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: Mikes Junk Hauling dba Junkman Junk Removal & Dumpster Rental

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 Margaret Kashuba

Sign John Febbo (May 21, 2026 15:22:18 PDT)

Sign Matt Eierman (May 22, 2026 08:27:46 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

Mikes Junk Hauling dba Junkman Junk Removal & Dumpster Rental

6301 Creekcrest Cir., Citrus Heights, CA 95621

(916) 768-8162 | mikeshaulings@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:

Michael Custer | Owner
6301 Creekcrest Cir., Citrus Heights, CA 95621
(916) 768-8162 | mikeshaulings@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 14:07:50 PDT)

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Mikes Junk Hauling dba Junkman Junk Removal & Dumpster Rental

NAME OF FIRM

462439066

Federal I.D. No.

462439066

State I.D. No.

1105061

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:* _____)

Michael Custer (May 4, 2026 20:08:45 PDT) 05/04/2026

Signature of Authorized Person

Michael Custer | 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 Mikes Junk Hauling dba Junkman Junk Removal & Dumpster Rental ("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 *Mikes Junk Hauling dba Junkman Junk Removal & Dumpster Rental* ("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.

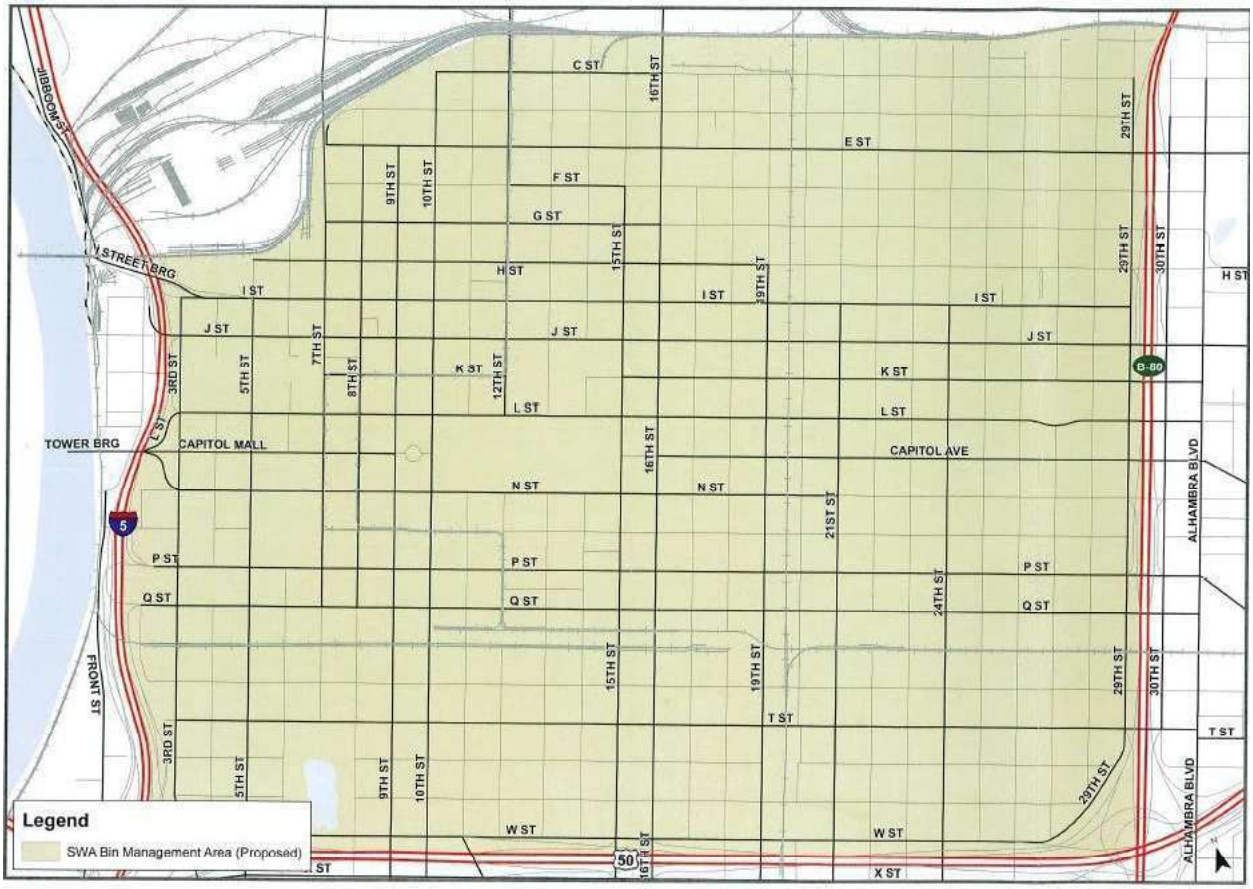


Exhibit B
Compensation

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") *Mikes Junk Hauling dba Junkman Junk Removal & Dumpster Rental* 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): 04/23/2026

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: Alex Rue
Alex Rue Insurance Agency, Inc. 9815 Antelope Road Roseville CA 95747	PHONE (A/C, No, Ext): (916) 572-9815 FAX (A/C, No): (916) 572-9815 E-MAIL ADDRESS: alex@alexrue.com

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
Michael Custer, DBA: Mike's Hauling Service, Junkman Junk 6301 Creekcrest Circle Citrus Heights CA 95621	INSURER A : Burlington Insurance Company	23620
	INSURER B : United Financial Casualty Company	11770
	INSURER C : Evanston Insurance Company	35378
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** CL25122242033 **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		974B003957	10/25/2025	10/25/2026	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 $ Included
B	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [X] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY			06681400	04/11/2025	04/11/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 2,000,000 $ $ $
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
	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	$ $ $
C	Contractor's Pollution Liability			CPLMOL132386	07/01/2025	07/01/2027	General Aggregate Each Occurrence	$1,000,000 $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 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

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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ALEX RUE INS AGENCY
9815 ANTELOPE RD
ROSEVILLE, CA 95747

Named insured

MICHAEL R CUSTER
MIKE'S HAULING SERVICE
6301 CREEKCREST CIR
CITRUS HEIGHTS, CA 95621

PROGRESSIVE COMMERCIAL

Policy number: 06681400
Underwritten by:
United Financial Cas Co
February 4, 2026
Policy Period: Apr 11, 2026 - Apr 11, 2027

progressiveagent.com
Online Service
Make payments, check billing activity, print policy documents, update your policy or check the status of a claim.

1-916-572-9815
ALEX RUE INS AGENCY
Contact your agent for personalized service.

1-800-444-4487
For customer service if your agent is unavailable or to report a claim.

Commercial Auto Insurance Coverage Summary

This is your Renewal Declarations Page

This Renewal Declarations Page is effective only if the minimum amount due to renew your policy is received or postmarked by April 11, 2026.

Your coverage begins on April 11, 2026 at 12:01 a.m. This policy expires on April 11, 2027 at 12:01 a.m.

Your insurance policy and any policy endorsements contain a full explanation of your coverage. The policy limits shown for an auto may not be combined with the limits for the same coverage on another auto, unless the policy contract allows the stacking of limits. The policy contract is form 6912 (02/19). The contract is modified by forms 2852CA (03/24), MC1632 (06/04), 1303CA (05/21), 1198 (07/16), 4852CA (02/19), 4881CA (02/19) and Z228 (01/11).

The named insured organization type is a sole proprietorship.

Outline of coverage

Description	Limits	Deductible	Premium
Liability To Others			$7,867
Bodily Injury and Property Damage Liability	$2,000,000 combined single limit		
Uninsured/Underinsured Motorist	$100,000 combined single limit		311
Uninsured Motorist Property Damage	Rejected		--
Medical Payments	Rejected		--
Comprehensive			391
See Auto Coverage Schedule	Limit of liability less deductible		
Collision			974
See Auto Coverage Schedule	Limit of liability less deductible		
Subtotal policy premium			**$9,543.00**
Additional Insured Fee			60.00
California Vehicle Assessment Fee			1.76
Total 12 month policy premium and fees			**$9,604.76**

Important information about fees

An installment fee of $3.00 has been included in each payment. You may avoid paying installment fees by paying your premium of $10,213.76 in full by April 11, 2026. You may reduce the amount you pay in installment fees by paying your premium in larger amounts and fewer installments. Please call your agent for details.

The following additional fees may apply:
Fee for returned checks or refused payments $20.00

Continued

Rated and Excluded drivers

Important information regarding excluded drivers

If any drivers are shown as excluded drivers, then you agree that there is no coverage under any parts of this policy, for any accidents or loss arising out of the operation of any motor vehicles by the excluded drivers.

	Additional information
1. MICHAEL R CUSTER	
2. JUAN D YAX	Excluded
3. RICHARD BRUGLER	

Auto coverage schedule

1. **2020 RAM 2500** Stated Amount: * $40,000 (including Permanently Attached Equip)
VIN: **3C6UR5CL7LG178599** Garaging Zip Code: 95621 Radius: 300 miles
Personal use: N Body type: Pickup Truck

	Liability Premium	UM/UIM Premium			
Liability Premium	$7867	$311			
Physical Damage Premium	**Comp Deductible**	**Comp Premium**	**Collision Deductible**	**Collision Premium**	**Auto Total**
	$1,000	$391	$1,000	$974	**$9,543**

*A vehicle's stated amount should indicate its current retail value, including any special or permanently attached equipment. In the event of a total loss, the maximum amount payable is the lesser of the Stated Amount or Actual Cash Value, less deductible. Be sure to check stated amount at every renewal in order to receive the best value from your Progressive Commercial Auto policy.

Premium discount

Policy	
06681400	Electronic Funds Transfer

Additional Insured information

1.	Additional Insured	CITY OF SACRAMENTO 915 I STREET SACRAMENTO, CA 95814
2.	Additional Insured	EXIGIS LLC PO BOX 947 MURRIETA, CA 92564
3.	Additional Insured	PRIME US-PARK TOWER 980 9TH ST SACRAMENTO, CA 95814

Important Notice

For your protection California law requires the following to appear on this form. Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Continued

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: North Cal Hauling Company

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 Margaret Kashuba

Sign John Hobbs (May 21, 2026 16:54:13 PDT)

Sign Matt Eierman (May 22, 2026 10:49:22 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

North Cal Hauling Company
5716 Folsom Blvd 285, Sacramento, CA 95819
(916) 381-9033 | orlando@northcalhauling.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:

Orlando De La Cruz | President
5716 Folsom Blvd 285, Sacramento, CA 95819
(916) 381-9033 | orlando@northcalhauling.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 19:11:09 PDT)

City Attorney

Attachments

Exhibit A	Scope of Services
Exhibit B	Compensation
Exhibit C	Insurance

FRANCHISEE:

North Cal Hauling Company

NAME OF FIRM

74-3043235

Federal I.D. No.

230-4621-2

State I.D. No.

123576

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:* _____)

Orlando De La Cruz
Orlando De La Cruz (May 6, 2026 10:12:13 PDT)

05/06/2026

Signature of Authorized Person

Orlando De La Cruz | 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 *North Cal Hauling Company* ("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 *North Cal Hauling Company* ("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.

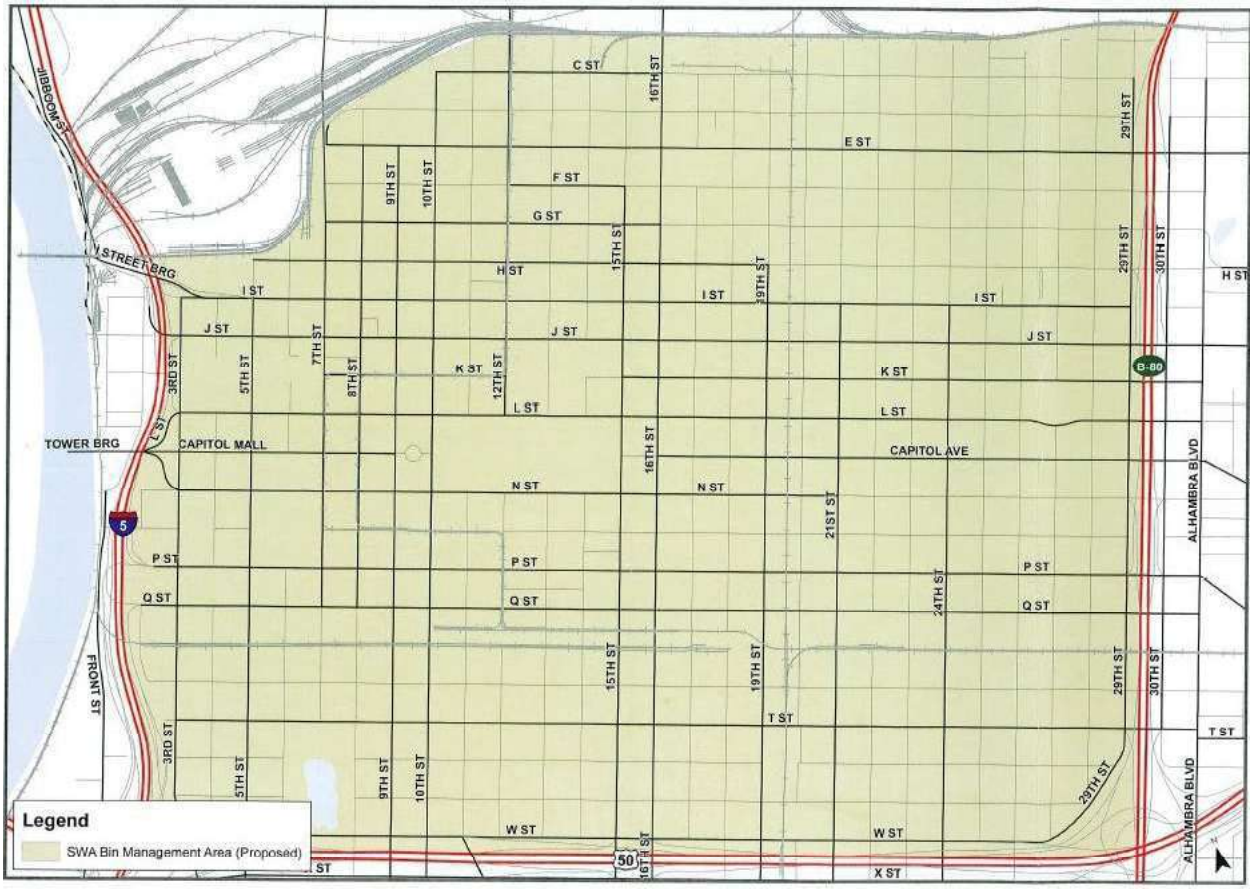


Exhibit B
Compensation

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") *North Cal Hauling Company* 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): 4/13/2026

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 Hillstone Partners Insurance Agency LLC 16133 Ventura Boulevard, Suite 1160 Encino CA 91436	**CONTACT NAME:** Hillstone Certificates Team **PHONE (A/C, No, Ext):** 818-474-4494 **FAX (A/C, No):** **E-MAIL ADDRESS:** certificates@hillstoneinsurance.com
INSURED NORTCAL-01 North Cal Hauling Co. 5716 FOLSOM BLVD PMB 285 Sacramento CA 95819	**INSURER(S) AFFORDING COVERAGE** / **NAIC #** **INSURER A :** THIRD COAST INS CO — 10713 **INSURER B :** HANOVER INS CO — 22292 **INSURER C :** Insurance Company of the West — 27847 **INSURER D :** Palms Insurance Company — 17327 **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 308593362 **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	
D	X **COMMERCIAL GENERAL LIABILITY** [ ] CLAIMS-MADE [X] OCCUR X Ded: $2,500 GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [X] PRO-JECT [ ] LOC [ ] OTHER:	Y		PACS010016102	12/30/2025	12/30/2026	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 $ 50,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $
A	**AUTOMOBILE LIABILITY** [ ] ANY AUTO [ ] OWNED AUTOS ONLY [X] SCHEDULED AUTOS [X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY	Y		TC-CRO001769-25	8/15/2025	8/15/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) $	$ 1,000,000 $ $ $ $
D	[ ] **UMBRELLA LIAB** [X] OCCUR X **EXCESS LIAB** [ ] CLAIMS-MADE [ ] DED [X] RETENTION $ $10,000			PACS020005902	12/30/2025	12/30/2026	EACH OCCURRENCE AGGREGATE $	$ 4,000,000 $ 4,000,000 $
C	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [Y] **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	WVE 5065669 03	5/21/2025	5/21/2026	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
B D	Inland Marine Pollution Liability			IHD M068833 01 PACS010016102	6/6/2025 12/30/2025	6/6/2026 12/30/2026	w/$1,000 Deductible Each Occurrence Limit Aggregate Limit	$48,620 $1,000,000 $2,000,000

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

City of Sacramento, the City, its officials, employees and volunteers are listed as additional insured regarding General Liability and Auto Liability when required by written contract. This Coverage includes Primary & Non-contributory. A waiver of subrogation is in place regarding Workers Compensation in favor of the City of Sacramento, the City, its officials, employees and volunteers when required by written 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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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: North Cal Hauling Co.

Endorsement Effective Date: 08/15/2025

SCHEDULE

Name Of Person(s) Or Organization(s): As required by written contract so long as the contract was entered into prior to the date of loss.
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.

Third Coast Insurance Company - RSTUM
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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
Any person or organization when you have agreed in writing in a contract or agreement that such person or organization be added as an Additional Insured.	Where specified 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:

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 shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance 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
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 when you have agreed in writing in a contract or agreement that such person or organization be added as an Additional Insured for Completed Operations Coverage.	Where specified 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" 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.

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This endorsement, effective: 12/30/2025
(at 12:01 A.M. standard time at the address of the Named Insured as showing in the Declarations)
forms a part of Policy No: PACS01-00161-02
Issued to: North Cal Hauling, Co.
By: Palms Insurance Company, Limited

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY / NON-CONTRIBUTORY INSURANCE ENDORSEMENT (BLANKET)

Name of Person or Organization	Name of Project
Any person or organization to whom the Named Insured has agreed by a written contract that was fully executed prior to an "occurrence" that such person or organization be added as an additional insured under this policy on a primary and noncontributory basis, but only with respect to operations performed by or on behalf of the Named Insured and only with respect to "occurrences" subsequent to the making of such fully executed written contract otherwise covered by this policy.	Where specified by fully executed written contract that was fully executed prior to an "occurrence".
Effective Date: 12/30/2025	

It is agreed that this policy is amended as follows:

Notwithstanding any other provision of this policy to the contrary, the insurance afforded to the person or organization named in the above Schedule shall be primary to, and non-contributory with, any other insurance available to such person or organization, but only as respects liability resulting from “your work” performed by the Named Insured at the project designated in the Schedule above for the person or organization named in the Schedule above.

This endorsement applies only to “bodily injury” or “property damage” caused by an “occurrence” under Coverage **A** and not otherwise excluded in the policy.

All other terms, conditions and exclusions under the policy are applicable to this Endorsement and remain unchanged.

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Insurance Services Offices, Inc., used with its permission

(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 05/21/2025 Policy No. WVE 5065669 03 Endorsement No.

Insured NORTH CAL HAULING, CO. 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: Patrick's Construction Clean up, 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 Kasuba

Sign John Flebbe (May 21, 2026 16:55:05 PDT)

Sign Matt Eierman (May 22, 2026 10:49:55 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 (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

Patrick's Construction Clean up, Inc
7851 14th Ave., Sacramento, CA 95826
(916) 452-5495 | equipo_patricks@yahoo.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:

Nicholas Costello | Director of Operations
7851 14th Ave., Sacramento, CA 95826
(916) 452-5495 | nick@pccuinc.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 19:05:34 PDT)

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Patrick's Construction Clean up, Inc

NAME OF FIRM

46-4470652

Federal I.D. No.

3629582

State I.D. No.

1000447

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:* _____)

Susan Lopez
Susan Lopez (May 5, 2026 14:30:38 PDT) 05/05/2026

Signature of Authorized Person

Susan Lopez | Vice President

Print Name and Title

Nick Costello 05/05/2026

Additional Signature *(if required)*

Nicholas Costello | Director of Operations

Print Name and Title

Exhibit A
Scope of Services

This Exhibit A incorporates by this reference the Franchise Agreement between *Patrick's Construction Clean up, 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 *Patrick's Construction Clean up, 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.

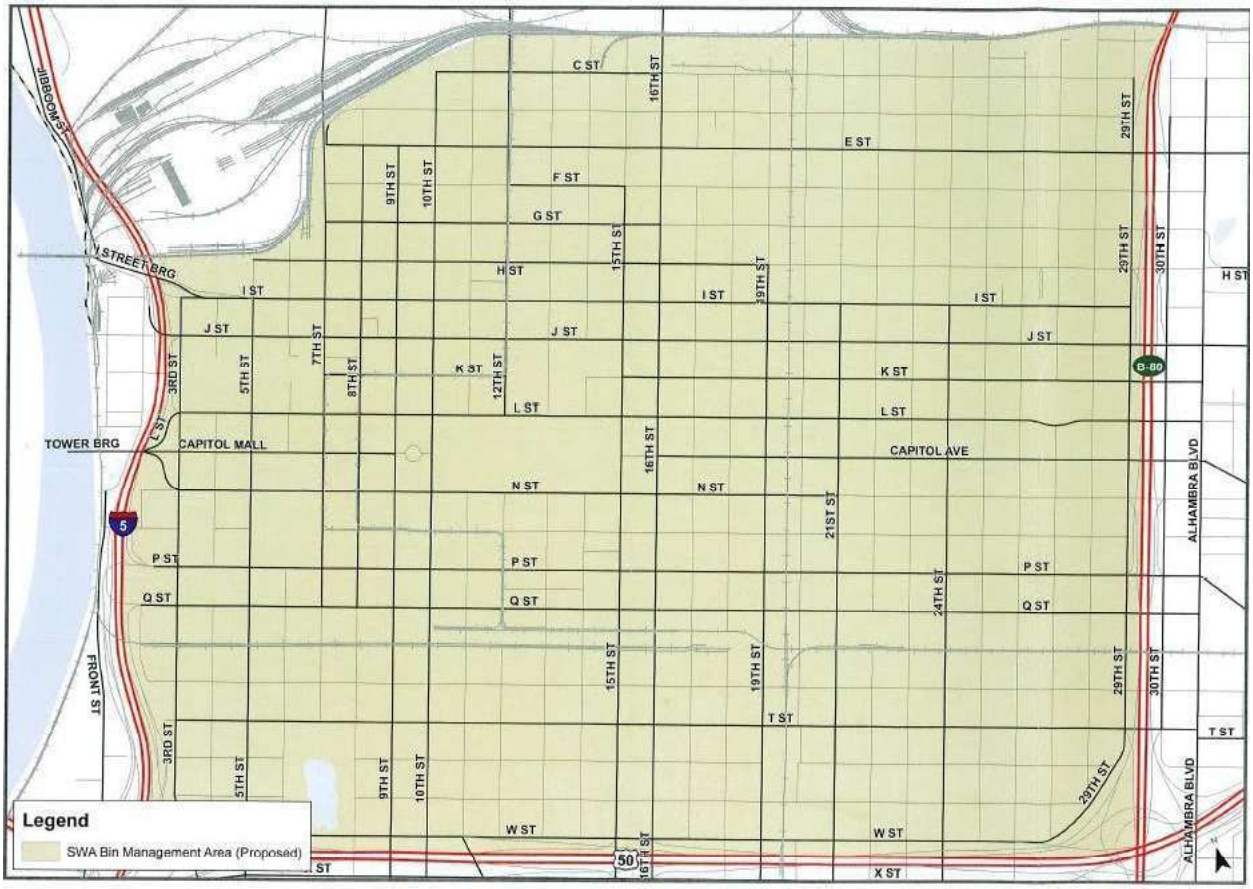


Exhibit B
Compensation

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") *Patrick's Construction Clean up, 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): 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	CONTACT NAME:	
Cragin & Pike, Inc. 10000 W. Charleston Blvd. Ste 200 Las Vegas NV 89135	PHONE (A/C, No, Ext): 702-877-1111	FAX (A/C, No): 702-258-3394
	E-MAIL ADDRESS: reception@cragin-pike.com	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Nautilus Insurance Company	17370
INSURER B : Insurance Company of the West (ICW)	27847
INSURER C : Key Risk Insurance Company	10885
INSURER D :	
INSURER E :	
INSURER F :	

INSURED — PATRCON-02
Patrick's CleanUP CA Inc, Patrick's Construction Clean Up Inc
7851 14th Avenue
Sacramento CA 95826

COVERAGES **CERTIFICATE NUMBER:** 1228390446 **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	ECP203357615	12/1/2025	12/1/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$ 3,000,000 $ 100,000 $ 5,000 $ 1,000,000 $ 3,000,000 $ 3,000,000 $
C	**AUTOMOBILE LIABILITY** X ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS X HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY	Y	Y	BAP204864710	12/1/2025	12/1/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) $	$ 1,000,000 $ $ $ $
A	[ ] **UMBRELLA LIAB** [X] OCCUR X **EXCESS LIAB** [ ] CLAIMS-MADE DED [X] RETENTION $ 0	Y	Y	FFX203357715	12/1/2025	12/1/2026	EACH OCCURRENCE AGGREGATE $	$ 7,000,000 $ 7,000,000 $
B	**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	Y	WLV508484400	6/23/2025	6/23/2026	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 A	Business Auto Pollution Liability			BAP204864710 ECP203357615	12/1/2025 12/1/2025	12/1/2026 12/1/2026	Comprehensive Deduct. Collision Deduct. Poll. Per Occurrence:	5,000 5,000 3,000,000

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

Additional Insured status applies as respects to the General Liability and Auto Liability policies, per form(s) attached. This insurance shall be primary and non-contributory as respects to the General Liability and Auto Liability policies, per form(s) attached. A Waiver of Transfer of Rights of Recovery against Others to Us (Waiver of Subrogation) applies as respects to the General Liability, Auto Liability and Workers' Compensation policies, per form(s) attached.
Excess/Umbrella Liability policy "Follows Form" to the General Liability, Auto Liability and Employer's Liability Policies.
Pollution Liability Deductible: $5,000
RE: Operations of the Named Insured
City of Sacramento is included as additional insured per the attached forms.

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

Imelda Rodriguez

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(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 06/23/2025 Policy No. WLV508484400 Endorsement No.

Insured Patrick's CleanUP CA Inc, Patrick's Construction Clean Up Inc Premium $ **INCL.**

Insurance Company **INSURANCE COMPANY OF THE WEST**

Countersigned By _____

WC 99 06 34
(Ed. 8-00)

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.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION) – AUTOMATIC WHEN REQUIRED BY WRITTEN CONTRACT OR AGREEMENT

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.

The **Transfer Of Rights Of Recovery Against Others To Us** Condition does not apply to any person(s) or organization(s) for whom you are required to waive subrogation with respect to the coverage provided under this Coverage Form, but only to the extent that subrogation is waived:

A. Under a written contract or agreement with such person(s) or organization(s); and

B. Prior to the "accident" or the "loss".

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CA0449 11 16

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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COMMERCIAL AUTO
CA 99 48 10 13

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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ENVIRONMENTAL COMBINED POLICY

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the **Named Insured** shown in the Declarations, and any other person or organization qualifying as a **Named Insured** under this policy. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in bold have special meaning. Refer to **SECTION IX– DEFINITIONS**.

Coverage D.3 – Third Party Claim(s) For Non-owned Disposal Site(s), **Coverage D.5 – Named Insured's Location(s)**, and **COVERAGE E – PROFESSIONAL LIABILITY**, provide Claims-Made and Reported Coverage, and have claim reporting requirements that differ from **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**, **COVERAGE C – MEDICAL PAYMENTS**, **Coverage D.1 – Contractors Pollution Legal Liability**, **Coverage D.2 – Third Party Claims(s) for Contingent Transportation,** and **Coverage D.4 – Microbial Substance Contractors Pollution Liability**. **Coverage D.3 – Third Party Claim(s) For Non-owned Disposal Site(s)**, **Coverage D.5 – Named Insured's Location(s)**, and **COVERAGE E – PROFESSIONAL LIABILITY** only apply to a claim that is first made against you during the **policy period** and is first reported to us during the **policy period** or applicable Extended Reporting Period.

The application is the basis of this policy and is incorporated in and constitutes a part of this policy. A copy of the application is attached hereto. Any material received with the application will be maintained on file with the Company and will be deemed to be attached hereto as if physically attached. It is agreed by all **insureds** that the statements in the application are their representations, that they are material and that this policy is issued in reliance upon the truth of such representations. Please note **defense costs** under **COVERAGES D** and **E** shall be applied against the deductible or self-insured retention, and will erode the Limits of Insurance. This policy includes all of the agreements existing between the **insureds** and the Company or any of its agents relating to this policy.

