
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

CONTRACTOR'S POLLUTION LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary and Noncontributory Insurance

This policy is primary to, and will not seek contribution from, any other insurance available to an additional insured under this policy, provided that:

a. The additional insured is a named insured under such other insurance; and

b. The **named insured** has agreed in a written contract or agreement that this insurance would:

(1) act as primary insurance; and

(2) would not seek contribution from any other insurance available to the additional insured.

All other terms and conditions of this policy remain unchanged.

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 03/23/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Katie Jarcik	
Cal-Nevada Insurance Agency PO Box 5419 Incline Village NV 89450	PHONE (A/C, No, Ext): (775) 831-1422	FAX (A/C, No): (775) 831-7873
	E-MAIL ADDRESS: katie@calnevadains.com	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : State Compensation Ins. Fund	35076
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Elk Grove Waste Management, LLC
7320 14th Avenue
Sacramento CA 95828

COVERAGES **CERTIFICATE NUMBER:** 2026-27 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	☐ COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	☐ OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ **UMBRELLA LIAB** ☐ OCCUR						EACH OCCURRENCE	$
	☐ **EXCESS LIAB** ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	9223714	01/01/2026	01/01/2027	☒ PER STATUTE ☐ OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Workers Comp blanket waiver of subrogation endorsement per contract.

CERTIFICATE HOLDER

City of Sacramento
c/o EXIGIS LLC
PO Box 947
Murrieta CA 92564

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Endorsement Agreement

Waiver of Subrogation
Blanket Basis

9223714-2026
Renewal
NF
4-73-91-63

Home Office
San Francisco
All Effective Dates are
at 12:01 AM Pacific
Standard Time or the
Time Indicated at
Pacific Standard Time

Effective January 1, 2026 at 12:01 AM
and Expiring January 20, 2026 at 12:01 AM

ELK GROVE WASTE MANAGEMENT LLC
7320 14TH AVE
SACRAMENTO, CA 95820-3536

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the schedule.

This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

The additional premium for this endorsement shall be 2.00% of the total policy premium.

Schedule

Person or Organization	Job Description
Any person or organization for whom the named Insured has agreed by written contract to furnish this waiver	Blanket Waiver of Subrogation

Nothing in this endorsement shall be held to vary, alter, waive or extend any of the terms, conditions, agreements, or limitations of this policy other than as above stated. Nothing elsewhere in this policy shall be held to vary, alter, waive or limit the terms, conditions, agreements or limitations in this endorsement.

Countersigned and Issued at San Francisco January 2, 2026

2572 Authorized Representative President and CEO SF – END

Rev. 2/2025 OLD DP 217

City of SACRAMENTO Contract Routing Sheet

☐ **Payment / Performance Bond Only**

General Routing Information

Department: Public Works Department

Contract Coordinator: Rachel Simpo Email: rsimpo@cityofsacramento.org

Effective Date: 07/01/2026 Expiration Date: 06/30/2027

Grant/Project Name: Commercial Waste Collection Franchise

Other Party: Ferma Greenbox Inc

Original Not to Exceed Amount: $ 0.00

Assessor's Parcel Number(s):

Project Number: 15005861 Bid/RFQ/RFP#:

Supplements/Addendums/Change Orders ☐

Adjusted Amount of this Change (+/-): New Not to Exceed Amount:

Change In Scope: No

Original Contract Number: Supplement Number:

Council Approval ☑

Original Meeting Date: 6/16/26 Council File ID: 2026-01084

Supplement Meeting Date: Council File ID:

Processing Information

- ☐ Clerk's Office to Mail for Recording
- ☐ Return to Dept for Other Party Signature
- ☐ Real Estate
- ☐ Return to Dept for Recording
- ☐ Construction Related
- ☐ Additional Originals Attached – Return to Dept.

Add notes/instructions, including any other contract or council file ID numbers related to this agreement:

Agreement is to grant a franchise, no services provided - "Not to Exceed" limit does not apply.

Signing Authority - Department Directors up to $100K; $100K -$250K City Manager or Assistant City Manager; $250K+ Council Approval & Council Appointee or designee.

Department Review and Routing

AB 339 Review Confirmation (if needed)

Sign Yougnal Achari

Sign Margaret Kashuba

Sign John Ebbert (May 21, 2026 15:15:22 PDT)

Sign Matt Fierman (May 22, 2026 10:47:45 PDT)

Sign

CONTRACT NAME: Commercial Waste Collection Franchise
CONTRACT PROJECT #: 15005861
DEPARTMENT: Public Works
DIVISION: Recycling and Solid Waste

CITY OF SACRAMENTO
FRANCHISE AGREEMENT FOR
COMMERCIAL SOLID WASTE COLLECTION (CONSTRUCTION & DEMOLITION/CLEAN-UP HAULING ONLY)

THIS AGREEMENT is made at Sacramento, California, by and between the CITY OF SACRAMENTO, a charter city and municipal corporation ("CITY"), and

Ferma Greenbox, Inc
6647 Smith Ave., Newark, CA 94560
877-337-6211 | jnieva@fermacorp.com

("FRANCHISEE"), as of the Effective Date, 7/1/2026, as defined below.

RECITALS

The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste collection within their jurisdiction; and

Chapter 13.24 of the Sacramento City Code authorizes the City Council to enter into non-exclusive franchise agreements for the collection, transportation, and disposal services of commercial solid waste, recyclable materials, organic materials, and construction and demolition debris; and

A non-exclusive franchise to operate, maintain, and provide the collection of solid waste, recyclable materials, and organic materials, and construction and demolition debris along, across, and over City public streets and rights of way promotes the public health, safety, and welfare by promoting permanence and stability among the businesses wishing to provide such services and accountability to the City for compliance with current and future state mandates; and

The City has determined that it is in its best interests to provide for commercial solid waste collection, transportation, and disposal services by means of non-exclusive franchisees; and

The City has determined that the grant of such franchise to the Franchisee is in the public interest; and

The State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement a recycling and waste management program. Through the enactment of various legislation, including the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), the State has directed local agencies, to promote diversion and 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 solid waste that must be disposed.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, CITY and FRANCHISEE agree

as follows:

Section 1: Agreement Documents

All exhibits and documents attached or referred to in this Agreement are incorporated as if set forth herein, including:

1. Exhibit A – Scope of Services
2. Exhibit B – Compensation
3. Exhibit C – Insurance

If there is a conflict between the terms and conditions of any document prepared or provided by the FRANCHISEE and made a part of this Agreement and the other terms or conditions of the Agreement, the other terms and conditions of the Agreement control.

Section 2: Grant and Acceptance of Franchise

1. By this Agreement, CITY hereby grants to FRANCHISEE a non-exclusive commercial solid waste collection franchise authorizing FRANCHISEE to engage in the business of collecting, transporting, and disposing of commercial solid waste generated in connection with construction, demolition, renovation, cleanup, or similar temporary projects accumulated or generated within the City of Sacramento and to use the public streets and rights of way for such purpose.
2. This grant is pursuant to the disclosures, statements, and information contained in FRANCHISEE's Application for City Franchise Agreement.
3. FRANCHISEE hereby accepts the Franchise on the terms and conditions set forth in this Agreement, and all related ordinances and resolutions.

Section 3: Representatives and Notice

CITY Representative for this Agreement is:

Erin Treadwell / Program Manager
2812 Meadowview Road, Building 1, Sacramento, CA 95832
Phone: (916) 808-4934 /Fax: (916) 808-4999 / etreadwell@cityofsacramento.org

The FRANCHISEE Representative for this Agreement is:

John Nieva | Accounting Manager
6647 Smith Ave., Newark, CA 94560
877-337-6211 | jnieva@fermacorp.com

Unless otherwise provided in this Agreement, all FRANCHISEE questions and correspondence pertaining to this Agreement must be addressed to the CITY Representative. All CITY questions and correspondence must be addressed to the FRANCHISEE Representative.

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

Notice shall be deemed effective on the date personally served or, if mailed, three days after the date

deposited in the mail.

FRANCHISEE shall maintain functional Electronic Mail (Email) during the entire duration of the Agreement and provide CITY with such Email address for CITY communication to FRANCHISEE. FRANCHISEE shall notify CITY of any change in its functional Email address in writing via US Mail or Email communication to CITY.

Section 4: Term and Scope of Services

1. **Services.** Subject to the terms and conditions set forth in this Agreement, FRANCHISEE shall provide the services described in attached Exhibit A ("Scope of Services").
2. **Commencement Date.** The Commencement Date of this Agreement shall be when FRANCHISEE commences with the provision of collection, transportation, processing, and disposal services described by this Agreement. During the time between the Effective Date and Commencement Date, FRANCHISEE shall perform any and all activities necessary to commence services on the Commencement Date.
3. **Term.** The Term of this Agreement shall be from the date the Agreement is signed by the Parties until June 30, 2027, unless extended by CITY pursuant to Subsection 4 below.
4. **Option to Extend Term.** CITY, at its sole discretion, shall have the option to extend this Agreement four (4) times by one (1) year, pursuant to the terms and conditions of this Agreement. If CITY elects to exercise the option, it shall give written notice of its election not less than thirty (30) calendar days prior to the initial expiration date or extended termination date of this Agreement.

Section 5: Compensation

1. Compensation under this Agreement shall be in accordance with Exhibit B ("Compensation") and Attachment 1 to Exhibit B, or Exhibit B and any attachments as modified by the CITY in accordance with express provisions in this Agreement and chapter 13.24 of the Sacramento City Code.
2. FRANCHISEE shall maintain for five years following expiration or termination of this Agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; applicable overhead and indirect expenditures.

Section 6: Conditions of Effectiveness

The effectiveness and validity of this Agreement is subject to FRANCHISEE's satisfaction of each and all of the conditions set forth below, each of which may be waived in whole or in part by CITY.

1. **Accuracy of Representations**. The representation and warranties made by FRANCHISEE in its Application for Franchise are true and correct on and as of the Effective Date of this Agreement.
2. **Effectiveness of City Council Action**. The City Council shall have taken action approving this Agreement prior to or on the Effective Date, provided that no restraining order of any kind has been issued.
3. **Furnishing of Insurance**. FRANCHISEE has furnished evidence of the insurance requirements set forth in the attached Exhibit C.

4. **Company Status**. FRANCHISEE is a business duly organized, validly existing, and in good standing under the laws of the State of California. It is qualified to transact business in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

5. **Company Authorization**. FRANCHISEE has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of FRANCHISEE (or the members, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The person signing this Agreement on behalf of FRANCHISEE has authority to do so.

6. **Agreement Will Not Cause Breach**. To the best of FRANCHISEE's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement nor the performance of this Agreement by FRANCHISEE: a) conflicts with, violates, or results in a breach of any applicable law; or, b) 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 is a party or by which FRANCHISEE or any of its properties or assets are bound, or constitutes a default thereunder.

7. **No Litigation**. To the best of FRANCHISEE's knowledge after reasonable investigation, 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 decided, pending or threatened against FRANCHISEE with an unfavorable decision, ruling, or finding, in any single case or in the aggregate, that would adversely affect the performance by FRANCHISEE of its obligations in this Agreement or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of FRANCHISEE or any surety guaranteeing FRANCHISEE's performance under this Agreement, which has not been waived by CITY in writing.

8. **No Adverse Judicial Decisions**. To the best of FRANCHISEE's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement and may subject this Agreement to legal challenge.

9. **Ability to Perform**. FRANCHISEE possesses the business, professional, and technical expertise to manage, collect, transport, treat, store, and dispose of the solid waste and to manage, collect, transport, store, and process recyclable materials and organic materials, and FRANCHISEE possesses the equipment, facility, and employee resources required to perform this Agreement.

10. **FRANCHISEE's Statements**. The FRANCHISEE's application and any other supplementary information submitted to CITY, which CITY has relied on in awarding and entering this Agreement, do not: a) contain any untrue statement of a material fact; orb) omits a material fact that would make any stated information misleading.

11. **FRANCHISEE's Investigation**. FRANCHISEE has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder. FRANCHISEE has taken such matters into consideration in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

12. **Non-Discrimination in Employee Benefits**. This Agreement may be subject to Sacramento City Code chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits

Code (Equal Benefits Ordinance)," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.54. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance.

FRANCHISEE's violation of Sacramento City Code chapter 3.54 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

13. **Considering Criminal Conviction Information in the Employment Application Process**. This Agreement may be subject to the requirements of Sacramento City Code chapter 3.62, Procedures for Considering Criminal Conviction Information in the Employment Application Process. A summary of the requirements, entitled "Ban-The-Box Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

The Ban-The-Box Requirements are applicable to certain contracts with CITY in an amount of $250,000 or more (either initial value or total value after amendment) or if the total value of all FRANCHISEE's contracts with CITY is $250,000 or more over a 12-month period.

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.62. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.62 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.62. FRANCHISEE's violation of Sacramento City Code chapter 3.62 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

14. **Local Business Enterprise Program**. The Local Business Enterprise Program Participation Requirements ("LBE Participation Requirements") may be applicable to this Agreement. A summary of the requirements, entitled "LBE Participation Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.60. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.60 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.60.

FRANCHISEE's violation of Sacramento City Code chapter 3.60 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

Section 7: Compliance with Laws

FRANCHISEE shall, at all times and at its sole cost and expense, observe and comply with all applicable Federal, State, regional, and City laws, regulations, rules, and ordinances, including those of other states, cities, or counties which may have jurisdiction over any service provided by FRANCHISEE under this Agreement.

Section 8: Governing Laws and Jurisdiction

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in the Sacramento County Superior Court, Sacramento, California or in the United States District Court for the Eastern District of California, as applicable.

Section 9: Licenses and Permits

1. FRANCHISEE shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, County of Sacramento and all other appropriate governmental agencies, including any certification and credentials required by CITY, including a City Business Tax Certificate and any required certification issued by the California Secretary of State. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the suspension or termination of this Agreement by CITY.
2. FRANCHISEE further certifies to CITY that it and its principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. FRANCHISEE certifies that it shall not contract with a subcontractor that is so debarred or suspended.

Section 10: Performance Standards

FRANCHISEE shall perform its services under this Agreement in accordance with the industry and/or professional standards applicable to FRANCHISEE'S services. FRANCHISEE shall assign only competent personnel to perform on its behalf under this Agreement.

Section 11: Ownership of Work Product

All technical data, evaluations, plans, specifications, reports, documents, or other work products developed by FRANCHISEE provided hereunder shall be the exclusive property of CITY and shall be delivered to CITY upon completion of the services authorized hereunder. FRANCHISEE may retain copies thereof for its files and internal use. Publication of the information directly derived from work performed or data obtained in connection with services rendered under this Agreement must first be approved in writing by CITY. CITY recognizes that all technical data, evaluations, plans, specifications, reports, and other work products are instruments of FRANCHISEE'S services and are not designed for use other than what is intended by this Agreement.

Section 12: Status of Franchisee - Independent Contractor

1. It is understood and agreed that FRANCHISEE (including FRANCHISEE'S employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Neither FRANCHISEE nor FRANCHISEE'S assigned personnel will be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to FRANCHISEE under the provisions of this

Agreement; and as an independent contractor, FRANCHISEE hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party, including any state or federal agency, that an employer-employee relationship exists by reason of this Agreement or by the reason of the nature or performance under the Agreement.

2. It is further understood and agreed by the parties hereto that FRANCHISEE in the performance of its obligation hereunder is subject to the control or direction of CITY as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by FRANCHISEE for accomplishing the results. To the extent that FRANCHISEE obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use will be at FRANCHISEE's sole discretion based on FRANCHISEE's determination that the use will promote FRANCHISEE's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that FRANCHISEE use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement. As used in this Agreement, "sole discretion" or "sole judgment" means that the party authorized to exercise its discretion or judgment may do so based on an unfettered assessment of its own interests, without considering how its decision affects the other party, and unconstrained by the implied covenant of good faith and fair dealing.

3. If, in the performance of this Agreement, any third persons are employed by FRANCHISEE, such person shall be entirely and exclusively under the direction, supervision, and control of FRANCHISEE. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by FRANCHISEE, and CITY shall have no right or authority over such persons or the terms of such employment.

4. It is further understood and agreed that as an independent contractor and not an employee of CITY, neither the FRANCHISEE nor FRANCHISEE'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of CITY in any capacity whatsoever as agent, nor to bind CITY to any obligation whatsoever. FRANCHISEE shall not be covered by worker's compensation; nor shall FRANCHISEE be entitled to compensated sick leave, vacation leave, retirement entitlement, participation in group health, dental, life and other insurance programs, or entitled to other fringe benefits payable by CITY to employees of CITY.

5. It is further understood and agreed that FRANCHISEE must issue W-2 and 941 Forms for income and employment tax purposes, for all of FRANCHISEE'S assigned personnel under the terms and conditions of this Agreement.

Section 13: FRANCHISEE Not an Agent

Except as CITY may specify in writing, FRANCHISEE and FRANCHISEE's personnel have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. FRANCHISEE and FRANCHISEE's personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.

Section 14: Conflict of Interest

FRANCHISEE covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the CITY's interests or that would in any way hinder FRANCHISEE's performance under this Agreement. FRANCHISEE further covenants that in the

performance of this Agreement, no person having any such interest will be employed by it as an officer, employee, agent, or subcontractor, without the City's written consent.

FRANCHISEE agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City's interests during the performance of this Agreement. If FRANCHISEE is or employs a former officer or employee of the CITY, FRANCHISEE and any former City officer or employee shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any CITY department, board, commission, or committee.

Section 15: Confidentiality of CITY Information

During performance of this Agreement, FRANCHISEE may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special, and unique assets of the CITY.

FRANCHISEE agrees to protect all CITY Information and treat it as strictly confidential, and further agrees that FRANCHISEE shall not at any time, either directly or indirectly, divulge, disclose, or communicate in any manner any CITY Information to any third party without the CITY's prior written consent.

In addition, FRANCHISEE must comply with all CITY policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by FRANCHISEE of this section is a material violation of this Agreement and shall justify legal and equitable relief.

Section 16: Franchisee Information

1. CITY shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by FRANCHISEE under this Agreement. In this Agreement, the term "information" means and includes: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. FRANCHISEE shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.
2. FRANCHISEE shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by FRANCHISEE under this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify FRANCHISEE not later than ten days after CITY is served with any such claim, action, lawsuit, or other proceeding. However, CITY's failure to provide notice within the ten-day period does not relieve FRANCHISEE of its obligations hereunder, which survive any termination or expiration of this Agreement.
3. All proprietary and other information received from FRANCHISEE by CITY, whether received in connection with FRANCHISEE's proposal to CITY or in connection with FRANCHISEE's

performance, will be disclosed upon receipt of a request for disclosure, in accordance with the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to FRANCHISEE of any request for the disclosure of such information.

FRANCHISEE will then have five days from the date it receives notice to petition the court for a protective order to prevent the disclosure of the information. FRANCHISEE shall have sole responsibility for defense of the actual "trade secret" designation of such information.

4. The parties understand and agree that any failure by FRANCHISEE to respond to the notice provided by CITY and seek a protective order, in accordance with the provisions of subsection C, above, constitutes a complete waiver by FRANCHISEE of any rights regarding the information designated "trade secret" by FRANCHISEE, and the information will be disclosed by CITY in accordance with the Public Records Act.

Section 17: Emergency/Declared Disaster Requirements

If an emergency is declared by the City Manager, or if any portion of the City is declared a disaster area by the county, state, or federal government, this Agreement may be subjected to increased usage. FRANCHISEE shall serve the CITY during a declared emergency or disaster, subject to the same terms and conditions that apply during non-emergency/non-disaster conditions. The compensation set forth in this Agreement will apply, without markup, regardless of the circumstances. If FRANCHISEE is unable to fulfill the terms of the Agreement because of a disruption in its routes or service, then FRANCHISEE shall provide proof of the disruption. Acceptable forms of proof will include, but are not limited to, a letter or notice from FRANCHISEE's source stating the reason for the disruption.

Section 18: Indemnity

1. Indemnity*:* FRANCHISEE shall defend, hold harmless, and indemnify CITY, its officers, and employees, and each and every one of them, from and against all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, and expenses of every type and description, whether arising on or off the site of the work or services performed under this Agreement, including any fees and costs reasonably incurred by CITY's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including Liabilities for personal injury or death, damage to personal, real, or intellectual property, damage to the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Agreement by FRANCHISEE, any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE, their respective officers and employees, and anyone else for whose acts of omissions any of them may be liable, whether or not the Liabilities (i) are caused in part by a party indemnified hereunder, or (ii) are litigated, settled, or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage, or expense, to the extent arising from the active negligence or willful misconduct of, or defects in design furnished by, CITY, its agents, servants, or independent contractors who are directly responsible to CITY, except when such agents, servants, or independent contractors are under the supervision and control of FRANCHISEE or any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE.

2. Insurance Policies; Intellectual Property Claims*:* The existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement will not affect or limit any of

CITY's rights under this Section, nor will the limits of any insurance limit the liability of FRANCHISEE hereunder. This section will not apply to any intellectual property claims, actions, lawsuits, or other proceedings subject to the provisions of FRANCHISEE Information above.

3. Survival: The provisions of this section will survive any expiration or termination of this Agreement.

Section 19: Insurance

Without limiting FRANCHISEE's indemnification, FRANCHISEE shall maintain in force at all times during the term of this Agreement and any extensions or modifications, insurance as specified in Exhibit C. It is the responsibility of FRANCHISEE to notify its insurance advisor or insurance carrier regarding coverage, limits, forms, and other insurance requirements specified in Exhibit C. Failure to maintain insurance as required in this Agreement may be grounds for termination of this Agreement.

Section 20: Debarment Certification

1. Pursuant to 2 CFR, Part 200, and applicable Executive Orders, the CITY is restricted in its ability to contract with certain parties that are debarred, suspended, or otherwise excluded or ineligible for participating in Federal assistance programs or activities. By signing this Agreement, FRANCHISEE warrants and certifies under penalty of perjury under the laws of the State of California that FRANCHISEE, including any owner, partner, director, officer, or principal of the FRANCHISEE, or any person in a position with management responsibility or responsibility for the administration of federal funds:

   (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency;

   (b) Has not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, or other criminal felony;

   (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above;

   (d) Has not, within a three-year period preceding this certification, had one or more public contracts (federal, state, or local) or transactions terminated for cause or default;

   (e) Has not been notified, within a three-year period preceding this certification, been notified of any delinquent Federal taxes in an amount that exceeds $3,500 for which the liability remains unsatisfied. Federal taxes are considered delinquent if the tax liability has been finally determined and the taxpayer is delinquent in making payment, as defined in Section 52.209-5 of the Federal Acquisition Regulations.

2. FRANCHISEE further warrants and certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency. Any exceptions to the warranties and certifications in this Section must be disclosed to the CITY.

3. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining FRANCHISEE's responsibility. Disclosures must indicate to whom exceptions apply, the initiating agency, and dates of action.
4. CITY will review the Federal Government's System for Award Management Exclusions maintained by the General Services Administration for eligibility, prior to the execution of this Agreement. FRANCHISEE shall provide immediate written notice to the CITY if, at any time prior to execution, FRANCHISEE learns this certification is erroneous or has become erroneous by reason of changed circumstances. If it is later determined that FRANCHISEE's warranties and certification in this Section were erroneous, the CITY may terminate this Agreement for default.

Section 21: Assignment

1. FRANCHISEE acknowledges that this Agreement involves rendering a vital service to temporary commercial solid waste generators within the City of Sacramento, and that CITY has franchised FRANCHISEE to perform the temporary services specified herein based on: (1) FRANCHISEE'S experience, skill, and reputation for conducting its solid waste collection in a safe, effective and responsible fashion, at all times in keeping with applicable waste management laws, regulations and good solid waste management practices, and (2) FRANCHISEE's financial resources to maintain the required equipment and to support its obligations to CITY under this Agreement. CITY has relied on each of these factors, among others, in choosing the FRANCHISEE to perform the services to be rendered under this Agreement.
2. This Agreement is a privilege to be held in trust by FRANCHISEE. A franchise granted by CITY shall not be transferred, sold, leased, assigned, or relinquished, or delegated to another person, either in whole or in part, whether by forced sale, merger, consolidation, bankruptcy laws or otherwise, without the prior approval of the Sacramento City Council ("CITY Council"). This restriction includes the transfer of ownership of the Agreement, or a majority of the ownership or control of the FRANCHISEE, or the conveyance of a majority of the FRANCHISEE's stock to a new controlling interest. This Agreement shall become void upon the abandonment of FRANCHISEE. CITY Council shall not unreasonably withhold approval of a franchise assignment, provided that such assignment does not unreasonably impact competition and the assignee is qualified to perform its obligations as required by this Agreement and any implementing City law, regulation, rule, or ordinance.
3. FRANCHISEE shall promptly notify the Solid Waste Manager in writing in advance of any proposed assignment, sale, or transfer. In the event the CITY Council approves of any assignment, sale, or transfer, said approval shall not relieve FRANCHISEE of any of its obligations or duties under this Agreement unless this Agreement is modified in writing to that effect.

Section 22: Amendment and Waiver

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon CITY unless agreed in writing by the CITY.

Section 23: Successors

Subject to the provisions of section 21, this Agreement shall bind the successors of CITY and FRANCHISEE in the same manner as if they were expressly named.

Section 24: Time

Time is of the essence in the performance of this Agreement. FRANCHISEE shall devote the necessary time and effort to its performance under this Agreement. Neither party will be considered in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

Section 25: Interpretation

This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

Section 26: Solid Waste Manager

As used in this Agreement, "Solid Waste Manager" shall mean the Integrated Waste General Manager of the Recycling and Solid Waste Division, City of Sacramento Department of Public Works or his/her designee. Solid Waste Manager shall administer this Agreement on behalf of CITY. FRANCHISEE shall meet and confer with the Solid Waste Manager to resolve differences, implement, and execute the requirements of this Agreement.

Section 27: Disputes

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. Pending resolution of any such dispute, FRANCHISEE shall continue without delay to carry out all its responsibilities under this Agreement unless the Agreement is otherwise suspended or terminated in accordance with chapter 13.24 of the Sacramento City Code or the Termination provisions of this Agreement. CITY shall not be required to make payments for any services that are the subject of this dispute resolution process until such dispute has been mutually resolved by the parties. If the dispute cannot be resolved either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California. Nothing in this Agreement or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state and federal law.

Section 28: Default, Termination

1. Default. Except for the occurrence of Force Majeure as described in paragraph 4 of this section, in the event of any material failure or refusal of FRANCHISEE to comply with any obligation or duty imposed on FRANCHISEE under this Agreement or the City Code or related ordinances, resolutions, or administrative rules, the CITY may provide notice of a default pursuant to the provisions of chapter 13.24 of the Sacramento City Code provided it is a situation where there is the ability to cure the default.
2. The following events shall constitute a material breach under this Agreement:
    A. *Misrepresentation*. Any misrepresentation or disclosure made to CITY by FRANCHISEE in connection with or as an inducement to entering this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time the representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

B. *Fraud or Deceit*. If FRANCHISEE practices, or attempts to practice, any fraud or deceit upon CITY.

C. *Failure to Maintain Insurance Coverage*. If FRANCHISEE fails to provide or maintain in full force and effect the Worker's Compensation, liability, or insurance coverage as required by this Agreement.