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the **insured** becomes legally obligated to pay as damages for **bodily injury** or **property damage** in excess of the deductible or self-insured retention, to which this insurance applies. We will have the right and duty to defend the **insured** against any **suit** seeking those damages. However, we will have no duty to defend the **insured** against any **suit** seeking damages for **bodily injury** or **property damage** to which this insurance does not apply. We may, at our discretion, investigate any **occurrence** and settle any **claim** or **suit** that may result. But:

(1) The amount we will pay for damages is limited as described in **SECTION V** – **LIMITS OF INSURANCE**; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under **COVERAGES A**, **B**, **D** or **E.** or medical expenses under **COVERAGE C,** and/or **defense costs** under **COVERAGES D** or **E**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION IV** – **SUPPLEMENTARY PAYMENTS** – **COVERAGES A, B, D, AND E**.

b. This insurance applies to **bodily injury** and **property damage** only if:

(1) The **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory**;

(2) The **bodily injury** or **property damage** occurs during the **policy period**; and

(3) Prior to the **policy period**, no **insured** listed under Paragraph **1.** of **SECTION III – WHO IS AN INSURED** and no **employee** authorized by you to give or receive notice of an **occurrence** or **claim** knew that the **bodily injury** or **property damage** had occurred, in whole or in part. If such a listed **insured** or authorized **employee** knew, prior to the **policy period**, that the **bodily injury** or **property damage** occurred, then any continuation, change or resumption of such **bodily injury** or **property damage** during or after the **policy period** will be deemed to have been known prior to the **policy period**.

c. **Bodily injury** or **property damage** which occurs during the **policy period** and was not, prior to the **policy period**, known to have occurred by any **insured** listed under Paragraph **1.** of **SECTION III** – **WHO IS AN INSURED** or any **employee** authorized by you to give or receive notice of an **occurrence** or **claim**, includes any continuation, change or resumption of that **bodily injury** or **property damage** after the end of the **policy period**.

d. **Bodily injury** or **property damage** will be deemed to have been known to have occurred at the earliest time when any **insured** listed under Paragraph **1.** of **SECTION III** – **WHO IS AN INSURED** or any **employee** authorized by you to give or receive notice of an **occurrence** or **claim**:

(1) Reports all, or any part, of the **bodily injury** or **property damage** to us or any other insurer;
(2) Receives a written or verbal demand or **claim** for damages because of the **bodily injury** or **property damage;** or
(3) Becomes aware by any other means that **bodily injury** or **property damage** has occurred or has begun to occur.

e. Damages because of **bodily injury** include damages claimed by any person or organization for care, loss of services or death resulting at any time from the **bodily injury**.

2. Exclusions

*Refer also to **SECTION I - EXCLUSIONS APPLICABLE TO COVERAGES A AND B**, and **SECTION II – SHARED EXCLUSIONS** for additional exclusions applicable to **COVERAGE A**.*

The insurance afforded under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** does not apply to:

a. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

Bodily injury or **property damage** caused, in whole or in part by, or arising, directly or indirectly, out of the ownership, maintenance, use or entrustment to others of any aircraft that is an **unmanned aircraft**. Use includes operation and **loading or unloading**.

This Paragraph **a.(1)** exclusion applies even if the **claim(s**) 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** involved the ownership, maintenance, use or entrustment to others of any aircraft that is an **unmanned aircraft.**

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

Bodily injury or **property damage** caused, in whole or in part by, or arising, directly or indirectly, out of the ownership, maintenance, use or entrustment to others of any aircraft (other than **unmanned aircraft**), **auto** or watercraft owned or operated by or rented or loaned to any **insured.** Use includes operation and **loading or unloading**.

This Paragraph **a.(2)** exclusion applies even if the **claim(s)** 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** involved the ownership, maintenance, use or entrustment to others of any aircraft (other than an **unmanned aircraft**), **auto** or watercraft that is owned or operated by or rented or loaned to any **insured**.

This Paragraph **a.(2)** exclusion does not apply to:

(a) A watercraft while ashore on premises you own or rent;
(b) A watercraft you do not own that is:
  (i) Less than 26 feet long; and
  (ii) Not being used to carry persons or property for a charge;
(c) Parking an **auto** on, or on the ways next to, premises you own or rent, provided the **auto** is not owned by or rented or loaned to you or any **insured**;
(d) Liability assumed under any **insured contract** for the ownership, maintenance or use of aircraft or watercraft; or
(e) **Bodily injury** or **property damage** caused, in whole or in part by, or arising, directly or indirectly, out of:
  (i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of **mobile equipment** if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
  (ii) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of **mobile equipment**.

b. Contractual Liability

Bodily injury or **property damage** for which the **insured** is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
(1) That the **insured** would have in the absence of the contract or agreement; or
(2) Assumed in a written contract or written agreement that is an **insured contract**, provided the **bodily injury** or **property damage** occurs subsequent to the execution of the written contract or written agreement. Solely for the purposes of liability assumed in an **insured contract**, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an **insured** are deemed to be damages because of **bodily injury** or **property damage**, provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same **insured contract**; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Damage To Impaired Property Or Property Not Physically Injured

Property damage to **impaired property** or property that has not been physically injured, caused, in whole or in part by, or arising, directly or indirectly, out of:

(1) A defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property caused by the sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

d. Damage To Property

Property damage to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the **property damage** arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of any **insured**;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly, on your behalf are performing operations, if the **property damage** arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to **property damage** (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven (7) or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **SECTION V** – **LIMITS OF INSURANCE**.

Paragraph **(2)** of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by you.

Paragraphs **(3)**, **(4)**, **(5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **(6)** of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

e. Damage To Your Product

Property damage to **your product** arising out of it or any part of it.

f. Damage To Your Work

Property damage to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

g. Employer's Liability

Bodily injury to:

(1) An **employee** of the **insured** caused, in whole or in part by, or arising, directly or indirectly, out of and in the course of:

(a) Employment by the **insured**; or

(b) Performing duties related to the conduct of the **insured's** business; or

(2) The spouse, child, parent, brother or sister of that **employee** as a consequence of Paragraph **(1)** above.

This exclusion applies whether the **insured** may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the **insured** under an **insured contract** unless the **insured contract** is with another **insured** other than any additional **insured** on this policy.

h. Expected Or Intended Injury

Bodily injury or **property damage** expected or intended from the standpoint of any **insured**. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

i. Liquor Liability

Bodily injury or **property damage** for which any **insured** may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;
(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the **claim(s)** against any **insured** allege negligence or other wrongdoing in:
(1) The supervision, hiring, employment, training or monitoring of others by that **insured**; or
(2) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the **occurrence** which caused the **bodily injury** or **property damage**, involved that which is described in Paragraph **(1)**, **(2)** or **(3)** above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purpose of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

j. Mobile Equipment

Bodily injury or **property damage** caused, in whole or in part by, or arising, directly or indirectly, out of:
(1) The transportation of **mobile equipment** by an **auto** owned or operated by or rented or loaned to any **insured**; or
(2) The use of **mobile equipment** in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition derby, or stunting activity.

k. Personal And Advertising Injury

Bodily injury caused, in whole or in part by, or arising, directly or indirectly, out of **personal and advertising injury**.

l. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
(1) Your product;
(2) Your work; or
(3) Impaired property;

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

m. Cyber Incident

(1) Damages, costs and expenses, because of, caused by, or arising out of, either directly or indirectly, in whole or in part, by:
(a) Any:
(i) Unauthorized, access to, acquisition, use, collection, copying, processing, storage, dissemination, publication or disclosure of;
(ii) Theft, alteration, misuse, loss, misappropriation, disruption of or damage to; or
(iii) Failure to provide access to, remove, rectify, destroy, protect or secure, including, but not limited to, failure to encrypt;

any person's or organization's **confidential information**, whether it is **electronic data** or in any other form or media.

(b) The loss of, loss of use of, corruption or impairment of, damage to, disruption or destruction of, or inability to access, alter or manipulate **electronic data**.

(c) Any of the following:
(i) Denial of service attack on;
(ii) Misappropriation, diversion, loss or misuse of:
(iii) Denial of access to or service of, interruption of service, degradation, loss of use, alteration, failure, destruction, corruption, impairment of

any **computer system**, including any insured's or other person's or organization's **computer system**.

(d) Malicious code, virus or any other harmful code that:
(i) Is directed at, enacted upon or introduced into **electronic data** or any **computer system**; or
(ii) Is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use, prevent or restrict access to, or otherwise disrupt the normal functioning or operation of **electronic data** or any **computer system**.

(e) Transfer, payment or delivery of money or any form of currency, including virtual currency, in response to a fraudulent instruction or demand.

(f) Demand for a ransom payment (in money, or any form of currency, including virtual currency, or property or services), made in connection with the actual or threatened perpetuation of that which is described in Paragraphs **(a)** Through **(e)** above.

Such damages, costs or expenses are excluded regardless of any other cause or event that contributes concurrently or in any sequence to the **injury or damage**, costs or expenses.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, payment card replacement costs, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraphs **(a)** Through **(f)** above.

This exclusion applies to any liability, damages, costs or expenses because of, caused by or arising out of, either directly or indirectly, in whole or in part, by any failure (including, but not limited to, failure to timely act) to notify of, disclose, prepare for, respond to, protect against, remediate, mitigate or comply with any statutory, regulatory, contractual, common law or other legal obligation relating to that described in Paragraphs **(a)** Through **(f)** above.

This exclusion applies regardless of culpability or intent, or of whether the claim alleges negligence or other wrongdoing, in whole or in part, arising out of hiring, placing, managing, supervising, employing, training or monitoring of others, or the maintenance or security of any premises.

If there is any duty or obligation to defend or pay for a defense in the policy to which this endorsement is attached, the duty or obligation will not apply to any claim, suit or proceeding that alleges or is, directly or indirectly, in whole or in part, caused by, resulting from or relating to any of the above.

(2) With respect to **SECTION I – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**, Paragraph **37.e.** of **SECTION IX – DEFINITIONS** does not apply.

n. Workers' Compensation And Similar Laws

Any obligation of the **insured** under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

Exclusions **a**, **c**, **d**, **e**, **f**, **h**, **j**, **k**, **m** and **n** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION V** - **LIMITS OF INSURANCE**.

COVERAGE B – **PERSONAL AND ADVERTISING INJURY LIABILITY**

1. Insuring Agreement

a. We will pay those sums that the **insured** becomes legally obligated to pay as damages because of **personal and advertising injury** in excess of the deductible or self-insured retention, to which this insurance applies. We will have the right and duty to defend the **insured** against any **suit** seeking those damages. However, we will have no duty to defend the **insured** against any **suit** seeking damages for **personal and advertising injury** to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any **claim** or **suit** that may result. But:

(1) The amount we will pay for damages is limited as described in **SECTION V** – **LIMITS OF INSURANCE**; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under **COVERAGES A**, **B**, **D**, or **E** or medical expenses under **COVERAGE C** and/or **defense costs** under **COVERAGES D** or **E**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION IV** – **SUPPLEMENTARY PAYMENTS** – **COVERAGES A, B, D, AND E.**

b. This insurance applies to **personal and advertising injury** caused by an offense arising out of your business, but only if the offense was first committed in the **coverage territory** during the **policy period**.

2. Exclusions

Refer also to ***SECTION I*** – ***EXCLUSIONS APPLICABLE TO COVERAGES A AND B****, and* ***SECTION II*** – ***SHARED EXCLUSIONS*** *for additional exclusions applicable to* ***COVERAGE B****.*

The insurance afforded under **COVERAGE B** – **PERSONAL AND ADVERTISING INJURY LIABILITY** does not apply to:

a. Breach Of Contract

Personal and advertising injury caused, in whole or in part by, or arising, directly or indirectly, out of a breach of contract, except an implied contract to use another's advertising idea in your **advertisement**.

b. Contractual Liability

Personal and advertising injury for which the **insured** has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the **insured** would have in the absence of the contract or agreement.

c. Criminal Acts

Personal and advertising injury caused, in whole or in part by, or arising, directly or indirectly, out of a criminal act committed by or at the direction of the **insured**.

d. Electronic Chatrooms Or Bulletin Boards

Personal and advertising injury caused, in whole or in part by, or arising, directly or indirectly, out of an electronic chatroom or bulletin board the **insured** hosts, owns, or over which the **insured** exercises control.

e. Infringement Of Copyright, Patent, Trademark Or Trade Secret

Personal and advertising injury caused, in whole or in part by, or arising, directly or indirectly, out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your **advertisement**.

However, this exclusion does not apply to infringement, in your **advertisement**, of copyright, trade dress or slogan.

f. Insureds In Media And Internet Type Businesses

Personal and advertising injury committed by any **insured** whose business is:

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of web-sites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraph **37**. **a**., **b**. and **c**. of **personal and advertising injury** under **SECTION IX – DEFINITIONS**.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting, unless done for a fee.

g. Knowing Violation Of Rights Of Another

Personal and advertising injury caused, in whole or in part by, or at the direction of the **insured** with the knowledge that the act would violate the rights of another and would inflict **personal and advertising injury**.

h. Material Published Prior To Policy Period

Personal and advertising injury caused, in whole or in part by, or arising, directly or indirectly, out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the **policy period**.

i. Material Published With Knowledge Of Falsity

Personal and advertising injury caused, in whole or in part by, or arising, directly or indirectly, out of oral or written publication, in any manner, of material, if done by or at the direction of the **insured** with knowledge of its falsity.

j. Quality Or Performance Of Goods – Failure To Conform To Statements

Personal and advertising injury caused, in whole or in part by, or arising, directly or indirectly, out of the failure of goods, products or services to conform with any statement of quality or performance made in your **advertisement**.

k. Unauthorized Use Of Another's Name Or Product

Personal and advertising injury caused, in whole or in part by, or arising, directly or indirectly, out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

l. Unmanned Aircraft

Personal and advertising injury caused, in whole or in part by, or arising, directly or indirectly, out of the ownership, maintenance, use or entrustment to others of any aircraft that is an **unmanned aircraft**. Use includes operation and **loading or unloading**.

This exclusion applies even if the **claim(s)** against any **insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **insured**, if the offense which caused the **personal and advertising injury** involved the ownership, maintenance, use or entrustment to others of any aircraft that is an **unmanned aircraft**.

This exclusion does not apply to:

(1) The use of another's advertising idea in your **advertisement**; or

(2) Infringing upon another's copyright, trade dress or slogan in your **advertisement.**

m. Wrong Description Of Prices

Personal and advertising injury caused, in whole or in part by, or arising, directly or indirectly, out of the wrong description of the price of goods, products or services stated in your **advertisement**.

EXCLUSIONS APPLICABLE TO COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY and **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

*Refer also to **SECTION II** – **SHARED EXCLUSIONS** for additional exclusions applicable to **COVERAGES A and B**.*

1. This insurance does not apply to:

a. Asbestos, Lead, Microbial Substances, and Silica

(1) Bodily injury, property damage, or **personal and advertising injury** caused, in whole or in part by, or arising, directly or indirectly, out of the actual, alleged, threatened or suspected inhalation, ingestion, or absorption of asbestos, lead, **microbial substances** or silica;

(2) Bodily injury, property damage or **personal and advertising injury** caused, in whole or in part by, or arising, directly or indirectly, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, asbestos, lead, **microbial substances** or silica; and

(3) Any loss, cost or expense caused, in whole or in part by, or arising, directly or indirectly, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing effects of asbestos, lead, **microbial substances** or silica by any **insured** or by another other person or entity.

This exclusion applies even if the **claim(s)**, **suit(s)** or allegations against any **insured** allege negligence or other wrongdoing arising from or related to:

(1) Any supervision, instruction, recommendation, warnings or advice given or which should have been given;

(2) Any obligation to indemnify, defend, share damages with or repay someone else who must pay damages; and

(3) Any fines or penalties imposed.

b. Covered under COVERAGE D – CONTRACTORS POLLUTION LIABILITY or **COVERAGE E – PROFESSIONAL LIABILITY**

Any **bodily injury, personal and advertising injury,** or **property damage** covered, or associated with a **claim(s), suit(s)**, or allegation(s) for which a defense is being provided, under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** or **COVERAGE E – PROFESSIONAL LIABILITY**.

c. Employment-Related Practices and Abuse Or Molestation

(1) **Bodily injury** or **personal and advertising injury** to:

(a) A person caused, in whole or in part by, or arising, directly or indirectly, out of any:

(i) Refusal to employ that person;

(ii) Termination of that person's employment; or

(iii) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

(b) The spouse, child, parent, brother or sister of that person as a consequence of **bodily injury** to that person at whom any of the employment-related practices described in Paragraph **(a) (i)**, **(ii)**, or **(iii)** above is directed.

This exclusion applies:

(a) Whether the injury-causing event described in Paragraph **(a) (i)**, **(ii)** or **(iii)** above occurs before employment, during employment or after employment of that person;

(b) Whether an **insured** may be liable as an employer or in any other capacity; and

(c) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

(2) **Bodily injury**, **property damage**, or **personal and advertising injury** caused, in whole or in part by, or arising, directly or indirectly, out of:

(a) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any **insured**, or

(b) The negligent employment, investigation, supervision, reporting to the proper authorities, or failure to so report; or retention of a person for whom any **insured** is or ever was legally responsible and whose conduct would be excluded by Paragraph **2. (a)** above.

d. Professional Services

Bodily injury, **property damage**, or **personal and advertising injury** caused, in whole or in part by, or arising, directly or indirectly, out of the rendering of or failure to render any professional services, including but not limited to **professional services**.

e. Pollution

(1) **Bodily injury**, **property damage**, or **personal and advertising injury** which would not have occurred, in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time; or

(2) Any loss, cost or expense caused, in whole or in part by, or arising, directly or indirectly, out of any:

(a) 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

(b) **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**.

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for **bodily injury** caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(1) The accident takes place in the **coverage territory** and during the **policy period**;

(2) The expenses are incurred and reported to us within one year of the date of the accident; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and,

(3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay under **COVERAGE C – MEDICAL PAYMENTS**, expenses for **bodily injury**:

a. Any Insured

To any **insured**, except **volunteer workers**.

b. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

c. COVERAGE A, D or E Exclusions

Excluded under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, **COVERAGE D – CONTRACTORS POLLUTION LIABILITY**, or **COVERAGE E – PROFESSIONAL LIABILITY**.

d. Hired Person

To a person hired to do work for or on behalf of any **insured** or a tenant of any **insured**.

e. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

f. Nuclear Material

Resulting from the **hazardous properties** of **nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

g. Products-Completed Operations Hazard

Included within the **products-completed operations hazard**.

h. Workers Compensation And Similar Laws

To a person, whether or not an **employee** of any **insured**, if benefits for the **bodily injury** are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

COVERAGE D – CONTRACTORS POLLUTION LIABILITY

1. Insuring Agreements – COVERAGE D – CONTRACTORS POLLUTION LIABILITY

Coverage D.1 – Contractors Pollution Legal Liability

a. We will pay those sums that the **insured** becomes legally obligated to pay for **loss** for **bodily injury** or **property damage** in excess of the deductible or self-insured retention, directly caused by **pollution condition(s)** that result from your **covered operations** and/or **completed operations** to which this insurance applies. We will have the right and duty to defend the **insured** against any **suit** seeking payment for **loss** caused by **pollution condition(s)** directly caused by your **covered operations** or **completed operations**; however, we will have no duty to defend the **insured** against any **suit** seeking payment for **loss** to which this insurance does not apply. We may, at our discretion, investigate any **pollution condition(s)** and settle any **claim** or **suit** that may result. But:

(1) The amount we will pay for **loss** and **defense costs** is limited as described in **SECTION V - LIMITS OF INSURANCE**; and

(2) Our right and duty to defend ends under **Coverage D.1 – Contractors Pollution Legal Liability** when we have used up the applicable limit of insurance in the payment of judgments, settlements, or **loss** under **COVERAGES A**, **B**, **D**, and/or **E** or medical expenses under **COVERAGE C,** and/or **defense costs** under **COVERAGES D** or **E**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION IV** – **SUPPLEMENTARY PAYMENTS – COVERAGES A**, **B**, **D**, **AND E**.

b. This insurance applies to **bodily injury** and **property damage** to the extent directly caused by a **pollution condition** only if:

(1) The **bodily injury** or **property damage** is directly caused by a **pollution condition** that takes place in the **coverage territory** and is caused by an **occurrence**; and

(2) The **bodily injury** or **property damage** first occurs during the **policy period**; and

(3) The **bodily injury** or **property damage** is directly caused by your **covered operations** and/or **completed operations**; and

(4) The **pollution condition(s)** were unexpected and unintended from the standpoint of the insured.

Notwithstanding the above, this policy will not respond to **loss** or **defense costs** covered in whole or in part by other valid and collectible insurance in force prior to this **policy period**.

Coverage D.2 – **Third Party Claim(s) for Contingent Transportation**

a. We will pay those sums that the **Named Insured** becomes legally obligated to pay for **loss** for **bodily injury** or **property damage** in excess of the deductible or self-insured retention, that results from a **claim** made against the **Named Insured** by a third party, to the extent directly caused by a **pollution condition** occurring during the course of **transportation** by a **carrier**, to or from an **insured location** or within the fixed boundaries of a site at which **covered operations** are being performed, including any **loading or unloading**, to which this insurance applies. We will have the right and duty to defend the **Named Insured** against any **suit** seeking payment for **loss** directly caused by **pollution condition(s)** occurring during the course of **transportation** by a **carrier**, to or from an **insured location** or within the fixed boundaries of a site at which **covered operations** are being performed, including any **loading or unloading**; however, we will have no duty to defend any **insured** against any **suit** seeking payment for **loss** to which this insurance does not apply. We may, at our discretion, investigate any **pollution condition(s)** and settle any **claim** or **suit** that may result, but:

(1) The amount we will pay for **loss** and **defense costs** is limited as described in **SECTION V** - **LIMITS OF INSURANCE**; and

(2) Our right and duty to defend ends under **Coverage D.2 – Third Party Claims(s) for Contingent Transportation** when we have used up the applicable limit of insurance in the payment of judgments, settlements, or **loss** under **COVERAGES A**, **B**, **D**, or **E** or medical expenses under **COVERAGE C,** and/or **defense costs** under **COVERAGES D** or **E**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION IV** – **SUPPLEMENTARY PAYMENTS – COVERAGES A**, **B**, **D**, **AND E**.

b. This insurance applies to **bodily injury** and **property damage** to the extent directly caused by a **pollution condition** only if:

(1) The **bodily injury** or **property damage** is directly caused by a **pollution condition** that takes place in the **coverage territory** and is the result of an **occurrence**; and

(2) The **pollution condition(s)** that causes the **bodily injury** or **property damage** first occurs during the **policy period** and is directly caused by **your product**, materials essential to, or waste resulting from your **covered operations**; and

(3) The **bodily injury** or **property damage** occurs during the course of **transportation** by a **carrier**; to or from an **insured location** or within the fixed boundaries of a site at which **covered operations** are being performed, including any **loading or unloading**; and

(4) The **carrier** is properly licensed to transport **your product**, materials or waste that causes the **pollution condition(s)**.

Notwithstanding the above, this policy will not respond to **loss** or **defense costs** covered in whole or in part by other valid and collectible insurance in force prior to this **policy period**.

It is also hereby understood and agreed that the coverage provided under **Coverage D.2 – Third Party Claim(s) for Contingent Transportation**, shall not constitute, evidence, satisfy, or meet any obligation to demonstrate financial assurance or financial responsibility requirements under any federal, state or local law(s), including any requirement that the **insured** obtain a bond.

Coverage D.3 – Third Party Claim(s) for Non-owned Disposal Site(s)

a. We will pay those sums that the **Named Insured** becomes legally obligated to pay as a result of a **claim** made by a third party for **loss** for **bodily injury** or **property damage** in excess of the deductible or self-insured retention, which is directly caused by a **pollution condition** on, at, under or migrating from a **non-owned disposal site** to which this insurance applies. We will have the right and duty to defend the **Named Insured** against any **suit** seeking payment for **loss** for **bodily injury** or **property damage** which is directly caused by a **pollution condition** on, at, under or migrating from a **non-owned disposal site(s)**; however, we will have no duty to defend the **Named Insured** against any **suit** seeking payment for **loss** to which this insurance does not apply. We may at our discretion, investigate any **pollution condition** and settle any **claim** or **suit** that may result. But:

(1) The amount we will pay for **loss** and **defense costs** is limited as described in **SECTION V** - **LIMITS OF INSURANCE**; and

(2) Our right and duty to defend ends under **Coverage D.3 – Third Party Claim(s) For Non-owned Disposal Site(s)** when we have used up the applicable limit of insurance in the payment of judgments, settlement, or **loss** under **COVERAGES A**, **B**, **D**, or **E** or medical expenses under **COVERAGE C**, or **defense costs** under **COVERAGES D** or **E**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION IV** – **SUPPLEMENTARY PAYMENTS** – **COVERAGES A, B, D, AND E**.

b. This insurance applies to **bodily injury** and **property damage** to the extent directly caused by a **pollution condition** only if:

(1) The **loss** for **bodily injury** or **property damage** is caused by a **pollution condition** on, at, under or migrating

from a **non-owned disposal site(s)**; and

(2) The **claim** is made by a third party who is not an owner, operator or contractor of the **non-owned disposal site(s)**; and

(3) The **claim** is first made against the **Named Insured** during the **policy period**, and reported to us, in writing, during the **policy period**, or, where applicable, an Extended Reporting Period; and

(4) The **pollution condition** first commences on or after the **Retroactive date,** but before the end of the **policy period** and takes place in the **coverage territory.**

Notwithstanding the above, this policy will not respond to **loss** or **defense costs** covered in whole or in part by other valid and collectible insurance in force prior to this **policy period**.

Coverage D.4 – Microbial Substance Contractors Pollution Liability

a. We will pay those sums that the **insured** becomes legally obligated to pay for **loss** for **bodily injury** or **property damage** in excess of the deductible or self-insured retention, directly caused by **microbial substances** that result from your **covered operations** or **completed operations** to which this insurance applies**.** We will have the right and duty to defend the **insured** against any **suit** seeking payment for **loss** directly caused by **microbial substances** that result from your **covered operations** or **completed operations**; however, we will have no duty to defend any **insured** against any **suit** seeking payment for **loss** to which this insurance does not apply. We may, at our discretion, investigate any **microbial substances** and settle any **claim** or **suit** that may result. But:

(1) The amount we will pay for **loss** and **defense costs** is limited as described in **SECTION V - LIMITS OF INSURANCE**; and

(2) Our right and duty to defend ends under **Coverage D.4 – Microbial Substance Contractors Pollution Liability** when we have used up the applicable limit of insurance in the payment of judgments, settlements, or **loss** under **COVERAGES A**, **B**, **D**, or **E** or medical expenses under **COVERAGE C**, or **defense costs** under **COVERAGES D** or **E**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION IV** – **SUPPLEMENTARY PAYMENTS – COVERAGES A**, **B**, **D**, **AND E**.

b. This insurance applies to **bodily injury** and **property damage** to the extent directly caused by **microbial substances** only if:

(1) The **bodily injury** or **property damage** is directly caused by **microbial substances** resulting from an **occurrence** that takes place in the **coverage territory**, and

(2) The **microbial substances** that cause the **bodily injury** or **property damage** first occur during the **policy period** and result from your **covered operations** or **completed operations**; and

(3) The **bodily injury** or **property damage** is directly caused by your **covered operations** and/or **completed operations**, and

(4) The **microbial substances** were unexpected and unintended from the standpoint of the **insured.**

Notwithstanding the above, this policy will not respond to **loss** or **defense costs** covered in whole or in part by other valid and collectible insurance in force prior to this **policy period**.

Coverage D.5 – Named Insured's Location(s)

a. First Party Cleanup Costs

(1) We will pay those sums that the **Named Insured** becomes legally obligated to pay for **cleanup costs** in excess of the deductible or self-insured retention, directly caused by a **pollution condition** on, at, under or migrating from an **insured location**, provided that:

(a) The **pollution condition** first commences during the **policy period**; and

(b) The **pollution condition** first commences at an identified time and place and must be confirmed by the **Named Insured** at its sole expense during the **policy period**; and

(c) The **pollution condition** is first discovered by the **Named Insured** during the **policy period** and reported to us in writing no later than seven (7) calendar days from the date of the first commencement of the **pollution condition(s)**, but before the end of the **policy period**.

The amount we will pay for **cleanup costs** and related **defense costs** is limited as described in **SECTION V** – **LIMITS OF INSURANCE**.

Notwithstanding the above, this policy will not respond to **cleanup costs** covered in whole or in part by other valid and collectible insurance in force prior to this **policy period**.

b. Third Party Claim(s) For Bodily Injury or Property Damage Liability

(1) We will pay those sums that the **Named Insured** becomes legally obligated to pay as a result of a **claim** made by a third party for **loss** for **bodily injury** or **property damage** in excess of the deductible or self-insured retention, which is directly caused by a **pollution condition** on, at, under or migrating from an **insured location** to which this insurance applies. We will have the right and duty to defend the **Named Insured** against any **suit** seeking payment for **loss** for **bodily injury** or **property damage** which is directly caused by a **pollution condition** on, at, under or migrating from an **insured location**; however, we will have no duty to defend any

insured against any **suit** seeking payment for **loss** to which this insurance does not apply. We may, at our discretion, investigate any **pollution condition** and settle any **claim** or **suit** that may result, but:

(a) The amount we will pay for **bodily injury**, **property damage**, **loss** and **defense costs** is limited as described in **SECTION V - LIMITS OF INSURANCE**; and

(b) Our right and duty to defend ends under **Coverage D.5 – Named Insured's Location(s)** when we have used up the applicable limit of insurance in the payment of judgments, settlements, or **loss** under **COVERAGES A**, **B**, **D**, or **E** or medical expenses under **COVERAGE C**, or **defense costs** under **COVERAGES D** or **E**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION IV – SUPPLEMENTARY PAYMENTS – COVERAGES A, B, D, AND E**.

(2) This insurance applies to **bodily injury** and **property damage** to the extent directly caused by a **pollution condition** only if:

(a) The **pollution condition** first commences during the **policy period**, and **bodily injury** or **property damage** results from a **pollution condition** on, at, under or migrating from an **insured location**; and

(b) The **pollution condition** first commences at an identified time and place and must be confirmed by the **Named Insured** at its sole expense during the **policy period;** and

(c) The **pollution condition** is first discovered by the **Named Insured** during the **policy period** and reported to us in writing no later than seven (7) calendar days from the date of the first commencement of the **pollution condition**, but before the end of the **policy period**; and

(d) The **claim** for **bodily injury** or **property damage** resulting from the **pollution condition** is first made against the **Named Insured** during the **policy period** and reported to us, in writing, during the **policy period**, or where applicable, the Extended Reporting Period.

It is also hereby understood and agreed that the coverage provided under **Coverage D.5 – Named Insured's Location(s)**, shall not constitute, evidence, satisfy, or meet any obligation to demonstrate financial assurance or financial responsibility requirements under any federal, state or local law(s) including any requirement that the **insured** obtain a bond.

Notwithstanding the above, this policy will not respond to **loss** or **defense costs** covered in whole or in part by other valid and collectible insurance in force prior to this **policy period**.

Coverage D.6 - Emergency Remediation Costs

a. We will pay **emergency remediation costs** in excess of the deductible or self-insured retention, which qualify as **cleanup costs** incurred by or on behalf of the **Named Insured** to take emergency action in response to a **pollution condition** directly caused by:

(1) **Covered operations** and/or **completed operations**, and otherwise covered under **Coverage D.1 – Contractors Pollution Legal Liability;** or

(2) A **pollution condition** that occurs during the course of **transportation** by a **carrier**, including any **loading or unloading**, and otherwise covered under **Coverage D.2 – Third Party Claims(s) for Contingent Transportation**; or

(3) A **pollution condition** on, at, under or migrating from an **insured location(s)**, and otherwise covered under **Coverage D.5 – Named Insured's Location(s)**.

Our right and duty to defend ends under **Coverage D.6 – Emergency Remediation Costs** when we have used up the applicable limit of insurance in the payment of judgments, settlements, or **loss** under **COVERAGES A**, **B**, **D**, or **E** or medical expenses under **COVERAGE C**, or **defense costs** under **COVERAGES D** or **E**.

The amount we will pay for **emergency remediation costs** is limited as described in **SECTION V** – **LIMITS OF INSURANCE**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION IV – SUPPLEMENTARY PAYMENTS – COVERAGES A, B, D, AND E.**

b. This insurance applies to **emergency remediation costs** incurred by the **Named Insured** prior to providing notice to the company, provided that:

(1) The **pollution condition** first occurs during the **policy period**; and

(2) The **pollution condition** is first discovered by an **insured** during the **policy period**; and

(3) The **Named Insured** would be liable to a third party for the **cleanup** of the **pollution condition**, if the **emergency remediation costs** had not been incurred; and

(4) The **emergency remediation costs** are for a period of no longer than seven (7) calendar days after the **pollution condition** first commences and are incurred for services rendered during the **policy period**; and

(5) Written notice of the **emergency remediation costs** is provided to us as soon as practicable, but in no event later than seven (7) calendar days from the earlier of the first commencement of the **pollution condition** or the expiration of the **policy period**.

Notwithstanding the above, this policy will not respond to **emergency remediation costs**:

(1) Covered in whole or in part by other valid and collectible insurance in force prior to this **policy period**, and

(2) For which no coverage is provided under **Coverage D.1 – Contractors Pollution Legal Liability, Coverage D.2 – Third Party Claim(s) For Contingent Transportation** or **Coverage D.5 – Named Insured's Location(s)**

COVERAGE E – PROFESSIONAL LIABILITY

1. Insuring Agreement

a. We will pay those sums that the **insured** becomes legally obligated to pay as damages in excess of the deductible or self-insured retention, that result from **professional services** to which this insurance applies. The damages must result from an actual or alleged act, error or omission in the performance of **professional services** rendered by the **insured.** We will have the right and duty to defend the **insured** against any **suit** seeking those damages. However, we will have no duty to defend the **insured** against any **suit** seeking damages to which this insurance does not apply. We may, at our discretion, investigate any actual or alleged act, error or omission and settle any **claim** or **suit** that may result, but:

(1) The amount we will pay for damages and **defense costs** is limited as described in **SECTION V - LIMITS OF INSURANCE**; and

(2) Our right and duty to defend ends under **COVERAGE E – PROFESSIONAL LIABILITY** when we have used up the applicable limit of insurance in the payment of judgments, settlements, or **loss** under **COVERAGES A**, **B**, **D**, or **E** or medical expenses under **COVERAGE C,** or **defense costs** under **COVERAGES D** or **E**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION IV – SUPPLEMENTARY PAYMENTS – COVERAGES A**, **B**, **D**, **AND E**.

b. This insurance shall only apply if:

(1) The **claim** is first made against the **insured** during the **policy period** and reported to us, in writing, during the **policy period**, or Extended Reporting Period, if applicable; and

(2) The actual or alleged act, error or omission takes place in the **coverage territory**; and

(3) The actual or alleged act, error or omission takes place on or after the **Retroactive Date**, if any, shown in the Declarations but before the end of the **policy period**.

Notwithstanding the above, this policy will not respond to damages, **loss** or **defense costs** covered in whole or in part by other valid and collectible insurance in force prior to this **policy period**.

2. EXCLUSIONS APPLICABLE TO COVERAGES D AND E

*Refer also to **SECTION II - SHARED EXCLUSIONS** for additional exclusions applicable to **COVERAGES D** and **E**.*

This insurance does not apply to **bodily injury**, **property damage**, **loss**, **cleanup costs**, **emergency remediation costs**, **claim(s)**, **suit(s)**, damages, and/or Supplementary Payments, including but not limited to **defense costs**:

a. Asbestos and Lead-Based Paint

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of:

(1) Asbestos in any form, anywhere at an **insured location(s)**, including but not limited to asbestos containing products, asbestos dust, asbestos fibers or asbestos containing materials within, on or applied to any buildings or structures located at an **insured location(s)**; and

(2) Lead-based paint within, on or applied to any buildings or structures located at an **insured location(s)**.

This exclusion applies with respect to **insured location(s)** scheduled to this policy for coverage under **Coverage D.5 – Named Insured's Location(s)** if purchased and selected on the Declarations page of this policy. This exclusion does not apply to **cleanup costs** to the extent directly and solely attributable to the inadvertent disturbance of asbestos or lead-based paint at an **insured location** during the **policy period**. However, such **cleanup costs** will only apply to that portion of the asbestos or lead-based paint that has been inadvertently disturbed at an **insured location** and will not apply to the disturbance of asbestos or lead-based paint caused during any asbestos or lead-based paint abatement, removal, or repair project or any building renovation project at an **insured location**.

b. Auto, Aircraft, Unmanned Aircraft, Watercraft Or Rolling Stock

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of the ownership, maintenance, use or the entrustment to others of any **auto**, aircraft, **unmanned aircraft**, watercraft, or rolling stock owned or operated by or rented or loaned to any **insured**. Use includes operation and **loading or unloading**.

This exclusion applies even if the **claim(s)** 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** involved the ownership, maintenance, use or entrustment to others of any **auto**, aircraft, **unmanned aircraft,** watercraft, or rolling stock that is owned or operated by or rented or loaned to any **insured**.

However, under **Coverage D.1 – Contractors Pollution Legal Liability** and **Coverage D.2 - Third Party Claim(s) for Contingent Transportation**, if purchased and selected on the Declarations page of this policy, this exclusion does not apply to **pollution condition(s)** arising out of the ownership, maintenance, use, operation, **loading or**

unloading of any **auto**, aircraft, **unmanned aircraft**, watercraft, or rolling stock within the fixed boundaries of the site where your **covered operations** are being performed.

Also, this exclusion does not apply to **pollution condition(s)** arising out of the ownership, maintenance, use, operation, **loading or unloading** of any **auto**, aircraft, scheduled **unmanned aircraft**, watercraft, or rolling stock that:

(1) Commences during the **transportation** of **your product** or wastes by a **carrier**; and

(2) Results in **bodily injury**, **property damage** or **cleanup costs** during the **transportation** of **your product** or wastes.

However, no coverage is provided for the misdelivery of any liquid product into the wrong receptacle or to a wrong address or for the erroneous delivery of a liquid product by **auto**, aircraft, **unmanned aircraft,** watercraft or rolling stock.

c. Bankruptcy

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of bankruptcy or insolvency of any **insured** or of any other firm, person, or organization.

d. Business Interruption

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of the **Named Insured's** loss of use of any business, loss of income or profit, or consequential loss of any kind or nature to any business operation, with respect to **Coverage D.5 – Named Insured's Location(s)**.

e. Contractual Liability

For which the insured is obligated to pay by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to:

(1) liability for **bodily injury** or **property damage** under **Coverage D.1 – Contractors Pollution Legal Liability**, **Coverage D.2 – Third Party Claim(s) for Contingent Transportation**, and **Coverage D.4 – Microbial Substance Contractors Pollution Liability** assumed in a written contract or written agreement that is an **insured contract**, provided the **pollution condition** or the actual or alleged act, error or omission first occurs subsequent to the execution of the contract or agreement; or

(2) liability that the **insured** would have in the absence of the contract or agreement.

f. Covered under Non-selected Coverages within COVERAGE D – CONTRACTORS POLLUTION LIABILITY

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of, or relating to coverage under any non-selected coverages within **COVERAGE D – CONTRACTORS POLLUTION LIABILITY**, if coverage or a defense would have been provided under that Coverage, if it had been selected.

g. Damage to Conveyance

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of **property damage** to any conveyance utilized in the course of **transportation** by a **carrier** on behalf of the **insured**. This exclusion does not apply to a **claim** made by a **carrier** for such **property damage** to their conveyance directly caused by the **Named Insured's** negligence.

h. Damage to Property

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of **property damage** to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the **property damage** arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of any **insured**;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly, on your behalf are performing operations, if the **property damage** arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because your **covered operations** were incorrectly performed on it.

Paragraphs **(1)**, **(3)**, and **(4)** of this exclusion do not apply to **property damage** (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven (7) or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **SECTION V** – **LIMITS OF INSURANCE**.

Paragraph **(2)** of this exclusion does not apply if the premises are your **covered operations** and were never occupied, rented or held for rental by you.

Paragraphs **(3)**, **(4)**, **(5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs **(5)** and **(6)** do not apply to **cleanup costs**.

Paragraph **(1)** of this exclusion does not apply to **cleanup costs**, **bodily injury**, or **property damage** covered under **Coverage D.5 – Named Insured's Location(s)**, if purchased and selected on the Declarations page of this policy, and if the property is scheduled as an **insured location** under **Coverage D.5 - Named Insured's Location(s)** and defined as an **insured location** under **Coverage D.5 – Named Insured's Location(s)**.

i. Discrimination

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of discrimination by any **insured** on the basis of age, color, race, sex, creed, national origin, marital status, physical disability or sexual preference.

j. Employer's Liability

Bodily injury to:

(1) An **employee** of the **insured** caused, in whole or in part by, or arising, directly or indirectly, out of and in the course of:

(a) Employment by the **insured**; or

(b) Performing duties related to the conduct of the **insured's** business; or

(2) The spouse, child, parent, brother or sister of that **employee** as a consequence of Paragraph **(1)** above.

This exclusion applies whether the **insured** may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

However, under **Coverage D.1 – Contractors Pollution Legal Liability**, **D.2 – Third Party Claims(s) for Contingent Transportation**, and **D.4 – Microbial Substance Contractors Pollution Liability** only, this exclusion does not apply to liability assumed by the insured under an **insured contract**.

k. Express Warranties or Guarantees

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of any express warranty or guarantee. This exclusion does not apply to a warranty or guarantee by the **Named Insured** that the **Named Insured's covered operations** and/or **professional services** are in conformity with the generally accepted standard of care that would be applicable in the absence of such express warranty or guarantee.

l. Faulty Workmanship

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of the costs to repair or replace faulty construction or workmanship in any construction, erection, fabrication, installation, assembly, manufacture or remediation performed by or on behalf of, any **insured**, including the cost of any material, parts or equipment furnished in connection with it, with respect to **Coverage D.1 – Contractors Pollution Legal Liability, D.4 – Microbial Substance Contractors Pollution Liability,** and **D.5a – Named Insured's Location(s), First Party Cleanup Costs**.

This exclusion does not apply to **loss** the **Named Insured** is legally obligated to pay for the reasonable and necessary expenses incurred for the investigation, monitoring, testing, removal, abatement, containment, treatment, detoxifying, neutralization or disposal of **pollution condition(s).**

m. Insured Location

Based upon or arising out of **pollution condition(s)** on, at, under or migrating from an **insured location**, unless otherwise covered under **Coverage D.2 – Third Party Claim(s) for Contingent Transportation** or **Coverage D.5 – Named Insured's Location(s)**, if purchased and selected on the Declarations page of this policy.

n. Insured's Property

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of any real or personal property owned, occupied, leased or rented by any **insured**.

This exclusion shall not apply, under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** or **COVERAGE E – PROFESSIONAL LIABILITY**, to:

(1) Any **claim** against the **Named Insured** by a client who is an **insured** only by operation of an additional insured Endorsement, if purchased; or

(2) Any **claim** arising from property rented or leased by the **Named Insured** during the course of, and for the purpose of performing **covered operations** and/or **professional services** for parties other than the **Named Insured**; and

(3) The coverage provided by **Coverage D.5 – Named Insured's Location(s)**, if purchased and selected on the Declarations page of this policy.

o. Knowingly Wrongful Acts

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of any **insured's** actual or alleged dishonest, fraudulent, malicious, knowingly wrongful act, error or omission or non-compliance with any law, statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body.

p. Known Circumstances or Pollution Condition(s)

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of your **covered operations, completed operations,** or **professional services** performed prior to the inception date of this policy if any **responsible insured** knew of a **pollution condition**, or reasonably could have foreseen that your **covered operations, completed operations, or professional services** could give rise to a **claim** or **suit** for **loss**, **cleanup costs**, damages, **emergency remediation costs,** corporate reputation rehabilitation expense, or crisis management expense under this policy. This includes, but is not limited to, any **claim, suit, loss, pollution condition, emergency remediation costs**, corporate reputation rehabilitation expense, or crisis management expense reported under any insurance policy in effect prior to the inception of this **policy period**.

q. Off-Site Waste Disposal

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of **pollution condition(s)** on, at, under or migrating from any **non-owned disposal site** to which wastes, **your products** or materials have been delivered beyond the boundaries of any site where your **covered operations** are or were being performed.
This exclusion does not apply to **Coverage D.3 – Third Party Claim(s) for Non-owned Disposal Site(s)**, if purchased and selected on the Declarations page of this policy.

r. Personal and Advertising Injury

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of **personal and advertising injury.**

s. Products Liability

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of:

(1) Any **property damage** to **your product**; and

(2) **Your product** or its design**,** including but not limited to, goods or products manufactured, sold, handled, distributed, altered or repaired by any **insured** or by others trading under your name including any container thereof, or any reliance upon a representation or warranty made at any time with respect thereto. This exclusion does not apply to **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** where the **pollution condition** is the result of the fabrication, assembly or installation of goods, materials or products provided by you in connection with the performance of **covered operations**.

t. Professional Liability

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of the rendering of or failure to render any **professional services** including professional services except as provided for under **COVERAGE E - PROFESSIONAL LIABILITY**, if purchased and selected on the Declarations page of this policy. This exclusion applies even if **claim(s)** for damages against any **insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **insured**.

u. Recall of Products, Work or Impaired Property

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) your product;
(2) your work; or
(3) impaired property;

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

v. Related Entities

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of a **claim** by your parent company, affiliated companies, or any affiliated subsidiary, or any entity which is owned, operated, managed, or controlled by any **insured**.

w. Suretyship and Insurance

Based upon or caused, in whole or in part by, or arising, directly or indirectly, or attributable to any actual or alleged failure of any **insured** to advise or require or failure to effect, obtain or maintain any bond, suretyship or insurance.

x. Transportation

Based upon or caused, in whole or in part by, or arising, directly or indirectly, out of **pollution condition(s)** resulting from **your products**, materials or waste transported by you or a **carrier** with an **auto,** aircraft, **unmanned aircraft,** watercraft or rolling stock beyond the fixed boundaries of an **insured location**, or a site at which your **covered operations** or **professional services** are being performed.
This exclusion does not apply to **Coverage D.2 – Third Party Claim(s) for Contingent Transportation**, if purchased and selected on the Declarations page of this policy.

y. Underground Storage Tank(s)

With respect to **insured location(s)** scheduled to this policy for coverage under **Coverage D.5 – Named Insured's Location(s), pollution condition(s)** based upon or caused, in whole or in part by, or arising, directly or indirectly, out of any **underground storage tank(s).**

z. Worker's Compensation And Similar Laws

Any obligation of the **insured** to pay damages or loss based upon or caused, in whole or in part by, or arising, directly or indirectly, under any workers compensation, unemployment compensation or disability benefits law or similar law.

SECTION II – SHARED EXCLUSIONS

EXCLUSIONS APPLICABLE TO COVERAGES A, B, C, D, AND E.

*Refer Also to Exclusions Applicable to **COVERAGES A** and **B** and Exclusions Applicable to **COVERAGES D** and **E** in **SECTION I - COVERAGES***

1. This insurance does not apply to:

a. Communicable Disease

Any **bodily injury, property damage**, **personal and advertising injury**, loss**, cleanup costs,** liability, **claim(s), suit(s),** damages, and/or Supplementary Payments, including but not limited to defense costs, caused, in whole or in part by, or arising, directly or indirectly, out of the actual or alleged presence or transmission of a **communicable disease**.

This exclusion applies even if the **claim(s)**, **suit(s)** or allegations against any **insured** allege negligence or other wrongdoing in the:

(1) Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a **communicable disease**;
(2) Testing for a **communicable disease**;
(3) Failure to prevent the spread of the disease;
(4) Failure to sufficiently clean, sanitize, or effectively apply disinfectant, or
(5) Failure to report the disease to authorities.

b. Coverage Provided By A Controlled (Wrap-up) Insurance Program

Any liability, **claim** or **suit** based upon or caused, in whole or in part by, or arising, directly or indirectly, out of:

(1) Your ongoing operations, **covered operations**, or **professional services**; or
(2) Included in the **products-completed operations hazard**;

but only if you are enrolled in a **controlled (wrap-up) insurance program** with respect to the liability, **claim** or **suit** described in Paragraphs **a. (1)** and **a. (2)** above.

This exclusion applies whether or not the **controlled (wrap-up) insurance program**:

(1) Provides coverage identical to that provided by this policy;
(2) Has limits adequate to cover all **claim(s)**; or
(3) Remains in effect.

This exclusion does not apply to ongoing operations, **covered operations**, professional services or **completed operations** arising out of any such project that has been specifically endorsed onto this policy.

c. Fines and Penalties

Any **claim** seeking payment of:

(1) Any fines, penalties, or associated multiplied damages; or
(2) Punitive or exemplary damages, except where allowable by law; or
(3) The cost of injunctive relief based upon or arising out of non-compliance with any statute, regulation, ordinance or administrative complaint.

However, under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY**, this Exclusion does not apply to fines or penalties, levied against clients of the **Named Insured**, directly caused by **your work** performed for such clients.

d. Insured vs. Insured

Any liability, **claim** or **suit** based upon or caused, in whole or in part by, or arising, directly or indirectly, out of any **claim, suit,** or assertion of liability by one **insured** against another **insured** under this policy. This exclusion shall not apply to any **claim** against an **insured** by a client of the **insured** who is an **insured** as defined in **SECTION III – WHO IS AN INSURED**, and any client of the **insured** who is specifically added as an **insured** by Endorsement to this policy.

e. Nuclear Hazard

(1) Bodily injury, **property damage**, advertising injury, personal injury, loss**, cleanup costs**, **emergency**

remediation costs, **claim(s)**, suits, damages, and Supplementary Payments including but not limited to **defense costs**:

(a) With respect to which any **insured** under this policy is also an **insured** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an **insured** under any such policy but for its termination upon exhaustion of its limit of liability; or

(b) Resulting from the **hazardous properties** of **nuclear material** and with respect to which:

(i) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or

(ii) The **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

(2) Any liability, **claim** or **suit** based upon **bodily injury**, **property damage**, advertising injury, personal injury, loss**, cleanup costs**, **emergency remediation costs**, **claim(s)**, suits, damages, and Supplementary Payments including but not limited to **defense costs** resulting from the **hazardous properties** of **nuclear material**, if:

(a) The **nuclear material:**

(i) Is at any **nuclear facility** owned by, or operated by or on behalf of, an **insured,** or

(ii) Has been discharged or dispersed therefrom;

(b) The **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or

(c) The **bodily injury**, **property damage**, advertising injury, personal injury, loss**, cleanup costs**, **emergency remediation costs**, **claim(s)**, suits, damages, and Supplementary Payments including but not limited to **defense costs** arises out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(c)** applies only to **property damage** to such **nuclear facility** and any property thereat.

As used in this exclusion:

(1) **Hazardous properties** include radioactive, toxic or explosive properties.

(2) **Nuclear material** means **source material**, **special nuclear material** or **by-product material**.

(3) **Source material**, **special nuclear material**, and **by-product material** have the meanings given them in the Atomic Energy Act of l954 or in any law amendatory thereof.

(4) **Spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.

(5) **Waste** means any waste material:

(a) Containing **by-product material** other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content, and

(b) Resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**.

(6) **Nuclear facility** means:

(a) Any **nuclear reactor**;

(b) Any equipment or device designed or used for:

(i) Separating the isotopes of uranium or plutonium,

(ii) Processing or utilizing **spent fuel**, or

(iii) Handling, processing or packaging **waste**;

(c) Any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

(7) **Nuclear reactor** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

(8) **Property damage, emergency remediation costs**, and **cleanup costs** include all forms of radioactive contamination of property.

f. Radioactive Matter

Any liability of whatever nature however caused, in whole or in part by, or arising, directly or indirectly, out of:

(1) Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

(2) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

(3) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force of matter; and

(4) Except as provided for under **Coverage D.1 – Contractors Pollution Legal Liability**, radioactive contamination, however caused and whenever or wherever happening and not otherwise excluded by Exclusion **e.** Nuclear Hazard.

g. Violation of Privacy

Any **bodily injury, property damage**, **personal and advertising injury**, loss**, cleanup costs,** liability, claim(s)**, suit(s),** damages, and/or Supplementary Payments, including but not limited to defense costs, caused, in whole or in part by, or arising, directly or indirectly, out of any action or omission made by or on behalf of any insured that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of, or addition to, such law; or

(2) The Controlling the Assault of Non-Solicited Pornography and Marketing (CAN-SPAM) Act of 2003 including any amendment of, or addition to, such law; or

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

(4) Any Biometric Information Privacy Act (BIPA) enacted by any federal, state or local law, statute, ordinance or regulation, and any amendment of or addition to such act, law, statute, ordinance or regulation governing the capture, collection, purchase, receipt through trade, use, safeguarding, handling, storage, retention, disposal, transmission, or protection from disclosure or re-disclosure of any person's or customer's **biometric identifier** or **biometric information**.

(5) Any other federal, state or local law, statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003, FCRA, or any BIPA and their amendments and additions, that addresses, prohibits, or limits the capturing, collecting, purchasing, receiving through trade, using, safeguarding, handling, storing, retaining, sending, transmitting, protecting from disclosure or re-disclosure, printing, disseminating, disposing, recording, transmitting, communicating or distributing of material or information.

This exclusion also applies to any liability or **bodily injury, property damage**, **personal and advertising injury**, loss**, cleanup costs,** claim(s)**, suit(s),** damages, and/or Supplementary Payments, including but not limited to defense costs for which the insured is obligated, or is alleged to be obligated, to pay damages or defend any claim or **suit** by reason of the assumption of liability in an **insured contract**.

h. War and Hostile Acts

Bodily injury, **property damage**, advertising injury, personal injury, loss**, cleanup costs**, **emergency remediation costs**, **claim(s)**, suits, damages, and Supplementary Payments including but not limited to **defense costs** caused, in whole or in part by, or arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

SECTION III – WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are **insureds**, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an **insured**. Your members, your partners, and their spouses are also **insureds**, but only for acts within the scope of their employment by you or while performing duties directly related to the conduct of your business.

c. A limited liability company, you are an **insured**. Your members are also **insureds**, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. Your managers are **insureds**, but only for acts within the scope of their employment by you or while performing duties directly related to the conduct of your business.

d. An organization other than a partnership, joint venture or limited liability company, you are an **insured**. Your **executive officers** and directors are **insureds**, but only with respect to their duties as your officers or directors. Your stockholders are also **insureds**, but only with respect to their liability as stockholders.

e. A trust, you are an **insured**. Your trustees are also **insureds**, but only with respect to their duties as trustees.

2. Each of the following is also an **insured**:

a. Your **volunteer workers** only while performing duties related to the conduct of your business, or your **employees,** other than either your **executive officers** (if you are an organization other than a partnership, joint venture or limited

liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these **employees** or **volunteer workers** are **insureds** for:

(1) **Bodily injury** or **personal and advertising injury**:

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-**employee** while in the course of his or her employment or performing duties related to the conduct of your business, or to your other **volunteer workers** while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-**employee** or **volunteer worker** as a consequence of Paragraph **(1) (a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1) (a)** or **(b)** above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) **Property damage** to property:

(a) Owned, occupied or used by;

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your **employees, volunteer workers**, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your **employee** or **volunteer worker**), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a **Named Insured** but only if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the **policy period**, whichever is earlier;

b. **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** do not apply to **bodily injury** or **property damage** that occurred, in whole or in part, before you acquired or formed the organization; and

c. **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** does not apply to **personal and advertising injury** arising out of an offense committed before you acquired or formed the organization.

d. **COVERAGE E – PROFESSIONAL LIABILITY** does not apply to any act, error or omission in the performance of **professional services** rendered before you acquired or formed the organization.

No person or organization is an **insured** with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a **Named Insured** in the Declarations.