D. *Violations of Regulation*. If FRANCHISEE violates any permits, orders or filing of any regulatory body having jurisdiction over FRANCHISEE which violation or non-compliance materially affects FRANCHISEE'S ability to perform under this Agreement, provided that FRANCHISEE may contest any such orders as set forth in Chapter 13.24 of the Sacramento City Code, in which case no breach of the Agreement shall be deemed to have occurred during the pendency of the contestation or appeal, to the extent FRANCHISEE is able to adequately perform during that period.

E. *Acts or Omissions*. Any other act or omission by FRANCHISEE which materially violates the terms, conditions, or requirements of this Agreement; resolutions, administrative rules, or the City Code; the California Integrated Waste Management Act of 1989 (as codified in Public Resources Code section 40000 et seq.), as it may be amended from time to time; or any order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if FRANCHISEE cannot reasonably correct or remedy the breach within the time set forth in such notices, if FRANCHISEE should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

3. Termination. Upon the occurrence of a material breach, the CITY may have the right to terminate this Agreement pursuant to the provisions in chapter 13.24 of the Sacramento City Code.

4. Force Majeure. The performance of this Agreement may be discontinued or temporarily suspended in the event of Force Majeure. FRANCHISEE shall not be deemed to be in default and shall not be liable for failure to perform under this Agreement if FRANCHISEE'S performance is prevented or delayed by Force Majeure. Force Majeure means acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, public riots, breakage, explosions, or government restraint. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances, and litigation, including appeals, shall be entirely within the discretion of FRANCHISEE and FRANCHISEE may make settlement thereof at such time and on any such terms and conditions as it may deem to be advisable, and no delay in making such settlement shall deprive FRANCHISEE of the benefit of this section.

5. Notice of Termination. The CITY shall serve written notice in accordance with chapter 13.24 of the Sacramento City Code, either personally or by registered or certified mail, postage prepaid of the termination of a Franchise under this Agreement to the last place of business of FRANCHISEE.

Section 29: Conditions Upon Termination

1. In the event this Agreement is terminated:

A. FRANCHISEE shall have no right or authority to engage in commercial solid waste

collection, transportation, or disposal operations within the City.

B. FRANCHISEE shall, however, remain liable to CITY for any and all Franchise Fees that would otherwise be payable by FRANCHISEE, for any and all late payment charges and interest assessed, for any liquidated damages assessed pursuant to Exhibit B – Compensation or Attachment 1 to Exhibit B of this Agreement and for any and all delinquent report charges assessed pursuant to chapter 13.24 of the City Code.

C. FRANCHISEE shall have a continuing obligation to submit to CITY all reports required by Section 30 of this Agreement and chapter 13.24 of the City Code relating to commercial solid waste or recycling activities performed by FRANCHISEE up to and including the date of termination.

2. In the event this Agreement is terminated, then, within the time period specified by CITY, FRANCHISEE shall promptly remove all of FRANCHISEE's commercial solid waste and recyclables containers from all of FRANCHISEE's collection service locations and shall properly dispose of all solid waste or recyclables in such containers.

Section 30: Reports

1. FRANCHISEE shall submit quarterly tonnage reports on or before the first day of the second calendar month immediately following the reportable quarter and shall be submitted as required in CITY Code section 13.24.280 or as otherwise amended, in a format as required by the Solid Waste Manager.

2. FRANCHISEE shall submit monthly revenue reports on or before the first day of the second month immediately following the month in which collection services were provided as required in CITY Code section 13.24.280 or as otherwise amended. CITY shall provide FRANCHISEE with the required report format of such submittal.

Section 31: Audits, Records, and Inspection Authority

1. Upon CITY's request, FRANCHISEE shall promptly provide access to the Solid Waste Manager or his/her designees of all records, accounts, or other financial or program information pertinent to the conduct of the business and/or requirements of this Franchise as CITY deems necessary to determine FRANCHISEE's compliance with legal and contractual requirements, including the correctness and accuracy of claims submitted by FRANCHISEE.

2. FRANCHISEE shall certify that any response provided to the Solid Waste Manager or his/her designee, pursuant to this section, is true, complete, and correct.

3. In addition to the requirements in subsections 1 and 2 above, FRANCHISEE shall reimburse audit costs incurred by CITY staff, and any other costs for FRANCHISEE-related services provided by CITY staff or its contractors, in the event of significant audit findings including but not limited to, detailed follow-up audits when staff determines that documentation reported by FRANCHISEE is inadequate or incomplete. Where necessary, CITY staff will retain the services of an independent auditor to verify performance and conduct an audit of FRANCHISEE records.

Section 32: Prior Agreements

This Agreement constitutes the entire contract between CITY and FRANCHISEE regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between CITY and FRANCHISEE regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of

this Agreement.

Section 33: Severability

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

Section 34: Survival of Terms

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions, and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation, or termination of this Agreement shall so survive.

Section 35: Headings

The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

Section 36: Attorney Fees

Except as required by Section 19, the Parties will bear their own attorney fees and costs in connection with this Agreement.

Section 37: Authority to Execute

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

Section 38: Duplicate Counterparts

This Agreement may be executed in counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

Signatures scanned and transmitted electronically shall be deemed original signatures for purposes of this Agreement, with such scanned signatures having the same legal effect as original signatures. This Agreement may be executed through the use of an electronic signature and will be binding on each party as if it were physically executed.

(SIGNATURE PAGE FOLLOWS)

Executed as of the day and year first above stated.

CITY OF SACRAMENTO

A Municipal Corporation

By:_____

Print name: Ryan Moore

Title: Assistant City Manager

For: City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

Michael Fry (May 26, 2026 19:20:38 PDT)

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Ferma Greenbox, Inc

NAME OF FIRM

81-0924156

Federal I.D. No.

C3854126

State I.D. No.

1105754

City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY *(check one)*:

☐ Individual/Sole Proprietor
☐ Partnership
☑ Corporation *(may require 2 signatures)*
☐ Limited Liability Company
☐ Other (*please specify:* _____)

MARC FERRARI (May 6, 2026 16:43:03 PDT) 05/06/2026

Signature of Authorized Person

Marc Ferrari | President

Print Name and Title

_____

Additional Signature *(if required)*

_____

Print Name and Title

Exhibit A
Scope of Services

This Exhibit A incorporates by this reference the Franchise Agreement between *Ferma Greenbox, Inc* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Temporary Commercial Solid Waste Collection (the "Agreement"). This Exhibit A provides the Scope of Services for the Agreement. In the event of a conflict between Exhibit A and the Agreement, the terms of Exhibit A shall prevail.

1. Definitions

For purposes of this Agreement, all terms used shall have the same meaning as those defined in chapter 13.24 of the Sacramento City Code.

2. Ownership of Waste Material

CITY does not gain any ownership or right to possess commercial solid waste material collected by FRANCHISEE pursuant to this Agreement. Subject to the provisions of this Agreement, FRANCHISEE shall have the right to retain any benefit resulting from its right to retain, recycle, process, dispose of, or use the commercial solid waste material that it collects.

3. Disposal and Diversion of Commercially Generated Waste Material

FRANCHISEE shall dispose of commercial solid waste collected or transported by FRANCHISEE only by taking such commercial solid waste to a landfill or transfer station lawfully authorized to accept such solid waste. FRANCHISEE shall divert recyclable and organic material at facilities legally permitted to process source separated recyclable material and organic material. FRANCHISEE shall not dispose of commercial solid waste by depositing it on any land, whether public or private, or in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system.

4. Diversion Programs

A. Source Separated Recyclable Material and Organic Material: FRANCHISEE is required to divert from landfilling source separated recyclable material and organic material collected and removed by it within CITY region, in accordance with chapter 13.24 of the City Code. Failure to meet the diversion requirement will subject FRANCHISEE to the Recycling Shortfall Penalty provided for in CITY Code section 13.24.760, or as otherwise amended. FRANCHISEE shall not landfill source separated recyclable material and organic material without notifying CITY as described in CITY Code section 13.24.240, or as otherwise amended.

B. Construction and Demolition Debris: When FRANCHISEE provides commercial solid waste collection services for a project subject to Construction and Demolition ("C&D") Debris in chapter 8.124 of the City Code, FRANCHISEE shall assist their generators in complying with the C&D Debris requirements set forth in the City Code.

Diversion credit from mixed construction and demolition debris for compliance with mandates will only be recognized if FRANCHISEE delivers mixed C&D debris to a C&D Sorting Facility certified by the County of Sacramento and material is stamped as sorted by the certified C&D Sorting Facility.

5. Collection Equipment

A. Any and all vehicles used by FRANCHISEE to perform commercial solid waste collection

services shall meet the vehicle inspection, tag and covered load requirements of CITY Code section 13.24.430, 13.24.440 and 13.24.450, or as otherwise amended.

B. FRANCHISEE shall submit a Franchisee commercial solid waste vehicle inventory of FRANCHISEE's vehicles, as required in CITY Code section 13.24.110 or as otherwise amended, and shall include but not limited to, vehicle number, year, make, model, capacity, and vehicle identification number (VIN). FRANCHISEE is required to submit the Franchisee commercial solid waste vehicle inventory annually as part of its Franchise Application or Franchise Renewal Application.

C. If FRANCHISEE's vehicle inventory has changed between the application or renewal application date and the effective date of this agreement, FRANCHISEE must submit to Solid Waste Manager an amended inventory, as required in CITY Code section 13.24.180 or as otherwise amended, prior to commencing the provision of services under this Agreement.

6. Franchisee Provided Waste Material Containers

A. FRANCHISEE shall provide temporary containers used for storage of solid waste materials that meet the following requirements:

(i) FRANCHISEE shall place a label on the body or lid of each container that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that container. Container labels must be available in any non-English language spoken by a substantial number of the public in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

(ii) Container must be clearly identified, with the name, or recognizable corporate or company logo, and phone number of the Franchisee that is legible from a distance of fifty (50) feet.

(iii) Be adequately sized and serviced with adequate frequency to meet the waste material generation needs of the business.

(iv) Be designed and constructed to be watertight to prevent the leakage of liquids.

(v) Be equipped with lids which are to be kept closed and shall be placed in a way that does not prevent the lid from being closed.

(vi) Containers shall be equipped with functioning locking bars or a locking mechanism and shall remain locked at all times, except when solid waste or recyclable materials are being deposited or collected in accordance with the provisions of chapter 13.24 of Sacramento City Code.

(vii) Be kept free of graffiti.

(viii) Be replaced, cleaned, or repainted as needed so as to present a clean appearance.

(ix) No later than January 1, 2036, FRANCHISEE shall provide all generators with collection containers that comply with the container color requirements specified in in Title 14 of the California Code of Regulation ("CCR") Section 18982. 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. Until January 1, 2036, FRANCHISEE is not required to replace functional collection containers that do not comply with these color requirements

prior to the end of the useful life of those containers. New and replacement collection containers, however, must meet new color requirements.

B. Solid Waste Manager or designee may require special container equipment, and/or container labeling with customer identifying information.

C. Violations of the conditions of this section may become the basis for enforcement actions. In addition, violations of the conditions of this section may be determined to be a material breach of this Agreement and will subject the FRANCHISEE to payment of liquidated damages, pursuant to Exhibit B of this Agreement.

7. Abandoned Containers

A. If FRANCHISEE abandons any container used to provide commercial solid waste material collection services under the Agreement, CITY may remove the container and/or dispose of the contents of the container.

B. If CITY removes a container abandoned by FRANCHISEE and/or disposes of the contents of any container abandoned by FRANCHISEE, CITY may charge FRANCHISEE for CITY's costs incurred in such removal/disposal and for CITY's costs of storage of the container. FRANCHISEE shall reimburse CITY for such costs within ten (10) days of the date of CITY's invoice for such costs.

C. For the purposes of this section, "abandoned" includes:

(i) FRANCHISEE's failure to remove the container within the time period specified by termination of the Agreement pursuant to chapter 13.24 of the Sacramento City Code.

(ii) FRANCHISEE's failure to remove the container within a reasonable period after the expiration of the Franchise granted to FRANCHISEE, except in the case where FRANCHISEE has been granted an extension of the term of said Franchise or FRANCHISEE has been granted a subsequent commercial solid waste collection franchise authorizing FRANCHISEE to collect and transport the type or types of solid waste for which the container was used pursuant to this Agreement.

(iii) FRANCHISEE's failure to dispose of the contents of the container within five (5) days after CITY issues written notice to FRANCHISEE to dispose of the contents.

8. Personnel

A. Driver Qualifications. FRANCHISEE agrees that all drivers shall be trained and qualified in the operation of collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

B. Safety Training. FRANCHISEE shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection of solid waste, or who are otherwise directly involved in such collection.

9. Education and Outreach

A. FRANCHISEE shall assist CITY in educational and outreach activities to promote diversion of recyclable material and organic material.

B. FRANCHISEE shall provide an outreach and education plan according to FRANCHISEE's Diversion Plan.

C. Education and outreach materials must be translated into any non-English language spoken by a substantial number of the pubic in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

10. Diversion Plan

FRANCHISEE shall implement its Diversion Plan submitted annually as part of its Franchise Application or Franchise Renewal Application and approved by CITY. FRANCHISEE Diversion Plan shall contain the following elements:

A. A methodology for how FRANCHISEE will meet City diversion requirements.

B. A description of the FRANCHISEE's recordkeeping and reporting systems and how it will accurately meet CalRecycle mandatory reporting.

11. Restricted Collection Hours

A. Solid Waste shall be collected within residential areas or within mixed residential and commercial areas of the city only between the hours of 6:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day, and elsewhere within the city only between the hours of 4:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day as provided by chapter 13.10 of the Sacramento City Code, or as otherwise amended.

B. Violation of this provision will subject FRANCHISEE to liquidated damages identified in Exhibit B – Compensation or attachment 1 to Exhibit B.

12. Annual Mandatory Training

A. CITY will conduct annual training covering, at minimum, tonnage and revenue reporting requirements.

B. Attendance is required for a FRANCHISEE that meets any of the following criteria, including but not limited to reporting staff turnover with those responsible or involved in reporting, staff reassignment impacting reporting, significant or repeated reporting errors, or any other issue identified by CITY that may impact accurate or timely reporting.

C. CITY will notify FRANCHISEE at least thirty (30) calendar days in advance if attendance is required, specifying the date, time, and format of the training. All staff involved in reporting to the CITY should attend a training session, but at a minimum, at least one employee from FRANCHISEE must attend.

D. Failure to attend the annual mandatory training may result in the assessment of liquidated damages.

Attachment 1 to Exhibit A
Downtown Service Area

This Attachment 1 to Exhibit A incorporates by this reference the Franchise Agreement between *Ferma Greenbox, Inc* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit A defines the Downtown Service Area. In the event of a conflict between this Attachment 1 to Exhibit A and the Agreement, the terms of this Attachment 1 to Exhibit A shall prevail.

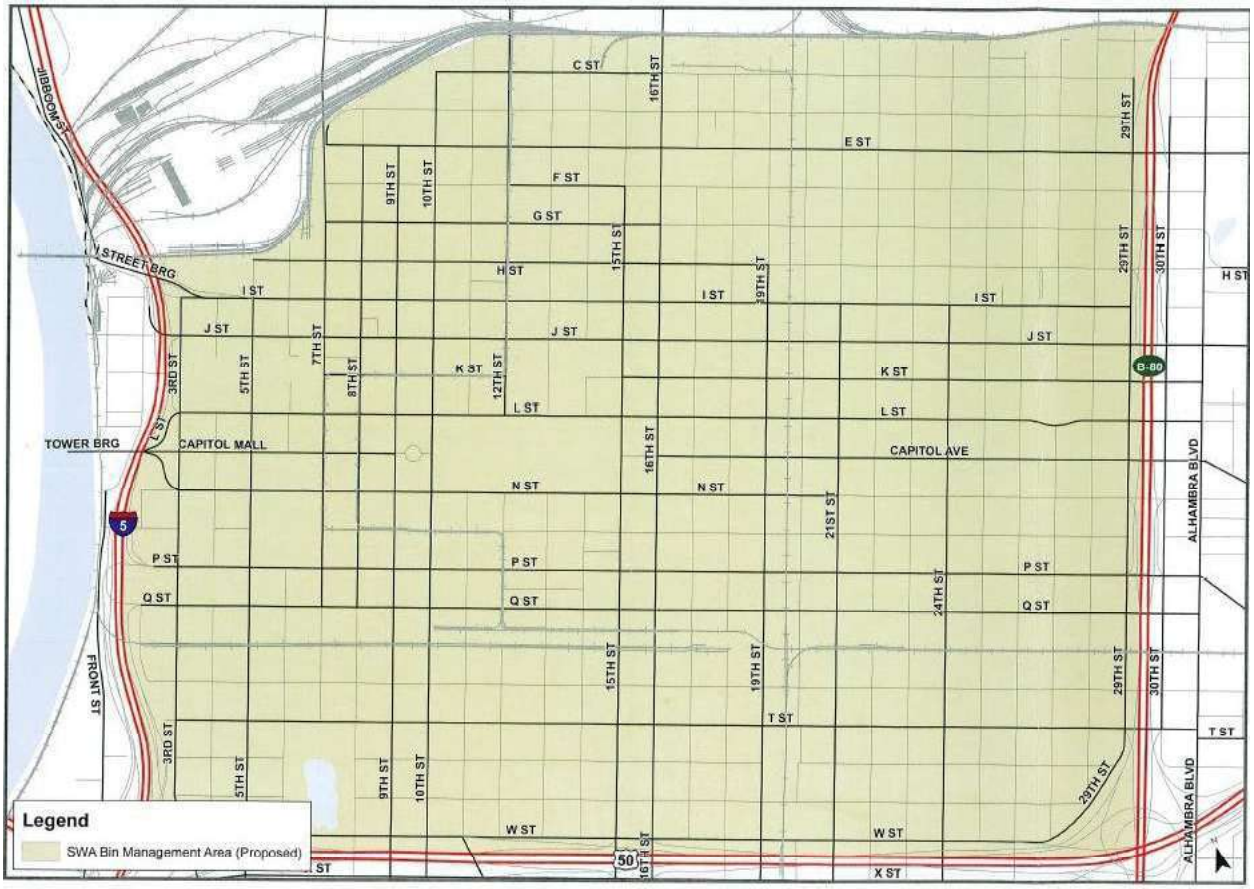


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Exhibit B provides the Compensation for the Agreement. In the event of a conflict between Exhibit B and the Agreement, the terms of Exhibit B shall prevail.

1. FRANCHISE FEES

A. During the term of the Agreement, FRANCHISEE shall pay Franchise Fees to CITY. Such fees shall be in the amount established for commercial solid waste services as set forth by resolution of the City Council and as described in chapter 13.24 of Sacramento City Code, pursuant to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. Franchise Fees shall not be owed by FRANCHISEE for revenues received from federal, state and local governments, including school districts.

C. FRANCHISEE shall pay Franchise Fees on all solid waste collected pursuant to this AGREEMENT regardless of the method of disposal or handling.

D. For calculation of gross collection revenue and calculation of franchise fees, FRANCHISEE may deduct collection revenues for source-separated recyclable material and organic material, provided those materials are diverted from disposal.

2. FRANCHISE FEE PAYMENT

A. FRANCHISEE shall pay Franchise Fees to CITY pursuant to CITY Code section 13.24.040, or as otherwise amended.

B. FRANCHISEE shall pay all required Franchise Fees to:

City of Sacramento, Recycling and Solid Waste Division
Attention: Accounts Receivable
2812 Meadowview Road, Building 1
Sacramento, CA 95832

C. If FRANCHISEE remits Franchise Fees by personal delivery to CITY, such Franchise Fees shall be deemed timely paid only if delivered on or before the due date. If FRANCHISEE remits Franchise Fees by mail or other delivery service, such Franchise Fees shall be deemed timely only if: (1) the envelope containing the Franchise Fee payment bears a postmark or receipt showing that the payment was mailed or sent on or before the due date or (2) FRANCHISEE submits proof satisfactory to Solid Waste Manager that the Franchise Fee payment was in fact deposited in the mail or sent on or before said due date.

D. In the event FRANCHISEE believes that it has paid Franchise Fees in excess of the amounts due to CITY, FRANCHISEE may submit a request for refund to Solid Waste Manager on a form provided by said Solid Waste Manager. If proof of overpayment is satisfactory to Solid Waste Manager, Solid Waste Manager shall refund to FRANCHISEE any overpayment. FRANCHISEE shall not apply any overpayment as a credit against any Recycling Shortfall Penalty, Franchise Fees, or other amounts payable to the CITY unless specifically so authorized by the Solid Waste Manager in writing.

3. Liquidated Damages

A. Failure of FRANCHISEE to provide solid waste collection containers and services that conform to this Agreement will be subject to liquidated damages according to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. If any deficiencies are brought to the attention of CITY, CITY shall notify FRANCHISEE in writing of such failure, including the associated liquidated damages amount. FRANCHISEE may be given a cure period to provide proof of corrective action for such deficiency prior to liquidated damages being assessed. However, not all deficiencies will have a cure period. Attachment 1 to Exhibit B – Fee and Penalty Schedule provides cure periods for deficiencies that shall be assessed liquidated damages. Proof of corrective action must be provided by FRANCHISEE as requested by CITY.

C. If proof of corrective action is not provided by FRANCHISEE within the cure period, CITY may take further enforcement action. Furthermore, continued failure to take corrective action shall be deemed a breach of this Agreement and shall constitute grounds for the termination of this Agreement by CITY.

D. Any Liquidated Damage fees shall be assessed to the FRANCHISEE and shall be due as part of FRANCHISEE's monthly payment to CITY.

4. LATE FEES AND PENALTIES

FRANCHISEE shall pay late fees and penalties to CITY pursuant to the Attachment 1 to Exhibit B – Fee and Penalty Schedule.

Attachment 1 to Exhibit B
Fee and Penalty Schedule

This Attachment 1 to Exhibit B incorporates by this reference the Franchise Agreement between ("FRANCHISEE") *Ferma Greenbox, Inc* and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit B provides the fees and penalties for the Agreement. In the event of a conflict between this Attachment 1 to Exhibit B and the Agreement, the terms of this Attachment 1 to Exhibit B shall prevail.

Fees and Charges

Fee	Amount	Notes
Franchise fee	10% of revenue	Calculated at 10% of reported disposal revenue. May require minimum of $1,000 per fiscal year (July-June).
Refundable cash deposit	$500.00 per vehicle	Required for each collection vehicle unless sufficient financial assurance provided to CITY.
Delinquent Franchise Fee Payment	10% of franchise fee owed, compounded 1.5% monthly until paid	Franchisee fees are due on the first business day of the second month following the close of each month. The 10% late fee is applied when the franchise fee is not paid on time. If it is still unpaid by the first of the next month, the franchise fee will increase by 1.5% of the owed franchise fee plus the original late fee plus applied interest.
Delinquent Quarterly Tonnage Report Fee	$50.00	Correct and accurate Quarterly Tonnage Reports are due the first business day of the second month following the close of each quarter. An automatic charge of $50/day will be applied until the accurate tonnage report is received. Staff will determine whether a tonnage report is correct.
Delinquent Quarterly Generator Report Fee	$25.00 / day	Correct and accurate Generator Reports are due by the date described in Sacramento City Code, section 13.24.600, or as otherwise amended. An automatic charge of $25/day will be applied until the accurate generator report is received. Staff will determine whether a generator report is correct.
Recycling shortfall penalty	$25.00 / ton of recycling shortfall	Charged per ton of shortfall from 30% diversion requirement.
Abandoned Container Fee	$400.00	Fee to cover the costs for the collection, emptying and storage of a Franchisee abandoned container. Containers are considered abandoned if not removed from the property of a customer within five business days of final termination of services to the customer (13.24.570 or as otherwise amended).

Liquidated Damages

Failure	Amount	Cure Period
Broken or missing lock bar / Broken or missing lock	$150.00 / bin / service address / day	Three (3) business days.
Broken or missing lid	$150.00 / bin / service address / day	Three (3) business days.

Container graffiti	$150.00 / bin / service address / day	Three (3) business days.
Bin not properly labeled	$150.00 / bin / service address / day	Three (3) business days.
Overflowing, spilling, or leaking bin	$250.00 / bin / service address / day	Three (3) business days.
Use of collection vehicle(s) without required inspection	$150.00 / vehicle / day	N/A / None.
Verified collection outside of restricted collection hours (Sacramento City Code 13.24.560 Hours of collection.)	$150.00 / incident	N/A – None.
Uncovered/Unsecured materials in collection vehicles	$150.00 / incident	N/A / None.
Provision of non-compliant service, including but not limited to failing to provide minimum service level requirements and failing to provide all required commodities.	$150.00 / commodity / day	N/A / None for service started on or after July 1, 2024. Generators must be provided compliant services from the commencement of services through final termination.
Providing ongoing or recurring commercial solid waste or recycling collection services for materials which are not generated in connection with construction, demolition, renovation, cleanup, or similar temporary projects.	$1,000.00 / occurrence / month	N/A/None.
Inaccurate Reporting	$100 / error after the first five (5) errors per report	N/A / None. Reports must be complete and accurate at the time of submission.
Failure to provide a generator with a copy of the service agreement/contract within timeframe allowable by Sacramento City Code 13.24.270 or as otherwise amended.	$100 / service agreement / day	N/A / None. Liquidated damages will be assessed beginning the first day after the allowable timeframe by Sacramento City Code
Placing a franchisee owned container requiring a minor encroachment permit as defined in Sacramento City Code 12.12 on a public right-of-way without approved minor encroachment permit or prior written approval from the City.	$150 / container / day	N/A / None. The required minor encroachment permit must be approved and attached to temporary container at the time the container is placed on the public right-of-way unless an exception as outlined in Sacramento City Code 12.12.020 applies.
Failure to provide service or response as outlined in Sacramento City Code 13.24.570.	$150 / failure / day	N/A / None. Liquidated damages will be assessed daily until proof of correction is supplied to City in a manner that is satisfactory to Solid Waste Manager or designee.
Failure to attend required hauler reporting training as outlined in Section 15 – Annual Mandatory Training.	$150 / meeting	N/A None. Haulers will be provided 30 days' advance notice for training. Failure to attend will result in immediate assessment of liquidated damages.

Exhibit C
Insurance

1. **Insurance Requirements**. During the entire term of this Agreement, FRANCHISEE shall maintain the insurance coverage described in the Insurance Terms below. Full compensation for all premiums that FRANCHISEE is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Agreement. No additional compensation will be provided for FRANCHISEE's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

   FRANCHISEE's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the FRANCHISEE in connection with this Agreement.

2. **General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the FRANCHISEE and subcontractors, products and completed operations of FRANCHISEE and subcontractors, and premises owned, leased, or used by FRANCHISEE and subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of FRANCHISEE and subcontractors; products and completed operations of FRANCHISEE and subcontractors; and premises owned, leased, or used by FRANCHISEE and subcontractors.