SECTION IV – SUPPLEMENTARY PAYMENTS – COVERAGES A, B, D, AND E

1. We will pay, with respect to any **claims** or **occurrences** we investigate or settle, or any **suit** against an **insured** we defend:

a. All expenses we incur including **defense costs**;

b. Up to $2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

d. All reasonable expenses incurred by the **insured** at our request to assist us in the investigation or defense of the **claim** or **suit**, including actual loss of earnings up to $500 a day because of time off from work.

e. All court costs taxed against the **insured** in the **suit**. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the **insured**.

f. Prejudgment interest awarded against the **insured** on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

h. Corporate Reputation Rehabilitation Expense **–** With respect to **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** and **COVERAGE E – PROFESSIONAL LIABILITY** and subject to the Corporate Reputation

Rehabilitation Expense Limit of Liability stated in the Declarations, we shall pay on behalf of the **Named Insured**, in excess of the deductible or self-insured retention, shown under **COVERAGES D** or **E** on the Declarations page, whichever applies, for reasonable and necessary costs, charges, expenses and fees required to restore the corporate reputation of a client of the **Named Insured** that is damaged as a result of a covered **claim** under **COVERAGES D** or **E** and for which a **claim** has been made against the **Named Insured** for such damages. Subject to our approval, the **Named Insured** will select a public relations firm that meets certain certifications and qualifications at our sole discretion.

i. Crisis Management Expense **-** With respect to **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** only, subject to the Crisis Management Expense Limit of Liability stated in the Declarations, we shall pay on behalf of the **Named Insured**, in excess of the deductible or self-insured retention, shown under **COVERAGE D** of the Declarations page, for reasonable and necessary costs, charges, expenses and fees in response to a covered **claim** under **COVERAGE D** of this policy for essential emergency travel expenses incurred by the **Named Insured**, rental of temporary staging, office or meeting space necessary to continue **covered operations**, and the temporary rental of equipment necessary to replace equipment damaged or destroyed by the covered **claim.**

These payments will not reduce the Limits of Insurance for **COVERAGES A** and **B**. These payments will reduce the Limits of Insurance for **COVERAGES D** and **E**.

2. If we defend an **insured** against a **suit** and an indemnitee of the **insured** is also named as a party to the **suit**, we will defend that indemnitee if all of the following conditions are met:

a. The **suit** against the indemnitee seeks damages for which the **insured** has assumed the liability of the indemnitee in a contract or agreement that is an **insured contract**;

b. This insurance applies to such liability assumed by the **insured**;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the **insured** in the same **insured contract**;

d. The allegations in the **suit** and the information we know about the **occurrence**, **claim**, or **loss**, are such that no conflict appears to exist between the interests of the **insured** and the interests of the indemnitee;

e. The indemnitee and the **insured** ask us to conduct and control the defense of that indemnitee against such **suit** and agree that we can assign the same counsel to defend the **insured** and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the **suit;**

(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **suit;**

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the **suit;** and

(b) Conduct and control the defense of the indemnitee in such **suit.**

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2. b. (2)** of **SECTION I** – **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, such payments will not be deemed to be damages for **bodily injury** and **property damage** and will not reduce the limits of insurance.

Our obligation to defend an **insured's** indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION V – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. **Insureds**;

b. **Insured Locations**;

c. **Claim(s)** made or **suits** brought; or

d. Persons or organizations making **claim(s)** or bringing **suits**.

2. The General Aggregate Limit is the most we will pay for all:

a. Medical expenses under **COVERAGE C – MEDICAL PAYMENTS**;

b. Damages under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of **bodily injury** or **property damage** included in the **products-completed operations hazard**;

c. Damages under **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**;
d. **Claim(s)**, **loss**, **cleanup costs**, and **emergency remediation costs** because of **bodily injury** or **property damage** under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY**;
e. Damages under **COVERAGE E – PROFESSIONAL LIABILITY**; and
f. Supplementary Payments including but not limited to **defense costs** incurred under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** and **COVERAGE E – PROFESSIONAL LIABILITY**, including all expenses for Corporate Reputation Rehabilitation Expense and Crisis Management Expense.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, for damages because of **bodily injury** and **property damage** included in the **products-completed operations hazard.**

4. Subject to **2.** above, the Personal and Advertising Injury Limit is the most we will pay under **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** for all damages because of all **personal and advertising injury** sustained by any one person or organization.

5. Subject to **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for all:
a. Damages, under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**; and
b. Medical expenses under **COVERAGE C – MEDICAL PAYMENTS**
because of all **bodily injury** and **property damage** arising out of any one **occurrence**.

6. Subject to **2.** above, the Each Occurrence Limit is the most we will pay for all **claim(s)**, **loss**, **cleanup costs**, **emergency remediation costs**, and Supplementary Payments including but not limited to **defense costs** under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY**, but not including **defense costs** under **COVERAGE A** because of all **bodily injury** and **property damage** arising out of any one **occurrence**. If a **COVERAGE D** SubPart **D.2 – D.6** is not selected in the Declarations, then there is no coverage under that **COVERAGE D** SubPart. For each **COVERAGE D** SubPart that is selected in the Declarations, the corresponding amount(s) set forth in the Declarations shall concurrently reduce the Each Occurrence Limit under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY**. For purposes of the Limits of Insurance only, a **claim** under **Coverage D.3 – Third Party Claim(s) For Non-owned Disposal Site(s)** and **Coverage D.5 – Named Insured's Location(s)**, and **emergency remediation costs** under **Coverage D.6 – Emergency Remediation Costs** is considered an **occurrence** and only the Each Occurrence limit will apply to **Coverages D.3, D.5,** and **D.6**.

7. Subject to **2.** above, the Each Claim Limit is the most we will pay for all damages and Supplementary Payments including but not limited to **defense costs** under **COVERAGE E – PROFESSIONAL LIABILITY** because of any one **claim**.

8. Subject to **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, for damages because of **property damage** to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

9. Subject to **5.** above, the Medical Payments Limit is the most we will pay under **COVERAGE C – MEDICAL PAYMENTS** for all medical expenses because of **bodily injury** sustained by any one person.

10. Subject to Paragraph **2.** above, the Corporate Reputation Rehabilitation Expense limit of liability set forth in the Declarations is the most we will pay under **SECTION IV** – **SUPPLEMENTARY PAYMENTS – COVERAGES D, AND E**, Paragraph **1.h.** of the policy regardless of the amount of costs, charges, expenses and fees, or the number of **claim(s)** to which Corporate Reputation Rehabilitation Expense applies during the **policy period**.

11. Subject to Paragraph **2.** above, the Crisis Management Expense limit of liability set forth in the Declarations is the most we will pay under **SECTION IV** – **SUPPLEMENTARY PAYMENTS – COVERAGES D,** Paragraph **1.i**. of the policy regardless of the amount of costs, charges, expenses and fees, or the number of **claim(s)** to which Crisis Management Expense applies during the **policy period**.

12. Any payment made for **claim(s)**, **loss**, **cleanup costs**, or **emergency remediation costs** for **bodily injury** or **property damage**, or related **defense costs** and Supplementary Payments under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** and any payment made for damages including related **defense costs** and Supplementary Payments under **COVERAGE E – PROFESSIONAL LIABILITY** shall concurrently reduce the Each Occurrence Limit under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY**, the Each Claim Limit under **COVERAGE E – PROFESSIONAL LIABILITY**, and the General Aggregate Limit. Our right and duty to defend end under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** and **COVERAGE E – PROFESSIONAL LIABILITY** when either the Each Occurrence Limit under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** or the Each Claim Limit under **COVERAGE E – PROFESSIONAL LIABILITY**, or the General Aggregate Limit have been exhausted. For purposes of the Limits of Insurance only, a **claim** under **Coverage D.3 – Third Party Claim(s) For Non-owned Disposal Site(s)** and **Coverage D.5 – Named Insured's Location(s)** is considered an **occurrence**.

13. Deductible

Our obligation under the Bodily Injury and Property Damage Liability, Personal and Advertising Injury Liability,

Contractors Pollution Liability, and Professional Liability coverages to pay **claim(s)**, damages, **loss(es)**, costs or expenses or Supplementary Payments on your behalf applies only in excess of the deductible amounts stated in the Declarations and as applicable to each Coverage.

The deductible amounts stated in the Declarations apply once to all **claim(s)**, damages, **loss(es)**, costs or expenses sustained as the result of any one **occurrence** under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, or any one offense under **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**, or any one **pollution condition** under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY.** The deductible amounts stated in the Declarations shall apply separately for each **claim** arising out of any one actual or alleged act, error or omission under **COVERAGE E – PROFESSIONAL LIABILITY**.

Costs and expenses payable under **SECTION IV – SUPPLEMENTARY PAYMENTS – COVERAGES A, B, D, AND E**, including but not limited to **defense costs** and Corporate Reputation Rehabilitation Expense under **COVERAGES D** and **E**, and Crisis Management Expense, payable only under **COVERAGE D,** shall also contribute to the exhaustion of the stated deductible amount and will reduce the limits of insurance.

The terms of this insurance under all applicable coverages (**COVERAGES A**, **B**, **C**, **D**, and **E**), including those with respect to:

a. Our right and duty to defend the **insured** against any **suits** seeking those damages; and

b. Your duties in the event of an **occurrence**, offense, **claim**, or **suit**;

apply irrespective of the application of the deductible amount.

We retain final settlement authority within the deductible. If the **insured** does not accept an offer of settlement we deem reasonable, we shall have no responsibility for any damages or Supplementary Payments above what we would have paid had the **claim** been settled for any reasonable offer within the deductible.

We shall have the right, but not the obligation, to advance payment of all or part of any **claim(s)**, damages, **loss(es)**, costs, expenses or Supplementary Payments within the deductible if we deem it advisable to do so. If we exercise this right, the **insured** must promptly, and in no event later than thirty (30) calendar days, reimburse us for any such payment we have made within the amount of the deductible.

If any **insured** does not repay any such advance, the deductible shall also become the obligation of the first **Named Insured** who shall additionally become liable for any and all costs of collection of the deductible, including attorney's fees and costs, and interest at the prevailing local rate from the date reimbursement is requested.

14. Multiple Pollution Condition(s) or Claims

Under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** and **COVERAGE E – PROFESSIONAL LIABILITY**, all continuous or related **pollution condition(s)**, **microbial substances, occurrences**, **cleanup costs**, and/or actual or alleged acts, errors, or omissions reported to the Company under a subsequent policy issued by the Company or its affiliates, providing substantially the same coverages as this policy, shall be deemed to have been first discovered and/or reported during this **policy period** and shall be subject to the same limit of insurance providing a **claim** was properly first discovered and/or first reported during this **policy period**.

All **claim(s)** and reports of **pollution condition(s), microbial substances, occurrences, cleanup costs**, and/or actual or alleged acts, errors, or omissions made during one or more **policy periods** issued by the Company or its affiliates, providing substantially the same coverages, resulting in **bodily injury** or **property damage**, **emergency remediation costs**, or damages in any combinations thereof, and arising out of the same, or continuous or related **pollution condition(s), microbial substances, occurrences**, **cleanup costs**, and/or actual or alleged acts, errors, or omissions, shall be considered one **pollution condition**, **microbial substance, occurrence, cleanup cost**, act, error, or omission, and will be subject to the same Each Occurrence Limit, Each Claim Limit, Corporate Reputation Rehabilitation Expense Limit, Crisis Management Expense Limit, whichever applies, and one deductible or self-insured retention and one Policy Aggregate Limit. Such **claim(s)** or reports of **pollution condition(s)**, **microbial substances, occurrences**, **cleanup costs**, and/or actual or alleged acts, errors or omissions, shall be deemed first reported to the Company during the **policy period** in which the first such **claim** or report of **pollution condition(s)**, **microbial substances, occurrence, cleanup costs**, actual or alleged acts, errors, or omissions, was reported to the Company or an affiliate and will be subject to the Each Occurrence Limit, Each Claim Limit, whichever applies, and deductible or self-insured retention applicable to that **policy period**.

Under **Coverage D.1 – Contractors Pollution Legal Liability**, **Coverage D.2 – Third Party Claims(s) for Contingent Transportation**, **Coverage D.3 – Third Party Claim(s) For Non-owned Disposal Site(s)** and **Coverage D.4 – Microbial Substance Contractors Pollution Liability**, all continuous or related **pollution condition(s), microbial substances,** and/or **cleanup costs,** shall be deemed to have occurred when the **pollution condition**, **microbial substances,** and/or **cleanup costs** first occurred. For purposes of the Limits of Insurance only, a claim under **Coverage D.3 – Third Party Claim(s) For Non-owned Disposal Site(s) Coverage D.5 – Named Insured's Location(s)** and **Coverage D.6 – Emergency Remediation Costs –** as it relates to **Coverage D.5 – Named Insured's Location(s),** is considered an **occurrence** and the preceding sentence for the purpose stated therein shall also apply to **Coverage D.3 – Third Party Claim(s) For Non-owned Disposal Site(s)**, **Coverage D.5 – Named Insured's**

Location(s) and **Coverage D.6 – Emergency Remediation Costs** as it relates to **Coverage D.5 – Named Insured's Location(s)**.

Coverage under this policy for such subsequent **pollution condition(s), microbial substances**, and/or **claim(s)** shall not apply unless, at the time such **pollution condition(s), microbial substances,** are first discovered and reported or **claim** was first made and first reported, the **insured** has maintained with the Company or its affiliates coverage providing substantially the same coverages on a continuous, uninterrupted basis since the first such **claim** made against the **insured** and reported or first **pollution condition**, or **microbial substances,** was discovered and reported to the Company.

If you have liability insurance incepting prior to the inception date of this policy that would have provided pollution liability coverage for the **bodily injury**, **property damage, pollution condition**, **cleanup costs**, in whole or in part, regardless as to whether those limits have been eroded, then this policy provides no coverage. If we provide coverage for the subject pollution condition and there remains a question as to whether the pollution condition first occurred during the **policy period**, then the date of first commencement of the **pollution condition** shall be deemed to have occurred only on the inception date of the first policy we issued.

15. Two or More Coverage Forms or Policies Issued By Us

If this coverage form and any other coverage form or policy issued to you by us or any company affiliated with us apply to the same **pollution condition(s)**, **microbial substances, occurrences**, **cleanup costs**, actual or alleged acts, errors, or omissions, Corporate Reputation Rehabilitation Expense, and/or Crisis Management Expense, the aggregate maximum Limit of Insurance under all the coverage forms or policies shall not exceed the highest applicable Limit of Insurance under the first policy issued by us and for which there is coverage, subject to any erosion of the policy limits. This condition does not apply to any coverage form or policy issued by us or an affiliate company specifically to apply as excess insurance over this coverage form.

SECTION VI - REPORTING, DEFENSE, SETTLEMENT & COOPERATION

1. Duties in the Event of a Pollution Condition

The **insured** must see to it that we are notified in writing as soon as practicable after any **insured** first becomes aware of a **pollution condition**. The **insured(s)** shall cooperate and assist us, upon our request and without charge, in the enforcement of any right against any person or organization which may be liable to the **insured(s)** because of cleanup, injury or damage to which this insurance may also apply. Notice shall include:

a. How, when and where the **pollution condition** took place;
b. The names and addresses of any injured persons and witnesses; and
c. The nature and location of any injury or damage arising out of the **pollution condition**.

Notice of a **pollution condition** is not notice of a **claim** or **suit**.

2. Duties in the Event of an Occurrence, Offense, Claim or Suit

a. An **insured** must see to it that we are notified in writing as soon as practicable of an **occurrence**, an offense, or an actual or alleged act, error, or omission which may result in a **claim** or **suit**. To the extent possible, notice should include:
  (1) How, when and where the **occurrence**, offense, or an actual or alleged act, error, or omission took place;
  (2) The names and addresses of any injured persons and witnesses; and
  (3) The nature and location of any injury or damage arising out of the **occurrence**, offense or an actual or alleged act, error, or omission.

b. If a **claim** is made or **suit** is brought against any **insured** or any legal action is initiated, you must:
  (1) Immediately record the specifics of the **claim** or **suit** and the date received; and
  (2) Notify us as soon as practicable.

  You must see to it that we receive written notice of the **claim** or **suit** as soon as possible.

c. You and any other involved **insured** must:
  (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **claim** or **suit**;
  (2) Authorize us to obtain records and other information;
  (3) Cooperate with us in the investigation or settlement of the **claim** or defense against the **suit**; and
  (4) Assist us, upon our request and without charge, in the enforcement of any right against any person or organization which may be liable to the **insured** because of **bodily injury**, **property damage, cleanup costs,** or damages to which this insurance may also apply.

d. At the time you become aware of an actual or alleged act, error, or omission to which this policy applies, if during the **policy period** you give us written notice containing the following:
  (1) Details of the actual or alleged act, error or omission and the **professional services** rendered by you or on your behalf;
  (2) The specific nature of the damages which have been sustained; and
  (3) Details of how you first became aware of such actual or alleged act, error or omission;

Then any **claim** that may subsequently be made against you arising out of such actual or alleged act, error or omission shall be deemed to have been made on the date we first received written notice from you of the actual or alleged act, error or omission. This also applies to actual or alleged acts, errors or omissions first discovered by the **Named Insured** during the **policy period** and reported to us during the **policy period** under **SECTION IV – SUPPLEMENTARY PAYMENTS** Paragraph **1.h.** – Corporate Reputation Rehabilitation.

This actual or alleged act, error or omission reporting provision shall terminate at the end of the **policy period** and shall not exist during the Automatic Extended Reporting Period of the Supplemental Extended Reporting Period.

3. Voluntary Payments

No **insured** will, except at that **insured's** own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our written consent, except as set forth in **Coverage D.6 – Emergency Remediation Costs**. In the event that the **Named Insured** incurs **emergency remediation costs**, the **Named Insured** shall provide notice to the Company within seven (7) days from the earlier of the first commencement of the **pollution condition(s)** for which the **emergency remediation costs** have been incurred or the expiration of the **policy period**.

Upon discovery of a **pollution condition** or incurring **emergency remediation costs**, the **Named Insured** shall make every attempt to mitigate any **loss** and comply with applicable environmental laws. The **insured** shall have the responsibility and duty to select, retain, and oversee contractors or consultants to perform any investigation and/or remediation of any **pollution condition** to which this insurance applies. Except in the event of incurring **emergency remediation costs**, the **Named Insured** must cooperate with the Company and receive our consent in writing of the selection and retention of qualified contractors or consultants.

4. Defense, Settlement & Cooperation

The Company shall have the right and the duty to assume the investigation, adjustment or defense of any **claim** or **suit**. **Defense costs**, under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, and **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**, do not erode the applicable limits of insurance. Under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** and **COVERAGE E – PROFESSIONAL LIABILITY**, **defense costs** erode the applicable limits of insurance. It is further agreed that the Company may make such investigation of any **claim** or **suit** as it deems expedient**,** but the Company shall not be obligated to pay any damages or to defend or to continue to defend any **claim** or **suit** after the applicable Limits of Insurance have been exhausted by payment of **bodily injury** or **property damage** under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, advertising injury or personal injury under **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**, **loss** for **bodily injury** or **property damage, microbial substances, cleanup costs, emergency remediation costs**, Supplementary Payments, including all expenses for Corporate Reputation Rehabilitation Expense, and all Crisis Management Expense and/or related **defense costs** under **COVERAGE D – CONTRACTORS POLLUTION LIABILITY,** and damages and Supplementary Payments, including all expenses for Corporate Reputation Rehabilitation Expense, and/or related **defense costs** under **COVERAGE E – PROFESSIONAL LIABILITY**. We will have no duty to defend the **insured** against any **claim** or **suit** to which this policy does not apply. **Defense costs** shall be repaid to the Company by the **insured** in the event and to the extent that the **insured** shall not be entitled, under the terms and conditions of this policy, to payment of **bodily injury, property damage**, **personal and advertising injury, loss, microbial substances, cleanup costs, emergency remediation costs**, damages and/or related **defense costs.**

The **insured** shall cooperate with the Company and offer all reasonable assistance in the investigation of an **occurrence**, offense, **pollution condition**, **microbial substance**, actual or alleged act, error, or omission, and/or the defense of a **claim** or **suit** under the applicable coverages purchased. The Company may require that the **insured** submit to examination under oath, and attend hearings, depositions and trials. In the course of investigation or defense, the Company may require written statements or the **insured's** attendance at meetings with the Company. The **insured** must assist the Company in effecting settlement, securing and providing evidence and obtaining the attendance of witnesses.

The **insured** shall further cooperate with the Company and do whatever is necessary to secure and effect any rights of indemnity, contribution, or apportionment which the **insured** may have.

In the event the **insured** is entitled by law to select independent counsel to defend it, the following shall apply:

a. The attorney fees and all other litigation expenses we must pay to that counsel are limited to the rates we would actually pay to counsel that we retain in the ordinary course of business in the defense of a similar **claim** or **suit** in the community where the **claim** or **suit** arose or is being defended; and

b. We may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency, including experience in defending **claim(s)** or **suits** similar to the one pending against the **insured**, and to require such counsel to have errors and omissions insurance coverage. With respect to any such counsel, the **insured** agrees that counsel will timely respond to our request for information regarding the **claim** or **suit**. The **insured** may at any time waive its right to select independent counsel.

With regard to **COVERAGE E – PROFESSIONAL LIABILITY** only, if a settlement amount is acceptable to the claimant or claimants, and the Company recommends said settlement to the first **Named Insured**, the first **Named Insured** may

elect to allow the settlement of the **claim** or **suit** as recommended subject to all applicable policy terms including any deductible or self-insured retention provisions. Alternatively, the first **Named Insured** may elect not to allow such a settlement and continue to contest the **claim** or **suit** or continue any legal proceedings in connection with such **claim** or **suit**. However, if the first **Named Insured** elects to not settle and continues to contest the **claim** or **suit** or continue any legal proceedings in connection with such **claim** or **suit**, then the Company's liability for the **claim** or **suit** shall not exceed the amount for which the **claim** or **suit** could have been settled plus **defense costs** incurred up to the date of such refusal. Such amounts are subject to the Limits of Insurance and any deductible or self-insured retention provisions of the Policy. If the First **Named Insured** is not involved in the **claim** or **suit**, then any consent to settle by any **insured** or additional insured shall not be required and the Company shall have the full and absolute right to settle any **claim** or **suit** as set forth in the Insuring Agreements above.

SECTION VII – CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the **insured** or of the **insured's** estate will not relieve us of our obligations under this policy.

2. Cancellation

a. This policy may be cancelled by the first **Named Insured** shown in the Declarations or by Endorsement by mailing or delivering advance written notice to us stating the effective date of cancellation.

b. This policy may be cancelled by us for the following reasons:

(1) Non-payment of premium;

(2) Material misrepresentation or fraud by you;

(3) Material change in your **covered operations** or **professional services**, or the material change in the use or operation of an **insured location(s)** from the use contemplated in the application and/or supporting materials which results in a materially increased likelihood of frequency and/or severity of **pollution condition(s)** or **claim(s)** without prejudice to other remedies;

(4) Material change in the nature of risk, as outlined in the application and submission materials on file with us; or

(5) The **insured's** failure to comply with the terms and conditions under this policy including the failure to pay any additional premium when due, any deductible or self-insured retention amount or audit premium when due;

by mailing to the first **Named Insured**, at the last known address, written notice of not less than ten (10) days if cancellation is for either reasons **(1)** or **(2)** above, or sixty (60) days if cancellation is for either reasons **(3)**, **(4)**, or **(5)** above. Proof of mailing of notice shall be sufficient proof of notice. The **policy period** will end on the effective date and hour of cancellation stated in the notice of cancellation.

3. Changes

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any rights under the terms of this policy; nor shall the terms of this policy be waived or changed, except by Endorsement issued by the Company to form a part of this policy.

4. Choice of Law

The **insured** and the Company agree that all matters or disputes arising hereunder, including any questions relating to the validity, interpretation, performance, and enforcement of this policy, the meaning, interpretation or operation of any term, condition, definition or provision, or the fulfillment of any party of any obligation with respect to the policy, shall be determined in accordance with the law and practices of the State of New York without giving effect to New York conflict of law principles.

5. Choice of Forum

The **insured** and the Company agree that in the event a dispute arises under the policy relating to the validity, interpretation, performance, and enforcement of the policy, the meaning, interpretation or operation of any term, condition, definition or provision, or the fulfillment of any party of any obligation with respect to the policy, all litigation shall take place in the State of New York, and that all parties shall submit to the jurisdiction of any court of competent jurisdiction within the State of New York, including federal courts, and will comply with all the requirements necessary to give such court jurisdiction. In the event of arbitration or other forms of dispute resolution, such resolution shall take place in the State of New York. Nothing in this clause constitutes or should be understood to constitute a waiver of the Company's rights to remove an action to a United States District Court.

6. Headings

The descriptions in the headings of this policy are solely for convenience and form no part of the policy terms and conditions.

7. Inspection and Survey

a. With reasonable notice to the **insured**, we shall be permitted, but not obligated, to inspect the **insured's** property and/or operations. Neither our right to make inspections nor any report thereon, shall constitute an undertaking, on

behalf of or for the benefit of you or others, to determine or warrant that such property or operations are safe or in compliance with environmental law, or any other law.

b. We may be permitted, but not obligated, to interview persons employed by the **insured**;

c. The **insured** agrees to provide appropriate personnel to assist our representatives during any inspection.

8. Legal Action Against Us

No person or organization has the right under this policy:

a. To join us as a party or otherwise bring us into a **suit** asking for damages from an **insured**; or

b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an **insured**; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the **insured** and the claimant or the claimant's legal representative. For purposes of this condition, a consent judgment, stipulated judgment, agreed judgment, consent decree or consent order reached without our written agreement is neither an agreed settlement nor a final judgment.

9. Limitation of Damages

Our damages for extra-contractual liability, bad faith, or similar damages under this policy is limited to one (1) times the relevant policy limit applicable to the underlying matter.

10. Other Insurance

With respect to **COVERAGES A**, **B** and **C**, if other valid and collectible insurance is available to the **insured** for a loss we cover under **COVERAGES A**, **B** or **C** of this policy, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **(2)** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **(3)** below.

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for **your work**;

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for **property damage** to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, **unmanned aircraft**, **autos** or watercraft to the extent not subject to Exclusion **a.** of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you are an additional **insured**.

(2) When this insurance is excess, we will have no duty under this policy to defend the **insured** against any **suit**, if any other insurer has a duty to defend the **insured** against that **suit**. If no other insurer defends, we will undertake to do so, but we will be entitled to the **insured's** rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductibles and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this policy.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under 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. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable Limits of Insurance of all insurers.

With respect to **COVERAGES D and E,** if other valid and collectible insurance is available to any **insured** covering **bodily injury**, **property damage**, **loss, cleanup costs, emergency remediation costs, claim(s), suit(s),** damages and/or Supplementary Payments, including but not limited to **defense costs**, also covered by this policy, other than a policy that is specifically written to apply in excess of this policy, the insurance afforded by this policy shall apply in

excess of, and shall not contribute with, such other insurance as to defense and/or indemnity. The **insured** shall promptly, upon the request of the Company, provide the Company with copies of all such policies or documentation.

11. Other Insurance Issued By Us

If any **bodily injury**, **property damage**, advertising injury, personal injury, **loss**, damages, **cleanup costs**, **emergency remediation costs**, **occurrence**, **claim, suit,** offense, and/or Supplementary Payments covered under this policy is also covered in whole or in part under any other insurance issued by us or an affiliate company, and both this policy and such other insurance cover the **insured** for **bodily injury**, **property damage**, advertising injury, personal injury, **loss**, damages, **cleanup costs**, **emergency remediation costs**, **occurrence**, **claim, suit,** offense, and/or Supplementary Payments arising out of:

a. Substantially the same or related general harmful conditions, substances, **pollutants** or **microbial substances**, or repeated or continuous exposure to substantially the same or related harmful conditions, substances, pollutants or **microbial substances**, or

b. **Bodily injury**, **property damage**, advertising injury, personal injury, **loss**, damages, **cleanup costs**, **emergency remediation costs**, **occurrence**, **claim, suit,** offense, and/or Supplementary Payments which extend(s) over a period of days, weeks, months or longer,

then all such **bodily injury**, **property damage**, advertising injury, personal injury, **loss**, damages, **cleanup costs**, **emergency remediation costs**, **occurrence**, **claim, suit,** offense, and/or Supplementary Payments shall be deemed to have taken place only during the first **policy period** of such policies in which any of the **bodily injury**, **property damage**, advertising injury, personal injury, **loss**, damages, **cleanup costs**, **emergency remediation costs**, **occurrence**, **claim, suit,** offense, and/or Supplementary Payments is covered took place, and all damages arising from such **bodily injury**, **property damage**, advertising injury, personal injury, **loss**, damages, **cleanup costs**, **emergency remediation costs**, **occurrence**, **claim**, **suit**, offense, and/or Supplementary Payments shall be deemed to have arisen from one **occurrence**, offense, **claim**, or **suit**, and shall be subject to any remaining Each Occurrence Limit applicable to the policy for such first **policy period**.

In no event shall we pay more for **bodily injury**, **property damage**, advertising injury, personal injury, **loss**, damages, **cleanup costs**, **emergency remediation costs**, **occurrence**, offense, **claim, suit,** and/or Supplementary Payments covered under this policy and all such other insurance than the limits of insurance set forth in the Declarations of this policy.

12. Premium Audit

a. We will compute all premiums for this policy in accordance with our rules and rates.

b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first **Named Insured** shown in the Declarations or as amended by Endorsement. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the **policy period** is greater than the earned premium, we will return the excess to the first **Named Insured**, subject to the minimum premium stated within the policy.

c. The first **Named Insured** must keep records of the information we need for premium computation, and send us copies at such times as we may request.

d. We may examine and audit your books and records as they relate to this policy at any time during the **policy period** and up to (3) three years after the end of the **policy period**.

13. Premium Payment

The first **Named Insured** shown in the Declarations:

a. Is responsible for the payment of all premiums due; and

b. Will be the payee for any return premiums we pay.

14. Representations

You represent that all information and statements contained in the application and submission are true, accurate and complete. All such information and statements are the basis for our issuing this policy and shall be considered as incorporated into and shall constitute part of this policy and material to its issuance. Misrepresentation of any material fact may be grounds for the rescission of this policy.

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

15. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first **Named Insured**, this insurance applies:

a. As if each Named **insured** were the only **Named insured**; and

b. Separately to each **insured** against whom a **claim** is made or **suit** is brought.

16. Sole Agent

The first **Named Insured** shown in the Declarations shall act on behalf of, and serve as the sole agent for all **insureds** with respect to the return or payment of any premiums or retained amounts, the issuance by the Company of the policy, the receipt or acceptance of any Endorsements issued to form a part of the policy or the receiving of any notices from the Company required by this policy.

17. Subrogation

In the event of any payment under this policy by the Company, the Company shall be subrogated to all of the rights of recovery against any person or organization, and the **insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **insured** shall do nothing to prejudice such rights.

Any recovery as a result of subrogation proceedings arising out of the payment of loss covered under this policy shall accrue first to the **insured** to the extent of any payments in excess of the limit of coverage; then to the Company to the extent of its payment under the policy; and then to the **insured** to the extent of its deductible or self-insured retention. Expenses incurred in such subrogation proceedings shall 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.

18. Transfer of Policy

This policy shall be void if assigned or transferred without our written consent.

SECTION VIII - CANCELLATION AND NON-RENEWAL EFFECT ON EXTENDED REPORTING PERIODS; AND EXTENDED REPORTING PERIODS APPLICABLE ONLY TO COVERAGE D.3 – THIRD PARTY CLAIM(S) FOR NON-OWNED DISPOSAL SITE(S), COVERAGE D.5 – NAMED INSURED'S LOCATION(S) AND COVERAGE E – PROFESSIONAL LIABILITY

1. CANCELLATION AND NON-RENEWAL EFFECT ON EXTENDED REPORTING PERIODS

a. The **insured** may be entitled to one or more Extended Reporting Periods, as described below if:

(1) This policy is cancelled or non-renewed, except if such cancellation or non-renewal is based upon any of the following reasons:

(a) Non-payment of premium;

(b) Material misrepresentation or fraud by you;

(c) Material change in your **covered operations** or **professional services**, or the material change in the use or operation of an **insured location(s)** from the use contemplated in the application and/or supporting materials which results in a materially increased likelihood of frequency and/or severity of **pollution condition(s)** or **claim(s)** without prejudice to other remedies;

(d) The **insured's** failure to comply with the terms and conditions under this policy including the first **Named Insured's** failure to pay any deductible, self-insured retention or premium when due;

by mailing or delivering to the first **Named Insured**, at the last known address, written notice of cancellation at least ten (10) days before the effective date of cancellation if we cancel for either reasons **(a)** or **(b)** above, or sixty (60) days before the effective date of cancellation if we cancel for either reasons **(c)** or **(d)** above. Proof of mailing of notice shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall be the end of the **policy period**.

(2) With respect to an **insured location**:

(a) There is a deletion of an **insured location**; or

(b) The sale, giving away, condemning, abandonment, leasing or subleasing unless the leasing or subleasing has been approved in writing by the underwriter prior to the commencing of the leasing or subleasing of such an **insured location** by you, or

(3) We renew or replace the coverage provided under **Coverage D.3 – Third Party Claim(s) For Non-owned Disposal Site(s)**, **Coverage D.5** – Named Insured's Location(s) or **COVERAGE E – PROFESSIONAL LIABILITY** of this policy with insurance that:

(a) Has a **retroactive date** later than the date shown in the Declarations and/or shown on any subsequent Endorsement or SCHEDULE; or

(b) Does not apply on a claims-made basis.

2. EXTENDED REPORTING PERIODS

With respect to **Coverage D.3 – Third Party Claim(s) For Non-owned Disposal Site(s)**, **Coverage D.5 – Named Insured's Location(s)** and **COVERAGE E – PROFESSIONAL LIABILITY**:

a. An **insured** shall be entitled to an Automatic Extended Reporting Period, and the first **Named Insured** may be entitled to purchase an Optional Extended Reporting Period upon cancellation or non-renewal of the policy, unless cancellation or non-renewal is for one of the reasons set forth in Paragraph **1. CANCELLATION AND NON-RENEWAL EFFECT ON EXTENDED REPORTING PERIODS** above. The automatic and Optional Extended Reporting Periods are more fully described in Paragraphs **b.** and **c.** below.

If the first **Named Insured** renews this policy, the first **Named Insured** shall be entitled to a renewal extended reporting period, as described more fully in Paragraph **d.** below. The automatic, the optional or the renewal extended reporting periods shall not reinstate or increase any of the Limits of Insurance of this policy, extend the **policy period** or change the scope of coverage provided.

These extended reporting periods apply only to **claim(s)** made by a third party for **cleanup costs** or **loss** for **bodily injury** or **property damage** which is caused by a **pollution condition** on, at, under or migrating from an **insured location** or a **non-owned disposal site(s)**, or to **cleanup costs** caused by a **pollution condition** on, at under or migrating from an **insured location** which is first discovered during the **policy period**, or to **claim(s)** first made during the **policy period** resulting from actual or alleged acts, errors or omissions in the performance of **professional services**.

The **pollution condition** under **Coverage D.3 – Third Party Claim(s) For Non-owned Disposal Site(s)** and **D.5 – Named Insured's Location(s)**, and/or the actual or alleged acts, errors or omissions under **COVERAGE E – PROFESSIONAL LIABILITY** must take place on or after the **retroactive date** and before the end of the **policy period**. Once in effect, extended reporting periods may not be cancelled except for the reasons set forth in Paragraph **1. CANCELLATION AND NON-RENEWAL EFFECT ON EXTENDED REPORTING PERIODS** above.

b. Automatic Extended Reporting Period

Solely with respect to a **claim**, provided that:

(1) The first **Named Insured** has not renewed this policy or purchased any other insurance to replace this insurance which applies to a **claim** or **pollution condition(s)** otherwise covered by this policy; and,

(2) The first **Named Insured** has not purchased the Optional Extended Reporting Period available under Paragraph **c.** of this Section,

An **insured** shall have the right to the following:

(1) A period of sixty (60) days following the effective date of such cancellation or non-renewal of the policy, unless cancellation or non-renewal is for one of the reasons set forth in Paragraph **1. CANCELLATION AND NON-RENEWAL EFFECT ON EXTENDED REPORTING PERIODS** above, in which to provide written notice to the Company of **claim(s)** first made against the **insured** during the **policy period**, or to **pollution condition(s)** first discovered by you, during the **policy period** and reported to us in writing during the **policy period** or Automatic Extended Reporting Period.

Such a **claim** reported to the Company within the Automatic Extended Reporting Period will be deemed to have been made and reported on the last day of the **policy period**, provided that the **claim** arises from:

(a) A pollution condition that first commenced before the end of the **policy period** and is otherwise covered by this policy, or

(b) an actual or alleged act, error or omission in the performance of **professional services** rendered by the **insured** that takes place before the end of the **policy period**.

No part of the Automatic Extended Reporting Period shall apply if the Optional Extended Reporting Period is purchased.

c. Optional Extended Reporting Period

At the company's sole discretion, the first **Named Insured** may be entitled to purchase an Optional Extended Reporting Period upon cancellation or non-renewal of the policy. An Optional Extended Reporting Period will not be made available if cancellation or non-renewal is for one of the reasons set forth in Paragraph **1. CANCELLATION AND NON-RENEWAL EFFECT ON EXTENDED REPORTING PERIODS** above. If an Optional Extended Reporting Period is made available:

(1) A **claim** first made against the **insured** and reported to the Company within the Optional Extended Reporting Period, if purchased in accordance with the provisions contained in Paragraph **(2)** below, will be deemed to have been made and reported on the last day of the **policy period**, provided that the **claim** arises from:

(a) a **pollution condition** that first commenced before the end of the **policy period** and is otherwise covered by this policy; or

(b) an actual or alleged act, error or omission in the performance of **professional services** rendered by the **insured** that takes place before the end of the **policy period**.

(2) The Company shall issue an Endorsement providing an Optional Extended Reporting Period of up to thirty-six (36) months from termination of coverage provided that the **Named Insured**:

(a) Makes a written request for such Endorsement which the Company receives within sixty (60) days after termination of coverage as defined herein; and

(b) Pays the additional premium when due. If that additional premium is paid when due, the extended reporting period may not be cancelled, except for the reasons set forth in Paragraph **1. CANCELLATION AND NON-RENEWAL EFFECT ON EXTENDED REPORTING PERIODS** above. provided that all other terms and conditions of the policy continue to be met.

For purposes of the Optional Extended Reporting Period, cancellation or non-renewal of coverage occurs at the time of cancellation or non-renewal of this policy by the **Named Insured** or by the Company, or at the time of the Company's deletion of a location which previously was an **insured location**, if earlier. The Optional Extended

Reporting Period is available to the **Named Insured** for not more than 200% of the Total Premium for This Policy stated in the Declarations.

d. Renewal Extended Reporting Period

Provided that the **Named Insured** has renewed this policy with the Company or an affiliate of the Company designated by the Company, an **insured** shall have the right to the following:

(1) A period of sixty (60) days following the expiration of this policy's **policy period** in which to provide written notice to the Company under this policy's **policy period** of **claim(s)** first made against the **insured** within thirty (30) days prior to the expiration of this policy's **policy period** or a **pollution condition** first discovered within thirty (30) days prior to the expiration of the policy's **policy period**.

A **claim** first made against the **insured** within thirty (30) days prior to the expiration of the policy's **policy period** or a **pollution condition** first discovered within thirty (30) days prior to the expiration of the policy's **policy period** and which **claim** or **pollution condition** is reported to the Company within this renewal extended reporting period will be deemed to have been made and reported on the last day of this policy's **policy period**.

SECTION IX – DEFINITIONS

1. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
   - **a.** Notices that are published include material placed on the Internet or on similar electronic means of communication; and
   - **b.** Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.
2. **Auto** means:
   - **a.** A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
   - **b.** Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

   However, **auto** does not include **mobile equipment**.
3. **Bacteria** means any type or form of bacteria and any materials or substances that are produced or released by bacteria.
4. **Biometric Identifier** means a retina or iris scan, fingerprint, voiceprint, or scan of hand or face geometry.
5. **Biometric Information** means any information, regardless of how it is captured, converted, stored, or shared, based on an individual's **biometric identifier** used to identify an individual.
6. **Bodily Injury** means:
   - **a.** Physical injury, sickness or, disease, sustained by any person, including death, and solely with respect to this Paragraph **6.a.** of this definition, medical monitoring resulting from any of these; and
   - **b.** Mental anguish or emotional distress sustained by any person.
7. **Carrier** means any person or entity, other than any **Named Insured** or a subsidiary or affiliated company of any **Named Insured**, engaged by or on behalf of any **Named Insured**, and in the business of and properly licensed to transport property including **your products**, waste or materials for hire by **auto**, aircraft, watercraft or rolling stock.
8. **Certified Industrial Hygienist** means a licensed professional currently certified per the requirements as established by the American Board of Industrial Hygiene mutually agreed upon by the Company and the **Named Insured** and who has experience in the investigation, assessment and remediation of **microbial substances**.
9. **Claim** means the written assertion of a legal right to money or services received by an **insured** from a third party, including but not limited to suits or civil actions, alleging liability or responsibility on the part of the **insured** for damages, loss, **bodily injury, property damage, personal and advertising injury liability and/or cleanup costs.**
10. **Cleanup Costs** means:
    - **a.** The reasonable and necessary expenses incurred for the investigation, monitoring, testing, removal, abatement, containment, treatment, detoxifying, neutralization, encapsulation or disposal of **pollution condition(s)** to the extent required by applicable federal, state or local governmental law, rule, regulation or order under which the **insured** has or may have a legal obligation; and
    - **b.** With respect to **microbial substances** coverage provided under **Coverage D.4 – Microbial Substance Contractors Pollution Liability**, if purchased, in the absence of any applicable law, rule, regulation or order established pursuant to **a.** above, to the extent recommended in writing by a **Certified Industrial Hygienist** retained with our prior written consent or as required by court; and
    - **c.** **Restoration costs**; and

d. **Emergency remediation costs** with respect to coverage provided under **Coverage D.6 – Emergency Remediation Costs.**

11. **Communicable Disease** means A disease, illness or condition, including any variant(s) or mutational strains thereof, that can be transmitted directly or indirectly from person-to-person, animal (including insect)-to-person, animal-to-animal (including insect), or from the inanimate environment to a human or animal, by contact, exposure, or by means of plants, vector or fomites.

12. **Completed Operations** means **covered operations** that have been completed.

Covered Operations will be deemed completed at the earliest of the following times:

a. When all of the work called for in your contract has been completed.

b. When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

c. When that part of **your work** done at a job site has been put to its intended use by any person or organization other than another contractor or sub-contractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as **completed operations**

13. **Computer system** means:

a. Any computer hardware, including but not limited to:

(1) Computers;

(2) Transportable, mobile or handheld devices;

(3) Data storage and data processing devices;

(4) Networking equipment and backup facilities, including cloud computing devices and facilities;

(5) Associated input and output devices (including, but not limited to, wireless and mobile devices);

(6) Any related peripheral components; or

(7) Communication networks, connected to or used in connection with such computers, equipment, facilities or devices.

b. Firmware and electronic instructions that direct the operation and function of a computer or devices connected to it, which enables the computer or devices to receive, process, store or send **electronic data**.

14. **Confidential information** means nonpublic information, **confidential information**, personal information or personal data, including, but not limited to:

a. Non-public information about a person that allows such person to be uniquely and reliably identified or allows access to the person's financial account or medical records information.;

b. Patents, trade secrets, processing methods, customer or customer-related information (including, but not limited to, customer lists); or

c. Business plans or records, financial information, personally identifiable information, credit or payment card information (including, but not limited to, credit, debit or stored value cards), medical or health information or any type or combination of types of the foregoing.

15. **Controlled (wrap-up) insurance program** means a centralized insurance program under which one party has secured either insurance or self-insurance covering some or all of the contractors or subcontractors performing work on one or more specific project(s). **Controlled (wrap-up) insurance program** includes but is not limited to owner-controlled insurance programs, project manager-controlled insurance programs, contractor-controlled insurance programs, university-controlled insurance programs, and project-specific policies.

16. **Coverage territory** means:

a. The United States of America (including its territories and possessions), Puerto Rico and Canada; and

b. All other parts of the World, if the **insured's** responsibility to pay damages is determined in a legal action or **suit** on the merits, in any court of competent jurisdiction within the territory described in **a.** above or in a settlement we agree to. However, whenever coverage provided by this policy would be in violation of U.S. export controls or trade sanctions, such coverage is null and void and will be deemed not to be within the **coverage territory**.

17. **Covered Operations** means those activities performed for a third party by you or on your behalf at a site not owned or leased by you and as are set forth and described in your application. **Covered operations** do not include **completed operations**.

18. **Defense Costs** means any reasonable and necessary fees charged by an attorney designated by the Company, and where the **insured** has the legal right to select independent counsel, the rates we would actually pay to counsel that we retain in the ordinary course of business in the defense of a similar **claim** or **suit** in the community where the **claim** or **suit** arose or is being defended, as well as other reasonable and necessary costs, including but not limited to expert witnesses and court reporters, in connection with the investigation, adjustment, settlement, defense or appeal of a **claim** or **suit**. It does not include the salaries of our regular **employees** or supervisory counsel retained by us, or any cost or expense incurred by the **insured** in assisting in the investigation or defense of the **claim** or **suit**.

19. **Electronic data** means information, facts, images, sounds or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment. **Electronic data** is not tangible property.

20. **Emergency remediation costs** means those reasonable and necessary costs, charges, and expenses which qualify as **cleanup costs** incurred by or on behalf of the **Named Insured** to take emergency action in response to a **pollution condition,** caused by **covered operations**, under **Coverage D.1 – Contractors Pollution Legal Liability, Coverage D.2** – **Third Party Claim(s) for Contingent Transportation, and Coverage D.5 – Named Insured's Location(s)** only, within seven (7) days of the first commencement of the pollution condition. Such **emergency remediation costs** must be essential and necessary to contain, control or mitigate a **pollution condition** that poses an imminent and substantial endangerment or threat to the public, human health, or the environment, as defined by the regulating agencies and environmental laws that require immediate response. **Emergency remediation costs** do not include any profit element of any **insured**.

21. **Employee** includes a **leased worker**. **Employee** does not include a **temporary worker**.

22. **Executive officer** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

23. **Fungi / Fungus** means any type or form of **fungus**, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by **fungi**, but does not include any **fungi** intended by the **insured** for consumption.

24. **Green building materials** mean any building products or construction materials that are recognized by the Leadership in Energy and Environmental Design (LEED) or Energy Star as:
    a. Being environmentally preferable or sustainable; or
    b. Providing enhanced energy efficiency that is required to bring existing real property into compliance with applicable and enforceable codes, laws or regulations.

    Green building materials do not include any other added costs as a consequence of the use of **green building materials** including but not limited to delay costs.

    Green building materials shall only be installed by Certified Green Contractors.

25. **Impaired property** means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:
    a. It incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
    b. You have failed to fulfill the terms of a contract or agreement;

    if such property can be restored to use by the repair, replacement, adjustment or removal of **your product** or **your work** or your fulfilling the terms of the contract or agreement.

26. **Insured** means the definitions set forth in the respective Coverages in **SECTION III – WHO IS AN INSURED** or otherwise added by Endorsement.

27. **Insured contract** means:

    For **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:
    a. A written contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an **insured contract**;
    b. A sidetrack agreement;
    c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
    d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
    e. An elevator maintenance agreement;
    f. That part of any other written contract or written agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
    Paragraph **f.** does not include that part of any contract or agreement:
    (1) That indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
    (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the **insured**, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the **insured's** rendering or failure to render **professional services**, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

For **Coverage D.1 – Contractors Pollution Legal Liability**, **Coverage D.2 – Third Party Claims(s) for Contingent Transportation**, and **Coverage D.4 – Microbial Substance Contractors Pollution Liability**:

a. Any contract or agreement in writing for performance of your **covered operations** whereby the **Named Insured** assumes the tort liability of another party to pay for damages because of **loss** for **bodily injury** or **property damage** to a third person, firm or organization and directly caused by **pollution condition(s)**. An **insured contract** does not include that part of any contract or agreement by which the **Named Insured** assumes liability for the sole negligence or tortious conduct of another. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. Such contract or agreement must be in writing and executed prior to the first **occurrence** of the **bodily injury** or **property damage**, or when the **pollution condition** first occurs, whichever is earliest.

28. Insured Location means a location in the **coverage territory** owned, rented, occupied, or leased by the **Named Insured** during the **policy period**. Occupied does not include a jobsite where **your work**, as described in **SECTION IX - DEFINITIONS**, Paragraph **51. a. (1)**, is being performed. For purposes of **Coverage D.5 – Named Insured's Location(s)** only, **Insured Location** means solely a location as defined in **12.a.** of **coverage territory** owned, rented, occupied or leased by the **Named Insured** during the **policy period** and scheduled to this policy specifically for coverage under **Coverage D.5 – Named Insured's Location(s)** if purchased and selected on the Declarations page of this policy.

29. Leased worker means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. **Leased worker** does not include a **temporary worker**.

30. Loading or unloading means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, rolling stock, or **auto**;

b. While it is in or on an aircraft, watercraft, rolling stock, or **auto**; or

c. While it is being moved from an aircraft, watercraft, rolling stock, or **auto** to the place where it is finally delivered;

but **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft, rolling stock, or **auto**.

31. Loss means a monetary judgment, award or settlement of compensatory damages and punitive or exemplary damages, where such coverage is allowable by law, for **bodily injury** and/or **property damage**.

32. Microbial Substance means any substance that reproduces through release of spores or the splitting of its own cell including but not limited to mold, mildew, spores, **fungi**, **bacteria** and Legionella Pnuemophila whether or not the **microbial substance** is living**. Microbial Substance** does not include virus.

33. Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or
(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, **mobile equipment** does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered **autos**.

34. Named Insured means the person, individual, partnership, corporation or entity listed in the Declarations or expressly added as a **Named Insured** by Endorsement. The person, individual, partnership, corporation or entity first listed in the Declarations shall be considered the first **Named Insured**.

35. Natural Resource Damage means the physical injury to, destruction of, or the assessment of physical injury or destruction, including the resulting loss of value of, land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, pertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act 16 U.S.C.1801 et seq.), any State, Local, Provincial, foreign government, or Indian tribe, or, if such resources are subject to a trust restriction on alienation, any member of a Native American tribe.

36. Non-owned Disposal site means any waste treatment, waste storage or waste disposal facilities, which are utilized by or on the behalf of the **Named Insured** for waste generated from **covered operations** or an **insured location**, provided that as of the date that the waste was delivered to the waste treatment, waste storage or waste disposal facility, the facility(ies):

a. Are within the United States of America (including its territories and possessions), Puerto Rico and Canada;
b. Are not owned, operated or managed by the **insured** or any subsidiary or affiliate of the **insured**;
c. Are properly licensed to accept such waste for treatment, storage or disposal; and
d. Are not listed, formerly listed, or proposed for listing on the federal National Priorities List, State equivalent, or local equivalent list;
e. Are not subject to, and have not been subject to in the previous four years, an information request under Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act or Section 3007(a) of the Resource Conservation and Recovery Act, or a State or local equivalent request; and
f. Are not owned or operated by a bankrupt or financially insolvent entity.

37. Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, that is unexpected and unintended from the standpoint of a reasonable person.

38. Personal and advertising injury means injury, including consequential **bodily injury,** arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;
b. Malicious prosecution;
c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
f. The use of another's advertising idea in your **advertisement**; or
g. Infringing upon another's copyright, trade dress or slogan in your **advertisement**.

39. Policy period means the period of time stated in the Declarations, or any shorter period arising as a result of cancellation.

40. Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, asbestos, silica, silt, sediment, hazardous substances, hazardous materials, legionella, electromagnetic fields, low level radioactive material, medical, infectious and pathologic waste and waste materials. Waste includes materials to be recycled, reconditioned or reclaimed. For purposes of **Coverage D.4 – Microbial Substance Contractors Pollution Liability** only, **pollutants** mean **microbial substances.**

41. Pollution condition(s) means the discharge, dispersal, release, seepage, migration, or escape of **pollutants** into or upon land, any structure on land, the atmosphere or any watercourse or body of water, including groundwater.

42. Products-completed operations hazard:

a. Includes all **bodily injury** and **property damage** occurring away from premises you own or rent and arising out of **your product** or **your work** except:
  (1) Products that are still in your physical possession; or
  (2) Work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
    (a) When all of the work called for in your contract has been completed.
    (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
    (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

  Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include **bodily injury** or **property damage,** arising out of:
  (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the **loading or unloading** of that vehicle by any **insured**;
  (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
  (3) Products or operations for which the classification, listed in the Declarations or in a policy SCHEDULE, states that products-completed operations are subject to the General Aggregate Limit.

43. Professional services mean those services performed by you or on your behalf, that are related to your practice as an architect, engineer, consultant, or surveyor that are performed for others for a fee.

44. Property damage means:
a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.
c. For **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** only, **property damage** includes **cleanup costs** of third party property, not to exceed the legal measure of damages; and
d. For **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** and **COVERAGE E – PROFESSIONAL LIABILITY** only, **property damage** includes **natural resource damage**.
e. Diminution in value of third-party property.

For the purposes of this insurance, **electronic data** is not tangible property.

45. Responsible insured means your current and former directors, officers, principals, partners, managers, insurance and risk managers, all facility managers, and those persons responsible for the environmental, health, safety or legal affairs of the **Named Insured**.

46. Restoration costs mean the reasonable and necessary costs incurred by the **insured** to restore or repair real or personal property of third parties to substantially the same condition it was in prior to being damaged during work performed in the course of conducting **cleanup costs** resulting from a covered **loss** under this policy. These costs shall not exceed the actual cash value of the real or personal property**,** prior to the **pollution condition(s)** that resulted in a covered **loss**. **Restoration Costs** includes the cost of **green building materials**, if legally required to bring existing real property into compliance with applicable and enforceable codes, laws or regulations, but only to the extent specifically required.

Restoration costs do not include costs for improvements or betterments and shall not include any additional costs to bring the existing real or personal property into compliance with any code, law or regulation that was not applicable and or enforced against the real or personal property before it was damaged, except for the cost of **green building materials** as set forth in the paragraph above.

47. Retroactive date means the date set forth in the Declarations which is the earliest date a **pollution condition** can commence, or an actual or alleged act, error or omission can take place for coverage under this policy. If the words Not Applicable or N/A appear in the Declarations, then a **retroactive date** shall not apply. If no entry appears, then the **Retroactive date** is the policy inception date.

48. Suit means a civil proceeding in which damages because of **bodily injury, property damage**, **personal and advertising injury, cleanup costs** or **professional services** to which this insurance applies are alleged. **Suit** includes:

a. An arbitration proceeding in which such damages are claimed and to which the **insured** must submit or does submit with our consent; or
b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the **insured** submits with our consent.

49. **Temporary worker** means a person who is furnished to you to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

50. **Transportation** means the movement of **your products**, materials or waste by **auto**, aircraft, watercraft or rolling stock including the **loading or unloading** of **your products**, materials or wastes. **Transportation** does not mean the movement of **your products**, materials or waste by **unmanned aircraft**.

51. **Unmanned aircraft** means an aircraft that is not:
    a. Designed;
    b. Manufactured; or
    c. Modified after manufacture;

    to be controlled directly by a person from within or on the aircraft.

52. **Underground storage tank** means any tank with associated piping and equipment connected thereto which has more than ten (10) percent of its volume below ground. Underground storage tank does not include sump pumps, oil/water separators or storm water collection systems.

53. **Volunteer worker** means a person who is not your **employee**, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

54. **Your product**:
    a. Means:
        (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
            (a) You;
            (b) Others trading under your name; or
            (c) A person or organization whose business or assets you have acquired; and
        (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
    b. Includes:
        (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
        (2) The providing of or failure to provide warnings or instructions.
    c. Does not include vending machines or other property rented to or located for the use of others but not sold.

55. **Your work**:
    a. Means:
        (1) Work or operations performed by you or on your behalf; and
        (2) Materials, parts or equipment furnished in connection with such work or operations.
    b. Includes:
        (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your work**, and
        (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT - COVERAGE A

Policy Number	Policy Effective Date	Policy Expiration Date	Endorsement Effective Date
ECP203357615	12/01/2025	12/01/2026	12/01/2025

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL COMBINED POLICY

SCHEDULE

Designated Construction Project(s):	Designated Construction Project Limit:
Each of your projects away from premises owned or rented to you, performed during the policy period when a Designated Per Project Aggregate Limit of Insurance is required in a written contractual agreement.	$3,000,000

I. For all amounts which the **insured** becomes legally obligated to pay as **damages** caused by **occurrences** under **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** which can be attributed only to ongoing operations as shown in the **SCHEDULE** above:

1. A separate Designated Construction Project Limit applies to each designated construction project and that limit is the lesser of:
- **a.** the Designated Construction Project Limit indicated in the **SCHEDULE**; or
- **b.** the amount of the General Aggregate Limit shown in the Declarations.

2. The Designated Construction Project Limit is the most we will pay for the sum of all **damages** under **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except **damages** because of **bodily injury** or **property damage** included in the **products-completed operations hazard**, 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 **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages shall reduce the Designated Construction Project 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 Limit, except as affected by the Designated Construction Project Aggregate Limit described in **5.b.** below.

4. The limits shown in the Declarations for Each Occurrence and Damage to Premises Rented to You 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 Limit.

5. a. The Designated Construction Project General Aggregate Limit is the most we will pay for all damages under the Designated Construction Project Limit, described in **1.** and **2.** above.
- **b.** Regardless of the number of construction projects or designated construction projects covered under this policy, the most we will pay as the Designated Construction Project General Aggregate is $5,000,000.