3. **Automobile Liability Minimum Scope and Limits of Insurance Coverage**. (*Check the applicable provision*.)

   X Automobile Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than three million dollars ($3,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the FRANCHISEE. The policy will contain an MCS-90 endorsement when applicable. FRANCHISEES who only operate non-commercial vehicles are required to provide limits of not less than $1,000,000 of Automobile Liability Insurance.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

   X Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract with limits of not less than one million dollars ($1,000,000). This coverage may also be provided on a Contractors Pollution Liability policy.

   If Pollution Liability insurance is written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

4. **Excess Insurance**. The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance contains, or is endorsed to contain, a provision that it will apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of FRANCHISEE's umbrella or excess coverage and will not contribute to it.

5. **Workers' Compensation Minimum Scope and Limits of Insurance Coverage.** (*Check the applicable provision*.)

_X_ Workers' Compensation Insurance is required with statutory limits and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000). The Workers' Compensation policy shall include a waiver of subrogation in favor of the City.

___ No work or services will be performed on or at CITY facilities or CITY Property, therefore a Workers' Compensation waiver of subrogation in favor of the CITY is not required.

___ No Workers' Compensation insurance is required, and by signing this Agreement, FRANCHISEE certifies as follows:

"FRANCHISEE certifies that its business has no employees, and that it does not employ anyone, and is therefore exempt from the legal requirements to provide Workers' Compensation insurance. If, however, FRANCHISEE hires any employee during the term of this Agreement, FRANCHISEE understands that Workers' Compensation with statutory limits and Employer's Liability Insurance with a limit of not less than one million dollars ($1,000,000) is required. The Workers' Compensation policy will include a waiver of subrogation in favor of the City."

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:

A. FRANCHISEE's insurance coverage, including excess insurance, shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-

insurance maintained by the City, its officials, employees or volunteers will be in excess of FRANCHISEE's insurance and will not contribute with it.

B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.

C. Coverage shall state that FRANCHISEE's insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

D. FRANCHISEE shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.

7. **Acceptability of Insurance**. Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Agreement.

8. **Verification of Coverage.**

A. FRANCHISEE shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.

B. FRANCHISEE shall send all insurance certificates and endorsements, including policy renewals, during the term of this Agreement directly to:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

C. Certificate Holder must be listed as:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

D. The City may withdraw its offer of Agreement or cancel this Agreement if the certificates of insurance and endorsements required have not been provided before execution of this Agreement. The City may withhold payments to FRANCHISEE and/or cancel the Agreement if the insurance is canceled or FRANCHISEE otherwise ceases to be insured as required herein.

9. **Subcontractor Insurance Coverage**. FRANCHISEE shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/07/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LIC #0L72977 1-888-845-2248 McSherry & Hudson, An Alera Group Company 1901 S. Bascom Avenue Suite 1190 Campbell, CA 95008 USA Charles M. Griswold	CONTACT NAME: PHONE (A/C, No, Ext): 408-550-2130 FAX (A/C, No): 408-550-2119 E-MAIL ADDRESS:
INSURED Ferma Greenbox, Inc. 6647 Smith Avenue Newark, CA 94560 USA	INSURER(S) AFFORDING COVERAGE / NAIC # INSURER A : STARR IND & LIAB CO 38318 INSURER B : HOMESITE INS CO 17221 INSURER C : GOTHAM INS CO 25569 INSURER D : NAVIGATORS SPECIALTY INS CO 36056 INSURER E : Upland Specialty Ins Co 16988 INSURER F :

COVERAGES **CERTIFICATE NUMBER:** 752358970 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY	X	X	1000025823251	10/01/25	10/01/26	EACH OCCURRENCE	$ 1,000,000
	[X] COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
	[ ] CLAIMS-MADE [X] OCCUR						MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$ 2,000,000
	[ ] POLICY [X] PRO-JECT [ ] LOC							$
A	AUTOMOBILE LIABILITY	X	X	1000198707251	10/01/25	10/01/26	COMBINED SINGLE LIMIT (Ea accident)	$ 2,000,000
	[X] ANY AUTO						BODILY INJURY (Per person)	$
	[ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	[X] HIRED AUTOS [X] NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
B	[ ] UMBRELLA LIAB [X] OCCUR	X	X	CXP-010622-03	10/01/25	10/01/26	EACH OCCURRENCE	$ 5,000,000
	[X] EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$ 5,000,000
	[ ] DED [ ] RETENTION $						FOLLOW FORM	$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N		X	1000004374	10/01/25	10/01/26	[X] WC STATU-TORY LIMITS [ ] OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [N] (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
C	Excess Liability			EX202500002752	10/01/25	10/01/26	Limit	5,000,000
D	Excess over Excess			AZ25EXCZ09A3NIC	10/01/25	10/01/26	Occur/Agg	10M/10M
E	Excess over Excess			USXSL0186225	10/01/25	10/01/26	Each Occ/Aggregate	5M/5M

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: City of Sacramento Commercial Solid Waste
Additional Insured: The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of FRANCHISEE and subcontractors; products and completed operations of FRANCHISEE and subcontractors; and premises owned, leased, or used by FRANCHISEE and subcontractors.

CERTIFICATE HOLDER

City of Sacramento
c/o Exigis LLC

PO Box 947

Murrieta, CA 92564 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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SUPPLEMENT TO CERTIFICATE OF INSURANCE

DATE 10/07/2025

NAME OF INSURED: Ferma Greenbox, Inc.

Additional Description of Operations/Remarks from Page 1:

Professional Liability-
Carrier: Tokio Marine Specialty Insurance Company
Policy #PPK2609311-002 10/01/2025 to 10/01/2026
Limit:
Single- $10,000,000
Aggregate-$10,000,000

Pollution Liability-
Carrier: Tokio Marine Specialty Insurance Company
Policy #PPK2609311-002
10/01/2025 to 10/01/2026
Limit:
Single- $10,000,000
Aggregate-$10,000,000

Additional Information:

Includes:
General Liability:
Additional Insured per forms attached
Primary as required by written contract per form attached
Waiver of Subrogation per attached form
Per Project Aggregate per attached form
Waiver of Subrogation per attached form

Automobile Liability:
Additional Insured per attached form
Primary & Non-Contributory Wording per attached form
Waiver of Subrogation per attached form

Excess Liability:
Additional Insured, primary & non-contributory, Waiver of Sub per attached form

Workers Compensation:
Waiver of Subrogation per attached form

Professional/Pollution Liability:
Additional Insured wording per attached form
Waiver of subrogation wording per attached form
Primary & Non-contributory wording per attached form

Starr Indemnity & Liability Company

Dallas, TX 1-866-519-2522

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

Omnibus Additional Insured – Owners, Lessees or Contractors – Completed Operations Endorsement

Policy Number: 1000025823251 **Effective Date:** **10/01/2025**
Named Insured: Ferma Corporation

This endorsement modifies the insurance coverage form(s) listed below that have been purchased by you and evidenced as such on the Declarations page. Please read the endorsement and respective policy(ies) carefully.

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is hereby agreed as follows:

1. The following applies to construction contracts requiring:
   a. ISO Additional Insured endorsement CG 20 37 10 01; or
   b. ISO Additional Insured – Owners, Lessees or Contractors- (Form B) endorsement CG 20 10 11 85 or its equivalent

   on the insurance policy:

SCHEDULE

Name of Person or Organization: **Where Required By Written Contract**
Location and Description of Completed Operations: **Where Required By Written Contract**
Additional Premium: Included

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Section II – Who Is An Insured is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" at the location designated and described in the schedule of this endorsement performed for that insured and included in the "products-completed operations hazard".

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Dallas, TX 1-866-519-2522

2. Subject to paragraph 1. above, the following applies to construction contracts requiring ISO Additional Insured endorsement CG 20 37 07 04 on the insurance policy:

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Where Required By Written Contract	Where Required By Written Contract
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

3. Subject to paragraphs 1. and 2. above, the following applies to all other construction contracts, including specifically those contracts requiring ISO Additional Insured endorsement CG 20 37 04 13 on the insurance policy:

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Where Required By Written Contract	Where Required By Written Contract
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms and conditions of this Policy remain unchanged.

Signed for STARR INDEMNITY & LIABILITY COMPANY

Steve Blakey

Steve Blakey, President

Nehemiah E. Ginsburg

Nehemiah E. Ginsburg, General Counsel

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Starr Indemnity & Liability Company

Dallas, TX 1-866-519-2522

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

Omnibus Additional Insured – Owners, Lessees or Contractors – Scheduled Person or Organization Endorsement

Policy Number: 1000025823251 **Effective Date:** 10/01/2025
Named Insured: Ferma Corporation

This endorsement modifies the insurance coverage form(s) listed below that have been purchased by you and evidenced as such on the Declarations page. Please read the endorsement and respective policy(ies) carefully.

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is hereby agreed as follows:

1. The following applies to construction contracts requiring:
   a. ISO Additional Insured endorsement CG 20 10 10 01; or
   b. ISO Additional Insured – Owners, Lessees or Contractors- (Form B) endorsement CG 20 10 11 85 or its equivalent

   on the insurance policy:

SCHEDULE

Name of Person or Organization:
Where Required By Written Contract

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Section II – Who Is An Insured is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

B. With respect to the insurance afforded to these additional insureds, the following exclusion is added:

2. Exclusions

This insurance does not apply to "bodily injury" or "property damage" occurring after:

(1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of

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the covered operations has been completed; or

(2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

2. Subject to paragraph 1. above, the following applies to construction contracts requiring ISO Additional Insured endorsement CG 20 10 07 04 on the insurance policy:

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
Where Required By Written Contract	Where Required By Written Contract
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or

2. The acts or omissions of those acting on your behalf; in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

2. That portion of "your work" out of which the injury or damage arises has been

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put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

3. Subject to paragraphs 1. and 2. above, the following applies to all other construction contracts, including specifically those contracts requiring ISO Additional Insured endorsement CG 20 10 04 13 on the insurance policy:

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
Where Required By Written Contract	Where Required By Written Contract
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or

2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

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1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms and conditions of this Policy remain unchanged.

Signed for STARR INDEMNITY & LIABILITY COMPANY

Steve Blakey, President

Nehemiah E. Ginsburg, General Counsel

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Starr Indemnity & Liability Company

Dallas, TX 1-866-519-2522

Primary and Non-Contributory Condition

Policy Number: 1000025823251 **Effective Date:** 10/01/2025
Named Insured: Ferma Corporation

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

A. SECTION IV – CONDITIONS, condition **4. Other Insurance** is amended as follows:

1. The following is added to paragraph **4.a.** of the **Other Insurance** condition:

This insurance is primary insurance as respects our coverage to the additional insured, where the written contract or written agreement requires that this insurance be primary and non-contributory. In that event, we will not seek contribution from any other insurance policy available to the additional insured on which the additional insured is a Named Insured.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Signed for STARR INDEMNITY & LIABILITY COMPANY

Steve Blakey
Steve Blakey, President

Nehemiah E. Ginsburg
Nehemiah E. Ginsburg, General Counsel

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WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:
Any person or organization to whom you become obligated to waive your rights of recovery against, under any contract or agreement you enter into prior to the occurrence of loss.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Construction Project(s):
Where Required by Written Contract
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section **I** – Coverage **A,** and for all medical expenses caused by accidents under Section **I** – Coverage **C,** which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:

1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.

2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A,** except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

3. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.

4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section **I** – Coverage **A,** and for all medical expenses caused by accidents under Section **I** – Coverage **C,** which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:

1. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and

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2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.

C. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.

D. If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.

E. The provisions of Section **III** – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – AUTOMATIC STATUS AMENDATORY ENDORSEMENT

Policy Number: 1000198707251 **Effective Date:** 10/1/2025

Named Insured: Ferma Corporation

This endorsement modifies the insurance coverage form(s) listed below that have been purchased by you and evidenced as such on the Declarations page. Please read the endorsement and respective policy(ies) carefully.

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

It is hereby agreed that **SECTION II – COVERED AUTOS LIABILITY COVERAGE, A. COVERAGE, 1. Who Is An Insured** of the Business Auto Coverage Form and Motor Carrier Coverage Form, and **SECTION I – COVERED AUTOS COVERAGES, D. Covered Autos Liability Coverage, 2. Who Is An Insured** of the Auto Dealers Coverage Form are amended to include the following:

Any person or organization whom you become obligated to include as an additional insured under this policy, as a result of any written contract or written agreement you enter into which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by your use of a covered "auto". However, the insurance afforded only applies to the extent permitted by law, and will not exceed the lesser of:

(1) The coverage and/or limits of this policy, or

(2) The coverage and/or limits required by such written contract or written agreement.

All other terms and conditions of this Policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INSURANCE PRIMARY AS TO CERTAIN ADDITIONAL INSUREDS AMENDATORY ENDORSMENT

Policy Number: 1000198707251 **Effective Date:** 10/1/2025

Named Insured: Ferma Corporation

This endorsement modifies the insurance coverage form(s) listed below that have been purchased by you and evidenced as such on the Declarations page. Please read the endorsement and respective policy(ies) carefully.

BUSINESS AUTO COVERAGE FORM

SECTION IV – BUSINESS AUTO CONDITIONS, B. General Conditions, 5. Other Insurance, c., is amended by the addition of the following:

The insurance afforded under this policy to an additional insured will apply as primary insurance for such additional insured where so required under an agreement executed prior to the date of accident. We will not ask any insurer that has issued other insurance to such additional insured to contribute to the settlement of loss arising out of such accident.

All other terms and conditions of this Policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: FERMA CORPORATION

Endorsement Effective Date: 10/1/2025

SCHEDULE

Name(s) Of Person(s) Or Organization(s):
Any person or organization to whom you become obligated to waive your rights of recovery against, under any contract or agreement you enter into prior to the occurrence of loss
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the “accident” or the “loss” under a contract with that person or organization.

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WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2.0% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization	Job Description
Any person or organization to whom you become obligated to waive your rights of recovery against, under any contract or agreement you enter into prior to the occurrence of loss.	Where Required By Written Contract

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: 10/01/25
Policy No.: 1000004374
Endorsement No.:
Insured: Ferma Corporation
Premium:

Insurance Company: STARR INDEMNITY & LIABILITY CO
Countersigned by: _____

Contractors Endorsement

Blanket Additional Insured - Non-Contributing - Waiver of Subrogation

A. Additional Insureds
When a written contract, signed prior to an "event" requires that you provide Additional Insured coverage with Limits of Insurance greater than "underlying limits" and "controlling underlying insurance" provides such coverage:

1. SECTION II – WHO IS AN INSURED is amended to include the Additional Insured as an insured for the lesser of:
   a. Coverage required by the written contract; or
   b. Coverage provided by this insurance or "controlling underlying insurance";

2. As respects the coverage provided by this endorsement, SECTION III – LIMITS OF INSURANCE is amended to add:
   Limits of Insurance provided to the Additional Insured will be the lesser of:
   a. Limits required by the written contract; or
   b. Limits available under the applicable Limits of Insurance.

B. Primary and Non-Contributing
When a written contract signed prior to an "event" requires, for Limits of Insurance greater than "underlying limits," that this insurance is primary to and will not seek contribution from any other insurance available to the Additional Insured, this insurance will apply in this manner provided that:

1. the Additional Insured is a Named Insured under such other insurance; and
2. all "underlying insurance" applies in the same manner.

C. Waiver of Subrogation

When a written contract signed prior to an "event" requires, for Limits of Insurance greater than "underlying limits," that this insurance waive rights of recovery against the Additional Insured, to the extent required by the contract the following is added to SECTION IV – CONDITIONS:

Transfer of Rights of Recovery
We waive any right of recovery we may have against the Additional Insured because of any payment we make under this policy. Such waiver by us applies only to the extent that you have waived your right of recovery prior to loss.

All other terms and conditions remain unchanged.

We will pay on behalf of the **insured** for **loss** or **remediation expense** in excess of the **self-insured retention** that the **insured** becomes legally obligated to pay as a result of **contamination** on, at, under or migrating beyond the legal boundaries of **your insured location,** provided that:

1. Such **contamination** first commences during the **policy period**;

2. Such **contamination** ceases fully within ten (10) days of its commencement; and

3. The **loss** or **remediation expense** is the result of: (i) a **claim** for **bodily injury**, **property damage** or **environmental damage** that is first made against the **insured** and reported to us during the **policy period**, or as expressly provided for in the **extended reporting period**, if applicable; or (ii) **contamination** that caused the **insured** to incur **emergency expense** during the **policy period**.

E. Image Restoration Coverage

We will reimburse you for **image restoration expenses** incurred because of **contamination** or an actual or alleged negligent act, error or omission in the performance of your professional services reported to us during the **policy period** or as expressly provided for in the **extended reporting period**, if applicable, and that results in **bodily injury**, **property damage**, or **environmental damage** covered under Insuring Agreements **I. A.**, **B.**, **C.** or **D.**, as applicable. Reimbursement is limited to the costs of restoring your reputation and consumer confidence through image consulting, is subject to the **self-insured retention** for the applicable coverage part, and will in no event exceed the amount shown in ITEM 5. E. in the Declarations.

II. DEFINITIONS

A. **Additional insured** means any individual, organization or entity to the extent that they are contractually liable for **loss** or **remediation expense** to which this insurance applies as a result of **your contracting operations, completed operations**, or **transportation** performed by or on behalf of the **named insured** or arising out of the named insured's ownership, use maintenance or operation of **your insured location,** provided:

1. Such individual, organization or entity is scheduled to this policy as an **additional insured** by an endorsement; or,

2. Solely with regard to Coverage **B. – Contracting Operations Environmental Liability**,such individual, organization, or entity is required to be an **additional insured** under this policy in a written contract or agreement for **your contracting operations** or **completed operations,** provided that such contract or agreement was fully executed prior to the date that **your contracting operations** first commenced.

   Any coverage afforded such **additional insured** under this policy is available up to and not exceeding any specified limits of insurance as required by the written contract with you or subject to the applicable Coverage **B. Contracting Operations Environmental Liability Coverage** Limit of Insurance, whichever is less.

   The **additional insured** is not provided any coverage under this policy for any portion of its own negligence or legal liability.

B. **Bodily injury** means:

1. Physical injury, sickness or disease including associated medical or environmental monitoring; and

the balance of the Limits of Insurance in effect at the time the policy terminated.

5. In the event similar insurance is in force covering any **claims** first made during the automatic **extended reporting period**, there is no coverage under this policy.

6. In the event similar insurance is in force covering any **claims** first made during the supplemental **extended reporting period**, coverage provided by this policy shall be excess over any such other insurance, including any applicable deductible or self-insured retention amounts of such other insurance. For purposes of this provision, other insurance includes all types of self-insurance, indemnification or other funding arrangement or program that is available to compensate an **insured** for liability.

7. Any **extended reporting period** does not extend the **policy period**. Any **claim** first made against you during an **extended reporting period** will be deemed to have been first made during the last day of the **policy period**.

X. GENERAL CONDITIONS

A. Subrogation

If we pay any amount under this policy, we shall be subrogated to the **insured's** rights of recovery against any individual, firm or organization. The **insured** shall execute and deliver instruments and papers and do whatever is necessary to secure such rights. The **insured** shall not waive or prejudice such rights subsequent to when a **claim** is first made or when the **insured** discovers **contamination**.

Any recovery as a result of a subrogation proceeding arising out of payment of a **professional loss, loss** or **remediation expense** covered under this insurance shall accrue first to you to the extent of any payments in excess of the Limits of Insurance; then to us to the extent of our payment under the policy; and then to you to the extent of your deductible. Expenses incurred in such subrogation proceedings will be apportioned among the interested parties in the recovery, in the proportion that each interested party's share in the recovery bears to the total recovery.

Notwithstanding the foregoing, we hereby waive our right of subrogation against your client and any entity where required by written contract provided that such contract is fully executed prior to the first commencement of **contamination** or prior to the rendering or failure to render **your professional services**, as applicable to which this insurance applies. Such waiver of subrogation within any written contract does not expand, enhance or otherwise increase the terms and conditions of this policy accordingly

B. Changes

Notwithstanding anything to the contrary, no provision of this policy may be amended, waived or otherwise changed except by endorsement issued by us to form part of this policy.

C. Action Against Us

No person or organization has a right under this insurance:

1. To join us as a party or otherwise bring us into a **claim**; or

2. To sue us under this insurance unless all of its terms have been fully complied with.

3. This policy is issued in reliance upon the truth and accuracy of such representations and warranties;
4. The statements in the application are incorporated into this policy. This policy embodies all existing agreements between you and us relating to this insurance;

5. Breach of those representations or warranties will result, at our election, in forfeiture of coverage for any **claim, loss, professional loss, remediation expense** or **emergency expense** reported to us under the policy, or voiding of the policy from the **inception date.**

For the purposes of this policy, application means the formal application and all attachments and other documents and materials submitted to us by you, or on your behalf, in connection with your purchase of this policy and any endorsements we may issue after the **inception date,** including any renewal of this policy. In the event you did not submit an application form to us, the application will be deemed to consist of any documents or materials submitted to us by you or on your behalf in connection with your purchase of this policy, any endorsements we may issue or any renewal of this policy.

H. Other Insurance

If other valid and collectible insurance is available to the **insured** for coverage granted under this policy, our obligations are limited as follows:

1. This insurance is primary, and our obligations are not affected unless any other insurance is also primary. In that case, we will share with all such other insurance by the method described in Paragraph **2.** below, or this insurance will be primary and non-contributory when Paragraph **3.** below applies; and

2. If all of the other insurance permits contribution by equal shares, we will also follow this method. In this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the **loss** remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. In contribution by limits, each insurer's share is based upon the ratio its applicable limit of insurance bears to the total applicable limits of insurance of all insurers.

3. This insurance is primary and non-contributory with other valid and collectible insurance, but only if: (i) the **named insured** has a written contract or agreement requiring this insurance to be primary and non-contributory; and (ii) such contract or agreement was executed prior to the date that **your contracting operations** or **your professional services,** as applicable first commenced.

For purposes of this provision, other insurance includes all types of self-insurance, indemnification or other funding arrangement or program that is available to compensate an **insured** for liability.

I. Headings

The descriptions in the headings of this policy and any endorsements attached hereto are solely for convenience, and form no part of the terms and conditions of coverage.

J. Consent

City of SACRAMENTO Contract Routing Sheet

☐ **Payment / Performance Bond Only**

General Routing Information

Department: Public Works Department

Contract Coordinator: Rachel Simpo Email: rsimpo@cityofsacramento.org

Effective Date: 07/01/2026 Expiration Date: 06/30/2027

Grant/Project Name: Commercial Waste Collection Franchise

Other Party: GreenWaste of Central Valley LLC

Original Not to Exceed Amount: $ 0.00

Assessor's Parcel Number(s):

Project Number: 15005861 Bid/RFQ/RFP#:

Supplements/Addendums/Change Orders ☐

Adjusted Amount of this Change (+/-): New Not to Exceed Amount:

Change In Scope: No

Original Contract Number: Supplement Number:

Council Approval ☑

Original Meeting Date: 6/16/26 Council File ID: 2026-01084

Supplement Meeting Date: Council File ID:

Processing Information

- ☐ Clerk's Office to Mail for Recording
- ☐ Return to Dept for Other Party Signature
- ☐ Real Estate
- ☐ Return to Dept for Recording
- ☐ Construction Related
- ☐ Additional Originals Attached – Return to Dept.

Add notes/instructions, including any other contract or council file ID numbers related to this agreement:

Agreement is to grant a franchise, no services provided - "Not to Exceed" limit does not apply.

Signing Authority - Department Directors up to $100K; $100K -$250K City Manager or Assistant City Manager; $250K+ Council Approval & Council Appointee or designee.

Department Review and Routing

AB 339 Review Confirmation (if needed)

Sign Jougnal Achari

Sign Erin Treadwell

Sign John Ferbo (May 22, 2026 15:59:33 PDT)

Sign Matt Eierman (May 22, 2026 16:30:20 PDT)

Sign

CONTRACT NAME: Commercial Waste Collection Franchise
CONTRACT PROJECT #: 15005861
DEPARTMENT: Public Works
DIVISION: Recycling and Solid Waste

CITY OF SACRAMENTO
FRANCHISE AGREEMENT FOR
COMMERCIAL SOLID WASTE COLLECTION

THIS AGREEMENT is made at Sacramento, California, by and between the CITY OF SACRAMENTO, a charter city and municipal corporation ("CITY"), and

GreenWaste of Central Valley, LLC
4201 Florin Perkins Rd., Sacramento, CA 95826
(916)388-0199 | fdps@greenwaste.com

("FRANCHISEE"), as of the Effective Date, 7/1/2026, as defined below.

RECITALS

The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste collection within their jurisdiction; and

Chapter 13.24 of the Sacramento City Code authorizes the City Council to enter into non-exclusive franchise agreements for the collection, transportation, and disposal services of commercial solid waste, recyclable materials, organic materials, and construction and demolition debris; and

A non-exclusive franchise to operate, maintain, and provide the collection of solid waste, recyclable materials, organic materials, and construction and demolition debris along, across, and over City public streets and rights of way promotes the public health, safety, and welfare by promoting permanence and stability among the businesses wishing to provide such services and accountability to the City for compliance with current and future state mandates; and

The City has determined that it is in its best interests to provide for commercial solid waste collection, transportation, and disposal services by means of non-exclusive franchisees; and

The City has determined that the grant of such franchise to the Franchisee is in the public interest; and

The State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement a recycling and waste management program. Through the enactment of various legislation, including the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), the State has directed local agencies, to promote diversion and 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 solid waste that must be disposed.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, CITY and FRANCHISEE agree

as follows:

Section 1: Agreement Documents

All exhibits and documents attached or referred to in this Agreement are incorporated as if set forth herein, including:

1. Exhibit A – Scope of Services
2. Exhibit B – Compensation
3. Exhibit C – Insurance

If there is a conflict between the terms and conditions of any document prepared or provided by the FRANCHISEE and made a part of this Agreement and the other terms or conditions of the Agreement, the other terms and conditions of the Agreement control.

Section 2: Grant and Acceptance of Franchise

1. By this Agreement, CITY hereby grants to FRANCHISEE a non-exclusive commercial solid waste collection franchise authorizing FRANCHISEE to engage in the business of collecting, transporting, and disposing of commercial solid waste accumulated or generated within the City of Sacramento and to use the public streets and rights of way for such purpose.
2. This grant is pursuant to the disclosures, statements, and information contained in FRANCHISEE's Application for City Franchise Agreement.
3. FRANCHISEE hereby accepts the Franchise on the terms and conditions set forth in this Agreement, and all related ordinances and resolutions.

Section 3: Representatives and Notice

CITY Representative for this Agreement is:

Erin Treadwell / Program Manager
2812 Meadowview Road, Building 1, Sacramento, CA 95832
Phone: (916) 808-4934 /Fax: (916) 808-4999 / etreadwell@cityofsacramento.org

The FRANCHISEE Representative for this Agreement is:

Michael Cole | Regional Operations Manager
4201 Florin Perkins Rd., Sacramento, CA 95826
(916)388-0199 | michael.cole@greenwaste.com

Unless otherwise provided in this Agreement, all FRANCHISEE questions and correspondence pertaining to this Agreement must be addressed to the CITY Representative. All CITY questions and correspondence must be addressed to the FRANCHISEE Representative.