II. For all amounts which the **insured** becomes legally obligated to pay as damages caused by **occurrences** under **SECTION I –COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** which can be attributed only to ongoing operations at the Designated Construction Project(s) shown in the **SCHEDULE** above:

1. Any payments made under **SECTION I –COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages shall reduce the amount available under the General Aggregate Limit or the Products Completed Operations Aggregate Limit, whichever is applicable; and

2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit

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III. 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.

IV. 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.

V. The provisions of **SECTION V – LIMITS OF INSURANCE** not otherwise modified by this endorsement shall continue to apply as stipulated.

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.

ADDITIONAL INSURED -- LESSOR OF LEASED EQUIPMENT
AUTOMATIC STATUS – COVERAGE A & B

Policy Number	Policy Effective Date	Policy Expiration Date	Endorsement Effective Date
ECP203357615	12/01/2025	12/01/2026	

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL COMBINED POLICY

I. **SECTION III – WHO IS AN INSURED** is amended to include as an additional **insured** any person(s) or organization(s) from whom you lease equipment with whom you have agreed under a written contract or written agreement, in effect during this **policy period**, that such person(s) or organization(s) be added as an additional **insured** on this policy, but only with respect to liability for **bodily injury** or **property damage** under **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, or **personal and advertising injury** under **SECTION I – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** directly caused by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s). Such contract or agreement must be executed and in effect prior to your maintenance, operation or use of such leased equipment.

However:

1. The insurance afforded to such additional **insured** only applies to the extent permitted by law; and
2. We will not extend any insurance coverage to such additional **insured** that is not provided to you in this policy; and
3. 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**.

II. With respect to the insurance afforded to these additional **insureds**:

1. Their status as an additional **insured** ends when their contract or agreement with you for such leased equipment ends; and
2. This insurance does not apply to any **occurrence** which takes place after the equipment lease expires; and
3. The coverage provided by this endorsement shall not apply to any **claim** or **suit** based upon or arising from an actual or alleged act, error or omission in the performance of professional services of such additional **insured** person(s) or organization(s).

III. With respect to the insurance afforded to these additional **insureds**, the following is added to **SECTION V – 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; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

IV. **SECTION VII – CONDITION 10. – Other Insurance** is amended by the addition of the following which 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 a person(s) or organization(s) included as an additional **insured** under this endorsement provided that:

1. The additional **insured** person(s) or organization(s) is a **Named Insured** under such other insurance; and
2. You have agreed in writing in a contract or agreement, in effect during this **policy period**, that this insurance would be primary and would not seek contribution from any other insurance available to the additional **insured** person(s) or organization(s). Such contract or agreement must be executed and in effect prior to your maintenance, operation or use of the equipment leased to you by such person(s) or organization(s), which is the subject of such contract or agreement.

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However, this provision does not apply if the other insurance available to the person(s) or organization(s) included as an additional **insured** is Owners and Contractors Protective Liability, Railroad Protective Liability, or similar project-specific, primary insurance.

V. This endorsement does not apply to an additional **insured** which has been added to this policy by an endorsement showing the additional **insured** in a **SCHEDULE** of additional **insureds**, and which endorsement applies to that designated additional **insured**.

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.

ADDITIONAL INSURED -- OWNERS, LESSEES OR CONTRACTORS AUTOMATIC STATUS – ONGOING OPERATIONS – COVERAGE A, B, D.1 & D.4

Policy Number	Policy Effective Date	Policy Expiration Date	Endorsement Effective Date
ECP203357615	12/01/2025	12/01/2026	

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL COMBINED POLICY

I. SECTION III – WHO IS AN INSURED is amended to include as an additional **insured**:

1. 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, in effect during this **policy period**, that such person or organization be added as an additional **insured** on this policy; and

2. Any other person or organization you are explicitly required to add as an additional **insured** under the contract or agreement described in Paragraph **1.** above.

Such contract or agreement must be executed and in effect prior to the performance of **your work** which is the subject of such contract or agreement.

Such person(s) or organization(s) is an additional **insured** only with respect to liability for **bodily injury** or **property damage** under **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Coverage D.1 – Contractors Pollution Legal Liability** and **Coverage D.4 – Microbial Substance Contractors Pollution Liability,** or personal injury or advertising injury under **SECTION I - COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** directly caused by:

a. Your acts or omissions; or
b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional **insured** described in Paragraph **1.** or **2.** above.

However, the insurance afforded to such additional **insured** described above:

a. Only applies to the extent permitted by law; and
b. Will not be broader than that which you are required by the contract or agreement to provide for such additional **insured**, and
c. Will not extend beyond that which is provided to you in this policy.

A person's or organization's status as an additional **insured** under this endorsement ends when your operations for the person or organization described in Paragraph **1.** above are completed.

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

This insurance does not apply to:

a. 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:

(1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
(2) 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.

b. 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

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(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.

III. With respect to the insurance afforded to these additional **insureds**, the following is added to **SECTION V – 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 described in Paragraph **I.1.**; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

IV. With respect to the insurance afforded to these additional **insureds**, the following is added to **SECTION VI – REPORTING, DEFENSE, SETTLEMENT & COOPERATION**:

1. Duties -- Additional Insured

An additional **insured** must see to it that:

a. We are notified in writing as soon as practicable of an **occurrence** or offense which may result in a **claim** or **suit;**
b. We receive written notice of a **claim** or **suit** as soon as practicable; and
c. A request for defense and indemnity of the **claim** or **suit** will promptly be brought against any policy issued by another insurer under which the additional **insured** may be an insured in any capacity. This provision does not apply to insurance on which the additional **insured** is a **Named Insured**, if the contract or agreement requires that this coverage be primary and noncontributory.

V. SECTION VII – CONDITION 10. – Other Insurance is amended by the addition of the following which 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 a person(s) or organization(s) included as an additional **insured** under this endorsement provided that:

1. The additional **insured** person(s) or organization(s) is a **Named Insured** under such other insurance; and
2. You have agreed in writing in a contract or agreement, in effect during this **policy period**, that this insurance would be primary and would not seek contribution from any other insurance available to the additional **insured** person(s) or organization(s). Such contract or agreement must be executed and in effect prior to the performance of **your work** which is the subject of such contract or agreement.

However, this provision does not apply if the other insurance available to the person(s) or organization(s) included as an additional **insured** is Owners and Contractors Protective Liability, Railroad Protective Liability, or similar project-specific, primary insurance.

VI. This endorsement does not apply to an additional **insured** which has been added to this policy by an endorsement showing the additional **insured** in a **SCHEDULE** of additional **insureds**, and which endorsement applies to that designated additional **insured**.

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.

ADDITIONAL INSURED -- OWNERS, LESSEES OR CONTRACTORS AUTOMATIC STATUS – COMPLETED OPERATIONS – COVERAGE A, D.1 & D.4

Policy Number	Policy Effective Date	Policy Expiration Date	Endorsement Effective Date
ECP203357615	12/01/2025	12/01/2026	

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL COMBINED POLICY

I. SECTION III – WHO IS AN INSURED is amended to include as an additional **insured**:

1. Any person or organization for whom you have performed operations when you and such person or organization have agreed in writing in a contract or agreement, in effect during this **policy period**, that such person or organization be added as an additional **insured** on this policy; and

2. Any other person or organization you are explicitly required to add as an additional **insured** under the contract or agreement described in Paragraph **1.** above.

Such contract or agreement must be executed and in effect prior to the performance of **your work** included in the **products-completed operations hazard** which is the subject of such contract or agreement.

Such person(s) or organization(s) is an additional **insured** only with respect to liability for **bodily injury** or **property damage** under **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Coverage D.1 – Contractors Pollution Legal Liability** and **Coverage D.4 – Microbial Substance Contractors Pollution Liability,** directly caused by **your work** performed for the additional **insured** described in Paragraph **1.** or **2.** above, and included in the **products-completed operations hazard**.

However, the insurance afforded to such additional **insured** described above:

a. Only applies to the extent permitted by law; and
b. Will not be broader than that which you are required by the contract or agreement to provide for such additional **insured**; and
c. Will not extend beyond that which is provided to you in this policy.

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

This insurance does not apply to:

a. **Bodily injury** or **property damage** arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
(1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
(2) 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** involved the rendering of, or the failure to render any professional architectural, engineering or surveying services.

III. With respect to the insurance afforded to these additional **insureds**, the following is added to **SECTION V – 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 described in Paragraph **I.1.**; or
2. Available under the applicable limits of insurance;
whichever is less.

This endorsement shall not increase the applicable limits of insurance.

IV. With respect to the insurance afforded to these additional **insureds**, the following is added to **SECTION VI –**

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REPORTING, DEFENSE, SETTLEMENT & COOPERATION:

1. Duties -- Additional Insured

An additional **insured** must see to it that:

a. We are notified in writing as soon as practicable of an **occurrence** which may result in a **claim** or **suit;**
b. We receive written notice of a **claim** or **suit** as soon as practicable; and
c. A request for defense and indemnity of the **claim** or **suit** will promptly be brought against any policy issued by another insurer under which the additional **insured** may be an insured in any capacity. This provision does not apply to insurance on which the additional **insured** is a **Named Insured**, if the contract or agreement requires that this coverage be primary and noncontributory.

V. SECTION VII – CONDITION 10. – Other Insurance is amended by the addition of the following which 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 a person(s) or organization(s) included as an additional **insured** under this endorsement provided that:

1. The additional **insured** person(s) or organization(s) is a **Named Insured** under such other insurance; and
2. You have agreed in writing in a contract or agreement, in effect during this **policy period**, that this insurance would be primary and would not seek contribution from any other insurance available to the additional **insured** person(s) or organization(s). Such contract or agreement must be executed and in effect prior to the performance of **your work** included in the **products-completed operations hazard** which is the subject of such contract or agreement.

However, this provision does not apply if the other insurance available to the person(s) or organization(s) included as an additional **insured** is Owners and Contractors Protective Liability, Railroad Protective Liability, or similar project-specific, primary insurance.

VI. This endorsement does not apply to an additional **insured** which has been added to this policy by an endorsement showing the additional **insured** in a **SCHEDULE** of additional **insureds**, and which endorsement applies to that designated additional **insured**.

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.

WAIVER OF SUBROGATION
(TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US)
AUTOMATIC STATUS – COVERAGE A, B & D

Policy Number	Policy Effective Date	Policy Expiration Date	Endorsement Effective Date
ECP203357615	12/01/2025	12/01/2026	12/01/2025

This endorsement modifies insurance provided under the following:

ENVIRONMENTAL COMBINED POLICY

I. The following is added to Paragraph **17. Subrogation** of **SECTION VII – CONDITIONS:**

We waive any right of recovery against any person(s) or organization(s) because of payments we make under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**, and **COVERAGE D – CONTRACTORS POLLUTION LIABILITY** under this policy.

Such waiver by us applies only if:

1. The **insured** has agreed in writing in a contract or agreement with such person(s) or organization(s) to waive its right of recovery; and

2. The **insured** has waived its right of recovery against such person(s) or organization(s) prior to loss.

This waiver does not apply in any jurisdiction where such waiver is held to be illegal or against public policy or in any situation where the person(s) or organization(s) against whom subrogation is to be waived is found to be solely negligent.

This endorsement does not apply to any person(s) or organization(s) designated in a **SCHEDULE** of person(s) or organization(s) against whom rights of recovery have been waived.

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

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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: Quality Construction Cleanup, 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 Jougnal Achari

Sign Margaret Kashuba

Sign John Ebbs (May 21, 2026 16:55:51 PDT)

Sign Matt Eierman (May 22, 2026 10:50:24 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

Quality Construction Cleanup, Inc
PO Box 5528, El Dorado Hills, CA 95762
916-388-8989 | nayde.cquality@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:

Nayde Frausto | General Manager
PO Box 5528, El Dorado Hills, CA 95762
916-388-8989 | nayde.cquality@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 18:32:11 PDT)

City Attorney

Attachments

Exhibit A	Scope of Services
Exhibit B	Compensation
Exhibit C	Insurance

FRANCHISEE:

Quality Construction Cleanup, Inc

NAME OF FIRM

72-1570855

Federal I.D. No.

2297835

State I.D. No.

1050739

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:* _____)

Nayde Frausto 05/05/2026

Signature of Authorized Person

Nayde Frausto | General Manager

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 *Quality Construction Cleanup, 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 *Quality Construction Cleanup, 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.

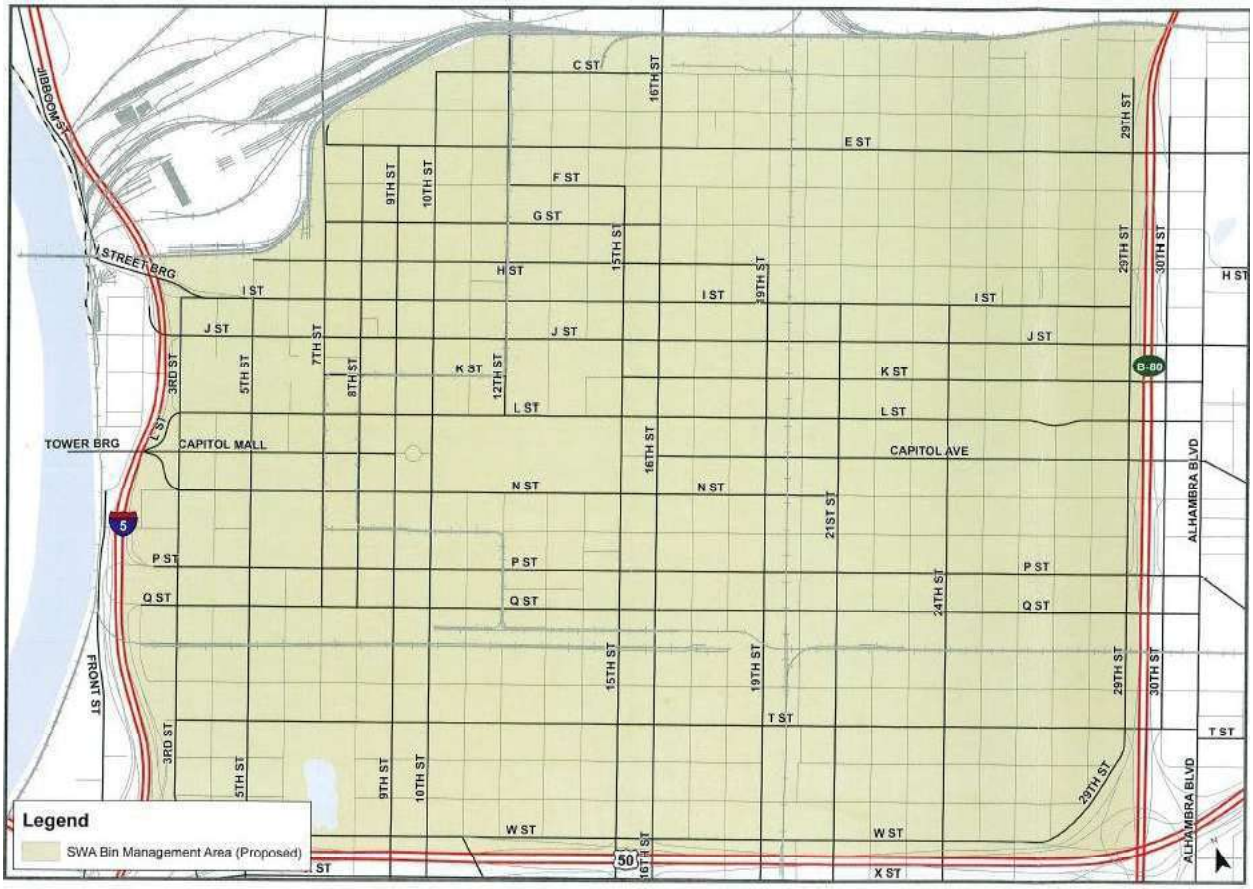


Exhibit B
Compensation

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") *Quality Construction Cleanup, 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): 04/09/2026

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 Benton Insurance Agency LLC 1801 S. La Cienega Blvd., Suite 201 Los Angeles, CA 90035 License #: 0N00385	CONTACT NAME: David Montoya		
	PHONE (A/C, No, Ext): (800)864-2001	FAX (A/C, No): (310)382-2196	
	E-MAIL ADDRESS: team@weservice.insure		
	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Trisura Specialty Insurance Company		16188
INSURED Quality Construction Clean-Up Inc PO Box 5528 El Dorado Hills, CA 95762	INSURER B : Key Risk Insurance Company		10885
	INSURER C : Starstone Specialty Insurance Company		44776
	INSURER D : Insurance Company of the West		27847
	INSURER E : Westchester Surplus Lines Insurance Company		10172
	INSURER F :		

COVERAGES **CERTIFICATE NUMBER:** 00010630-12006195 **REVISION NUMBER:** 531

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 X $2500 BI/PD GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC OTHER:			NRG-DBG-GL15549	08/17/2025	08/17/2026	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 HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY			BAP2020404-19	12/21/2025	12/21/2026	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 $			CSX00045341P-04	08/17/2025	08/17/2026	EACH OCCURRENCE AGGREGATE Prod/Comp	$ $ $	4,000,000 4,000,000 4,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: Y If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		WVE 5088040 00	01/31/2026	01/31/2027	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
E	Pollution Liabiity			G74346765 003	12/18/2025	12/18/2026	General Aggregate Each Occur		5,000,000 5,000,000

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

10 DAY NOTICE OF CANCELLATION FOR NON-PAY, 30 DAY ALL OTHER

The City, its officials, employees and volunteers NAMED AS ADDITIONAL INSURED FOR GENERAL LIABILITY PER ATTACHED BLANKET ENDORSEMENT FORM WITH PRIMARY WORDING AND WAIVER OF SUBROGATION.

Workers Comp: ALEX SORIA, PRES

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

(DDM)

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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
Any person or organization when you have agreed in a written and executed contract, prior to an "occurrence", that such person or organization be added as an additional insured on your policy.	Locations as required and specified 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:

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 shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance 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
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 when you have agreed in a written and executed contract, prior to an "occurrence", that such person or organization be added as an additional insured on your policy. All other terms and conditions remain unchanged.	All locations for which you have agreed in a written and executed contract prior to an "occurrence".
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 shown in the Declarations;

whichever is less.

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

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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
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.

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 agreed within a written contract to waive rights of recovery, provided such written agreement is executed prior to the 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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POLICY NUMBER: NRG-DBG-GL15549

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 Projects: Any project up to $5M: 1) covered under this policy; and 2) required by written contract with you to be subject to a separate General Aggregate Limit.
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

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.

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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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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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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: Quality Construction Clean-Up Inc.
Endorsement Effective Date: 12/21/25

SCHEDULE

Name(s) Of Person(s) Or Organization(s):
Any Principal wherein such waiver has been included before loss as part of a contractual undertaking by the Named Insured
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 - 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/organization for whom the named insured is required under written contract to furnish this waiver.	**ALL CALIFORNIA OPERATIONS**

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 **01/31/2026** Policy No. **WVE 5088040 00** Endorsement No.

Insured **Quality Construction Clean-Up Inc** Premium $ **INCL.**

Insurance Company **Insurance Company of the West**

Countersigned By

Named Insured Quality Construction Clean-Up Inc.			Endorsement Number
Policy Symbol CPW	Policy Number G74346765 003	Policy Period 12/18/2025 to 12/18/2026	Effective Date of Endorsement 12/18/2025
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 Quality Construction Clean-Up Inc.			Endorsement Number
Policy Symbol CPW	Policy Number G74346765 003	Policy Period 12/18/2025 to 12/18/2026	Effective Date of Endorsement 12/18/2025
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 **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

ADDITIONAL INSURED ENDORSEMENT – PRODUCTS-COMPLETED OPERATIONS HAZARD

Named Insured Quality Construction Clean-Up Inc.			Endorsement Number
Policy Symbol CPW	Policy Number G74346765 003	Policy Period 12/18/2025 to 12/18/2026	Effective Date of Endorsement 12/18/2025
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 Quality Construction Clean-Up Inc.			Endorsement Number
Policy Symbol CPW	Policy Number G74346765 003	Policy Period 12/18/2025 to 12/18/2026	Effective Date of Endorsement 12/18/2025
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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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: Recology Sacramento

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 21, 2026 16:56:43 PDT)

Sign Matt Eierman (May 22, 2026 10:46:51 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

Recology Sacramento
2727 2nd St., Davis, CA 95618
916-381-9191 | recologysacramento@recology.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:

Justina Vega | General Manager

2727 2nd St., Davis, CA 95618

916-381-9191 | jvega@recology.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 10:19:51 PDT)

_____

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Recology Sacramento

NAME OF FIRM

84-2956800

Federal I.D. No.

4309649

State I.D. No.

1111607

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:* _____)

05/05/2026

Signature of Authorized Person

Salvatore Coniglio | CEO

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 *Recology Sacramento* ("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 *Recology Sacramento* ("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.

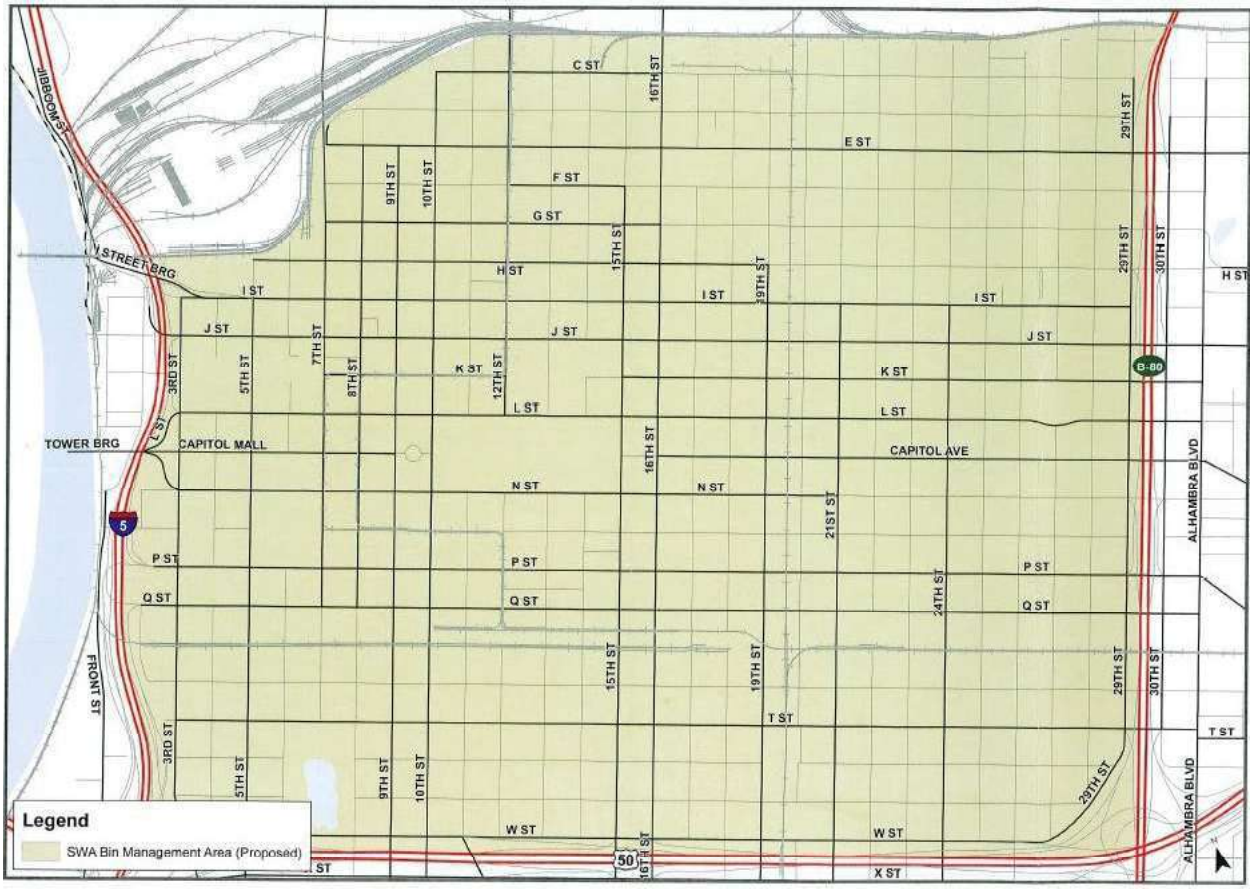


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between *Recology Sacramento* ("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 *Recology Sacramento* ("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): 10/1/2025

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 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
Brown & Brown RS Insurance Services, LLC
21650 Oxnard Street, Suite 1600
Woodland Hills, CA 91367

www.bbinsurance.com

CONTACT NAME: Brown & Brown RS Insurance Services, LLC
PHONE (A/C, No, Ext): 404-460-1400 **FAX (A/C, No):**
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : ACE American Insurance Company	22667
INSURER B : Indian Harbor Insurance Company	36940
INSURER C : XL Specialty Insurance Company	37885
INSURER D : Lloyd's of London (Hiscox/Allianz)	N/A
INSURER E :	
INSURER F :	

INSURED
Recology Sacramento
2727 2nd Street
Davis CA 95618

COVERAGES **CERTIFICATE NUMBER:** 87507827 **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 ✓ SIR: $500,000 GEN'L AGGREGATE LIMIT APPLIES PER: ✓ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:	✓		XSL G27633006	10/1/2025	10/1/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$ 1,500,000 $ 1,500,000 $ 0 $ 1,500,000 $ 2,000,000 $ 2,000,000 $
A	**AUTOMOBILE LIABILITY** ✓ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY ✓ Ded: $1,000,000	✓		ISA H08868001	10/1/2025	10/1/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Auto Physical Damage	$ 2,000,000 $ $ $ $ Self Insured
B	☐ **UMBRELLA LIAB** ✓ OCCUR ✓ **EXCESS LIAB** ☐ CLAIMS-MADE ☐ DED ☐ RETENTION $			RES5000612-05	10/1/2025	10/1/2026	EACH OCCURRENCE AGGREGATE $	$ 3,000,000 $ 6,000,000 $
C	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N: N **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	✓	RWE5000442-11 SIR: $2,000,000	10/1/2025	10/1/2026	✓ 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
D	Umbrella Liability			B0180PN2500870	10/1/2025	10/1/2026	Each Occurrence Aggregate	$5,000,000 $5,000,000

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

If additional insured (ADDL INSR) and/or subrogation waived (SUBR WVD) boxes are checked, applicable blanket policy endorsements apply in favor of the DESIGNATED ENTITY where required by written contract, but only as respects liability arising out of work performed by or on behalf of the insured.
Additional Condition(s) as required by written contract: Primary/Non-contributory status (GL/AL); Broadened Pollution Endorsement (AL);
NOTE: Policy provisions include 30 days' notice of cancellation (10 days for non-renewal).
DESIGNATED ENTITY: The City of Sacramento, its officials, employees and volunteers

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 *Brown & Brown RS Insurance Services, LLC*

Brown & Brown RS Insurance Services, LLC

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Waiver of Our Right to Recover from Others Endorsement

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

Excess Workers Compensation and Employers Liability Policy

In consideration of an additional premium of $ included, it is agreed that we have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce this right against the person or organization named in the Schedule below. This agreement applies as follows:

1. that you perform work under a written contract that requires you to obtain this agreement;
2. that you entered into a written contract prior to the loss; and
3. we agree to also waive our right of recovery but only with respect to such loss.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

Where required by written agreement signed prior to loss

All other policy terms and conditions remain unchanged.

This endorsement is part of your policy and takes effect on the effective date of your policy, unless another effective date is shown below.

Must be completed always:		Complete only when this endorsement is not prepared with the policy or is not to be effective with the policy:
Endorsement Number:	009	Issued to:
Policy Number:	RWE500044211	Effective Date of this Endorsement:

XL Specialty Insurance Company

Countersigned by_____
Authorized Representative

Includes copyrighted material of National Council on Compensation Insurance, Inc. with its permission.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 4/17/2025

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 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
Brown & Brown RS Insurance Services, LLC
21650 Oxnard Street, Suite 1600
Woodland Hills, CA 91367

www.bbinsurance.com

CONTACT NAME: Brown & Brown RS Insurance Services, LLC
PHONE (A/C, No, Ext): 404-460-1400 **FAX (A/C, No):**
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Indian Harbor Insurance Company	36940
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Recology Sacramento
2727 2nd Street
Davis CA 95618

COVERAGES **CERTIFICATE NUMBER:** 84882646 **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 $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						☐ PER STATUTE ☐ OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ **(Mandatory in NH)**	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Pollution & Remediation Legal Liability (SIR: $250K)			PEC000549111	10/1/2023	10/1/2026	Ea. Pollution Condition	$5,000,000
							Aggregate	$10,000,000

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 *Brown & Brown RS Insurance Services, LLC*

Brown & Brown RS Insurance Services, LLC

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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: Reliable Dumpster Service 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 Margaret Kaahuba

Sign John Hebb (May 21, 2026 16:57:27 PDT)

Sign Matt Eierman (May 22, 2026 10:46:17 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

Reliable Dumpster Service, LLC
2567 Starbuck Rd., Rescue, CA 95672
916 420-4210 | info@reliabledumpster.services

("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:

Timothy Wolfe | Owner

2567 Starbuck Rd., Rescue, CA 95672

916 420-4210 | tim@reliabledumpster.services

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 19:01:51 PDT)

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Reliable Dumpster Service, LLC

NAME OF FIRM

99-4934128

Federal I.D. No.