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

Notice shall be deemed effective on the date personally served or, if mailed, three days after the date deposited in the mail.

FRANCHISEE shall maintain functional Electronic Mail (Email) during the entire duration of the Agreement and provide CITY with such Email address for CITY communication to FRANCHISEE. FRANCHISEE shall notify CITY of any change in its functional Email address in writing via US Mail or Email communication to CITY.

Section 4: Term and Scope of Services

1. **Services.** Subject to the terms and conditions set forth in this Agreement, FRANCHISEE shall provide the services described in attached Exhibit A ("Scope of Services").
2. **Commencement Date.** The Commencement Date of this Agreement shall be when FRANCHISEE commences with the provision of collection, transportation, processing, and disposal services described by this Agreement. During the time between the Effective Date and Commencement Date, FRANCHISEE shall perform any and all activities necessary to commence services on the Commencement Date.
3. **Term.** The Term of this Agreement shall be from the date the Agreement is signed by the Parties until June 30, 2027, unless extended by CITY pursuant to Subsection 4 below.
4. **Option to Extend Term.** CITY, at its sole discretion, shall have the option to extend this Agreement four (4) times by one (1) year, pursuant to the terms and conditions of this Agreement. If CITY elects to exercise the option, it shall give written notice of its election not less than thirty (30) calendar days prior to the initial expiration date or extended termination date of this Agreement.

Section 5: Compensation

1. Compensation under this Agreement shall be in accordance with Exhibit B ("Compensation") and Attachment 1 to Exhibit B, or Exhibit B and any attachments as modified by the CITY in accordance with express provisions in this Agreement and chapter 13.24 of the Sacramento City Code.
2. FRANCHISEE shall maintain for five years following expiration or termination of this Agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; applicable overhead and indirect expenditures.

Section 6: Conditions of Effectiveness

The effectiveness and validity of this Agreement is subject to FRANCHISEE's satisfaction of each and all of the conditions set forth below, each of which may be waived in whole or in part by CITY.

1. **Accuracy of Representations**. The representation and warranties made by FRANCHISEE in its Application for Franchise are true and correct on and as of the Effective Date of this Agreement.
2. **Effectiveness of City Council Action**. The City Council shall have taken action approving this Agreement prior to or on the Effective Date, provided that no restraining order of any kind has been issued.
3. **Furnishing of Insurance**. FRANCHISEE has furnished evidence of the insurance requirements set forth in the attached Exhibit C.
4. **Company Status**. FRANCHISEE is a business duly organized, validly existing, and in good standing under the laws of the State of California. It is qualified to transact business in the

State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

5. **Company Authorization**. FRANCHISEE has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of FRANCHISEE (or the members, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The person signing this Agreement on behalf of FRANCHISEE has authority to do so.

6. **Agreement Will Not Cause Breach**. To the best of FRANCHISEE's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement nor the performance of this Agreement by FRANCHISEE: a) conflicts with, violates, or results in a breach of any applicable law; or, b) 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 is a party or by which FRANCHISEE or any of its properties or assets are bound, or constitutes a default thereunder.

7. **No Litigation**. To the best of FRANCHISEE's knowledge after reasonable investigation, 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 decided, pending or threatened against FRANCHISEE with an unfavorable decision, ruling, or finding, in any single case or in the aggregate, that would adversely affect the performance by FRANCHISEE of its obligations in this Agreement or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of FRANCHISEE or any surety guaranteeing FRANCHISEE's performance under this Agreement, which has not been waived by CITY in writing.

8. **No Adverse Judicial Decisions**. To the best of FRANCHISEE's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement and may subject this Agreement to legal challenge.

9. **Ability to Perform**. FRANCHISEE possesses the business, professional, and technical expertise to manage, collect, transport, treat, store, and dispose of the solid waste and to manage, collect, transport, store, and process recyclable materials and organic materials, and FRANCHISEE possesses the equipment, facility, and employee resources required to perform this Agreement.

10. **FRANCHISEE's Statements**. The FRANCHISEE's application and any other supplementary information submitted to CITY, which CITY has relied on in awarding and entering this Agreement, do not: a) contain any untrue statement of a material fact; orb) omits a material fact that would make any stated information misleading.

11. **FRANCHISEE's Investigation**. FRANCHISEE has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder. FRANCHISEE has taken such matters into consideration in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

12. **Non-Discrimination in Employee Benefits**. This Agreement may be subject to Sacramento City Code chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits Code (Equal Benefits Ordinance)," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.54. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance.

FRANCHISEE's violation of Sacramento City Code chapter 3.54 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

13. **Considering Criminal Conviction Information in the Employment Application Process**. This Agreement may be subject to the requirements of Sacramento City Code chapter 3.62, Procedures for Considering Criminal Conviction Information in the Employment Application Process. A summary of the requirements, entitled "Ban-The-Box Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

The Ban-The-Box Requirements are applicable to certain contracts with CITY in an amount of $250,000 or more (either initial value or total value after amendment) or if the total value of all FRANCHISEE's contracts with CITY is $250,000 or more over a 12-month period.

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.62. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.62 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.62. FRANCHISEE's violation of Sacramento City Code chapter 3.62 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

14. **Local Business Enterprise Program**. The Local Business Enterprise Program Participation Requirements ("LBE Participation Requirements") may be applicable to this Agreement. A summary of the requirements, entitled "LBE Participation Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.60. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.60 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.60.

FRANCHISEE's violation of Sacramento City Code chapter 3.60 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

Section 7: Compliance with Laws

FRANCHISEE shall, at all times and at its sole cost and expense, observe and comply with all applicable

Federal, State, regional, and City laws, regulations, rules, and ordinances, including those of other states, cities, or counties which may have jurisdiction over any service provided by FRANCHISEE under this Agreement.

Section 8: Governing Laws and Jurisdiction

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in the Sacramento County Superior Court, Sacramento, California or in the United States District Court for the Eastern District of California, as applicable.

Section 9: Licenses and Permits

1. FRANCHISEE shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, County of Sacramento and all other appropriate governmental agencies, including any certification and credentials required by CITY, including a City Business Tax Certificate and any required certification issued by the California Secretary of State. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the suspension or termination of this Agreement by CITY.
2. FRANCHISEE further certifies to CITY that it and its principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. FRANCHISEE certifies that it shall not contract with a subcontractor that is so debarred or suspended.

Section 10: Performance Standards

FRANCHISEE shall perform its services under this Agreement in accordance with the industry and/or professional standards applicable to FRANCHISEE'S services. FRANCHISEE shall assign only competent personnel to perform on its behalf under this Agreement.

Section 11: Ownership of Work Product

All technical data, evaluations, plans, specifications, reports, documents, or other work products developed by FRANCHISEE provided hereunder shall be the exclusive property of CITY and shall be delivered to CITY upon completion of the services authorized hereunder. FRANCHISEE may retain copies thereof for its files and internal use. Publication of the information directly derived from work performed or data obtained in connection with services rendered under this Agreement must first be approved in writing by CITY. CITY recognizes that all technical data, evaluations, plans, specifications, reports, and other work products are instruments of FRANCHISEE'S services and are not designed for use other than what is intended by this Agreement.

Section 12: Status of Franchisee - Independent Contractor

1. It is understood and agreed that FRANCHISEE (including FRANCHISEE'S employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Neither FRANCHISEE nor FRANCHISEE'S assigned personnel will be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to FRANCHISEE under the provisions of this Agreement; and as an independent contractor, FRANCHISEE hereby indemnifies and holds

CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party, including any state or federal agency, that an employer-employee relationship exists by reason of this Agreement or by the reason of the nature or performance under the Agreement.

2. It is further understood and agreed by the parties hereto that FRANCHISEE in the performance of its obligation hereunder is subject to the control or direction of CITY as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by FRANCHISEE for accomplishing the results. To the extent that FRANCHISEE obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use will be at FRANCHISEE's sole discretion based on FRANCHISEE's determination that the use will promote FRANCHISEE's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that FRANCHISEE use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement. As used in this Agreement, "sole discretion" or "sole judgment" means that the party authorized to exercise its discretion or judgment may do so based on an unfettered assessment of its own interests, without considering how its decision affects the other party, and unconstrained by the implied covenant of good faith and fair dealing.

3. If, in the performance of this Agreement, any third persons are employed by FRANCHISEE, such person shall be entirely and exclusively under the direction, supervision, and control of FRANCHISEE. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by FRANCHISEE, and CITY shall have no right or authority over such persons or the terms of such employment.

4. It is further understood and agreed that as an independent contractor and not an employee of CITY, neither the FRANCHISEE nor FRANCHISEE'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of CITY in any capacity whatsoever as agent, nor to bind CITY to any obligation whatsoever. FRANCHISEE shall not be covered by worker's compensation; nor shall FRANCHISEE be entitled to compensated sick leave, vacation leave, retirement entitlement, participation in group health, dental, life and other insurance programs, or entitled to other fringe benefits payable by CITY to employees of CITY.

5. It is further understood and agreed that FRANCHISEE must issue W-2 and 941 Forms for income and employment tax purposes, for all of FRANCHISEE'S assigned personnel under the terms and conditions of this Agreement.

Section 13: FRANCHISEE Not an Agent

Except as CITY may specify in writing, FRANCHISEE and FRANCHISEE's personnel have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. FRANCHISEE and FRANCHISEE's personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.

Section 14: Conflict of Interest

FRANCHISEE covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the CITY's interests or that would in any way hinder FRANCHISEE's performance under this Agreement. FRANCHISEE further covenants that in the

performance of this Agreement, no person having any such interest will be employed by it as an officer, employee, agent, or subcontractor, without the City's written consent.

FRANCHISEE agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City's interests during the performance of this Agreement. If FRANCHISEE is or employs a former officer or employee of the CITY, FRANCHISEE and any former City officer or employee shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any CITY department, board, commission, or committee.

Section 15: Confidentiality of CITY Information

During performance of this Agreement, FRANCHISEE may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special, and unique assets of the CITY.

FRANCHISEE agrees to protect all CITY Information and treat it as strictly confidential, and further agrees that FRANCHISEE shall not at any time, either directly or indirectly, divulge, disclose, or communicate in any manner any CITY Information to any third party without the CITY's prior written consent.

In addition, FRANCHISEE must comply with all CITY policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by FRANCHISEE of this section is a material violation of this Agreement and shall justify legal and equitable relief.

Section 16: Franchisee Information

1. CITY shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by FRANCHISEE under this Agreement. In this Agreement, the term "information" means and includes: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. FRANCHISEE shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.
2. FRANCHISEE shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by FRANCHISEE under this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify FRANCHISEE not later than ten days after CITY is served with any such claim, action, lawsuit, or other proceeding. However, CITY's failure to provide notice within the ten-day period does not relieve FRANCHISEE of its obligations hereunder, which survive any termination or expiration of this Agreement.
3. All proprietary and other information received from FRANCHISEE by CITY, whether received in connection with FRANCHISEE's proposal to CITY or in connection with FRANCHISEE's

performance, will be disclosed upon receipt of a request for disclosure, in accordance with the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to FRANCHISEE of any request for the disclosure of such information.

FRANCHISEE will then have five days from the date it receives notice to petition the court for a protective order to prevent the disclosure of the information. FRANCHISEE shall have sole responsibility for defense of the actual "trade secret" designation of such information.

4. The parties understand and agree that any failure by FRANCHISEE to respond to the notice provided by CITY and seek a protective order, in accordance with the provisions of subsection C, above, constitutes a complete waiver by FRANCHISEE of any rights regarding the information designated "trade secret" by FRANCHISEE, and the information will be disclosed by CITY in accordance with the Public Records Act.

Section 17: Emergency/Declared Disaster Requirements

If an emergency is declared by the City Manager, or if any portion of the City is declared a disaster area by the county, state, or federal government, this Agreement may be subjected to increased usage. FRANCHISEE shall serve the CITY during a declared emergency or disaster, subject to the same terms and conditions that apply during non-emergency/non-disaster conditions. The compensation set forth in this Agreement will apply, without markup, regardless of the circumstances. If FRANCHISEE is unable to fulfill the terms of the Agreement because of a disruption in its routes or service, then FRANCHISEE shall provide proof of the disruption. Acceptable forms of proof will include, but are not limited to, a letter or notice from FRANCHISEE's source stating the reason for the disruption.

Section 18: Indemnity

1. Indemnity*:* FRANCHISEE shall defend, hold harmless, and indemnify CITY, its officers, and employees, and each and every one of them, from and against all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, and expenses of every type and description, whether arising on or off the site of the work or services performed under this Agreement, including any fees and costs reasonably incurred by CITY's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including Liabilities for personal injury or death, damage to personal, real, or intellectual property, damage to the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Agreement by FRANCHISEE, any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE, their respective officers and employees, and anyone else for whose acts of omissions any of them may be liable, whether or not the Liabilities (i) are caused in part by a party indemnified hereunder, or (ii) are litigated, settled, or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage, or expense, to the extent arising from the active negligence or willful misconduct of, or defects in design furnished by, CITY, its agents, servants, or independent contractors who are directly responsible to CITY, except when such agents, servants, or independent contractors are under the supervision and control of FRANCHISEE or any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE.

2. Insurance Policies; Intellectual Property Claims*:* The existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement will not affect or limit any of

CITY's rights under this Section, nor will the limits of any insurance limit the liability of FRANCHISEE hereunder. This section will not apply to any intellectual property claims, actions, lawsuits, or other proceedings subject to the provisions of FRANCHISEE Information above.

3. Survival: The provisions of this section will survive any expiration or termination of this Agreement.

Section 19: Insurance

Without limiting FRANCHISEE's indemnification, FRANCHISEE shall maintain in force at all times during the term of this Agreement and any extensions or modifications, insurance as specified in Exhibit C. It is the responsibility of FRANCHISEE to notify its insurance advisor or insurance carrier regarding coverage, limits, forms, and other insurance requirements specified in Exhibit C. Failure to maintain insurance as required in this Agreement may be grounds for termination of this Agreement.

Section 20: Debarment Certification

1. Pursuant to 2 CFR, Part 200, and applicable Executive Orders, the CITY is restricted in its ability to contract with certain parties that are debarred, suspended, or otherwise excluded or ineligible for participating in Federal assistance programs or activities. By signing this Agreement, FRANCHISEE warrants and certifies under penalty of perjury under the laws of the State of California that FRANCHISEE, including any owner, partner, director, officer, or principal of the FRANCHISEE, or any person in a position with management responsibility or responsibility for the administration of federal funds:

   (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency;

   (b) Has not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, or other criminal felony;

   (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above;

   (d) Has not, within a three-year period preceding this certification, had one or more public contracts (federal, state, or local) or transactions terminated for cause or default;

   (e) Has not been notified, within a three-year period preceding this certification, been notified of any delinquent Federal taxes in an amount that exceeds $3,500 for which the liability remains unsatisfied. Federal taxes are considered delinquent if the tax liability has been finally determined and the taxpayer is delinquent in making payment, as defined in Section 52.209-5 of the Federal Acquisition Regulations.

2. FRANCHISEE further warrants and certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency. Any exceptions to the warranties and certifications in this Section must be disclosed to the CITY.

3. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining FRANCHISEE's responsibility. Disclosures must indicate to whom exceptions apply, the initiating agency, and dates of action.

4. CITY will review the Federal Government's System for Award Management Exclusions maintained by the General Services Administration for eligibility, prior to the execution of this Agreement. FRANCHISEE shall provide immediate written notice to the CITY if, at any time prior to execution, FRANCHISEE learns this certification is erroneous or has become erroneous by reason of changed circumstances. If it is later determined that FRANCHISEE's warranties and certification in this Section were erroneous, the CITY may terminate this Agreement for default.

Section 21: Assignment

1. FRANCHISEE acknowledges that this Agreement involves rendering a vital service to commercial solid waste generators within the City of Sacramento, and that CITY has franchised FRANCHISEE to perform the services specified herein based on: (1) FRANCHISEE'S experience, skill, and reputation for conducting its solid waste collection in a safe, effective and responsible fashion, at all times in keeping with applicable waste management laws, regulations and good solid waste management practices, and (2) FRANCHISEE's financial resources to maintain the required equipment and to support its obligations to CITY under this Agreement. CITY has relied on each of these factors, among others, in choosing the FRANCHISEE to perform the services to be rendered under this Agreement.

2. This Agreement is a privilege to be held in trust by FRANCHISEE. A franchise granted by CITY shall not be transferred, sold, leased, assigned, or relinquished, or delegated to another person, either in whole or in part, whether by forced sale, merger, consolidation, bankruptcy laws or otherwise, without the prior approval of the Sacramento City Council ("CITY Council"). This restriction includes the transfer of ownership of the Agreement, or a majority of the ownership or control of the FRANCHISEE, or the conveyance of a majority of the FRANCHISEE's stock to a new controlling interest. This Agreement shall become void upon the abandonment of FRANCHISEE. CITY Council shall not unreasonably withhold approval of a franchise assignment, provided that such assignment does not unreasonably impact competition and the assignee is qualified to perform its obligations as required by this Agreement and any implementing City law, regulation, rule, or ordinance.

3. FRANCHISEE shall promptly notify the Solid Waste Manager in writing in advance of any proposed assignment, sale, or transfer. In the event the CITY Council approves of any assignment, sale, or transfer, said approval shall not relieve FRANCHISEE of any of its obligations or duties under this Agreement unless this Agreement is modified in writing to that effect.

Section 22: Amendment and Waiver

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon CITY unless agreed in writing by the CITY.

Section 23: Successors

Subject to the provisions of section 21, this Agreement shall bind the successors of CITY and FRANCHISEE in the same manner as if they were expressly named.

Section 24: Time

Time is of the essence in the performance of this Agreement. FRANCHISEE shall devote the necessary time and effort to its performance under this Agreement. Neither party will be considered in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

Section 25: Interpretation

This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

Section 26: Solid Waste Manager

As used in this Agreement, "Solid Waste Manager" shall mean the Integrated Waste General Manager of the Recycling and Solid Waste Division, City of Sacramento Department of Public Works or his/her designee. Solid Waste Manager shall administer this Agreement on behalf of CITY. FRANCHISEE shall meet and confer with the Solid Waste Manager to resolve differences, implement, and execute the requirements of this Agreement.

Section 27: Disputes

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. Pending resolution of any such dispute, FRANCHISEE shall continue without delay to carry out all its responsibilities under this Agreement unless the Agreement is otherwise suspended or terminated in accordance with chapter 13.24 of the Sacramento City Code or the Termination provisions of this Agreement. CITY shall not be required to make payments for any services that are the subject of this dispute resolution process until such dispute has been mutually resolved by the parties. If the dispute cannot be resolved either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California. Nothing in this Agreement or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state and federal law.

Section 28: Default, Termination

1. Default. Except for the occurrence of Force Majeure as described in paragraph 4 of this section, in the event of any material failure or refusal of FRANCHISEE to comply with any obligation or duty imposed on FRANCHISEE under this Agreement or the City Code or related ordinances, resolutions, or administrative rules, the CITY may provide notice of a default pursuant to the provisions of chapter 13.24 of the Sacramento City Code provided it is a situation where there is the ability to cure the default.

2. The following events shall constitute a material breach under this Agreement:

   A. *Misrepresentation*. Any misrepresentation or disclosure made to CITY by FRANCHISEE in connection with or as an inducement to entering this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time the representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

   B. *Fraud or Deceit*. If FRANCHISEE practices, or attempts to practice, any fraud or deceit

upon CITY.

C. *Failure to Maintain Insurance Coverage*. If FRANCHISEE fails to provide or maintain in full force and effect the Worker's Compensation, liability, or insurance coverage as required by this Agreement.

D. *Violations of Regulation*. If FRANCHISEE violates any permits, orders or filing of any regulatory body having jurisdiction over FRANCHISEE which violation or non-compliance materially affects FRANCHISEE'S ability to perform under this Agreement, provided that FRANCHISEE may contest any such orders as set forth in Chapter 13.24 of the Sacramento City Code, in which case no breach of the Agreement shall be deemed to have occurred during the pendency of the contestation or appeal, to the extent FRANCHISEE is able to adequately perform during that period.

E. *Acts or Omissions*. Any other act or omission by FRANCHISEE which materially violates the terms, conditions, or requirements of this Agreement; resolutions, administrative rules, or the City Code; the California Integrated Waste Management Act of 1989 (as codified in Public Resources Code section 40000 et seq.), as it may be amended from time to time; or any order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if FRANCHISEE cannot reasonably correct or remedy the breach within the time set forth in such notices, if FRANCHISEE should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

3. Termination. Upon the occurrence of a material breach, the CITY may have the right to terminate this Agreement pursuant to the provisions in chapter 13.24 of the Sacramento City Code.

4. Force Majeure. The performance of this Agreement may be discontinued or temporarily suspended in the event of Force Majeure. FRANCHISEE shall not be deemed to be in default and shall not be liable for failure to perform under this Agreement if FRANCHISEE'S performance is prevented or delayed by Force Majeure. Force Majeure means acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, public riots, breakage, explosions, or government restraint. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances, and litigation, including appeals, shall be entirely within the discretion of FRANCHISEE and FRANCHISEE may make settlement thereof at such time and on any such terms and conditions as it may deem to be advisable, and no delay in making such settlement shall deprive FRANCHISEE of the benefit of this section.

5. Notice of Termination. The CITY shall serve written notice in accordance with chapter 13.24 of the Sacramento City Code, either personally or by registered or certified mail, postage prepaid of the termination of a Franchise under this Agreement to the last place of business of FRANCHISEE.

Section 29: Conditions Upon Termination

1. In the event this Agreement is terminated:

A. FRANCHISEE shall have no right or authority to engage in commercial solid waste collection, transportation, or disposal operations within the City.

B. FRANCHISEE shall, however, remain liable to CITY for any and all Franchise Fees that would otherwise be payable by FRANCHISEE, for any and all late payment charges and interest assessed, for any liquidated damages assessed pursuant to Exhibit B – Compensation or Attachment 1 to Exhibit B of this Agreement and for any and all delinquent report charges assessed pursuant to chapter 13.24 of the City Code.

C. FRANCHISEE shall have a continuing obligation to submit to CITY all reports required by Section 30 of this Agreement and chapter 13.24 of the City Code relating to commercial solid waste or recycling activities performed by FRANCHISEE up to and including the date of termination.

2. In the event this Agreement is terminated, then, within the time period specified by CITY, FRANCHISEE shall promptly remove all of FRANCHISEE's commercial solid waste and recyclables containers from all of FRANCHISEE's collection service locations and shall properly dispose of all solid waste or recyclables in such containers.

Section 30: Reports

1. FRANCHISEE shall submit quarterly tonnage reports on or before the first day of the second calendar month immediately following the reportable quarter and shall be submitted as required in CITY Code section 13.24.280 or as otherwise amended, in a format as required by the Solid Waste Manager.

2. FRANCHISEE shall submit quarterly generator data in a format as required by the Solid Waste Manager as directed in CITY Code section 13.24.280 or as otherwise amended.

3. FRANCHISEE shall submit monthly generator compliance data to the City of Sacramento. CITY shall provide FRANCHISEE with the required report format and due date of such submittal as required by the Solid Waste Manager.

4. FRANCHISEE shall submit progress reports on the implementation of the FRANCHISEE'S Diversion Plan as provided for in the application form completed by FRANCHISEE as directed by the Solid Waste Manager pursuant to CITY Code section 13.24.280.A.5 or as otherwise amended.

5. FRANCHISEE shall report quarterly contamination to the CITY pursuant to Exhibit A, Section 8 — Contamination Monitoring, Recordkeeping, and Reporting.

6. FRANCHISEE shall submit monthly revenue reports on or before the first day of the second month immediately following the month in which collection services were provided as required in CITY Code section 13.24.280 or as otherwise amended. CITY shall provide FRANCHISEE with the required report format of such submittal.

Section 31: Audits, Records, and Inspection Authority

1. Upon CITY's request, FRANCHISEE shall promptly provide access to the Solid Waste Manager or his/her designees of all records, accounts, or other financial or program information pertinent to the conduct of the business and/or requirements of this Franchise as CITY deems necessary to determine FRANCHISEE's compliance with legal and contractual requirements, including the correctness and accuracy of claims submitted by FRANCHISEE.

2. FRANCHISEE shall certify that any response provided to the Solid Waste Manager or his/her designee, pursuant to this section, is true, complete, and correct.

3. In addition to the requirements in subsections 1 and 2 above, FRANCHISEE shall reimburse

audit costs incurred by CITY staff, and any other costs for FRANCHISEE-related services provided by CITY staff or its contractors, in the event of significant audit findings including but not limited to, detailed follow-up audits when staff determines that documentation reported by FRANCHISEE is inadequate or incomplete. Where necessary, CITY staff will retain the services of an independent auditor to verify performance and conduct an audit of FRANCHISEE records.

Section 32: Prior Agreements

This Agreement constitutes the entire contract between CITY and FRANCHISEE regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between CITY and FRANCHISEE regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.

Section 33: Severability

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

Section 34: Survival of Terms

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions, and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation, or termination of this Agreement shall so survive.

Section 35: Headings

The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

Section 36: Attorney Fees

Except as required by Section 19, the Parties will bear their own attorney fees and costs in connection with this Agreement.

Section 37: Authority to Execute

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

Section 38: Duplicate Counterparts

This Agreement may be executed in counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

Signatures scanned and transmitted electronically shall be deemed original signatures for purposes of this Agreement, with such scanned signatures having the same legal effect as original signatures. This

Agreement may be executed through the use of an electronic signature and will be binding on each party as if it were physically executed.

(SIGNATURE PAGE FOLLOWS)

Executed as of the day and year first above stated.

CITY OF SACRAMENTO

A Municipal Corporation

By: _____

Print name: Ryan Moore

Title: Assistant City Manager

For: City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

Michael Fry (May 26, 2026 14:19:16 PDT)

_____

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

GreenWaste of Central Valley, LLC

NAME OF FIRM

87-2742289

Federal I.D. No.

B20250232984

State I.D. No.

1120775

City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY *(check one)*:

☐ Individual/Sole Proprietor
☐ Partnership
☐ Corporation *(may require 2 signatures)*
☑ Limited Liability Company
☐ Other (*please specify:* _____)

Kevin Divincenzo
Kevin Divincenzo (May 22, 2026 15:07:54 PDT)

Signature of Authorized Person

Kevin DiVincenzo | Chief Operations Officer

Print Name and Title

Kelley Johannsen (May 22, 2026 15:19:51 PDT)

Additional Signature *(if required)*

Kelley Johannsen | VP of Collections

Print Name and Title

Exhibit A
Scope of Services

This Exhibit A incorporates by this reference the Franchise Agreement between *GreenWaste of Central Valley, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Exhibit A provides the Scope of Services for the Agreement. In the event of a conflict between Exhibit A and the Agreement, the terms of Exhibit A shall prevail.

1. Definitions

For purposes of this Agreement, all terms used shall have the same meaning as those defined in chapter 13.24 of the Sacramento City Code.

2. Ownership of Waste Material

CITY does not gain any ownership or right to possess commercial solid waste material collected by FRANCHISEE pursuant to this Agreement. Subject to the provisions of this Agreement, FRANCHISEE shall have the right to retain any benefit resulting from its right to retain, recycle, process, dispose of, or use the commercial solid waste material that it collects.

3. Disposal and Diversion of Commercially Generated Waste Material

FRANCHISEE shall dispose of commercial solid waste collected or transported by FRANCHISEE only by taking such commercial solid waste to a landfill or transfer station lawfully authorized to accept such solid waste. FRANCHISEE shall divert recyclable and organic material at facilities legally permitted to process source separated recyclable material and organic material. FRANCHISEE shall not dispose of commercial solid waste by depositing it on any land, whether public or private, or in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system.

4. Customer Service Agreements

A. Franchisee shall enter into customer service agreements with Generators consistent with Sacramento City Code section 13.24.570, or as otherwise amended.

B. Customer service agreement terms shall remain unchanged and shall not restart or be extended if adjustments to the levels of service are made at any point during the renewal contract term period, unless the customer explicitly states an interest in extending or renewing at the time an adjustment is made.

C. Customers must receive a separate and specific written notice of each customer service agreement renewal not less than sixty (60) days prior to the effective date of such renewal.

D. FRANCHISEE shall submit a copy of a current customer service agreement template to CITY on an annual basis and any time the customer service agreement template is changed.

5. Diversion Programs

A. Source Separated Recyclable Material and Organic Material: FRANCHISEE is required to divert from landfilling source separated recyclable material and organic material collected and removed by it within CITY region, in accordance with chapter 13.24 of the City Code. Failure to meet the diversion requirement will subject FRANCHISEE to the Recycling Shortfall Penalty provided for in CITY Code section 13.24.760, or as otherwise amended. FRANCHISEE shall not

landfill source separated recyclable material and organic material without notifying CITY as described in CITY Code section 13.24.240, or as otherwise amended.

B. Construction and Demolition Debris: When FRANCHISEE provides commercial solid waste collection services for a project subject to Construction and Demolition ("C&D") Debris in chapter 8.124 of the City Code, FRANCHISEE shall assist their generators in complying with the C&D Debris requirements set forth in the City Code.

Diversion credit from mixed construction and demolition debris for compliance with mandates will only be recognized if FRANCHISEE delivers mixed C&D debris to a C&D Sorting Facility certified by the County of Sacramento and material is stamped as sorted by the certified C&D Sorting Facility.

6. Collection Equipment

A. Any and all vehicles used by FRANCHISEE to perform commercial solid waste collection services shall meet the vehicle inspection, tag and covered load requirements of CITY Code section 13.24.430, 13.24.440 and 13.24.450, or as otherwise amended.

B. FRANCHISEE shall submit a Franchisee commercial solid waste vehicle inventory of FRANCHISEE's vehicles, as required in CITY Code section 13.24.110 or as otherwise amended, and shall include but not limited to, vehicle number, year, make, model, capacity, and vehicle identification number (VIN). FRANCHISEE is required to submit the Franchisee commercial solid waste vehicle inventory annually as part of its Franchise Application or Franchise Renewal Application.

C. If FRANCHISEE's vehicle inventory has changed between the application or renewal application date and the effective date of this agreement, FRANCHISEE must submit to Solid Waste Manager an amended inventory, as required in CITY Code section 13.24.180 or as otherwise amended, prior to commencing the provision of services under this Agreement.

7. Franchisee Provided Waste Material Containers

A. General. Each generator shall be provided solid waste, recyclable material, and organic material services. This provision of three or more containers shall comply with the collection container requirements specified in chapter 13.24 of the City Code and with the Container Color Requirements outlined in Senate Bill (SB) 1383 as codified in sections 18984.1 and 18984.7 of title 14 of the California Code of Regulations. FRANCHISEE is responsible for ensuring generator compliance with this requirement and use of proper facilities for collected material.

B. Source Separated Recyclable Materials Collection (Blue Container): FRANCHISEE shall provide blue containers to generators for collection of source separated recyclable materials and shall provide source separated recyclable materials collection service, as described below. FRANCHISEE shall transport the source separated recyclable materials to a recyclable materials processing facility.

Source separated recyclable materials that are mandated to be accepted for collection in the source separated recyclable materials commercial collection program include the following:

- Aluminum Containers
- Glass Containers
- Plastics #1 and #2
- Tin and Bi-Metal Containers

- Mixed Paper
- Cardboard

FRANCHISEE shall offer Generators, at minimum, 90-gallon containers for Recyclable Material collection.

C. Source Separated Organic Material (Organics Container): FRANCHISEE shall provide organic containers to generators for collection of organic material and shall provide organic material collection service.

FRANCHISEE shall transport organic material to an organic material processing facility, or a transfer facility for transfer and transport to an organic material processing facility.

Organic materials that are mandatory to be accepted for collection in the commercial collection program include the following:

Mandatory Commercial Organic Material
Food Waste
Food Soiled Paper
Green Waste
Compostable Plastic Bags*

*Compostable plastic bag material must meet ASTM D6400 sections 5.1 through 6.4.2 standard for compostability as published May 2019.

FRANCHISEE shall offer Generators, at minimum, 30-gallon containers for Organic Material collection.

D. Commercial Solid Waste Collection (Gray Container): FRANCHISEE shall provide gray containers to generators for collection of solid waste and shall provide solid waste collection service. FRANCHISEE shall transport the solid waste to a disposal facility or a transfer facility for transfer and transport to a disposal facility.

FRANCHISEE shall offer Generators, at minimum, 90-gallon containers for weekly Solid Waste collection.

E. FRANCHISEE shall provide containers used for storage of solid waste materials that meet the following requirements:

(i) FRANCHISEE shall place a label on the body or lid of each container that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that container. Container labels must be available in any non-English language spoken by a substantial number of the public in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

(ii) Container must be clearly identified, with the name, or recognizable corporate or company logo, and phone number of the Franchisee that is legible from a distance of fifty (50) feet.

(iii) Be adequately sized and serviced with adequate frequency to meet the waste material generation needs of the business.

(iv) Be designed and constructed to be watertight to prevent the leakage of liquids.

(v) Be equipped with lids which are to be kept closed and shall be placed in a way that does not prevent the lid from being closed.

(vi) Containers shall be equipped with functioning locking bars or a locking mechanism and shall remain locked at all times, except when solid waste or recyclable materials are being deposited or collected in accordance with the provisions of chapter 13.24 of Sacramento City Code.

(vii) Be kept free of graffiti.

(viii) Be replaced, cleaned, or repainted as needed so as to present a clean appearance.

(ix) No later than January 1, 2036, FRANCHISEE shall provide all generators with collection containers that comply with the container color requirements specified in in Title 14 of the California Code of Regulation ("CCR") Section 18982. 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. Until January 1, 2036, FRANCHISEE is not required to replace functional collection containers that do not comply with these color requirements prior to the end of the useful life of those containers. New and replacement collection containers, however, must meet new color requirements.

F. In addition to any and all requirements listed in section E., above, the owners and tenants of properties in the downtown collection area, as defined in Attachment 1 to Exhibit A, are required to comply with all of the requirements below, as specified in CITY Code section 13.10.510 or as otherwise amended:

(i) Intentionally omitted.

(ii) All commercial containers shall have the name, address, and telephone number of the owner, and of the tenant, if different than the owner, written on the front of the container with either paint or some form of indelible ink.

(iii) No container shall be placed or located in such a manner that blocks or impedes passage through the alley or through any doorway of any building adjoining the alley, even if the building is abandoned or out of use.

G. Solid Waste Manager or designee may require special container equipment, and/or container labeling with customer identifying information.

H. Violations of the conditions of this section may become the basis for enforcement actions. In addition, violations of the conditions of this section may be determined to be a material breach of this Agreement and will subject the FRANCHISEE to payment of liquidated damages, pursuant to Exhibit B of this Agreement.

8. Contamination Monitoring, Recordkeeping, and Reporting

FRANCHISEE shall implement a contamination monitoring, record keeping, and reporting program.

A. Contamination Monitoring. FRANCHISEE shall conduct a route review for prohibited container contaminants in containers in a manner that results in all routes being reviewed annually.

Containers may be randomly selected along a hauler route.

(i) Upon finding prohibited container contaminants in a container, the FRANCHISEE, shall notify the generator of the violation. The notice shall, at a minimum, include information regarding the generator's requirement to properly separate materials into the appropriate containers and may include photographic evidence of the violation. The notice may be left on the generator's container, gate, or door at the time the violation occurs, and must be mailed, e-mailed, or electronically messaged to the generator.

(ii) If a FRANCHISEE observes excessive prohibited container contaminants in a generator's collection container(s), it may dispose of the container's contents.

(iii) If a FRANCHISEE charges for contamination and the generator contests the charge, FRANCHISEE must provide photographic evidence of the contamination. If evidence of the contamination is not available, the contamination charge shall be refunded.

B. Route Review Contamination Recordkeeping and Reporting. FRANCHISEE shall conduct route reviews and submit reports related to the contamination monitoring program that includes, but is not limited to the following required fields.

Quarterly documentation of all route reviews conducted shall include, but is not limited to:

(i) Generator name

(ii) Generator site address

(iii) Generator account number

(iv) Container contamination found

(v) Copy of all contamination notices issued

(vi) Container contents disposed

On an annual basis, FRANCHISEE shall submit an Initial Route Review Plan that includes, but is not limited to:

(i) A list of routes, associated route numbers, and number of stops per route.

(ii) A description of the methodology for conducting route reviews.

(iii) A copy of the proposed contamination notice template.

All contamination monitoring documentation shall be submitted to CITY in a format as directed by the Solid Waste Manager and made part of CITY's operational record at the frequency as directed by the Solid Waste Manager and upon CITY request.

9. Abandoned Containers

A. If FRANCHISEE abandons any container used to provide commercial solid waste material collection services under the Agreement, CITY may remove the container and/or dispose of the contents of the container.

B. If CITY removes a container abandoned by FRANCHISEE and/or disposes of the contents of any container abandoned by FRANCHISEE, CITY may charge FRANCHISEE for CITY's costs incurred in such removal/disposal and for CITY's costs of storage of the container. FRANCHISEE shall reimburse CITY for such costs within ten (10) days of the date of CITY's

invoice for such costs.

C. For the purposes of this section, "abandoned" includes:

(i) FRANCHISEE's failure to remove the container within the time period specified by termination of the Agreement pursuant to chapter 13.24 of the Sacramento City Code.

(ii) FRANCHISEE's failure to remove the container within a reasonable period after the expiration of the Franchise granted to FRANCHISEE, except in the case where FRANCHISEE has been granted an extension of the term of said Franchise or FRANCHISEE has been granted a subsequent commercial solid waste collection franchise authorizing FRANCHISEE to collect and transport the type or types of solid waste for which the container was used pursuant to this Agreement.

(iii) FRANCHISEE's failure to dispose of the contents of the container within five (5) days after CITY issues written notice to FRANCHISEE to dispose of the contents.

10. Personnel

A. Driver Qualifications. FRANCHISEE agrees that all drivers shall be trained and qualified in the operation of collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

B. Safety Training. FRANCHISEE shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection of solid waste, or who are otherwise directly involved in such collection.

11. Education and Outreach

A. FRANCHISEE shall assist CITY in educational and outreach activities to promote diversion of recyclable material and organic material.

B. FRANCHISEE shall provide an outreach and education plan according to FRANCHISEE's Diversion Plan.

C. Education and outreach materials must be translated into any non-English language spoken by a substantial number of the pubic in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

12. Diversion Plan

FRANCHISEE shall implement its Diversion Plan submitted annually as part of its Franchise Application or Franchise Renewal Application and approved by CITY. FRANCHISEE Diversion Plan shall contain the following elements:

A. A methodology for how FRANCHISEE will meet City diversion requirements.

B. A compliance plan that describes the proposed methodology for identifying generators required to have source separated recycling and organic material services, proposed methodology for tracking compliant/noncompliant generators, and proposed efforts for increasing subscription levels.

C. A description of the Franchisee's contamination reduction program, as described in Section 7. Contamination Monitoring, Recordkeeping, and Reporting.

D. A description of a minimum of three (3) outreach and education campaigns and quantifiable goals for each campaign.

(i) At least one annual campaign will be directed at all serviced generators and will inform the serviced generators about both the State Mandatory Commercial Recycling Law (AB 341) and applicable City requirements, and State Mandatory Commercial Organics Recycling Law (AB 1826), the State Mandatory Short-Lived Climate Pollutants Law (SB 1383), and applicable City requirements, and how to comply with each Law.

(ii) At least one campaign will be specifically directed at those serviced generators that are not in compliance with either the State Mandatory Commercial Recycling Law (AB 341), the State Mandatory Commercial Organics Recycling Law (AB 1826) and/or the State Mandatory Short-Lived Climate Pollutants Law (SB 1383) and will inform them of their requirements and how they can comply.

(iii) One campaign will be at the choice of FRANCHISEE and will not be directly related to above campaigns subsections D(i) or D(ii) above.

E. A description of the FRANCHISEE's recordkeeping and reporting systems and how it will accurately meet CalRecycle mandatory reporting requirements under AB 341, AB 1826, and SB 1383.

13. Generator Waiver Program

A. CITY shall grant all generator recycling and organic recycling waivers.

B. Waiver applications must be submitted by the generator on a form provided by Solid Waste Manager.

C. FRANCHISEE may assist the generator with completing the waiver application but is prohibited from submitting a waiver on the generator's behalf.

D. CITY shall provide FRANCHISEE with an updated listing of waivers approved by CITY, including the generators' names, mailing address, service address, and type of waiver.

14. Restricted Collection Hours

A. Solid waste shall be collected within residential areas or within mixed residential and commercial areas of the city only between the hours of 6:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day, and elsewhere within the city only between the hours of 4:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day as provided by chapter 13.10 of the Sacramento City Code, or as otherwise amended.

B. Violation of this provision will subject FRANCHISEE to liquidated damages identified in Exhibit B – Compensation or attachment 1 to Exhibit B.

15. Annual Mandatory Training

A. CITY will conduct annual training covering, at minimum, tonnage and revenue reporting requirements.

B. Attendance is required for a FRANCHISEE that meets any of the following criteria, including but not limited to reporting staff turnover with those responsible or involved in reporting, staff reassignment impacting reporting, significant or repeated reporting errors, or any other issue identified by CITY that may impact accurate or timely reporting.

C. CITY will notify FRANCHISEE at least thirty (30) calendar days in advance if attendance is required, specifying the date, time, and format of the training. All staff involved in reporting to the CITY should attend a training session, but at a minimum, at least one employee from FRANCHISEE must attend.

D. Failure to attend the annual mandatory training may result in the assessment of liquidated damages.

Attachment 1 to Exhibit A
Downtown Service Area

This Attachment 1 to Exhibit A incorporates by this reference the Franchise Agreement between *GreenWaste of Central Valley, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit A defines the Downtown Service Area. In the event of a conflict between this Attachment 1 to Exhibit A and the Agreement, the terms of this Attachment 1 to Exhibit A shall prevail.

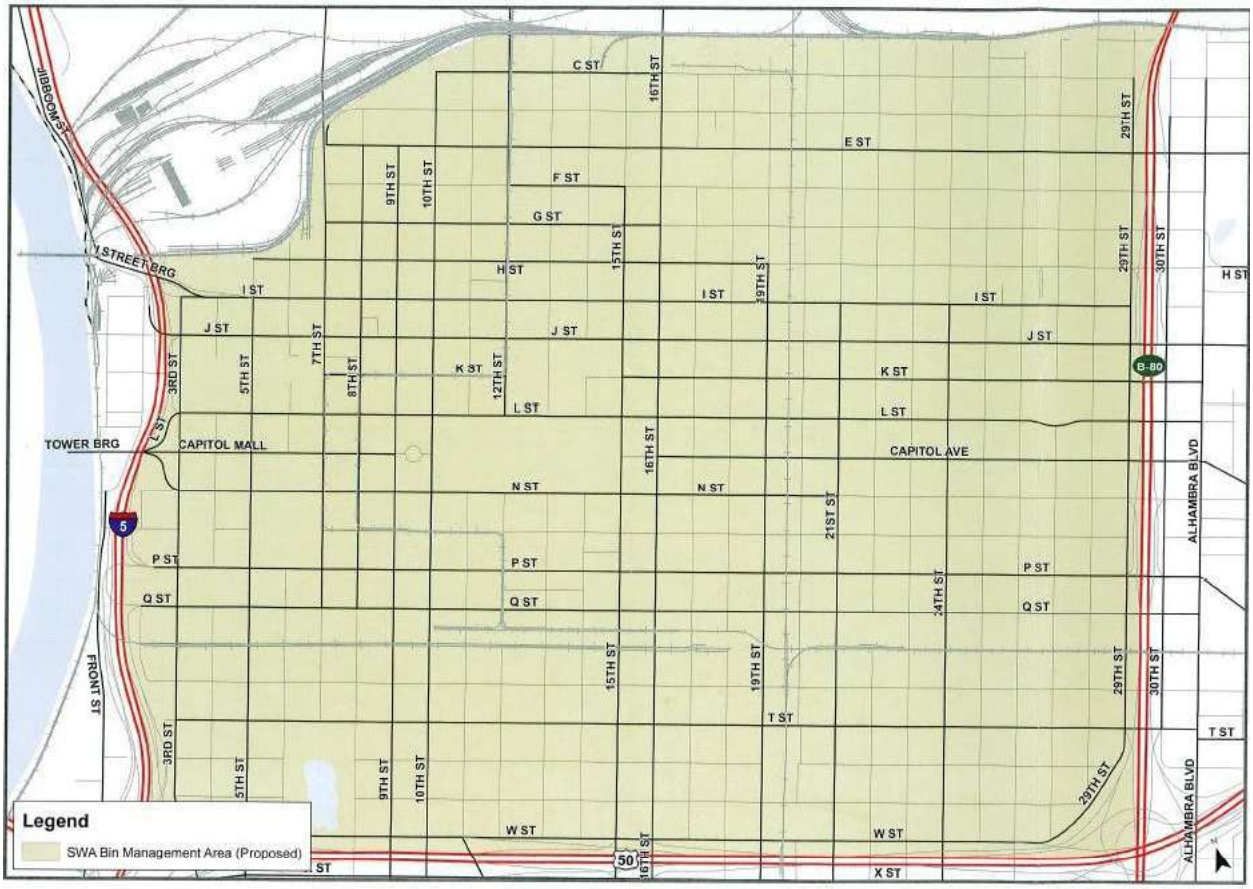


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between *GreenWaste of Central Valley, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Exhibit B provides the Compensation for the Agreement. In the event of a conflict between Exhibit B and the Agreement, the terms of Exhibit B shall prevail.

1. FRANCHISE FEES

A. During the term of the Agreement, FRANCHISEE shall pay Franchise Fees to CITY. Such fees shall be in the amount established for commercial solid waste services as set forth by resolution of the City Council and as described in chapter 13.24 of Sacramento City Code, pursuant to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. Franchise Fees shall not be owed by FRANCHISEE for revenues received from federal, state and local governments, including school districts.

C. FRANCHISEE shall pay Franchise Fees on all solid waste collected pursuant to this AGREEMENT regardless of the method of disposal or handling.

D. For calculation of gross collection revenue and calculation of franchise fees, FRANCHISEE may deduct collection revenues for source-separated recyclable material and organic material, provided those materials are diverted from disposal.

2. FRANCHISE FEE PAYMENT

A. FRANCHISEE shall pay Franchise Fees to CITY pursuant to CITY Code section 13.24.040, or as otherwise amended.

B. FRANCHISEE shall pay all required Franchise Fees to:

City of Sacramento, Recycling and Solid Waste Division
Attention: Accounts Receivable
2812 Meadowview Road, Building 1
Sacramento, CA 95832

C. If FRANCHISEE remits Franchise Fees by personal delivery to CITY, such Franchise Fees shall be deemed timely paid only if delivered on or before the due date. If FRANCHISEE remits Franchise Fees by mail or other delivery service, such Franchise Fees shall be deemed timely only if: (1) the envelope containing the Franchise Fee payment bears a postmark or receipt showing that the payment was mailed or sent on or before the due date or (2) FRANCHISEE submits proof satisfactory to Solid Waste Manager that the Franchise Fee payment was in fact deposited in the mail or sent on or before said due date.

D. In the event FRANCHISEE believes that it has paid Franchise Fees in excess of the amounts due to CITY, FRANCHISEE may submit a request for refund to Solid Waste Manager on a form provided by said Solid Waste Manager. If proof of overpayment is satisfactory to Solid Waste Manager, Solid Waste Manager shall refund to FRANCHISEE any overpayment. FRANCHISEE shall not apply any overpayment as a credit against any Recycling Shortfall Penalty, Franchise Fees, or other amounts payable to the CITY unless specifically so authorized by the Solid Waste Manager in writing.

3. Liquidated Damages

A. Failure of FRANCHISEE to provide solid waste collection containers and services that conform to this Agreement will be subject to liquidated damages according to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. If any deficiencies are brought to the attention of CITY, CITY shall notify FRANCHISEE in writing of such failure, including the associated liquidated damages amount. FRANCHISEE may be given a cure period to provide proof of corrective action for such deficiency prior to liquidated damages being assessed. However, not all deficiencies will have a cure period. Attachment 1 to Exhibit B – Fee and Penalty Schedule provides cure periods for deficiencies that shall be assessed liquidated damages. Proof of corrective action must be provided by FRANCHISEE as requested by CITY.

C. If proof of corrective action is not provided by FRANCHISEE within the cure period, CITY may take further enforcement action. Furthermore, continued failure to take corrective action shall be deemed a breach of this Agreement and shall constitute grounds for the termination of this Agreement by CITY.

D. Any Liquidated Damage fees shall be assessed to the FRANCHISEE and shall be due as part of FRANCHISEE's monthly payment to CITY.

4. LATE FEES AND PENALTIES

FRANCHISEE shall pay late fees and penalties to CITY pursuant to the Attachment 1 to Exhibit B – Fee and Penalty Schedule.

Attachment 1 to Exhibit B
Fee and Penalty Schedule

This Attachment 1 to Exhibit B incorporates by this reference the Franchise Agreement between *GreenWaste of Central Valley, LLC* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit B provides the fees and penalties for the Agreement. In the event of a conflict between this Attachment 1 to Exhibit B and the Agreement, the terms of this Attachment 1 to Exhibit B shall prevail.

Fees and Charges

Fee	Amount	Notes
Franchise fee	10% of revenue	Calculated at 10% of reported disposal revenue. May require minimum of $1,000 per fiscal year (July-June).
Refundable cash deposit	$500.00 per vehicle	Required for each collection vehicle unless sufficient financial assurance provided to CITY.
Delinquent Franchise Fee Payment	10% of franchise fee owed, compounded 1.5% monthly until paid	Franchisee fees are due on the first business day of the second month following the close of each month. The 10% late fee is applied when the franchise fee is not paid on time. If it is still unpaid by the first of the next month, the franchise fee will increase by 1.5% of the owed franchise fee plus the original late fee plus applied interest.
Delinquent Quarterly Tonnage Report Fee	$50.00	Correct and accurate Quarterly Tonnage Reports are due the first business day of the second month following the close of each quarter. An automatic charge of $50/day will be applied until the accurate tonnage report is received. Staff will determine whether a tonnage report is correct.
Delinquent Quarterly Generator Report Fee	$25.00 / day	Correct and accurate Generator Reports are due by the date described in Sacramento City Code, section 13.24.600, or as otherwise amended. An automatic charge of $25/day will be applied until the accurate generator report is received. Staff will determine whether a generator report is correct.
Recycling shortfall penalty	$25.00 / ton of recycling shortfall	Charged per ton of shortfall from 30% diversion requirement.
Abandoned Container Fee	$400.00	Fee to cover the costs for the collection, emptying and storage of a Franchisee abandoned container. Containers are considered abandoned if not removed from the property of a customer within five business days of final termination of services to the customer (13.24.570 or as otherwise amended).

Liquidated Damages

Failure	Amount	Cure Period
Broken or missing lock bar / Broken or missing lock	$150.00 / bin / service address / day	Three (3) business days.

Broken or missing lid	$150.00 / bin / service address / day	Three (3) business days.
Container graffiti	$150.00 / bin / service address / day	Three (3) business days.
Bin not properly labeled	$150.00 / bin / service address / day	Three (3) business days.
Overflowing, spilling, or leaking bin	$250.00 / bin / service address / day	Three (3) business days.
Use of collection vehicle(s) without required inspection	$150.00 / vehicle / day	N/A / None.
Verified collection outside of restricted collection hours (Sacramento City Code 13.24.560 Hours of collection.)	$150.00 / incident	N/A – None.
Uncovered/Unsecured materials in collection vehicles	$150.00 / incident	N/A / None.
Provision of non-compliant service, including but not limited to failing to provide minimum service level requirements and failing to provide all required commodities.	$150.00 / commodity / day	N/A / None for service started on or after July 1, 2024. Generators must be provided compliant services from the commencement of services through final termination.
Inaccurate Reporting	$100 / error after the first five (5) errors per report	N/A / None. Reports must be complete and accurate at the time of submission.
Failure to provide a generator with a copy of the service agreement/contract within timeframe allowable by Sacramento City Code 13.24.270 or as otherwise amended.	$100 / service agreement / day	N/A / None. Liquidated damages will be assessed beginning the first day after the allowable timeframe by Sacramento City Code
Placing a franchisee owned container requiring a minor encroachment permit as defined in Sacramento City Code 12.12 on a public right-of-way without approved minor encroachment permit or prior written approval from the City.	$150 / container / day	N/A / None. The required minor encroachment permit must be approved and attached to temporary container at the time the container is placed on the public right-of-way unless an exception as outlined in Sacramento City Code 12.12.020 applies.
Failure to provide service or response as outlined in Sacramento City Code 13.24.570.	$150 / failure / day	N/A / None. Liquidated damages will be assessed daily until proof of correction is supplied to City in a manner that is satisfactory to Solid Waste Manager or designee.
Failure to attend required hauler reporting training as outlined in Section 15 – Annual Mandatory Training.	$150 / meeting	N/A None. Haulers will be provided 30 days' advance notice for training. Failure to attend will result in immediate assessment of liquidated damages.

Exhibit C
Insurance

1. **Insurance Requirements**. During the entire term of this Agreement, FRANCHISEE shall maintain the insurance coverage described in the Insurance Terms below. Full compensation for all premiums that FRANCHISEE is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Agreement. No additional compensation will be provided for FRANCHISEE's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

   FRANCHISEE's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the FRANCHISEE in connection with this Agreement.

2. **General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the FRANCHISEE and subcontractors, products and completed operations of FRANCHISEE and subcontractors, and premises owned, leased, or used by FRANCHISEE and subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of FRANCHISEE and subcontractors; products and completed operations of FRANCHISEE and subcontractors; and premises owned, leased, or used by FRANCHISEE and subcontractors.