202463714276

State I.D. No.

1116763

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:* _____)

Timothy Wolfe
Timothy Wolfe (May 4, 2026 18:14:03 PDT) 05/04/2026

Signature of Authorized Person

Timothy Wolfe | 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 *Reliable Dumpster Service, 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 *Reliable Dumpster Service, 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.

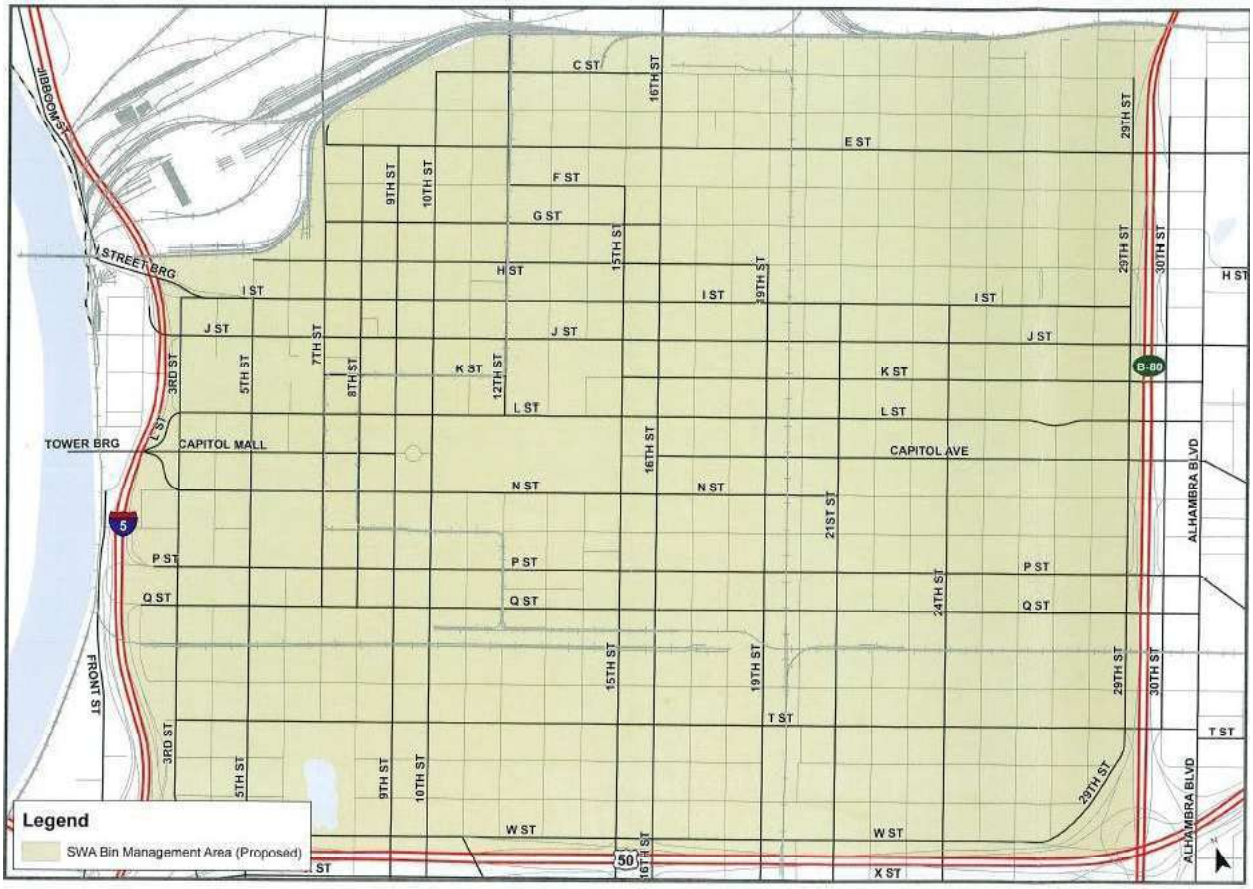


Exhibit B
Compensation

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") *Reliable Dumpster Service, 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): 04/08/2026

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 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 BIBERK PO Box 3300 Wilkes-Barre PA 18773	CONTACT NAME:	
	PHONE (A/C. No. Ext): 844-472-0967	FAX (A/C. No): 203-654-3613
	E-MAIL ADDRESS: CustomerService@biBERK.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Berkshire Hathaway Direct Insurance Company	10391
INSURED Reliable Dumpster Service LLC 2567 Starbuck Rd Rescue CA 95672	INSURER B:	
	INSURER C:	
	INSURER D:	
	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	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	
	CLAIMS-MADE ☐ OCCUR ☐						MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS – COMP/OP AGG	$
	☐ POLICY ☐ PRO-JECT ☐ LOC							$
	☐ OTHER:							
A	**AUTOMOBILE AUTHORITY**	X		**0049472-01-CA**	**10/01/2025**	**10/01/2026**	COMBINED SINGLE LIMIT (Ea accident)	$ **5,000,000.00**
	☐ ANY AUTO						BODILY INJURY (Per Person)	$ **N/A**
	☐ ALL OWNED AUTOS ☒ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$ **N/A**
	☐ HIRED AUTOS ☐ NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$ **N/A**
	☐ **UMBRELLA LIAB** ☐ OCCUR						EACH OCCURRENCE	$
	☐ **EXCESS LAB** ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N	N / A					☐ PER STATUTE ☐ OTH-ER	
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E. L. EACH ACCIDENT	$
							E. L. DISEASE – EA EMPLOYEE	$
							E. L. DISEASE – POLICY LIMIT	$

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

The certificate holder is recorded in the insurer's records as a loss payee for 2019 FREIGHTLINER M2 1FVACWD2XKHLJ4404 with limit of $120000 and a comprehensive deductible of $500 or if different deductibles: Comprehensive deductible of $500.and a collision deductible of $500 or if different deductibles: Collision Deductible of $500.

See Schedule of Covered Autos

City of Sacramento C O Exigis LLC is listed as additional insured as it pertains to automobile liability (see endorsement attached).

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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SCHEDULE OF COVERED AUTOS

POLICY NUMBER: **0049472-01-CA** EFFECTIVE DATE: **12/25/2025**

NAMED INSURED: **Reliable Dumpster Service LLC**

NOTES:

VEHICLE INFORMATION:

	Year	Make and Model	VIN	Use* (C/S/R)	Radius	Garaging Territory	Garaging City, State	GVW or Seating Cap.
Vehicle #	Liability Premium	Medical Payments Premium	Personal Injury Protection Premium	Additional Insured Premium			In-Tow Premium	Cargo Premium
	Stated Limit or ACV	Specified Causes (S) or Comprehensive (C)	Specified Causes or Comprehensive Premium	Specified Causes or Comprehensive Deductible			Collision Premium	Collision Deductible
1	2019	FREIGHTLINER M2	1FVACWD2XKHLJ4404	Business Use	51 to 100 miles		Rescue CA	20001-26000 lbs
	$11,510.00	$15.00	$0.00	$0.00			$0.00	$0.00
	$120,000	C	$1,019.00	$500			$1,405.00	$500

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED ENDORSEMENT

SCHEDULE – ADDITIONAL INSURED: **City of Sacramento C/O Exigis LLC**

In consideration of payment of the additional premium listed below, LIABILITY COVERAGE is extended to include the additional insured named herein, provided that:

1) such insurance applies only to the ownership, maintenance or use of a covered auto; and

2) such insurance applies only to acts or omissions by you, your agents or your “employees” while such covered auto is being used in your business; and

3) such insurance does not apply to the acts or omissions of the additional insured or any of the additional insured’s agents or "employees" other than you; and

4) such insurance does not apply if the additional insured is subject to motor carrier insurance requirements and is not insured for hired "autos" under an "auto" liability insurance form that insures on a primary basis the owners of the "autos" and their agents and "employees" while the "autos" are being used exclusively in the additional insured’s business and pursuant to operating rights granted to the additional insured by a public authority; and

5) such inclusion of additional insured shall not increase our limit of liability under this policy.

All other terms, conditions and agreements remain unchanged

Additional Premium:_____

Company Name	Policy Number
Berkshire Hathaway Direct Insurance Company	**0049472-01-CA**
	Endorsement Effective **12/25/2025**
Named Insured **Reliable Dumpster Service LLC**	Countersigned at Peter Shelley President (Authorized Representative)

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 01/09/2026

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: Certificate Team
Inszone Insurance Services, LLC 2721 Citrus Road, Suite A Rancho Cordova, CA 95742	PHONE (A/C, No, Ext): (877) 308-9663 FAX (A/C, No): (916) 503-6271 E-MAIL ADDRESS: info@inszoneins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : State National Insurance Company	12831
INSURER B : State Compensation Ins Fund	35076
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED

Reliable Dumpster Service LLC
2567 Starbuck Rd
Rescue, CA 95672

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						EACH OCCURRENCE	$ 1,000,000
	[ ] CLAIMS-MADE [X] OCCUR	Y	Y	NXTLTD9W3P-00-GL	12/30/2025	12/30/2026	DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 15,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY [ ] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	[ ] 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)	$
								$
A	X UMBRELLA LIAB X OCCUR						EACH OCCURRENCE	$ 2,000,000
	[ ] EXCESS LIAB [ ] CLAIMS-MADE			NXTLTD9W3P-00-GL	12/30/2025	12/30/2026	AGGREGATE	$ 2,000,000
	[ ] DED [ ] RETENTION $							$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						X PER STATUTE [ ] OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N: Y (Mandatory in NH)	N / A	Y	9392756-2025	12/31/2025	12/31/2026	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

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, and it's officer, agents, employees, and volunteers shall be named as additional insured. NEXT will endeavor to provide this Certificate Holder with written notice of cancellation 30 days in advance for any of the following policies: General Liability.

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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STATE COMPENSATION INSURANCE FUND

Endorsement Agreement

Waiver of Subrogation
Blanket Basis

9392756-2025
New
NF

Home Office
San Francisco
All Effective Dates are
at 12:01 AM Pacific
Standard Time or the
Time Indicated at
Pacific Standard Time

Effective December 31, 2025 at 12:01 AM
and Expiring December 31, 2026 at 12:01 AM

RELIABLE DUMPSTER SERVICE LLC
2567 STARBUCK RD
RESCUE, CA 95672

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 December 30, 2025

2572 Authorized Representative President and CEO SF – END

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:

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

SCHEDULE

Name Of Person(s) Or Organization(s):
Any person or organization against whom you have agreed to waive such right of recovery in a written contract or agreement
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 against the person(s) or organization(s) shown in the Schedule above because of payments we make under this Coverage Part. Such waiver by us applies only to the extent that the insured has waived its right of recovery against such person(s) or organization(s) prior to loss. This endorsement applies only to the person(s) or organization(s) shown in the Schedule above.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. SECTION II - WHO IS AN INSURED is amended to include the following as insureds:

1. Lessor of Leased Equipment

Any person or organization from whom you lease equipment 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 insured only with respect to their liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

No such person or organization is an insured under this section:

a. Upon expiration or termination of their contract or agreement with you for such leased equipment ends;

b. For any “bodily injury” or “property damage” caused by an "occurrence" which takes place after expiration or termination of their contract or agreement with you; or

c. For any “personal and advertising injury” caused by an "offense" which takes place after expiration or termination of their contract or agreement with you.

2. Managers or Lessors of Premises

Any person or organization from whom you lease premises 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 insured only with respect to liability arising out of your ownership, maintenance or use of that part of the premises leased to you.

No such person or organization is an insured under this section for any:

a. For “bodily injury” or “property damage” caused by an "occurrence" which takes place after you cease to be a tenant in that premises.

b. Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Grantor of Franchise

Any person or organization (referred to below as grantor of a franchise) with whom 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, but only with respect to "bodily injury" or "property damage" arising out of " liability as grantor of a franchise to you

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.

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C. With respect to the provisions of this endorsement, the following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, paragraph **4. Other Insurance**:

Regardless of whether other insurance is available to an additional insured on a primary basis, this insurance will be primary and noncontributory if a written contract between you and the additional insured specifically requires that this insurance be primary.

All other terms and conditions of the policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – AUTOMATIC STATUS

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION II - WHO IS AN INSURED is amended to include as an additional insured any person or organization 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.

A. 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
with respect to:

a. Premises you own, rent, lease, or occupy; or
b. Your ongoing operations performed for that insured.

B. 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.

C. The Limits of Insurance applicable to the additional insured are the lesser of those specified in:
1. The written contract or agreement; or
2. The Declarations for this policy, whichever is less.
Such are included in, and not in addition to, the Limits of Insurance shown in the Declarations.

D. Regardless of whether other insurance is available to an additional insured on a primary basis, this insurance will be primary and noncontributory if a written contract between you and the additional insured specifically requires that this insurance be primary.

All other terms and conditions of the policy remain unchanged.

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 4/30/2026

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: Jennifer Novak	
Wisdom Insurance Agency 2309 Silvernail Rd Pewaukee WI 53072	PHONE (A/C, No, Ext): (262) 408-5019	FAX (A/C, No):
	E-MAIL ADDRESS: jennifer@wisdominsurance.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : Markel	
INSURED	INSURER B :	
Reliable Dumpster Service LLC 2567 STARBUCK RD RESCUE CA 95672-9675	INSURER C :	
	INSURER D :	
	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	
	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 $							$
	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)						E.L. DISEASE - EA EMPLOYEE	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - POLICY LIMIT	$
A	Pollution Liability			CPLMOL139646	04/29/2026	04/29/2027	Limit	3,000,000
							Ded	1,000

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

Toby Stubbs

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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: Allied Waste Services of North America, LLC, dba Republic Services of Sacramento

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 Ebbs (May 21, 2026 16:58:06 PDT)

Sign Matt Eierman (May 22, 2026 10:45:14 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

Allied Waste Services of North America, LLC, dba Republic Services of Sacramento

3326 Fitzgerald Rd., Rancho Cordova, CA 95742

(916) 631-0600 | sacramentobusinessservices@republicservices.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:

Colin Wallace | General Manager
3326 Fitzgerald Rd., Rancho Cordova, CA 95742
(916) 631-0600 | cwallace2@republicservices.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 18:53:38 PDT)

_____

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Allied Waste Services of North America, LLC, dba Republic Services of Sacramento

NAME OF FIRM

20-1838910

Federal I.D. No.

15918

State I.D. No.

159180

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:* _____)

Colin Wallace
Colin Wallace (May 7, 2026 10:44:08 PDT) 05/07/2026

Signature of Authorized Person

Colin Wallace | General Manager

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 Allied Waste Services of North America, LLC, dba Republic Services of Sacramento ("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 *Allied Waste Services of North America, LLC, dba Republic Services of Sacramento* ("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.

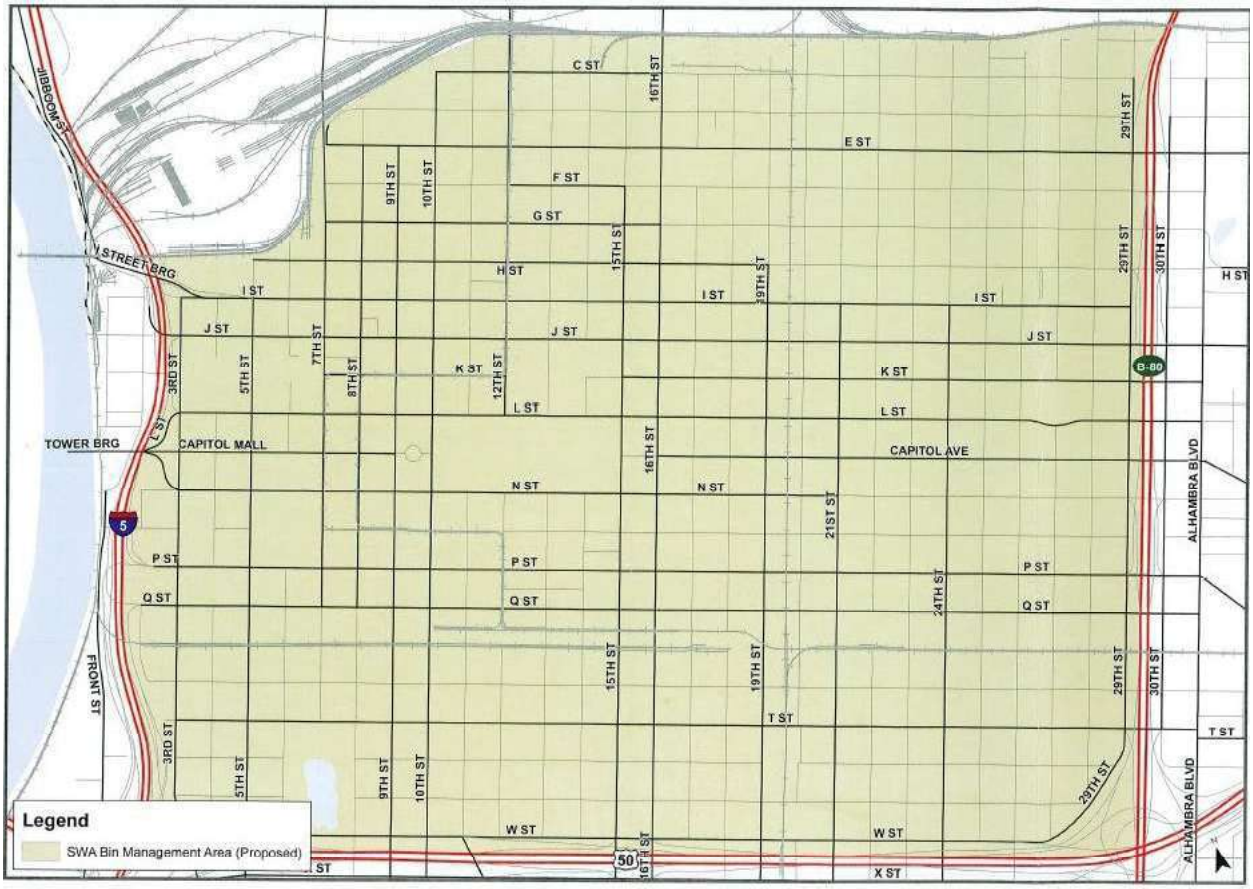


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between Allied Waste Services of North America, LLC, dba Republic Services of Sacramento ("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 *Allied Waste Services of North America, LLC, dba Republic Services of Sacramento* ("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)
06/30/2025

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 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
CANNON COCHRAN MANAGEMENT SERVICES, INC.
17015 NORTH SCOTTSDALE ROAD
SCOTTSDALE, AZ 85255

CONTACT NAME:

PHONE (A/C No.Ext): | **FAX (A/C No.Ext):**

E-MAIL ADDRESS:certificateteam@ccmsi.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: ACE American Insurance Co.	22667
INSURER B: Indemnity Insurance Co. of North America	43575
INSURER C: Illinois Union Insurance Company	27960
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
REPUBLIC SERVICES, INC.
18500 N. ALLIED WAY
PHOENIX, AZ 85054

COVERAGES **CERTIFICATE NUMBER: 2619011** **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 [ ] PROJECT [ ] LOC [ ] OTHER:			HDO G48981793	06/30/2025	06/30/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS -COMP/OP AGG	$ 10,000,000 $ 10,000,000 $ 10,000,000 $ 30,000,000 $ 20,000,000
A	AUTOMOBILE LIABILITY [X] ANY AUTO [X] OWNED AUTOS ONLY [X] SCHEDULED AUTOS [X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY			ISA H1137119A	06/30/2025	06/30/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY(Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 10,000,000
	[ ] UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	
B A A C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [N] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WLR C72793894 - AOS WLR C72793882 - OR SCF C72793900 - WI WCU C72793912 - OH XS TNS C72627490 - TX NS/XS	06/30/2025 06/30/2025 06/30/2025 06/30/2025 06/30/2025	06/30/2026 06/30/2026 06/30/2026 06/30/2026 06/30/2026	[X] PER STATUTE [ ] OTHER E.L. EACH ACCIDENT E.L. DISEASE -EA EMPLOYEE E.L. DISEASE -POLICY LIMIT	 $ 3,000,000 $ 3,000,000 $ 3,000,000
	X Contractor's Pollution Liability:			See page 2 for details	06/30/2025	06/30/2026		

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

Division Number: 4922 - Named Insured Includes: Allied Waste Services of North America, LLC - Dba: Allied Waste Services of Sacramento - Republic Services of Sacramento

CERTIFICATE HOLDER

The City of Sacramento, its Officials, Agents, Employees & Volunteers

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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ADDITIONAL REMARKS SCHEDULE

AGENCY	NAMED INSURED
	REPUBLIC SERVICES, INC. 18500 N. ALLIED WAY PHOENIX, AZ 85054
POLICY NUMBER See First Page	
CARRIER See First Page / NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS **CERTIFICATE NUMBER: 2619011**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM.

FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

The following provisions apply when required by written contract. As used below, the term certificate holder also includes any person or organization that the insured has become obligated to include as a result of an executed contract or agreement.

GENERAL LIABILITY:
Certificate holder is Additional Insured including on-going and completed operations when required by written contract.
Coverage is primary and non-contributory when required by written contract.
Waiver of Subrogation in favor of the certificate holder is included when required by written contract.

AUTO LIABILITY:
Certificate holder is Additional Insured when required by written contract.
Coverage is primary and non-contributory when required by written contract.
Waiver of Subrogation in favor of the certificate holder is included when required by written contract.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY:
Waiver of Subrogation in favor of the certificate holder is included when required by written contract where allowed by state law.

Stop gap coverage for ND, WA and WY is covered under policy no. WLR C72793894 and stop gap coverage for OH is covered under policy no. WCU C72793912 as noted on page 1 of this certificate.

TEXAS EXCESS INDEMNITY AND EMPLOYERS LIABILITY:
Insured is a registered non-subscriber to the Texas Workers Compensation Act. Insured has filed an approved Indemnity Plan with the Texas Department of Insurance which offers an alternative in benefits to employees rather than the traditional Workers Compensation Insurance in Texas. The excess policy (TNS C72627490) shown on this certificate provides excess Indemnity and Employers Liability coverage for the approved Indemnity Plan.

Contractual Liability is included in the General Liability and Automobile Liability coverage forms. The General Liability and Automobile Liability policies do not contain endorsements excluding Contractual Liability.

Separation of Insured (Cross Liability) coverage is provided to the Additional Insured, when required by written contract, per the Conditions of the Commercial General Liability Coverage form and the Automobile Liability Coverage form.

Contractor's Pollution Liability Details of Cover:

Steadfast Insurance Company (Zurich) (NAIC # 26387) - Policy No. PEC 0792830-02 - $25MM - 06/30/25 - 06/30/26

Applicable to the Contractor's Pollution Liability Coverage Parts Only:
$25,000,000 - Damage Limit for Each Occurrence, Claim or Pollution Condition
$25,000,000 - Claims Expense Limit for Each Claim
$25,000,000 - General Aggregate Limit
$25,000,000 - Claims Expense Aggregate Limit

Applicable to Professional Liability Coverage Parts Only:
$25,000,000 - Damage Limit for Each Claim or Wrongful Act
$25,000,000 - Claims Expense Limit for Each Claim
$25,000,000 - General Aggregate Limit

Re: Commercial Waste Collection Franchise Agreement

Additional Insured includes: The City of Sacramento, its officials, agents, employees & volunteers, when required by written contract.

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ADDITIONAL INSURED – DESIGNATED PERSONS OR ORGANIZATIONS

Named Insured			Endorsement Number
Republic Services, Inc.			4
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
ISA	H1137119A	06/30/2025 to 06/30/2026	
Issued By (Name of Insurance Company)			
ACE American 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:

BUSINESS AUTO COVERAGE FORM
AUTO DEALERS COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
EXCESS BUSINESS AUTO COVERAGE FORM
EXCESS TRUCKERS COVERAGE FORM

Additional Insured(s): Any person or organization whom you have agreed to include as an additional insured under written contract or agreement which include permits and licenses requiring DA9U74b (0614), provided such contract or agreement was executed prior to the date of loss.

A. For a covered "auto," Who Is Insured is amended to include as an "insured," the persons or organizations named in this endorsement. However, these persons or organizations are an "insured" only for "bodily injury" or "property damage" resulting from acts or omissions of:

1. You.
2. Any of your "employees" or agents.
3. Any person operating a covered "auto" with permission from you, any of your "employees" or agents.

B. The persons or organizations named in this endorsement are not liable for payment of your premium.

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POLICY NUMBER: HDO G48981793 Endorsement Number: 198

COMMERCIAL GENERAL LIABILITY
CG 20 10 04 13

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 Owner, Lessee or Contractor whom you have agreed to include as an additional insured under a written contract requiring CG2010 (0413), provided such contract was executed prior to the date of loss.	All locations where you are performing operations for such additional insured pursuant to any such 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:

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

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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.

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POLICY NUMBER: HDO G48981793 Endorsement Number: 152

COMMERCIAL GENERAL LIABILITY
CG 20 37 04 13

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 Owner, Lessee or Contractor whom you have agreed to include as an additional insured under a written contract requiring CG2037 (0413), provided such contract was executed prior to the date of loss.	All locations where you are performing operations for such additional insured pursuant to any such 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" 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.

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Workers' Compensation and Employers' Liability Policy

Named Insured REPUBLIC SERVICES, INC. 18500 N. ALLIED WAY PHOENIX AZ 85054	Endorsement Number Policy Number Symbol: WLR Number: C72793894
Policy Period 06-30-2025 **TO** 06-30-2026	Effective Date of Endorsement 06-30-2025
Issued By (Name of Insurance Company) INDEMNITY INS. CO. OF NORTH AMERICA	
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 to which it is attached and is effective on the date issued unless otherwise stated.	

CALIFORNIA WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because California is shown in Item 3.A. of the Information Page.

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, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule, where you are required by a written contract to obtain this waiver from us.

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

Schedule

1. ( ) Specific Waiver
   Name of person or organization:

   (X) Blanket Waiver
   Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

2. Operations:

   ALL OPERATIONS CONDUCTED BY AN INSURED PURSUANT TO SUCH WRITTEN CONTRACT

3. Premium:

   The premium charge for this endorsement shall be 1.0 percent of the California premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.

4. Minimum Premium: $0

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: Rich Custer's Junk Hauling & Dumpster Rental

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 16:58:44 PDT)

Sign Matt Eierman (May 22, 2026 10:44:37 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

Rich Custer's Junk Hauling & Dumpster Rental
7420 Carr Hall Ln., Loomis, CA 95650
(916) 519-0668 | r.custer@live.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:

Richard Custer | Owner
7420 Carr Hall Ln., Loomis, CA 95650
(916) 519-0668 | r.custer@live.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 19:07:32 PDT)

_____

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Rich Custer's Junk Hauling & Dumpster Rental

NAME OF FIRM

831761660

Federal I.D. No.

A7957118

State I.D. No.

1113272

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:* _____)

Richard Custer (May 8, 2026 06:01:47 PDT) 05/08/2026

Signature of Authorized Person

Richard Custer | 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 *Rich Custer's Junk Hauling & Dumpster Rental* ("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 *Rich Custer's Junk Hauling & Dumpster Rental* ("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.