3. **Automobile Liability Minimum Scope and Limits of Insurance Coverage**. (*Check the applicable provision*.)

   X Automobile Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than three million dollars ($3,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the FRANCHISEE. The policy will contain an MCS-90 endorsement when applicable. FRANCHISEES who only operate non-commercial vehicles are required to provide limits of not less than $1,000,000 of Automobile Liability Insurance.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

   X Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract with limits of not less than one million dollars ($1,000,000). This coverage may also be provided on a Contractors Pollution Liability policy.

   If Pollution Liability insurance is written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

4. **Excess Insurance**. The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance contains, or is endorsed to contain, a provision that it will apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of FRANCHISEE's umbrella or excess coverage and will not contribute to it.

5. **Workers' Compensation Minimum Scope and Limits of Insurance Coverage.** (*Check the applicable provision*.)

_X_ Workers' Compensation Insurance is required with statutory limits and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000). The Workers' Compensation policy shall include a waiver of subrogation in favor of the City.

___ No work or services will be performed on or at CITY facilities or CITY Property, therefore a Workers' Compensation waiver of subrogation in favor of the CITY is not required.

___ No Workers' Compensation insurance is required, and by signing this Agreement, FRANCHISEE certifies as follows:

"FRANCHISEE certifies that its business has no employees, and that it does not employ anyone, and is therefore exempt from the legal requirements to provide Workers' Compensation insurance. If, however, FRANCHISEE hires any employee during the term of this Agreement, FRANCHISEE understands that Workers' Compensation with statutory limits and Employer's Liability Insurance with a limit of not less than one million dollars ($1,000,000) is required. The Workers' Compensation policy will include a waiver of subrogation in favor of the City."

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:

A. FRANCHISEE's insurance coverage, including excess insurance, shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-

insurance maintained by the City, its officials, employees or volunteers will be in excess of FRANCHISEE's insurance and will not contribute with it.

B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.

C. Coverage shall state that FRANCHISEE's insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

D. FRANCHISEE shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.

7. **Acceptability of Insurance**. Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Agreement.

8. **Verification of Coverage.**

A. FRANCHISEE shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.

B. FRANCHISEE shall send all insurance certificates and endorsements, including policy renewals, during the term of this Agreement directly to:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

C. Certificate Holder must be listed as:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

D. The City may withdraw its offer of Agreement or cancel this Agreement if the certificates of insurance and endorsements required have not been provided before execution of this Agreement. The City may withhold payments to FRANCHISEE and/or cancel the Agreement if the insurance is canceled or FRANCHISEE otherwise ceases to be insured as required herein.

9. **Subcontractor Insurance Coverage**. FRANCHISEE shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 4/9/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Commercial Insurance Associates, LLC 103 Powell Court, Ste 200 Brentwood TN 37027	**CONTACT NAME:** **PHONE (A/C, No, Ext):** 615-515-6000 **FAX (A/C, No):** 615-515-6001 **E-MAIL ADDRESS:** administrator@com-ins.com
INSURED GREEREC-02 GW of Sacramento, LLC 610 E Gish Rd San Jose CA 95112	**INSURER(S) AFFORDING COVERAGE** / **NAIC #** **INSURER A :** Zurich American Ins. Co. — 16535 **INSURER B :** Crum & Forster Specialty Ins. — 44520 **INSURER C :** Westchester Surplus Lines Insurance Company — 10172 **INSURER D :** Landmark American Ins Co — 33138 **INSURER E :** Allied World Na'l Assurance Co — 10690 **INSURER F :** SiriusPoint Specialty Insurance Corporation

COVERAGES **CERTIFICATE NUMBER:** 1432054363 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
B	X **COMMERCIAL GENERAL LIABILITY** [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:	Y	Y	EPK-155939	7/1/2025	7/1/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
A	**AUTOMOBILE LIABILITY** X ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS X HIRED AUTOS ONLY X NON-OWNED AUTOS ONLY X Transportati	Y	Y	BAP 4983505 05	7/1/2025	7/1/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Transportation Pollut	$ 2,000,000 $ $ $ $ 2,000,000
B E C D	[ ] **UMBRELLA LIAB** X OCCUR X **EXCESS LIAB** [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $	Y	Y	EFX-132773 0314-3358 G47476203 002 LHA607706	7/1/2025 7/1/2025 7/1/2025 7/1/2025	7/1/2026 7/1/2026 7/1/2026 7/1/2026	EACH OCCURRENCE AGGREGATE Total Excess Limit	$ $ $ 20,000,000
A	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? N **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	WC 4994062 05	7/1/2025	7/1/2026	X PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
F	Pollution			PLLP-D0001811 00	7/1/2024	7/1/2027	Each Occurence	25,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Excess Limits - EFX132773 - $5,000,000 Each Occurrence/$5,000,000 Aggregate; G47476203 002 $5,000,000 Each Occurrence/$5,000,000 Aggregate; 0314-3358 $10,000,000 Each Occurrence/$10,000,000 Aggregate; Auto Excess Liability EXT30063672301 $1,000,000 Each Occurrence/$1,000,000 Aggregate; Auto Excess Liability LHA607706 $2,000,000 Each Occurrence/$2,000,000 Aggregate
Total Excess Liability Limits $20,000,000 Total Auto Excess Liability Limits $5,000,000.
Pollution Limits- PLLP-D0001811 00- Each incident/$25,000,000 Aggregate/$25,000,000 Carrier: SiriusPoint Specialty Insurance Corporation

Per Project Aggregate $5,000,000 per endorsement - EN01790523
The City of Sacramento, its officials, employees and volunteers are additional insureds on a primary and non-contributory basis as to respects general liability
See Attached...

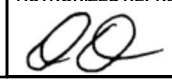
CERTIFICATE HOLDER

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta CA 92564
United States

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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AGENCY CUSTOMER ID: GREEREC-02

LOC #:

ADDITIONAL REMARKS SCHEDULE

AGENCY		NAMED INSURED
Commercial Insurance Associates, LLC		GW of Sacramento, LLC 610 E Gish Rd San Jose CA 95112
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

and automobile liability when required by a written contract with the named insured. A waiver of subrogation applies in favor of The City of Sacramento, its officials, employees and volunteers as respects to general liability, automobile liability, and workers compensation when required by a written contract with the named insured. A 30-Day Notice of Cancellation (10 days for non-payment) applies in favor of the certificate holder as respects to general liability. A 90-Day Notice of Cancellation (10 days for non-payment) applies in favor of the certificate holder as respects to automobile liability and workers compensation. Excess policy is follow form to the general liability, automobile liability and employers' liability.

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Endorsement No: 10
This endorsement, effective: July 1, 2025
(at 12:01 A.M. standard time at the address of the Named Insured as shown in Item 1. of the Declarations)
forms a part of Policy No: 0314-3358
Issued to: GreenWaste Recovery, LLC
by: Allied World National Assurance Company

SCHEDULE OF UNDERLYING INSURANCE

1. For the purpose of Item 4. of the Declarations, each policy listed below is a First Underlying Insurance policy:

Type of Coverage	Insurer Policy Number Policy Period	Limits of Insurance	Explanation (if any)
Excess Liability	Westchester Surplus Lines Insurance Company G47476203 002 July 1, 2025 - July 1, 2026	$5,000,000 Each Occurrence $5,000,000 General Aggregate	First Underlying Followed Layer

2. For the purpose of Item 4. of the Declarations, Underlying Insurance includes each policy listed in section 1 of this Endorsement and also includes each policy listed below:

Type of Coverage	Insurer Policy Number Policy Period	Limits of Insurance	Explanation (if any)
Excess Liability	Westchester Surplus Lines Insurance Company G47476203 002 July 1, 2025 - July 1, 2026	$5,000,000 Each Occurrence $5,000,000 General Aggregate	First Underlying Followed Layer
General Liability	Crum & Forster Specialty Insurance Company EPK-155939 July 1, 2025 - July 1, 2026	$1,000,000 Personal and Advertising Injury Liability - Each Offense $1,000,000 Other Limit $1,000,000 Other Limit $2,000,000 General Aggregate $2,000,000 Products Completed Operations Aggregate	Primary
Employer Liability	Zurich American Insurance Company WC 4994062 05 July 1, 2025 - July 1, 2026	$1,000,000 Bodily Injury By Accident - Each Accident $1,000,000 Bodily Injury By Disease - Aggregate $1,000,000 Bodily Injury By Disease - Each Employee	Primary
Automobile Liability	Zurich American Insurance Company BAP 4983505 05 July 1, 2025 - July 1, 2026	$2,000,000 Combined Single Limit	Primary
Excess Liability	Crum & Forster Specialty Insurance Company EFX-132773 July 1, 2025 - July 1, 2026	$5,000,000 Each Occurrence $5,000,000 General Aggregate	Lead Layer
Automobile Liability	Endurance American Specialty Insurance Company EXT30063672301 July 1, 2025 - July 1, 2026	$1,000,000 Combined Single Limit	Lead Layer
Automobile Liability	Landmark American Insurance Company LHA607706 July 1, 2025 -	$2,000,000 Combined Single Limit	1st Excess

Coverage Extension Endorsement – Liability Only

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.	
Policy No. BAP 4983505 05	Effective Date: 7/1/2025

This endorsement modifies insurance provided under the:

Business Auto Coverage Form
Motor Carrier Coverage Form

A. Amended Who Is An Insured

1. The following is added to the **Who Is An Insured** Provision in **Section II – Covered Autos Liability Coverage**:

The following are also "insureds":

a. Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow for acts performed within the scope of employment by you. Any "employee" of yours is also an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

b. Anyone volunteering services to you is an "insured" while using a covered "auto" you don't own, hire or borrow to transport your clients or other persons in activities necessary to your business.

c. Anyone else who furnishes an "auto" referenced in Paragraphs **A.1.a.** and **A.1.b.** in this endorsement.

d. Where and to the extent permitted by law, any person(s) or organization(s) where required by written contract or written agreement with you executed prior to any "accident", including those person(s) or organization(s) directing your work pursuant to such written contract or written agreement with you, provided the "accident" arises out of operations governed by such contract or agreement and only up to the limits required in the written contract or written agreement, or the Limits of Insurance shown in the Declarations, whichever is less.

2. The following is added to the **Other Insurance** Condition in the Business Auto Coverage Form and the **Other Insurance – Primary and Excess Insurance Provisions Condition** in the Motor Carrier Coverage Form**:**

Coverage for any person(s) or organization(s), where required by written contract or written agreement with you executed prior to any "accident", will apply on a primary and non-contributory basis and any insurance maintained by the additional "insured" will apply on an excess basis. However, in no event will this coverage extend beyond the terms and conditions of the Coverage Form.

B. Amendment – Supplementary Payments

Paragraphs **a.(2)** and **a.(4)** of the **Coverage Extensions** Provision in **Section II – Covered Autos Liability Coverage** are replaced by the following:

(2) Up to $5,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to $500 a day because of time off from work.

C. Fellow Employee Coverage

The **Fellow Employee** Exclusion contained in **Section II – Covered Autos Liability Coverage** does not apply.

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D. Driver Safety Program Liability Coverage

The following is added to the **Racing** Exclusion in **Section II – Covered Autos Liability Coverage**:

This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

E. Amended Duties In The Event Of Accident, Claim, Suit Or Loss

Paragraph **a.** of the **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition is replaced by the following:

a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident", claim, "suit" or "loss". However, these duties only apply when the "accident", claim, "suit" or "loss" is known to you (if you are an individual), a partner (if you are a partnership), a member (if you are a limited liability company) or an executive officer or insurance manager (if you are a corporation). The failure of any agent, servant or employee of the "insured" to notify us of any "accident", claim, "suit" or "loss" shall not invalidate the insurance afforded by this policy.

Include, as soon as practicable:

(1) How, when and where the "accident" or "loss" occurred and if a claim is made or "suit" is brought, written notice of the claim or "suit" including, but not limited to, the date and details of such claim or "suit";

(2) The "insured's" name and address; and

(3) To the extent possible, the names and addresses of any injured persons and witnesses.

If you report an "accident", claim, "suit" or "loss" to another insurer when you should have reported to us, your failure to report to us will not be seen as a violation of these amended duties provided you give us notice as soon as practicable after the fact of the delay becomes known to you.

F. Waiver of Transfer Of Rights Of Recovery Against Others To Us

The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

This Condition does not apply to the extent required of you by a written contract, executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by such contract. This waiver only applies to the person or organization designated in the contract.

G. Unintentional Failure to Disclose Hazards

The following is added to the **Concealment, Misrepresentation Or Fraud** Condition:

However, we will not deny coverage under this Coverage Form if you unintentionally:

(1) Fail to disclose any hazards existing at the inception date of this Coverage Form; or

(2) Make an error, omission, improper description of "autos" or other misstatement of information.

You must notify us as soon as possible after the discovery of any hazards or any other information that was not provided to us prior to the acceptance of this policy.

H. Hired Auto – World Wide Coverage

Paragraph **7.b.(5)** of the **Policy Period, Coverage Territory** Condition is replaced by the following:

(5) Anywhere else in the world if a covered "auto" is leased, hired, rented or borrowed for a period of 60 days or less,

I. Bodily Injury Redefined

The definition of "bodily injury" in the **Definitions** Section is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease, sustained by a person including death or mental anguish, resulting from any of these at any time. Mental anguish means any type of mental or emotional illness or disease.

J. Expected Or Intended Injury

The **Expected Or Intended Injury** Exclusion in Paragraph **B. Exclusions** under **Section II – Covered Auto Liability Coverage** is replaced by the following:

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Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured". This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

All other terms, conditions, provisions and exclusions of this policy remain the same.

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Notification to Others of Cancellation

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prem.	Return Prem.
BAP 4983505-05	07/01/2025	07/01/2026		21094000	$ **INCL**	$

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Commercial Automobile Coverage Part

A. If we cancel this Coverage Part by written notice to the first Named Insured for any reason other than nonpayment of premium, we will mail or deliver a copy of such written notice of cancellation:

1. To the name and address corresponding to each person or organization shown in the Schedule below; and

2. At least 10 days prior to the effective date of the cancellation, as advised in our notice to the first Named Insured, or the longer number of days notice if indicated in the Schedule below.

B. If we cancel this Coverage Part by written notice to the first Named Insured for nonpayment of premium, we will mail or deliver a copy of such written notice of cancellation to the name and address corresponding to each person or organization shown in the Schedule below at least 10 days prior to the effective date of such cancellation.

C. If notice as described in Paragraphs **A.** or **B.** of this endorsement is mailed, proof of mailing will be sufficient proof of such notice.

SCHEDULE	
Name and Address of Other Person(s) / Organization(s):	**Number of Days Notice:**
PER LISTING OF CERTIFICATE HOLDERS PROVIDED BY THE BROKER	90

All other terms and conditions of this policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.
This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: GREENWASTE RECOVERY, LLC

Endorsement Effective Date: 07/01/2025

SCHEDULE

Name Of Person(s) Or Organization(s):
ANY PERSON OR ORGANIZATION REQUIRED BY WRITTEN CONTRACT OR AGREEMENT.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Additional Person(s) or Organization(s):	Location And Description Of Completed Operations
Blanket when specifically required in a written contract with the named insured.	Blanket when specifically required in a written contract with the named insured.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section III – Who Is An Insured within the **Common Provisions** is amended to include as an insured the person(s) or organization(s) shown in the Schedule above, but only with respect to liability arising out of "your work" at the location designated and described in the Schedule above performed for that additional insured and included in the "products-completed operations hazard".

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

CRUM & FORSTER
A FAIRFAX COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
CONTRACTORS POLLUTION LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) or Organization(s)
Blanket when specifically required in a written contract with the named insured.

SECTION III – WHO IS AN INSURED within the Common Provisions is amended to include as an additional insured the person(s) or organization(s) indicated in the Schedule shown above, but only with respect to liability caused, in whole or in part, by "your work" for that insured which is performed by you or by those acting on your behalf.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED NOTICE OF CANCELLATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
CONTRACTORS POLLUTION LIABILITY COVERAGE PART
ERRORS AND OMISSIONS LIABILITY COVERAGE PART
ONSITE CLEANUP COVERAGE PART
THIRD PARTY POLLUTION LIABILITY COVERAGE PART

In consideration of the premium charged and solely with respect to the coverage parts shown above, it is hereby agreed that the **Common Provisions**, Section **VI** – **Common Conditions** is amended by the addition of the following:

Limited Notice Of Cancellation

In the event that we cancel this Policy for any reason other than non-payment of premium and;

a. The effective date of cancellation is prior to the expiration date of this Policy; and

b. You are under an existing written contractual obligation to notify a certificate holder when this Policy is canceled and have provided to us, either directly or through your broker of record, the email address of a contact at each such certificate holder; and

c. We received this information after you received notice of cancellation of this Policy and prior to the effective date of cancellation, via an electronic spreadsheet that is acceptable to us,

We will provide notice of cancellation via email to each such certificate holder within thirty (30) days of your providing such information to us. Proof of our emailing the notice of cancellation, using the information provided by you, will serve as evidence that we have satisfied our obligations under this condition.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NON-CONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Section VI – Common Conditions, paragraph **11. Other Insurance** within the **Common Provisions** is amended by the addition of the following, which supersedes any provision to the contrary:

d. Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person(s) or Organization(s)
Blanket when specifically required in a written contract with the named insured.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section VI – Common Conditions, paragraph **17. Transfer Of Rights Of Recovery Against Others To Us** within the **Common Provisions** is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or "damages" arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
CONTRACTORS POLLUTION LIABILITY COVERAGE PART
ERRORS AND OMISSIONS LIABILITY COVERAGE PART
THIRD PARTY POLLUTION LIABILITY COVERAGE PART
ONSITE CLEANUP COVERAGE PART

SCHEDULE

Name of Person(s) or Organization(s)
Blanket when specifically required in a written contract with the named insured.

SECTION VI – COMMON CONDITIONS, item 17. Transfer Of Rights of Recovery Against Others To Us within the Common Provisions is amended by the addition of the following:

Solely as respects the person(s) or organization(s) indicated in the Schedule shown above, we waive any right of recovery we may have against the person(s) or organization(s) indicated in the Schedule shown above because of payments we make for "damages" arising out of your ongoing operations or "your work" performed under a written contract with that person(s) or organization(s) and included in the "products-completed operations hazard".

However, this waiver shall not apply to "damages" resulting from the sole negligence of the person(s) or organization(s) indicated in the Schedule shown above.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION-ONGOING OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
CONTRACTORS POLLUTION LIABILITY COVERAGE PART
ERRORS AND OMISSIONS LIABILITY COVERAGE PART
THIRD PARTY POLLUTION LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) or Organization(s)
Blanket when specifically required in a written contract with the named insured.

SECTION III – WHO IS AN INSURED within the Common Provisions is amended to include as an additional insured the person(s) or organization(s) indicated in the Schedule shown above, but solely with respect to "claims" caused in whole or in part, by your ongoing operations performed for that insured by you, or by those acting on your behalf.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLLUTION LIABILITY – BROADENED COVERAGE FOR COVERED AUTOS – BUSINESS AUTO AND MOTOR CARRIER COVERAGE FORMS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Covered Autos Liability Coverage is changed as follows:

1. Paragraph **a.** of the **Pollution** Exclusion applies only to liability assumed under a contract or agreement.

2. With respect to the coverage afforded by Paragraph **A.1.** above, Exclusion **B.6. Care, Custody Or Control** does not apply.

B. Changes In Definitions

For the purposes of this endorsement, Paragraph **D.** of the **Definitions** Section is replaced by the following:

D. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

b. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraphs **a.** and **b.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

(1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

(2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

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Modification of Time for Notice of Cancellation or Nonrenewal

ZURICH

This endorsement modifies the cancellation or nonrenewal provisions of the policy and any other endorsement to the policy stating the number of days notice to be provided by us in the event of cancellation or nonrenewal.

To the extent that the policy or other endorsement requires that we provide notice in the event of cancellation or nonrenewal,
written notice will be given the insured no less than 90 days prior to the effective date of the cancellation or nonrenewal.

Nothing in this endorsement modifies the number of days notice to be provided in the event of nonpayment of premium.

In no event will the number of days notice of cancellation or non-renewal contained in the provisions of this endorsement be less than what is required by law.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT—CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization	**Job Description**
ALL PERSONS AND/OR ORGANIZATIONS THAT ARE REQUIRED BY WRITTEN CONTRACT, OR AGREEMENT WITH THE INSURED, EXECUTED PRIOR TO THE ACCIDENT OR LOSS, THAT WAIVER OF SUBROGATION BE PROVIDED UNDER THIS POLICY FOR WORK PERFORMED BY YOU FOR THAT PERSON AND/OR ORGANIZATION.	

City of SACRAMENTO

Contract Routing Sheet

☐ **Payment / Performance Bond Only**

General Routing Information

Department: Public Works Department

Contract Coordinator: Rachel Simpo Email: rsimpo@cityofsacramento.org

Effective Date: 07/01/2026 Expiration Date: 06/30/2027

Grant/Project Name: Commercial Waste Collection Franchise

Other Party: Long's Trash Hauling

Original Not to Exceed Amount: $ 0.00

Assessor's Parcel Number(s):

Project Number: 15005861 Bid/RFQ/RFP#:

Supplements/Addendums/Change Orders ☐

Adjusted Amount of this Change (+/-): New Not to Exceed Amount:

Change In Scope: No

Original Contract Number: Supplement Number:

Council Approval ☑

Original Meeting Date: 6/16/26 Council File ID: 2026-01084

Supplement Meeting Date: Council File ID:

Processing Information

- ☐ Clerk's Office to Mail for Recording
- ☐ Return to Dept for Other Party Signature
- ☐ Real Estate
- ☐ Return to Dept for Recording
- ☐ Construction Related
- ☐ Additional Originals Attached – Return to Dept.

Add notes/instructions, including any other contract or council file ID numbers related to this agreement:

Agreement is to grant a franchise, no services provided - "Not to Exceed" limit does not apply.

Signing Authority - Department Directors up to $100K; $100K -$250K City Manager or Assistant City Manager; $250K+ Council Approval & Council Appointee or designee.

Department Review and Routing

AB 339 Review Confirmation (if needed)

Sign Yougnal Achari

Sign Margaret Kashuba

Sign John Ebbs (May 21, 2026 15:19:31 PDT)

Sign Matt Eierman (May 22, 2026 10:48:17 PDT)

Sign

CONTRACT NAME: Commercial Waste Collection Franchise
CONTRACT PROJECT #: 15005861
DEPARTMENT: Public Works
DIVISION: Recycling and Solid Waste

CITY OF SACRAMENTO
FRANCHISE AGREEMENT FOR
COMMERCIAL SOLID WASTE COLLECTION (CONSTRUCTION & DEMOLITION/CLEAN-UP HAULING ONLY)

THIS AGREEMENT is made at Sacramento, California, by and between the CITY OF SACRAMENTO, a charter city and municipal corporation ("CITY"), and

Long's Trash Hauling

8250 Calvine Rd. Ste C 303, Sacramento, CA 95828

916-206-7072 | LONGSTRASHHAULING@HOTMAIL.COM

("FRANCHISEE"), as of the Effective Date, 7/1/2026, as defined below.

RECITALS

The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste collection within their jurisdiction; and

Chapter 13.24 of the Sacramento City Code authorizes the City Council to enter into non-exclusive franchise agreements for the collection, transportation, and disposal services of commercial solid waste, recyclable materials, organic materials, and construction and demolition debris; and

A non-exclusive franchise to operate, maintain, and provide the collection of solid waste, recyclable materials, and organic materials, and construction and demolition debris along, across, and over City public streets and rights of way promotes the public health, safety, and welfare by promoting permanence and stability among the businesses wishing to provide such services and accountability to the City for compliance with current and future state mandates; and

The City has determined that it is in its best interests to provide for commercial solid waste collection, transportation, and disposal services by means of non-exclusive franchisees; and

The City has determined that the grant of such franchise to the Franchisee is in the public interest; and

The State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement a recycling and waste management program. Through the enactment of various legislation, including the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), the State has directed local agencies, to promote diversion and 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 solid waste that must be disposed.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, CITY and FRANCHISEE agree

as follows:

Section 1: Agreement Documents

All exhibits and documents attached or referred to in this Agreement are incorporated as if set forth herein, including:

1. Exhibit A – Scope of Services
2. Exhibit B – Compensation
3. Exhibit C – Insurance

If there is a conflict between the terms and conditions of any document prepared or provided by the FRANCHISEE and made a part of this Agreement and the other terms or conditions of the Agreement, the other terms and conditions of the Agreement control.

Section 2: Grant and Acceptance of Franchise

1. By this Agreement, CITY hereby grants to FRANCHISEE a non-exclusive commercial solid waste collection franchise authorizing FRANCHISEE to engage in the business of collecting, transporting, and disposing of commercial solid waste generated in connection with construction, demolition, renovation, cleanup, or similar temporary projects accumulated or generated within the City of Sacramento and to use the public streets and rights of way for such purpose.
2. This grant is pursuant to the disclosures, statements, and information contained in FRANCHISEE's Application for City Franchise Agreement.
3. FRANCHISEE hereby accepts the Franchise on the terms and conditions set forth in this Agreement, and all related ordinances and resolutions.

Section 3: Representatives and Notice

CITY Representative for this Agreement is:

Erin Treadwell / Program Manager
2812 Meadowview Road, Building 1, Sacramento, CA 95832
Phone: (916) 808-4934 /Fax: (916) 808-4999 / etreadwell@cityofsacramento.org

The FRANCHISEE Representative for this Agreement is:

Jim Long | Owner

8250 Calvine Rd. Ste C 303, Sacramento, CA 95828

916-206-7072 | LONGSTRASHHAULING@HOTMAIL.COM

Unless otherwise provided in this Agreement, all FRANCHISEE questions and correspondence pertaining to this Agreement must be addressed to the CITY Representative. All CITY questions and correspondence must be addressed to the FRANCHISEE Representative.

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

Notice shall be deemed effective on the date personally served or, if mailed, three days after the date

deposited in the mail.

FRANCHISEE shall maintain functional Electronic Mail (Email) during the entire duration of the Agreement and provide CITY with such Email address for CITY communication to FRANCHISEE. FRANCHISEE shall notify CITY of any change in its functional Email address in writing via US Mail or Email communication to CITY.

Section 4: Term and Scope of Services

1. **Services.** Subject to the terms and conditions set forth in this Agreement, FRANCHISEE shall provide the services described in attached Exhibit A ("Scope of Services").
2. **Commencement Date.** The Commencement Date of this Agreement shall be when FRANCHISEE commences with the provision of collection, transportation, processing, and disposal services described by this Agreement. During the time between the Effective Date and Commencement Date, FRANCHISEE shall perform any and all activities necessary to commence services on the Commencement Date.
3. **Term.** The Term of this Agreement shall be from the date the Agreement is signed by the Parties until June 30, 2027, unless extended by CITY pursuant to Subsection 4 below.
4. **Option to Extend Term.** CITY, at its sole discretion, shall have the option to extend this Agreement four (4) times by one (1) year, pursuant to the terms and conditions of this Agreement. If CITY elects to exercise the option, it shall give written notice of its election not less than thirty (30) calendar days prior to the initial expiration date or extended termination date of this Agreement.

Section 5: Compensation

1. Compensation under this Agreement shall be in accordance with Exhibit B ("Compensation") and Attachment 1 to Exhibit B, or Exhibit B and any attachments as modified by the CITY in accordance with express provisions in this Agreement and chapter 13.24 of the Sacramento City Code.
2. FRANCHISEE shall maintain for five years following expiration or termination of this Agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; applicable overhead and indirect expenditures.

Section 6: Conditions of Effectiveness

The effectiveness and validity of this Agreement is subject to FRANCHISEE's satisfaction of each and all of the conditions set forth below, each of which may be waived in whole or in part by CITY.

1. **Accuracy of Representations**. The representation and warranties made by FRANCHISEE in its Application for Franchise are true and correct on and as of the Effective Date of this Agreement.
2. **Effectiveness of City Council Action**. The City Council shall have taken action approving this Agreement prior to or on the Effective Date, provided that no restraining order of any kind has been issued.
3. **Furnishing of Insurance**. FRANCHISEE has furnished evidence of the insurance requirements set forth in the attached Exhibit C.

4. **Company Status**. FRANCHISEE is a business duly organized, validly existing, and in good standing under the laws of the State of California. It is qualified to transact business in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

5. **Company Authorization**. FRANCHISEE has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of FRANCHISEE (or the members, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The person signing this Agreement on behalf of FRANCHISEE has authority to do so.

6. **Agreement Will Not Cause Breach**. To the best of FRANCHISEE's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement nor the performance of this Agreement by FRANCHISEE: a) conflicts with, violates, or results in a breach of any applicable law; or, b) 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 is a party or by which FRANCHISEE or any of its properties or assets are bound, or constitutes a default thereunder.

7. **No Litigation**. To the best of FRANCHISEE's knowledge after reasonable investigation, 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 decided, pending or threatened against FRANCHISEE with an unfavorable decision, ruling, or finding, in any single case or in the aggregate, that would adversely affect the performance by FRANCHISEE of its obligations in this Agreement or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of FRANCHISEE or any surety guaranteeing FRANCHISEE's performance under this Agreement, which has not been waived by CITY in writing.

8. **No Adverse Judicial Decisions**. To the best of FRANCHISEE's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement and may subject this Agreement to legal challenge.

9. **Ability to Perform**. FRANCHISEE possesses the business, professional, and technical expertise to manage, collect, transport, treat, store, and dispose of the solid waste and to manage, collect, transport, store, and process recyclable materials and organic materials, and FRANCHISEE possesses the equipment, facility, and employee resources required to perform this Agreement.

10. **FRANCHISEE's Statements**. The FRANCHISEE's application and any other supplementary information submitted to CITY, which CITY has relied on in awarding and entering this Agreement, do not: a) contain any untrue statement of a material fact; orb) omits a material fact that would make any stated information misleading.

11. **FRANCHISEE's Investigation**. FRANCHISEE has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder. FRANCHISEE has taken such matters into consideration in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

12. **Non-Discrimination in Employee Benefits**. This Agreement may be subject to Sacramento City Code chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits

Code (Equal Benefits Ordinance)," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.54. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance.

FRANCHISEE's violation of Sacramento City Code chapter 3.54 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

13. **Considering Criminal Conviction Information in the Employment Application Process**. This Agreement may be subject to the requirements of Sacramento City Code chapter 3.62, Procedures for Considering Criminal Conviction Information in the Employment Application Process. A summary of the requirements, entitled "Ban-The-Box Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

The Ban-The-Box Requirements are applicable to certain contracts with CITY in an amount of $250,000 or more (either initial value or total value after amendment) or if the total value of all FRANCHISEE's contracts with CITY is $250,000 or more over a 12-month period.

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.62. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.62 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.62. FRANCHISEE's violation of Sacramento City Code chapter 3.62 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

14. **Local Business Enterprise Program**. The Local Business Enterprise Program Participation Requirements ("LBE Participation Requirements") may be applicable to this Agreement. A summary of the requirements, entitled "LBE Participation Requirements," can be viewed at:

https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances

FRANCHISEE acknowledges and represents that FRANCHISEE has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.60. If requested by CITY, FRANCHISEE shall promptly provide any documents and information required by CITY to verify FRANCHISEE's compliance. FRANCHISEE shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.60 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.60.

FRANCHISEE's violation of Sacramento City Code chapter 3.60 constitutes a material breach of this Agreement, for which CITY may terminate the Agreement and pursue all available legal and equitable remedies.

Section 7: Compliance with Laws

FRANCHISEE shall, at all times and at its sole cost and expense, observe and comply with all applicable Federal, State, regional, and City laws, regulations, rules, and ordinances, including those of other states, cities, or counties which may have jurisdiction over any service provided by FRANCHISEE under this Agreement.

Section 8: Governing Laws and Jurisdiction

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in the Sacramento County Superior Court, Sacramento, California or in the United States District Court for the Eastern District of California, as applicable.

Section 9: Licenses and Permits

1. FRANCHISEE shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, County of Sacramento and all other appropriate governmental agencies, including any certification and credentials required by CITY, including a City Business Tax Certificate and any required certification issued by the California Secretary of State. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the suspension or termination of this Agreement by CITY.
2. FRANCHISEE further certifies to CITY that it and its principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. FRANCHISEE certifies that it shall not contract with a subcontractor that is so debarred or suspended.

Section 10: Performance Standards

FRANCHISEE shall perform its services under this Agreement in accordance with the industry and/or professional standards applicable to FRANCHISEE'S services. FRANCHISEE shall assign only competent personnel to perform on its behalf under this Agreement.

Section 11: Ownership of Work Product

All technical data, evaluations, plans, specifications, reports, documents, or other work products developed by FRANCHISEE provided hereunder shall be the exclusive property of CITY and shall be delivered to CITY upon completion of the services authorized hereunder. FRANCHISEE may retain copies thereof for its files and internal use. Publication of the information directly derived from work performed or data obtained in connection with services rendered under this Agreement must first be approved in writing by CITY. CITY recognizes that all technical data, evaluations, plans, specifications, reports, and other work products are instruments of FRANCHISEE'S services and are not designed for use other than what is intended by this Agreement.

Section 12: Status of Franchisee - Independent Contractor

1. It is understood and agreed that FRANCHISEE (including FRANCHISEE'S employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Neither FRANCHISEE nor FRANCHISEE'S assigned personnel will be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to FRANCHISEE under the provisions of this

Agreement; and as an independent contractor, FRANCHISEE hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party, including any state or federal agency, that an employer-employee relationship exists by reason of this Agreement or by the reason of the nature or performance under the Agreement.

2. It is further understood and agreed by the parties hereto that FRANCHISEE in the performance of its obligation hereunder is subject to the control or direction of CITY as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by FRANCHISEE for accomplishing the results. To the extent that FRANCHISEE obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use will be at FRANCHISEE's sole discretion based on FRANCHISEE's determination that the use will promote FRANCHISEE's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that FRANCHISEE use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement. As used in this Agreement, "sole discretion" or "sole judgment" means that the party authorized to exercise its discretion or judgment may do so based on an unfettered assessment of its own interests, without considering how its decision affects the other party, and unconstrained by the implied covenant of good faith and fair dealing.

3. If, in the performance of this Agreement, any third persons are employed by FRANCHISEE, such person shall be entirely and exclusively under the direction, supervision, and control of FRANCHISEE. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by FRANCHISEE, and CITY shall have no right or authority over such persons or the terms of such employment.

4. It is further understood and agreed that as an independent contractor and not an employee of CITY, neither the FRANCHISEE nor FRANCHISEE'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of CITY in any capacity whatsoever as agent, nor to bind CITY to any obligation whatsoever. FRANCHISEE shall not be covered by worker's compensation; nor shall FRANCHISEE be entitled to compensated sick leave, vacation leave, retirement entitlement, participation in group health, dental, life and other insurance programs, or entitled to other fringe benefits payable by CITY to employees of CITY.

5. It is further understood and agreed that FRANCHISEE must issue W-2 and 941 Forms for income and employment tax purposes, for all of FRANCHISEE'S assigned personnel under the terms and conditions of this Agreement.

Section 13: FRANCHISEE Not an Agent

Except as CITY may specify in writing, FRANCHISEE and FRANCHISEE's personnel have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. FRANCHISEE and FRANCHISEE's personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.

Section 14: Conflict of Interest

FRANCHISEE covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the CITY's interests or that would in any way hinder FRANCHISEE's performance under this Agreement. FRANCHISEE further covenants that in the

performance of this Agreement, no person having any such interest will be employed by it as an officer, employee, agent, or subcontractor, without the City's written consent.

FRANCHISEE agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City's interests during the performance of this Agreement. If FRANCHISEE is or employs a former officer or employee of the CITY, FRANCHISEE and any former City officer or employee shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any CITY department, board, commission, or committee.

Section 15: Confidentiality of CITY Information

During performance of this Agreement, FRANCHISEE may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special, and unique assets of the CITY.

FRANCHISEE agrees to protect all CITY Information and treat it as strictly confidential, and further agrees that FRANCHISEE shall not at any time, either directly or indirectly, divulge, disclose, or communicate in any manner any CITY Information to any third party without the CITY's prior written consent.

In addition, FRANCHISEE must comply with all CITY policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by FRANCHISEE of this section is a material violation of this Agreement and shall justify legal and equitable relief.

Section 16: Franchisee Information

1. CITY shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by FRANCHISEE under this Agreement. In this Agreement, the term "information" means and includes: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. FRANCHISEE shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.
2. FRANCHISEE shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by FRANCHISEE under this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify FRANCHISEE not later than ten days after CITY is served with any such claim, action, lawsuit, or other proceeding. However, CITY's failure to provide notice within the ten-day period does not relieve FRANCHISEE of its obligations hereunder, which survive any termination or expiration of this Agreement.
3. All proprietary and other information received from FRANCHISEE by CITY, whether received in connection with FRANCHISEE's proposal to CITY or in connection with FRANCHISEE's

performance, will be disclosed upon receipt of a request for disclosure, in accordance with the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to FRANCHISEE of any request for the disclosure of such information.

FRANCHISEE will then have five days from the date it receives notice to petition the court for a protective order to prevent the disclosure of the information. FRANCHISEE shall have sole responsibility for defense of the actual "trade secret" designation of such information.

4. The parties understand and agree that any failure by FRANCHISEE to respond to the notice provided by CITY and seek a protective order, in accordance with the provisions of subsection C, above, constitutes a complete waiver by FRANCHISEE of any rights regarding the information designated "trade secret" by FRANCHISEE, and the information will be disclosed by CITY in accordance with the Public Records Act.

Section 17: Emergency/Declared Disaster Requirements

If an emergency is declared by the City Manager, or if any portion of the City is declared a disaster area by the county, state, or federal government, this Agreement may be subjected to increased usage. FRANCHISEE shall serve the CITY during a declared emergency or disaster, subject to the same terms and conditions that apply during non-emergency/non-disaster conditions. The compensation set forth in this Agreement will apply, without markup, regardless of the circumstances. If FRANCHISEE is unable to fulfill the terms of the Agreement because of a disruption in its routes or service, then FRANCHISEE shall provide proof of the disruption. Acceptable forms of proof will include, but are not limited to, a letter or notice from FRANCHISEE's source stating the reason for the disruption.

Section 18: Indemnity

1. Indemnity*:* FRANCHISEE shall defend, hold harmless, and indemnify CITY, its officers, and employees, and each and every one of them, from and against all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, and expenses of every type and description, whether arising on or off the site of the work or services performed under this Agreement, including any fees and costs reasonably incurred by CITY's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including Liabilities for personal injury or death, damage to personal, real, or intellectual property, damage to the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Agreement by FRANCHISEE, any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE, their respective officers and employees, and anyone else for whose acts of omissions any of them may be liable, whether or not the Liabilities (i) are caused in part by a party indemnified hereunder, or (ii) are litigated, settled, or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage, or expense, to the extent arising from the active negligence or willful misconduct of, or defects in design furnished by, CITY, its agents, servants, or independent contractors who are directly responsible to CITY, except when such agents, servants, or independent contractors are under the supervision and control of FRANCHISEE or any subcontractor (including lower-tier subcontractors) or agent of FRANCHISEE.

2. Insurance Policies; Intellectual Property Claims*:* The existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement will not affect or limit any of

CITY's rights under this Section, nor will the limits of any insurance limit the liability of FRANCHISEE hereunder. This section will not apply to any intellectual property claims, actions, lawsuits, or other proceedings subject to the provisions of FRANCHISEE Information above.

3. Survival: The provisions of this section will survive any expiration or termination of this Agreement.

Section 19: Insurance

Without limiting FRANCHISEE's indemnification, FRANCHISEE shall maintain in force at all times during the term of this Agreement and any extensions or modifications, insurance as specified in Exhibit C. It is the responsibility of FRANCHISEE to notify its insurance advisor or insurance carrier regarding coverage, limits, forms, and other insurance requirements specified in Exhibit C. Failure to maintain insurance as required in this Agreement may be grounds for termination of this Agreement.

Section 20: Debarment Certification

1. Pursuant to 2 CFR, Part 200, and applicable Executive Orders, the CITY is restricted in its ability to contract with certain parties that are debarred, suspended, or otherwise excluded or ineligible for participating in Federal assistance programs or activities. By signing this Agreement, FRANCHISEE warrants and certifies under penalty of perjury under the laws of the State of California that FRANCHISEE, including any owner, partner, director, officer, or principal of the FRANCHISEE, or any person in a position with management responsibility or responsibility for the administration of federal funds:

   (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency;

   (b) Has not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, or other criminal felony;

   (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above;

   (d) Has not, within a three-year period preceding this certification, had one or more public contracts (federal, state, or local) or transactions terminated for cause or default;

   (e) Has not been notified, within a three-year period preceding this certification, been notified of any delinquent Federal taxes in an amount that exceeds $3,500 for which the liability remains unsatisfied. Federal taxes are considered delinquent if the tax liability has been finally determined and the taxpayer is delinquent in making payment, as defined in Section 52.209-5 of the Federal Acquisition Regulations.

2. FRANCHISEE further warrants and certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency. Any exceptions to the warranties and certifications in this Section must be disclosed to the CITY.

3. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining FRANCHISEE's responsibility. Disclosures must indicate to whom exceptions apply, the initiating agency, and dates of action.
4. CITY will review the Federal Government's System for Award Management Exclusions maintained by the General Services Administration for eligibility, prior to the execution of this Agreement. FRANCHISEE shall provide immediate written notice to the CITY if, at any time prior to execution, FRANCHISEE learns this certification is erroneous or has become erroneous by reason of changed circumstances. If it is later determined that FRANCHISEE's warranties and certification in this Section were erroneous, the CITY may terminate this Agreement for default.

Section 21: Assignment

1. FRANCHISEE acknowledges that this Agreement involves rendering a vital service to temporary commercial solid waste generators within the City of Sacramento, and that CITY has franchised FRANCHISEE to perform the temporary services specified herein based on: (1) FRANCHISEE'S experience, skill, and reputation for conducting its solid waste collection in a safe, effective and responsible fashion, at all times in keeping with applicable waste management laws, regulations and good solid waste management practices, and (2) FRANCHISEE's financial resources to maintain the required equipment and to support its obligations to CITY under this Agreement. CITY has relied on each of these factors, among others, in choosing the FRANCHISEE to perform the services to be rendered under this Agreement.
2. This Agreement is a privilege to be held in trust by FRANCHISEE. A franchise granted by CITY shall not be transferred, sold, leased, assigned, or relinquished, or delegated to another person, either in whole or in part, whether by forced sale, merger, consolidation, bankruptcy laws or otherwise, without the prior approval of the Sacramento City Council ("CITY Council"). This restriction includes the transfer of ownership of the Agreement, or a majority of the ownership or control of the FRANCHISEE, or the conveyance of a majority of the FRANCHISEE's stock to a new controlling interest. This Agreement shall become void upon the abandonment of FRANCHISEE. CITY Council shall not unreasonably withhold approval of a franchise assignment, provided that such assignment does not unreasonably impact competition and the assignee is qualified to perform its obligations as required by this Agreement and any implementing City law, regulation, rule, or ordinance.
3. FRANCHISEE shall promptly notify the Solid Waste Manager in writing in advance of any proposed assignment, sale, or transfer. In the event the CITY Council approves of any assignment, sale, or transfer, said approval shall not relieve FRANCHISEE of any of its obligations or duties under this Agreement unless this Agreement is modified in writing to that effect.

Section 22: Amendment and Waiver

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon CITY unless agreed in writing by the CITY.

Section 23: Successors

Subject to the provisions of section 21, this Agreement shall bind the successors of CITY and FRANCHISEE in the same manner as if they were expressly named.

Section 24: Time

Time is of the essence in the performance of this Agreement. FRANCHISEE shall devote the necessary time and effort to its performance under this Agreement. Neither party will be considered in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

Section 25: Interpretation

This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

Section 26: Solid Waste Manager

As used in this Agreement, "Solid Waste Manager" shall mean the Integrated Waste General Manager of the Recycling and Solid Waste Division, City of Sacramento Department of Public Works or his/her designee. Solid Waste Manager shall administer this Agreement on behalf of CITY. FRANCHISEE shall meet and confer with the Solid Waste Manager to resolve differences, implement, and execute the requirements of this Agreement.

Section 27: Disputes

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. Pending resolution of any such dispute, FRANCHISEE shall continue without delay to carry out all its responsibilities under this Agreement unless the Agreement is otherwise suspended or terminated in accordance with chapter 13.24 of the Sacramento City Code or the Termination provisions of this Agreement. CITY shall not be required to make payments for any services that are the subject of this dispute resolution process until such dispute has been mutually resolved by the parties. If the dispute cannot be resolved either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California. Nothing in this Agreement or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state and federal law.

Section 28: Default, Termination

1. Default. Except for the occurrence of Force Majeure as described in paragraph 4 of this section, in the event of any material failure or refusal of FRANCHISEE to comply with any obligation or duty imposed on FRANCHISEE under this Agreement or the City Code or related ordinances, resolutions, or administrative rules, the CITY may provide notice of a default pursuant to the provisions of chapter 13.24 of the Sacramento City Code provided it is a situation where there is the ability to cure the default.
2. The following events shall constitute a material breach under this Agreement:
    A. *Misrepresentation*. Any misrepresentation or disclosure made to CITY by FRANCHISEE in connection with or as an inducement to entering this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time the representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

B. *Fraud or Deceit*. If FRANCHISEE practices, or attempts to practice, any fraud or deceit upon CITY.

C. *Failure to Maintain Insurance Coverage*. If FRANCHISEE fails to provide or maintain in full force and effect the Worker's Compensation, liability, or insurance coverage as required by this Agreement.

D. *Violations of Regulation*. If FRANCHISEE violates any permits, orders or filing of any regulatory body having jurisdiction over FRANCHISEE which violation or non-compliance materially affects FRANCHISEE'S ability to perform under this Agreement, provided that FRANCHISEE may contest any such orders as set forth in Chapter 13.24 of the Sacramento City Code, in which case no breach of the Agreement shall be deemed to have occurred during the pendency of the contestation or appeal, to the extent FRANCHISEE is able to adequately perform during that period.

E. *Acts or Omissions*. Any other act or omission by FRANCHISEE which materially violates the terms, conditions, or requirements of this Agreement; resolutions, administrative rules, or the City Code; the California Integrated Waste Management Act of 1989 (as codified in Public Resources Code section 40000 et seq.), as it may be amended from time to time; or any order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if FRANCHISEE cannot reasonably correct or remedy the breach within the time set forth in such notices, if FRANCHISEE should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

3. Termination. Upon the occurrence of a material breach, the CITY may have the right to terminate this Agreement pursuant to the provisions in chapter 13.24 of the Sacramento City Code.

4. Force Majeure. The performance of this Agreement may be discontinued or temporarily suspended in the event of Force Majeure. FRANCHISEE shall not be deemed to be in default and shall not be liable for failure to perform under this Agreement if FRANCHISEE'S performance is prevented or delayed by Force Majeure. Force Majeure means acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, public riots, breakage, explosions, or government restraint. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances, and litigation, including appeals, shall be entirely within the discretion of FRANCHISEE and FRANCHISEE may make settlement thereof at such time and on any such terms and conditions as it may deem to be advisable, and no delay in making such settlement shall deprive FRANCHISEE of the benefit of this section.

5. Notice of Termination. The CITY shall serve written notice in accordance with chapter 13.24 of the Sacramento City Code, either personally or by registered or certified mail, postage prepaid of the termination of a Franchise under this Agreement to the last place of business of FRANCHISEE.

Section 29: Conditions Upon Termination

1. In the event this Agreement is terminated:

A. FRANCHISEE shall have no right or authority to engage in commercial solid waste

collection, transportation, or disposal operations within the City.

B. FRANCHISEE shall, however, remain liable to CITY for any and all Franchise Fees that would otherwise be payable by FRANCHISEE, for any and all late payment charges and interest assessed, for any liquidated damages assessed pursuant to Exhibit B – Compensation or Attachment 1 to Exhibit B of this Agreement and for any and all delinquent report charges assessed pursuant to chapter 13.24 of the City Code.

C. FRANCHISEE shall have a continuing obligation to submit to CITY all reports required by Section 30 of this Agreement and chapter 13.24 of the City Code relating to commercial solid waste or recycling activities performed by FRANCHISEE up to and including the date of termination.

2. In the event this Agreement is terminated, then, within the time period specified by CITY, FRANCHISEE shall promptly remove all of FRANCHISEE's commercial solid waste and recyclables containers from all of FRANCHISEE's collection service locations and shall properly dispose of all solid waste or recyclables in such containers.

Section 30: Reports

1. FRANCHISEE shall submit quarterly tonnage reports on or before the first day of the second calendar month immediately following the reportable quarter and shall be submitted as required in CITY Code section 13.24.280 or as otherwise amended, in a format as required by the Solid Waste Manager.

2. FRANCHISEE shall submit monthly revenue reports on or before the first day of the second month immediately following the month in which collection services were provided as required in CITY Code section 13.24.280 or as otherwise amended. CITY shall provide FRANCHISEE with the required report format of such submittal.

Section 31: Audits, Records, and Inspection Authority

1. Upon CITY's request, FRANCHISEE shall promptly provide access to the Solid Waste Manager or his/her designees of all records, accounts, or other financial or program information pertinent to the conduct of the business and/or requirements of this Franchise as CITY deems necessary to determine FRANCHISEE's compliance with legal and contractual requirements, including the correctness and accuracy of claims submitted by FRANCHISEE.

2. FRANCHISEE shall certify that any response provided to the Solid Waste Manager or his/her designee, pursuant to this section, is true, complete, and correct.

3. In addition to the requirements in subsections 1 and 2 above, FRANCHISEE shall reimburse audit costs incurred by CITY staff, and any other costs for FRANCHISEE-related services provided by CITY staff or its contractors, in the event of significant audit findings including but not limited to, detailed follow-up audits when staff determines that documentation reported by FRANCHISEE is inadequate or incomplete. Where necessary, CITY staff will retain the services of an independent auditor to verify performance and conduct an audit of FRANCHISEE records.

Section 32: Prior Agreements

This Agreement constitutes the entire contract between CITY and FRANCHISEE regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between CITY and FRANCHISEE regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of

this Agreement.

Section 33: Severability

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

Section 34: Survival of Terms

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions, and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation, or termination of this Agreement shall so survive.

Section 35: Headings

The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

Section 36: Attorney Fees

Except as required by Section 19, the Parties will bear their own attorney fees and costs in connection with this Agreement.

Section 37: Authority to Execute

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

Section 38: Duplicate Counterparts

This Agreement may be executed in counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

Signatures scanned and transmitted electronically shall be deemed original signatures for purposes of this Agreement, with such scanned signatures having the same legal effect as original signatures. This Agreement may be executed through the use of an electronic signature and will be binding on each party as if it were physically executed.

(SIGNATURE PAGE FOLLOWS)

Executed as of the day and year first above stated.

CITY OF SACRAMENTO

A Municipal Corporation

By: _____

Print name: Ryan Moore

Title: Assistant City Manager

For: City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

Michael Fry (May 27, 2026 10:36:08 PDT)

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Long's Trash Hauling

NAME OF FIRM

92-2804977

Federal I.D. No.

92-2804977

State I.D. No.

1105843

City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY *(check one)*:

☑ Individual/Sole Proprietor
☐ Partnership
☐ Corporation *(may require 2 signatures)*
☐ Limited Liability Company
☐ Other (*please specify:* _____)

Jim Long
Jim Long (May 8, 2026 12:42:42 PDT)

05/08/2026

Signature of Authorized Person

Jim Long | Owner

Print Name and Title

_____

Additional Signature *(if required)*

_____

Print Name and Title

Exhibit A
Scope of Services

This Exhibit A incorporates by this reference the Franchise Agreement between *Long's Trash Hauling* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Temporary Commercial Solid Waste Collection (the "Agreement"). This Exhibit A provides the Scope of Services for the Agreement. In the event of a conflict between Exhibit A and the Agreement, the terms of Exhibit A shall prevail.

1. Definitions

For purposes of this Agreement, all terms used shall have the same meaning as those defined in chapter 13.24 of the Sacramento City Code.

2. Ownership of Waste Material

CITY does not gain any ownership or right to possess commercial solid waste material collected by FRANCHISEE pursuant to this Agreement. Subject to the provisions of this Agreement, FRANCHISEE shall have the right to retain any benefit resulting from its right to retain, recycle, process, dispose of, or use the commercial solid waste material that it collects.

3. Disposal and Diversion of Commercially Generated Waste Material

FRANCHISEE shall dispose of commercial solid waste collected or transported by FRANCHISEE only by taking such commercial solid waste to a landfill or transfer station lawfully authorized to accept such solid waste. FRANCHISEE shall divert recyclable and organic material at facilities legally permitted to process source separated recyclable material and organic material. FRANCHISEE shall not dispose of commercial solid waste by depositing it on any land, whether public or private, or in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system.

4. Diversion Programs

A. Source Separated Recyclable Material and Organic Material: FRANCHISEE is required to divert from landfilling source separated recyclable material and organic material collected and removed by it within CITY region, in accordance with chapter 13.24 of the City Code. Failure to meet the diversion requirement will subject FRANCHISEE to the Recycling Shortfall Penalty provided for in CITY Code section 13.24.760, or as otherwise amended. FRANCHISEE shall not landfill source separated recyclable material and organic material without notifying CITY as described in CITY Code section 13.24.240, or as otherwise amended.

B. Construction and Demolition Debris: When FRANCHISEE provides commercial solid waste collection services for a project subject to Construction and Demolition ("C&D") Debris in chapter 8.124 of the City Code, FRANCHISEE shall assist their generators in complying with the C&D Debris requirements set forth in the City Code.

Diversion credit from mixed construction and demolition debris for compliance with mandates will only be recognized if FRANCHISEE delivers mixed C&D debris to a C&D Sorting Facility certified by the County of Sacramento and material is stamped as sorted by the certified C&D Sorting Facility.

5. Collection Equipment

A. Any and all vehicles used by FRANCHISEE to perform commercial solid waste collection

services shall meet the vehicle inspection, tag and covered load requirements of CITY Code section 13.24.430, 13.24.440 and 13.24.450, or as otherwise amended.

B. FRANCHISEE shall submit a Franchisee commercial solid waste vehicle inventory of FRANCHISEE's vehicles, as required in CITY Code section 13.24.110 or as otherwise amended, and shall include but not limited to, vehicle number, year, make, model, capacity, and vehicle identification number (VIN). FRANCHISEE is required to submit the Franchisee commercial solid waste vehicle inventory annually as part of its Franchise Application or Franchise Renewal Application.

C. If FRANCHISEE's vehicle inventory has changed between the application or renewal application date and the effective date of this agreement, FRANCHISEE must submit to Solid Waste Manager an amended inventory, as required in CITY Code section 13.24.180 or as otherwise amended, prior to commencing the provision of services under this Agreement.

6. Franchisee Provided Waste Material Containers

A. FRANCHISEE shall provide temporary containers used for storage of solid waste materials that meet the following requirements:

(i) FRANCHISEE shall place a label on the body or lid of each container that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that container. Container labels must be available in any non-English language spoken by a substantial number of the public in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

(ii) Container must be clearly identified, with the name, or recognizable corporate or company logo, and phone number of the Franchisee that is legible from a distance of fifty (50) feet.

(iii) Be adequately sized and serviced with adequate frequency to meet the waste material generation needs of the business.

(iv) Be designed and constructed to be watertight to prevent the leakage of liquids.

(v) Be equipped with lids which are to be kept closed and shall be placed in a way that does not prevent the lid from being closed.

(vi) Containers shall be equipped with functioning locking bars or a locking mechanism and shall remain locked at all times, except when solid waste or recyclable materials are being deposited or collected in accordance with the provisions of chapter 13.24 of Sacramento City Code.

(vii) Be kept free of graffiti.

(viii) Be replaced, cleaned, or repainted as needed so as to present a clean appearance.

(ix) No later than January 1, 2036, FRANCHISEE shall provide all generators with collection containers that comply with the container color requirements specified in in Title 14 of the California Code of Regulation ("CCR") Section 18982. 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. Until January 1, 2036, FRANCHISEE is not required to replace functional collection containers that do not comply with these color requirements

prior to the end of the useful life of those containers. New and replacement collection containers, however, must meet new color requirements.

B. Solid Waste Manager or designee may require special container equipment, and/or container labeling with customer identifying information.

C. Violations of the conditions of this section may become the basis for enforcement actions. In addition, violations of the conditions of this section may be determined to be a material breach of this Agreement and will subject the FRANCHISEE to payment of liquidated damages, pursuant to Exhibit B of this Agreement.

7. Abandoned Containers

A. If FRANCHISEE abandons any container used to provide commercial solid waste material collection services under the Agreement, CITY may remove the container and/or dispose of the contents of the container.

B. If CITY removes a container abandoned by FRANCHISEE and/or disposes of the contents of any container abandoned by FRANCHISEE, CITY may charge FRANCHISEE for CITY's costs incurred in such removal/disposal and for CITY's costs of storage of the container. FRANCHISEE shall reimburse CITY for such costs within ten (10) days of the date of CITY's invoice for such costs.

C. For the purposes of this section, "abandoned" includes:

(i) FRANCHISEE's failure to remove the container within the time period specified by termination of the Agreement pursuant to chapter 13.24 of the Sacramento City Code.

(ii) FRANCHISEE's failure to remove the container within a reasonable period after the expiration of the Franchise granted to FRANCHISEE, except in the case where FRANCHISEE has been granted an extension of the term of said Franchise or FRANCHISEE has been granted a subsequent commercial solid waste collection franchise authorizing FRANCHISEE to collect and transport the type or types of solid waste for which the container was used pursuant to this Agreement.

(iii) FRANCHISEE's failure to dispose of the contents of the container within five (5) days after CITY issues written notice to FRANCHISEE to dispose of the contents.

8. Personnel

A. Driver Qualifications. FRANCHISEE agrees that all drivers shall be trained and qualified in the operation of collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

B. Safety Training. FRANCHISEE shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection of solid waste, or who are otherwise directly involved in such collection.

9. Education and Outreach

A. FRANCHISEE shall assist CITY in educational and outreach activities to promote diversion of recyclable material and organic material.

B. FRANCHISEE shall provide an outreach and education plan according to FRANCHISEE's Diversion Plan.

C. Education and outreach materials must be translated into any non-English language spoken by a substantial number of the pubic in the City. The City will provide FRANCHISEE a list of languages spoken by a substantial number of the public.

10. Diversion Plan

FRANCHISEE shall implement its Diversion Plan submitted annually as part of its Franchise Application or Franchise Renewal Application and approved by CITY. FRANCHISEE Diversion Plan shall contain the following elements:

A. A methodology for how FRANCHISEE will meet City diversion requirements.

B. A description of the FRANCHISEE's recordkeeping and reporting systems and how it will accurately meet CalRecycle mandatory reporting.

11. Restricted Collection Hours

A. Solid Waste shall be collected within residential areas or within mixed residential and commercial areas of the city only between the hours of 6:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day, and elsewhere within the city only between the hours of 4:00 a.m. and 7:00 p.m. (or 8:00 p.m. during daylight savings time) of the same day as provided by chapter 13.10 of the Sacramento City Code, or as otherwise amended.

B. Violation of this provision will subject FRANCHISEE to liquidated damages identified in Exhibit B – Compensation or attachment 1 to Exhibit B.

12. Annual Mandatory Training

A. CITY will conduct annual training covering, at minimum, tonnage and revenue reporting requirements.

B. Attendance is required for a FRANCHISEE that meets any of the following criteria, including but not limited to reporting staff turnover with those responsible or involved in reporting, staff reassignment impacting reporting, significant or repeated reporting errors, or any other issue identified by CITY that may impact accurate or timely reporting.

C. CITY will notify FRANCHISEE at least thirty (30) calendar days in advance if attendance is required, specifying the date, time, and format of the training. All staff involved in reporting to the CITY should attend a training session, but at a minimum, at least one employee from FRANCHISEE must attend.

D. Failure to attend the annual mandatory training may result in the assessment of liquidated damages.

Attachment 1 to Exhibit A
Downtown Service Area

This Attachment 1 to Exhibit A incorporates by this reference the Franchise Agreement between *Long's Trash Hauling* ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit A defines the Downtown Service Area. In the event of a conflict between this Attachment 1 to Exhibit A and the Agreement, the terms of this Attachment 1 to Exhibit A shall prevail.

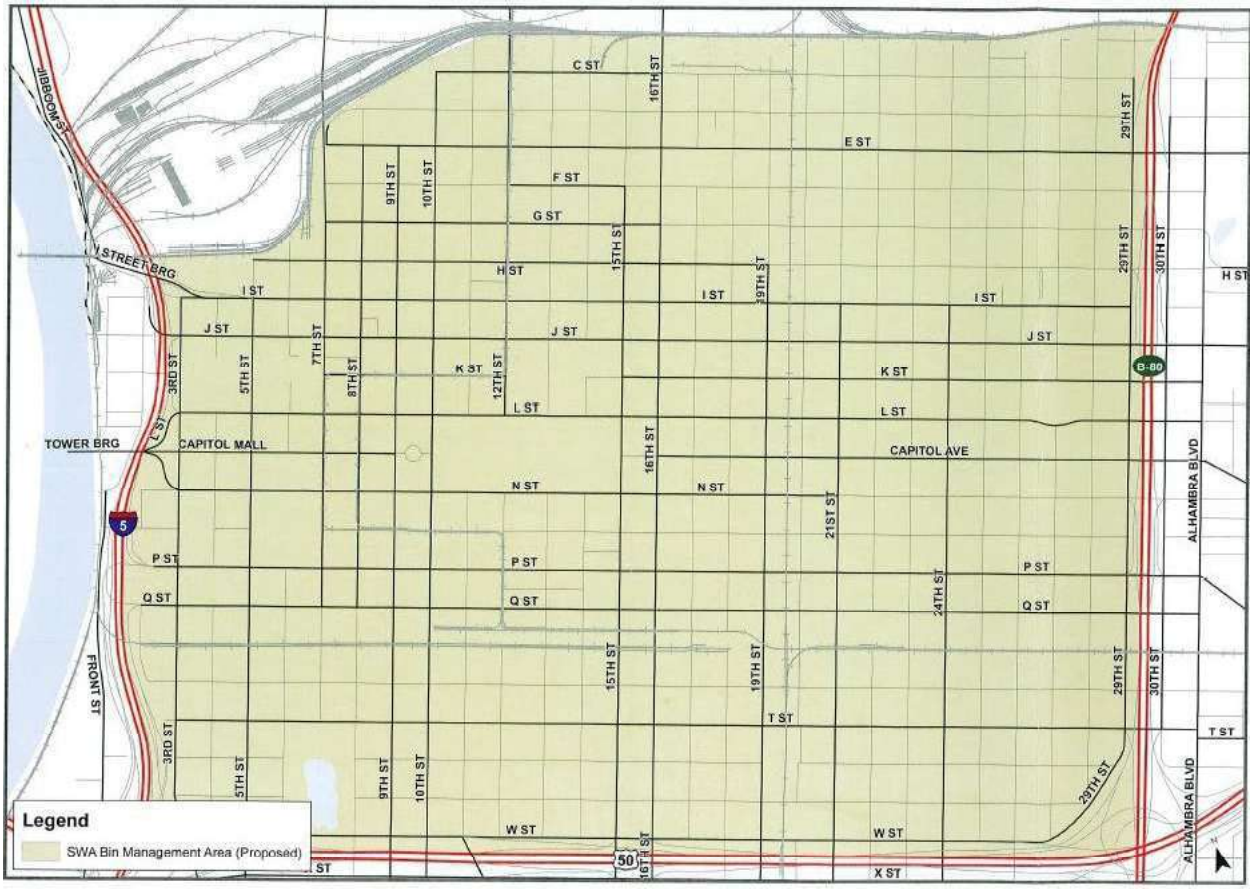


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between ("FRANCHISEE") and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Exhibit B provides the Compensation for the Agreement. In the event of a conflict between Exhibit B and the Agreement, the terms of Exhibit B shall prevail.

1. FRANCHISE FEES

A. During the term of the Agreement, FRANCHISEE shall pay Franchise Fees to CITY. Such fees shall be in the amount established for commercial solid waste services as set forth by resolution of the City Council and as described in chapter 13.24 of Sacramento City Code, pursuant to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. Franchise Fees shall not be owed by FRANCHISEE for revenues received from federal, state and local governments, including school districts.

C. FRANCHISEE shall pay Franchise Fees on all solid waste collected pursuant to this AGREEMENT regardless of the method of disposal or handling.

D. For calculation of gross collection revenue and calculation of franchise fees, FRANCHISEE may deduct collection revenues for source-separated recyclable material and organic material, provided those materials are diverted from disposal.

2. FRANCHISE FEE PAYMENT

A. FRANCHISEE shall pay Franchise Fees to CITY pursuant to CITY Code section 13.24.040, or as otherwise amended.

B. FRANCHISEE shall pay all required Franchise Fees to:

City of Sacramento, Recycling and Solid Waste Division
Attention: Accounts Receivable
2812 Meadowview Road, Building 1
Sacramento, CA 95832

C. If FRANCHISEE remits Franchise Fees by personal delivery to CITY, such Franchise Fees shall be deemed timely paid only if delivered on or before the due date. If FRANCHISEE remits Franchise Fees by mail or other delivery service, such Franchise Fees shall be deemed timely only if: (1) the envelope containing the Franchise Fee payment bears a postmark or receipt showing that the payment was mailed or sent on or before the due date or (2) FRANCHISEE submits proof satisfactory to Solid Waste Manager that the Franchise Fee payment was in fact deposited in the mail or sent on or before said due date.

D. In the event FRANCHISEE believes that it has paid Franchise Fees in excess of the amounts due to CITY, FRANCHISEE may submit a request for refund to Solid Waste Manager on a form provided by said Solid Waste Manager. If proof of overpayment is satisfactory to Solid Waste Manager, Solid Waste Manager shall refund to FRANCHISEE any overpayment. FRANCHISEE shall not apply any overpayment as a credit against any Recycling Shortfall Penalty, Franchise Fees, or other amounts payable to the CITY unless specifically so authorized by the Solid Waste Manager in writing.

3. Liquidated Damages

A. Failure of FRANCHISEE to provide solid waste collection containers and services that conform to this Agreement will be subject to liquidated damages according to Attachment 1 to Exhibit B – Fee and Penalty Schedule.

B. If any deficiencies are brought to the attention of CITY, CITY shall notify FRANCHISEE in writing of such failure, including the associated liquidated damages amount. FRANCHISEE may be given a cure period to provide proof of corrective action for such deficiency prior to liquidated damages being assessed. However, not all deficiencies will have a cure period. Attachment 1 to Exhibit B – Fee and Penalty Schedule provides cure periods for deficiencies that shall be assessed liquidated damages. Proof of corrective action must be provided by FRANCHISEE as requested by CITY.

C. If proof of corrective action is not provided by FRANCHISEE within the cure period, CITY may take further enforcement action. Furthermore, continued failure to take corrective action shall be deemed a breach of this Agreement and shall constitute grounds for the termination of this Agreement by CITY.

D. Any Liquidated Damage fees shall be assessed to the FRANCHISEE and shall be due as part of FRANCHISEE's monthly payment to CITY.

4. LATE FEES AND PENALTIES

FRANCHISEE shall pay late fees and penalties to CITY pursuant to the Attachment 1 to Exhibit B – Fee and Penalty Schedule.

Attachment 1 to Exhibit B
Fee and Penalty Schedule

This Attachment 1 to Exhibit B incorporates by this reference the Franchise Agreement between ("FRANCHISEE") *Long's Trash Hauling* and the City of Sacramento ("CITY"), (referred to collectively herein as the "parties"), for Commercial Solid Waste Collection (the "Agreement"). This Attachment 1 to Exhibit B provides the fees and penalties for the Agreement. In the event of a conflict between this Attachment 1 to Exhibit B and the Agreement, the terms of this Attachment 1 to Exhibit B shall prevail.

Fees and Charges

Fee	Amount	Notes
Franchise fee	10% of revenue	Calculated at 10% of reported disposal revenue. May require minimum of $1,000 per fiscal year (July-June).
Refundable cash deposit	$500.00 per vehicle	Required for each collection vehicle unless sufficient financial assurance provided to CITY.
Delinquent Franchise Fee Payment	10% of franchise fee owed, compounded 1.5% monthly until paid	Franchisee fees are due on the first business day of the second month following the close of each month. The 10% late fee is applied when the franchise fee is not paid on time. If it is still unpaid by the first of the next month, the franchise fee will increase by 1.5% of the owed franchise fee plus the original late fee plus applied interest.
Delinquent Quarterly Tonnage Report Fee	$50.00	Correct and accurate Quarterly Tonnage Reports are due the first business day of the second month following the close of each quarter. An automatic charge of $50/day will be applied until the accurate tonnage report is received. Staff will determine whether a tonnage report is correct.
Delinquent Quarterly Generator Report Fee	$25.00 / day	Correct and accurate Generator Reports are due by the date described in Sacramento City Code, section 13.24.600, or as otherwise amended. An automatic charge of $25/day will be applied until the accurate generator report is received. Staff will determine whether a generator report is correct.
Recycling shortfall penalty	$25.00 / ton of recycling shortfall	Charged per ton of shortfall from 30% diversion requirement.
Abandoned Container Fee	$400.00	Fee to cover the costs for the collection, emptying and storage of a Franchisee abandoned container. Containers are considered abandoned if not removed from the property of a customer within five business days of final termination of services to the customer (13.24.570 or as otherwise amended).

Liquidated Damages

Failure	Amount	Cure Period
Broken or missing lock bar / Broken or missing lock	$150.00 / bin / service address / day	Three (3) business days.
Broken or missing lid	$150.00 / bin / service address / day	Three (3) business days.

Container graffiti	$150.00 / bin / service address / day	Three (3) business days.
Bin not properly labeled	$150.00 / bin / service address / day	Three (3) business days.
Overflowing, spilling, or leaking bin	$250.00 / bin / service address / day	Three (3) business days.
Use of collection vehicle(s) without required inspection	$150.00 / vehicle / day	N/A / None.
Verified collection outside of restricted collection hours (Sacramento City Code 13.24.560 Hours of collection.)	$150.00 / incident	N/A – None.
Uncovered/Unsecured materials in collection vehicles	$150.00 / incident	N/A / None.
Provision of non-compliant service, including but not limited to failing to provide minimum service level requirements and failing to provide all required commodities.	$150.00 / commodity / day	N/A / None for service started on or after July 1, 2024. Generators must be provided compliant services from the commencement of services through final termination.
Providing ongoing or recurring commercial solid waste or recycling collection services for materials which are not generated in connection with construction, demolition, renovation, cleanup, or similar temporary projects.	$1,000.00 / occurrence / month	N/A/None.
Inaccurate Reporting	$100 / error after the first five (5) errors per report	N/A / None. Reports must be complete and accurate at the time of submission.
Failure to provide a generator with a copy of the service agreement/contract within timeframe allowable by Sacramento City Code 13.24.270 or as otherwise amended.	$100 / service agreement / day	N/A / None. Liquidated damages will be assessed beginning the first day after the allowable timeframe by Sacramento City Code
Placing a franchisee owned container requiring a minor encroachment permit as defined in Sacramento City Code 12.12 on a public right-of-way without approved minor encroachment permit or prior written approval from the City.	$150 / container / day	N/A / None. The required minor encroachment permit must be approved and attached to temporary container at the time the container is placed on the public right-of-way unless an exception as outlined in Sacramento City Code 12.12.020 applies.
Failure to provide service or response as outlined in Sacramento City Code 13.24.570.	$150 / failure / day	N/A / None. Liquidated damages will be assessed daily until proof of correction is supplied to City in a manner that is satisfactory to Solid Waste Manager or designee.
Failure to attend required hauler reporting training as outlined in Section 15 – Annual Mandatory Training.	$150 / meeting	N/A None. Haulers will be provided 30 days' advance notice for training. Failure to attend will result in immediate assessment of liquidated damages.

Exhibit C
Insurance

1. **Insurance Requirements**. During the entire term of this Agreement, FRANCHISEE shall maintain the insurance coverage described in the Insurance Terms below. Full compensation for all premiums that FRANCHISEE is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Agreement. No additional compensation will be provided for FRANCHISEE's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

   FRANCHISEE's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the FRANCHISEE in connection with this Agreement.

2. **General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the FRANCHISEE and subcontractors, products and completed operations of FRANCHISEE and subcontractors, and premises owned, leased, or used by FRANCHISEE and subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of FRANCHISEE and subcontractors; products and completed operations of FRANCHISEE and subcontractors; and premises owned, leased, or used by FRANCHISEE and subcontractors.

3. **Automobile Liability Minimum Scope and Limits of Insurance Coverage**. (*Check the applicable provision*.)

   X Automobile Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than three million dollars ($3,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the FRANCHISEE. The policy will contain an MCS-90 endorsement when applicable. FRANCHISEES who only operate non-commercial vehicles are required to provide limits of not less than $1,000,000 of Automobile Liability Insurance.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

   X Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract with limits of not less than one million dollars ($1,000,000). This coverage may also be provided on a Contractors Pollution Liability policy.

   If Pollution Liability insurance is written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

4. **Excess Insurance**. The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance contains, or is endorsed to contain, a provision that it will apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of FRANCHISEE's umbrella or excess coverage and will not contribute to it.

5. **Workers' Compensation Minimum Scope and Limits of Insurance Coverage.** (*Check the applicable provision*.)

_X_ Workers' Compensation Insurance is required with statutory limits and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000). The Workers' Compensation policy shall include a waiver of subrogation in favor of the City.

___ No work or services will be performed on or at CITY facilities or CITY Property, therefore a Workers' Compensation waiver of subrogation in favor of the CITY is not required.

___ No Workers' Compensation insurance is required, and by signing this Agreement, FRANCHISEE certifies as follows:

"FRANCHISEE certifies that its business has no employees, and that it does not employ anyone, and is therefore exempt from the legal requirements to provide Workers' Compensation insurance. If, however, FRANCHISEE hires any employee during the term of this Agreement, FRANCHISEE understands that Workers' Compensation with statutory limits and Employer's Liability Insurance with a limit of not less than one million dollars ($1,000,000) is required. The Workers' Compensation policy will include a waiver of subrogation in favor of the City."

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:

A. FRANCHISEE's insurance coverage, including excess insurance, shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-

insurance maintained by the City, its officials, employees or volunteers will be in excess of FRANCHISEE's insurance and will not contribute with it.

B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.

C. Coverage shall state that FRANCHISEE's insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

D. FRANCHISEE shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.

7. **Acceptability of Insurance**. Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Agreement.

8. **Verification of Coverage.**

A. FRANCHISEE shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.

B. FRANCHISEE shall send all insurance certificates and endorsements, including policy renewals, during the term of this Agreement directly to:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

C. Certificate Holder must be listed as:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

D. The City may withdraw its offer of Agreement or cancel this Agreement if the certificates of insurance and endorsements required have not been provided before execution of this Agreement. The City may withhold payments to FRANCHISEE and/or cancel the Agreement if the insurance is canceled or FRANCHISEE otherwise ceases to be insured as required herein.

9. **Subcontractor Insurance Coverage**. FRANCHISEE shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/06/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Robert Macomber
Macomber Insurance Agency 1098 Melody Ln. Ste. 301 Roseville CA 95678	PHONE (A/C, No, Ext): 916-978-0103 FAX (A/C, No): 916-797-1285 E-MAIL ADDRESS: chris@macomberinsurance.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Scottsdale Insurance Company	41297
INSURER B : STATE COMPENSATION INSURANCE FUND	35076
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED

LONGS TRASH HAULING
8250 CALVINE RD STE C 303
SACRAMENTO, CALIFORNIA 95828

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [X] PRO-JECT [ ] LOC [ ] OTHER:	Y	Y	CPS8298219	10/07/2025	10/07/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 2,000,000 $ 100,000 $ 5,000 $ 2,000,000 $ 2,000,000 $ 2,000,000
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N: Y (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	9057107-2025	05/16/2025	05/16/2026	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City Of Sacramento C/O Exigis LLC is listed as additionally insured

CERTIFICATE HOLDER

City Of Sacramento
C/O Exigis LLC
PO BOX 947
Murrieta, CA 92564

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/06/2025

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IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Rachel Markle
STEELE INSURANCE AGENCY 1816 W KETTLEMAN LANE LODI, CA 95242	PHONE (A/C, No, Ext): 916-633-5959 FAX (A/C, No): E-MAIL ADDRESS: rachel.markle@siainc.net

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : UNITED FINANCIAL CASUALTY CO	11770
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED

JAMES M LONG
8250 CALVINE RD
SUITE C 303
SACRAMENTO, CA 95828

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	[ ] CLAIMS-MADE [ ] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	[ ] POLICY [ ] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$
	[ ] OTHER:							$
A	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	[ ] ANY AUTO						BODILY INJURY (Per person)	$
	[ ] ALL OWNED AUTOS [X] SCHEDULED AUTOS	Y	Y	00362784	09/13/2025	09/13/2026	BODILY INJURY (Per accident)	$
	[X] HIRED AUTOS [X] NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB [ ] OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$
	[ ] DED [ ] RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						[ ] PER STATUTE [ ] OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] N / A						E.L. EACH ACCIDENT	$
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City Of Sacramento C/O Exigis LLC is listed as additionally insured

CERTIFICATE HOLDER

City Of Sacramento
C/O Exigis LLC
PO BOX 947
Murrieta, CA 92564

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/06/2025

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IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: CL Central	
Leavitt United Insurance Services, Inc. Lic #0J02939 2358 Maritime Dr., Ste 100 Elk Grove CA 95758	PHONE (A/C, No, Ext): (855) 297-3238	FAX (A/C, No): (866) 688-5709
	E-MAIL ADDRESS: clcunited@leavitt.com	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Westchester Surplus Lines Insurance Company	10172
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
James Matthew Long, DBA: Longs Trash Hauling
8250 Calvine Rd C 303
Sacramento CA 95828

COVERAGES **CERTIFICATE NUMBER:** 25-26 Master PL **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:	Y					EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
							PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	☐ **UMBRELLA LIAB** ☐ OCCUR ☐ **EXCESS LIAB** ☐ CLAIMS-MADE ☐ DED ☐ RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					☐ PER STATUTE ☐ OTH-ER		
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Pollution			G48668914 002	06/26/2025	06/26/2026	Each Pollution Condition General Aggregate	1,000,000 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

City Of Sacramento C/O Exigis LLC
PO BOX 947
Murrieta CA 92564

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Courtney Costello

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ENDORSEMENT AGREEMENT

STATE COMPENSATION INSURANCE FUND

HOME OFFICE
SAN FRANCISCO

ALL EFFECTIVE DATES ARE AT 12:01 AM PACIFIC STANDARD TIME OR THE TIME INDICATED AT PACIFIC STANDARD TIME

WAIVER OF SUBROGATION
BLANKET BASIS

9057107-25
RENEWAL
NF
6-57-93-55

EFFECTIVE MAY 16, 2025 AT 12.01 A.M.
AND EXPIRING MAY 16, 2026 AT 12.01 A.M.

LONGS TRASH HAULING
8250 CALVINE RD STE C 303
SACRAMENTO, CA 95828

WE HAVE THE RIGHT TO RECOVER OUR PAYMENTS FROM ANYONE LIABLE FOR AN INJURY COVERED BY THIS POLICY. WE WILL NOT ENFORCE OUR RIGHT AGAINST THE PERSON OR ORGANIZATION NAMED IN THE SCHEDULE.

THIS AGREEMENT APPLIES ONLY TO THE EXTENT THAT YOU PERFORM WORK UNDER A WRITTEN CONTRACT THAT REQUIRES YOU TO OBTAIN THIS AGREEMENT FROM US.

THE ADDITIONAL PREMIUM FOR THIS ENDORSEMENT SHALL BE 2.00% OF THE TOTAL POLICY PREMIUM.

SCHEDULE

PERSON OR ORGANIZATION	JOB DESCRIPTION
ANY PERSON OR ORGANIZATION FOR WHOM THE NAMED INSURED HAS AGREED BY WRITTEN CONTRACT TO FURNISH THIS WAIVER	BLANKET WAIVER OF SUBROGATION

NOTHING IN THIS ENDORSEMENT SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS POLICY OTHER THAN AS ABOVE STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR LIMITATIONS IN THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: MAY 19, 2025

2572 AUTHORIZED REPRESENTATIVE

PRESIDENT AND CEO