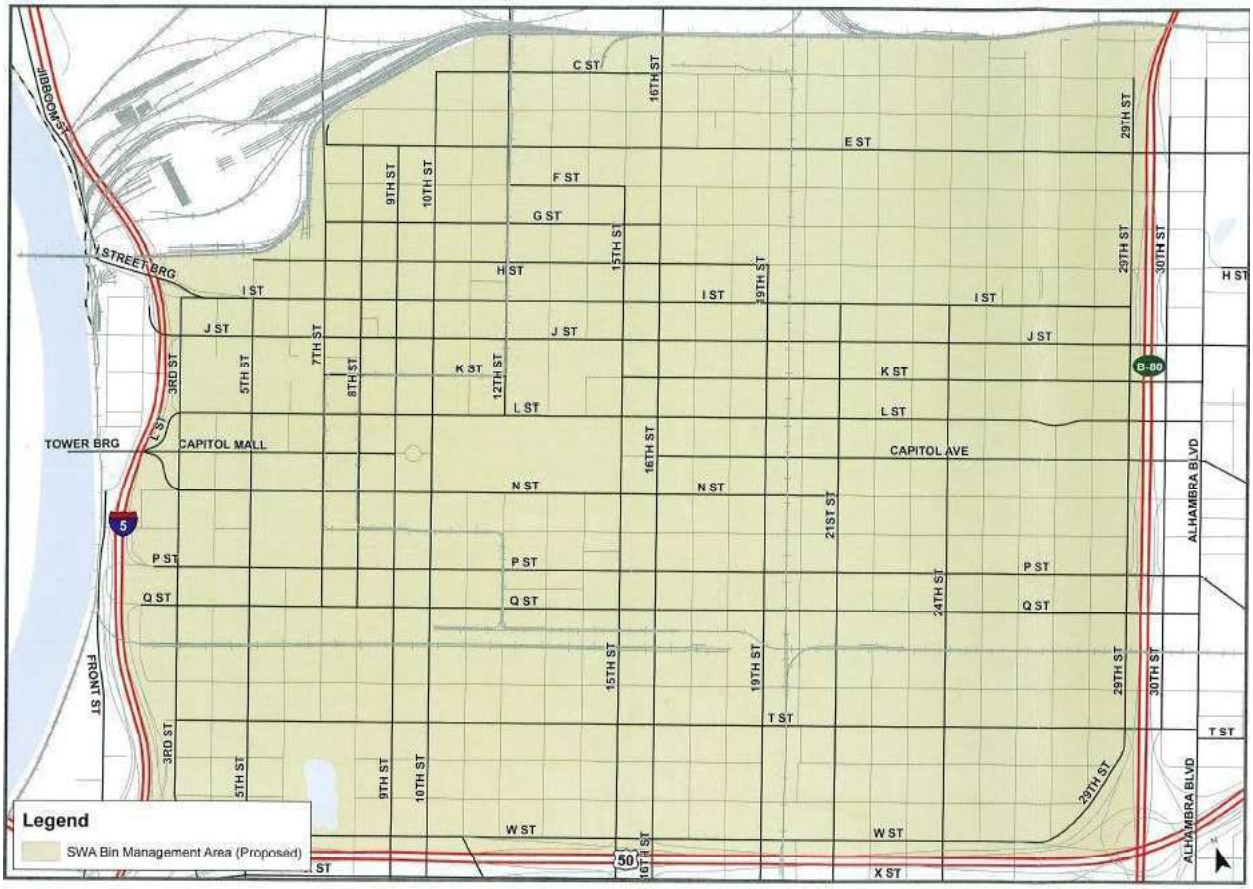


Exhibit B
Compensation

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") *Rich Custer's Junk Hauling & Dumpster Rental* 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): 04/29/2026

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: Alex Rue	
Alex Rue Insurance Agency, Inc. 9815 Antelope Road Roseville CA 95747	PHONE (A/C, No, Ext): (916) 572-9815	FAX (A/C, No): (916) 572-9815
	E-MAIL ADDRESS: alex@alexrue.com	

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
Rich Custer 7420 Carr Hall Ln Loomis CA 95650	INSURER A : State National Insurance Company, Inc	12831
	INSURER B : United Financial Casualty Company	11770
	INSURER C : Evanston Insurance Company	35378
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** CL2641043386 **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	Y	NXTKYVRXY4-04-GL	03/28/2026	03/28/2027	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 $ 15,000 $ 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			00581614	04/03/2026	10/03/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Policy Fee	$ 2,000,000 $ $ $ $
C	☐ UMBRELLA LIAB ☒ OCCUR ☒ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION $			EZXS3238500	03/28/2026	03/28/2027	EACH OCCURRENCE AGGREGATE	$ 1,000,000 $ 1,000,000
	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	 $ $ $
C	Contractor's Pollution Liability			CPLMOL139080	04/12/2026	04/12/2028	General Aggregate Each Occurrence	$1,000,000 $1,000,000

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

2011 Chevrolet Silverado 1GC2KXE81BZ120950
2023 Isuzu JALE5W16XP7901731

Excess Liability is over General Liability.

Certificate holder is listed as additional insured.

CERTIFICATE HOLDER

City of Sacramento
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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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. SECTION II - WHO IS AN INSURED is amended to include the following as insureds:

1. Lessor of Leased Equipment

Any person or organization from whom you lease equipment 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 insured only with respect to their liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

No such person or organization is an insured under this section:

a. Upon expiration or termination of their contract or agreement with you for such leased equipment ends;

b. For any “bodily injury” or “property damage” caused by an "occurrence" which takes place after expiration or termination of their contract or agreement with you; or

c. For any “personal and advertising injury” caused by an "offense" which takes place after expiration or termination of their contract or agreement with you.

2. Managers or Lessors of Premises

Any person or organization from whom you lease premises 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 insured only with respect to liability arising out of your ownership, maintenance or use of that part of the premises leased to you.

No such person or organization is an insured under this section for any:

a. For “bodily injury” or “property damage” caused by an "occurrence" which takes place after you cease to be a tenant in that premises.

b. Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Grantor of Franchise

Any person or organization (referred to below as grantor of a franchise) with whom 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, but only with respect to "bodily injury" or "property damage" arising out of " liability as grantor of a franchise to you

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.

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C. With respect to the provisions of this endorsement, the following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, paragraph **4. Other Insurance**:

Regardless of whether other insurance is available to an additional insured on a primary basis, this insurance will be primary and noncontributory if a written contract between you and the additional insured specifically requires that this insurance be primary.

All other terms and conditions of the 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:

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

SCHEDULE

Name Of Person(s) Or Organization(s):
Any person or organization against whom you have agreed to waive such right of recovery in a written contract or agreement
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 against the person(s) or organization(s) shown in the Schedule above because of payments we make under this Coverage Part. Such waiver by us applies only to the extent that the insured has waived its right of recovery against such person(s) or organization(s) prior to loss. This endorsement applies only to the person(s) or organization(s) shown in the Schedule above.

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POLICYHOLDER COPY

NF

STATE COMPENSATION INSURANCE FUND

P.O. BOX 8192, PLEASANTON, CA 94588

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 03-26-2026

GROUP:
POLICY NUMBER: **9239377-2025**
CERTIFICATE ID: **46**
CERTIFICATE EXPIRES: **10-05-2026**
10-05-2025/10-05-2026
THIS CERTIFICATE SUPERSEDES AND CORRECTS
CERTIFICATE # 23 DATED 10-05-2025

EXIGIS LLC
PO BOX 947
MURRIETA CA 92564-0947

NF

This is to certify that we have issued a valid Workers' Compensation insurance policy in a form approved by the California Insurance Commissioner to the employer named below for the policy period indicated.

This policy is not subject to cancellation by the Fund except upon **30** days advance written notice to the employer.

We will also give you **30** days advance notice should this policy be cancelled prior to its normal expiration.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policy listed herein. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate of insurance may be issued or to which it may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions, and conditions, of such policy.

Authorized Representative

President and CEO

UNLESS INDICATED OTHERWISE BY ENDORSEMENT, COVERAGE UNDER THIS POLICY EXCLUDES THE FOLLOWING: THOSE NAMED IN THE POLICY DECLARATIONS AS AN INDIVIDUAL EMPLOYER OR A HUSBAND AND WIFE EMPLOYER; EMPLOYEES COVERED ON A COMPREHENSIVE PERSONAL LIABILITY INSURANCE POLICY ALSO AFFORDING CALIFORNIA WORKERS' COMPENSATION BENEFITS; EMPLOYEES EXCLUDED UNDER CALIFORNIA WORKERS' COMPENSATION LAW.

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: $1,000,000 PER OCCURRENCE.

ENDORSEMENT #2065 ENTITLED CERTIFICATE HOLDERS' NOTICE EFFECTIVE 10-05-2025 IS ATTACHED TO AND FORMS A PART OF THIS POLICY.

ENDORSEMENT #2572 ENTITLED BLANKET WAIVER OF SUBROGATION EFFECTIVE 2025-10-05 IS ATTACHED TO AND FORMS A PART OF THIS POLICY

EMPLOYER

CUSTER, RICHARD
7420 CARR HALL LN
LOOMIS CA 95650

NF

[P1E,HO]

(REV.7-2014)

PRINTED : 03-26-2026

STATE COMPENSATION INSURANCE FUND®

Endorsement Agreement

Waiver of Subrogation
Blanket Basis

9239377-2025
Renewal
NF
8-88-31-97

Home Office
San Francisco
All Effective Dates are
at 12:01 AM Pacific
Standard Time or the
Time Indicated at
Pacific Standard Time

Effective October 5, 2025 at 12:01 AM
and Expiring October 5, 2026 at 12:01 AM

RICH CUSTER'S JUNK HAULING
7420 CARR HALL LN
LOOMIS, CA 95650-9405

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 October 4, 2025

2572 Authorized Representative President and CEO SF – END

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: TKO Metals, Inc., dba Sacramento Recycling & Waste

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 Hobbs (May 21, 2026 16:59:26 PDT)

Sign Matt Eierman (May 22, 2026 10:43:55 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

TKO Metals, Inc., dba Sacramento Recycling & Waste

3341 Fitzgerald Rd. Unit D, Rancho Cordova, CA 95742

(800) 746-4856 | pickups@tkometals.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:

Oliver Johnson | CEO

3341 Fitzgerald Rd. Unit D, Rancho Cordova, CA 95742

(800) 746-4856 | oliver@calltko.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 10:23:54 PDT)

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

TKO Metals, Inc., dba Sacramento Recycling & Waste

NAME OF FIRM

61-1843229

Federal I.D. No.

093-1208-3

State I.D. No.

1050426

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:* _____)

Oliver Johnson — 05/05/2026
Oliver Johnson (May 5, 2026 10:47:07 PDT)

Signature of Authorized Person

Oliver Johnson | CEO

Print Name and Title

Oliver Johnson — 05/05/2026
Oliver Johnson (May 5, 2026 14:29:29 PDT)

Additional Signature *(if required)*

Oliver Johnson | CFO

Print Name and Title

Exhibit A
Scope of Services

This Exhibit A incorporates by this reference the Franchise Agreement between *TKO Metals, Inc., dba Sacramento Recycling & Waste* ("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 *TKO Metals, Inc., dba Sacramento Recycling & Waste* ("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.

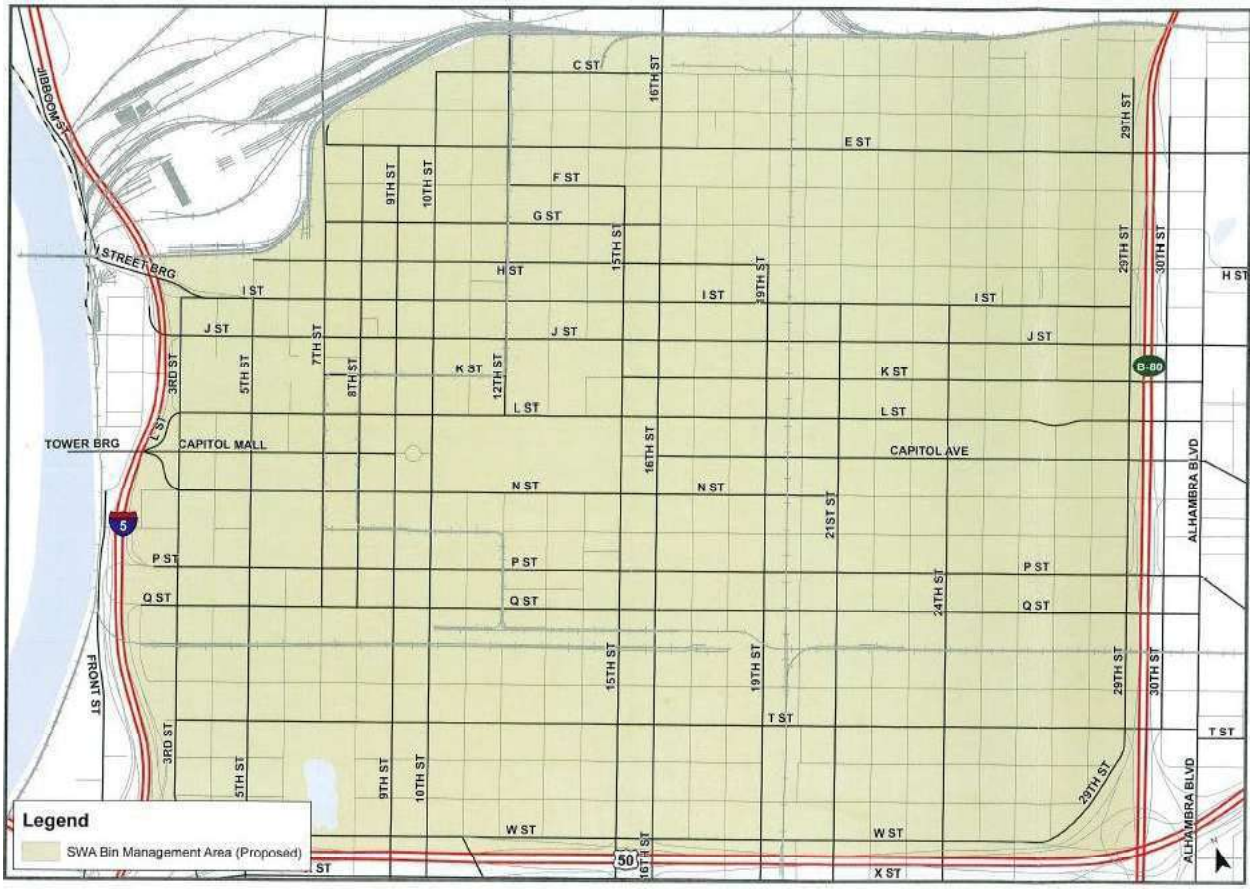


Exhibit B
Compensation

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") *TKO Metals, Inc., dba Sacramento Recycling & Waste* 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.

TKORECY-01 AWEMPLE

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 3/10/2026

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 M&O Agencies, LLC 2625 W Geronimo Place, Suite 350 Chandler, AZ 85224	CONTACT NAME: PHONE (A/C, No, Ext): (480) 730-4920 FAX (A/C, No): (480) 730-4929 E-MAIL ADDRESS:
INSURED TKO Recycling, Inc.; TKO Metals, Inc. 11493 Folsom Blvd Rancho Cordova, CA 95742	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Berkley Specialty Insurance Company — 31295 INSURER B : Riverport Insurance Company — 36684 INSURER C : Insurance Company of the West — 27847 INSURER D : Lloyds 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:	X		SPK 3500748-14	3/10/2026	3/10/2027	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 $ 300,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
B	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [X] SCHEDULED AUTOS X HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY			SCA 3500749-14	3/10/2026	3/10/2027	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
A	X UMBRELLA LIAB [X] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED X RETENTION $ 10,000			SPK 3500748-14	3/10/2026	3/10/2027	EACH OCCURRENCE AGGREGATE	$ 2,000,000 $ 2,000,000
C	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	X	WNY506193104	9/1/2025	9/1/2026	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
D	Pollution Coverage			RPL00002002	5/19/2025	5/19/2027	Occurrence Limit	1,000,000
B	Hired&Non-Owned Auto			SCA 3500749-14	3/10/2026	3/10/2027	Physical Damage Incl	

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

Hired & Non-Owned Physical Damage Coverage :
Comprehensive Coverage Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus $ 100 Deductible For Each Covered Auto, However, No Deductible Applies To Loss Caused By Fire Or Lightning.

Collision Coverage Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus $ 500 Deductible For Each Covered Auto.

The City, its officials, employees and volunteers are named as additional insured when required in a written contract as respects to General Liability arising
SEE ATTACHED ACORD 101

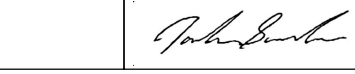
CERTIFICATE HOLDER

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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AGENCY CUSTOMER ID: TKORECY-01 AWEMPLE

LOC #: 1

ADDITIONAL REMARKS SCHEDULE

AGENCY	NAMED INSURED
M&O Agencies, LLC	TKO Recycling, Inc.; TKO Metals, Inc. 11493 Folsom Blvd Rancho Cordova, CA 95742
POLICY NUMBER SEE PAGE 1	
CARRIER: SEE PAGE 1 — NAIC CODE: SEE P 1	EFFECTIVE DATE: SEE PAGE 1

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

Description of Operations/Locations/Vehicles:
out of activities performed by or on behalf of franchisee and subcontractors as per forms Additional Insured - Owners, Lessees Or Contractors - Automatic Status When Required In Construction Agreement With You CG 20 33 12-2019 & Additional Insured Endorsement CA 83 07 10-2013. Waiver of Subrogation applies to the Workers Compensation as per form WC990634800. Umbrella is Excess over General Liability and Automobile Liability.

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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: USA Waste of California, Inc., dba Waste Management of Sacramento

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 21, 2026 17:01:02 PDT)

Sign Matt Eierman (May 22, 2026 10:43:03 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

USA Waste of California, Inc., dba Waste Management of Sacramento

8761 Younger Creek Dr, Sacramento CA 95828

(866) 844-1508 | cssacramentoCM@wm.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:

Joe Cadelago | Public Sector Manager
8761 Younger Creek Dr, Sacramento CA 95828
(866) 844-1508 | jcadelag@wm.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 10:26:22 PDT)

_____

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

USA Waste of California, Inc., dba Waste Management of Sacramento

NAME OF FIRM

68-0306154

Federal I.D. No.

C1992530

State I.D. No.

6111

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:* _____)

05/05/2026

Signature of Authorized Person

Alex Oseguera | 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 USA Waste of California, Inc., dba Waste Management of Sacramento ("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 *USA Waste of California, Inc., dba Waste Management of Sacramento* ("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.

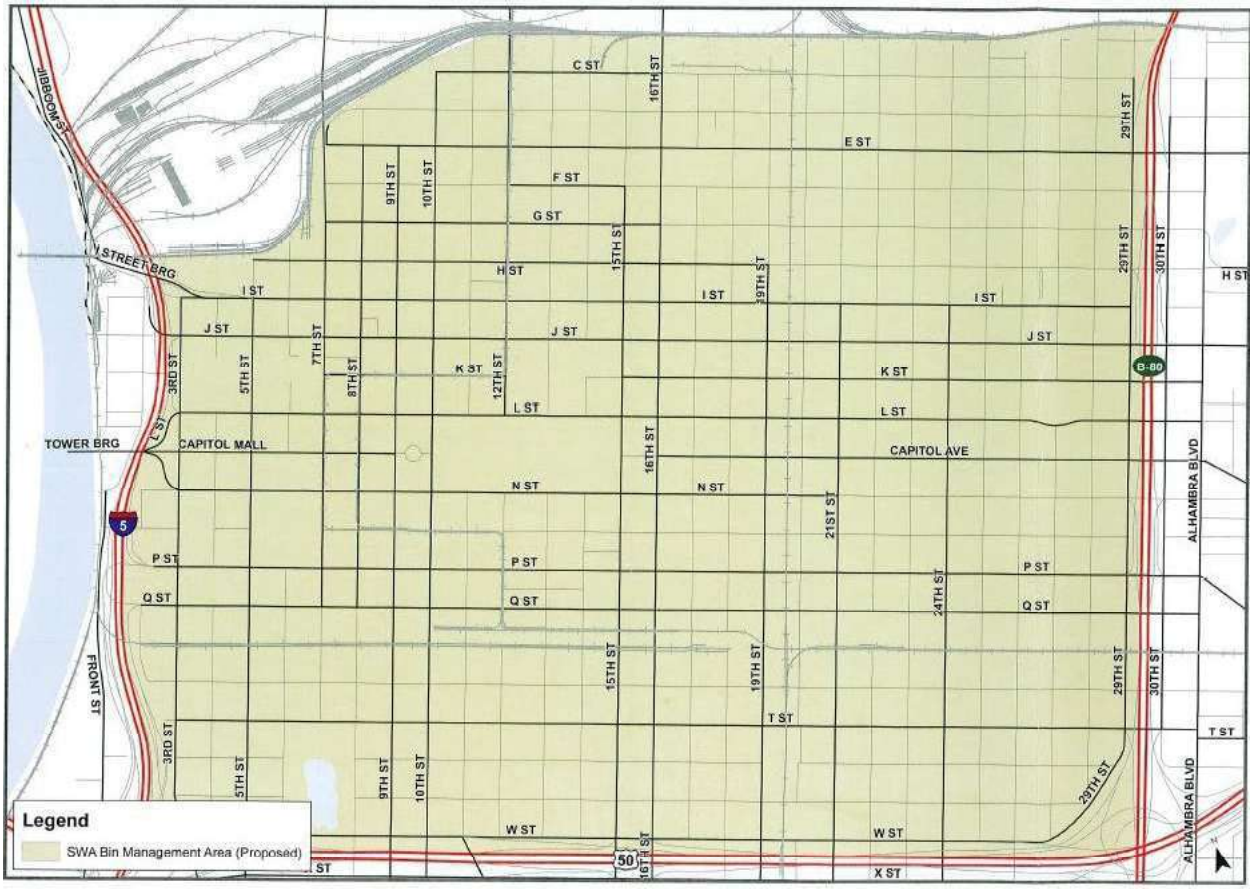


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between *USA Waste of California, Inc., dba Waste Management of Sacramento* ("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 *USA Waste of California, Inc., dba Waste Management of Sacramento* ("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

1/1/2027

DATE (MM/DD/YYYY): 12/11/2025

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 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 Lockton Companies, LLC DBA as Lockton Insurance Brokers, LLC in CA CA license #0F15767 3657 Briarpark Dr., Ste. 700 Houston TX 77042 (866) 260-3538 TXClientSrvUT@lockton.com	**CONTACT NAME:** **PHONE (A/C, No, Ext):** **FAX (A/C, No):** **E-MAIL ADDRESS:**
INSURED 1306000 WASTE MANAGEMENT HOLDINGS, INC. & ALL AFFILIATED, RELATED & SUBSIDIARY COMPANIES INCLUDING: SAC VAL DISPOSAL 8761 YOUNGER CREEK DRIVE SACRAMENTO CA 95928	**INSURER(S) AFFORDING COVERAGE** — **NAIC #** **INSURER A :** ACE American Insurance Company — 22667 **INSURER B :** Indemnity Insurance Co of North America — 43575 **INSURER C :** ACE Fire Underwriters Insurance Company — 20702 **INSURER D :** ACE Property and Casualty Insurance Company — 20699 **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 3958164 **REVISION NUMBER:** XXXXXXX

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 X XCU INCLUDED X ISO FORM CG00010413 GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT X LOC OTHER:	Y	Y	HDO G48959064	1/1/2026	1/1/2027	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG 	$ 5,000,000 $ 5,000,000 $ XXXXXXX $ 5,000,000 $ 6,000,000 $ 6,000,000 $
A	**AUTOMOBILE LIABILITY** X ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY X MCS-90	Y	Y	MMT H11435154	1/1/2026	1/1/2027	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) 	$ 1,000,000 $ XXXXXXX $ XXXXXXX $ XXXXXXX $ XXXXXXX
D	X **UMBRELLA LIAB** X OCCUR **EXCESS LIAB** CLAIMS-MADE DED RETENTION $	Y	Y	XEU G27929242 011	1/1/2026	1/1/2027	EACH OCCURRENCE AGGREGATE 	$ 15,000,000 $ 15,000,000 $ XXXXXXX
B A C A	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	WLR C72631857 (AOS) WLR C7263181A (AZ,CA & MA) SCF C72631894 (WI) WCU C72631778 (OH, WA)	1/1/2026 1/1/2026 1/1/2026 1/1/2026	1/1/2027 1/1/2027 1/1/2027 1/1/2027	X PER STATUTE / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 3,000,000 $ 3,000,000 $ 3,000,000
A	EXCESS AUTO LIABILITY	Y	N	XSA H11435282	1/1/2026	1/1/2027	COMBINED SINGLE LIMIT $9,000,000 (EACH ACCIDENT)	

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

BLANKET WAIVER OF SUBROGATION IS GRANTED IN FAVOR OF CERTIFICATE HOLDER ON ALL POLICIES WHERE AND TO THE EXTENT REQUIRED BY WRITTEN CONTRACT WHERE PERMISSIBLE BY LAW. CERTIFICATE HOLDER IS NAMED AS AN ADDITIONAL INSURED (EXCEPT FOR WORKERS' COMP/EL) WHERE AND TO THE EXTENT REQUIRED BY WRITTEN CONTRACT. RE: CITY AGREEMENT 2000-068; 2000-068-1 CERT # 0006004

CERTIFICATE HOLDER

3958164
CITY OF SACRAMENTO
C/O EXIGIS LLC
PO BOX 947
SACRAMENTO CA 95814-2604

CANCELLATION See Attachments

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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POLICY NUMBER: HDO G48959064

COMMERCIAL GENERAL LIABILITY
CG 20 10 12 19

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 Owner, Lessee or Contractor whom you have agreed to include as an additional insured under a written contract, provided such contract was executed prior to the date of loss.	All locations where you are performing ongoing operations for such additional insured pursuant to any such written contract.
Information required to complete this Schedule, if not shown above, will be shown in the	

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

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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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Attachment Code: D448226 Certificate ID: 3958164

Workers' Compensation and Employers' Liability Policy

Named Insured WASTE MANAGEMENT, INC. 800 CAPITOL STREET, SUITE 3000 HOUSTON TX 77002	Endorsement Number Policy Number Symbol: WLR Number: WLR C72631857 (AOS)
Policy Period 1/1/2026 TO 1/1/2027	Effective Date of Endorsement 1/1/2026
Issued By (Name of Insurance Company) Indemnity Insurance Co of North America	
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.	

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

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.

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

Schedule

ANY PERSON OR ORGANIZATION AGAINST WHOM YOU HAVE AGREED TO WAIVE YOUR RIGHT OF RECOVERY IN A WRITTEN CONTRACT, PROVIDED SUCH CONTRACT WAS EXECUTED PRIOR TO THE DATE OF LOSS.

For the states of CA, UT, TX, refer to state specific endorsements.
This endorsement is not applicable in KY, NH, and NJ.

The endorsement does not apply to policies in Missouri where the employer is in the construction group of code classifications. According to Section 287.150(6) of the Missouri statutes, a contractual provision purporting to waive subrogation rights against public policy and void where one party to the contract is an employer in the construction group of code classifications.

For Kansas, use of this endorsement is limited by the Kansas Fairness in Private Construction Contract Act(K.S.A.. 16-1801 through 16-1807 and any amendments thereto) and the Kansas Fairness in Public Construction Contract Act(K.S.A 16-1901 through 16-1908 and any amendments thereto). According to the Acts a
provision in a contract for private or public construction purporting to waive subrogation rights for losses or claims covered or paid by liability or workers compensation insurance shall be against public policy and shall be void and unenforceable except that, subject to the Acts, a contract may require waiver of subrogation for losses or claims paid by a consolidated or wrap-up insurance program.



Authorized Representative

Attachment Code: D448229 Certificate ID: 3958164

Workers' Compensation and Employers' Liability Policy

Named Insured WASTE MANAGEMENT, INC. 800 CAPITOL STREET, SUITE 3000 HOUSTON TX 77002	Endorsement Number Policy Number Symbol: SCF Number: SCF C72631894 (WI)
Policy Period 1/1/2026 **TO** 1/1/2027	Effective Date of Endorsement 1/1/2026
Issued By (Name of Insurance Company) ACE Fire Underwriters 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.	

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

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.

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

Schedule

ANY PERSON OR ORGANIZATION AGAINST WHOM YOU HAVE AGREED TO WAIVE YOUR RIGHT OF RECOVERY IN A WRITTEN CONTRACT, PROVIDED SUCH CONTRACT WAS EXECUTED PRIOR TO THE DATE OF LOSS.

For the states of CA, UT, TX, refer to state specific endorsements.
This endorsement is not applicable in KY, NH, and NJ.

The endorsement does not apply to policies in Missouri where the employer is in the construction group of code classifications. According to Section 287.150(6) of the Missouri statutes, a contractual provision purporting to waive subrogation rights against public policy and void where one party to the contract is an employer in the construction group of code classifications.

For Kansas, use of this endorsement is limited by the Kansas Fairness in Private Construction Contract Act(K.S.A.. 16-1801 through 16-1807 and any amendments thereto) and the Kansas Fairness in Public Construction Contract Act(K.S.A 16-1901 through 16-1908 and any amendments thereto). According to the Acts a provision in a contract for private or public construction purporting to waive subrogation rights for losses or claims covered or paid by liability or workers compensation insurance shall be against public policy and shall be void and unenforceable except that, subject to the Acts, a contract may require waiver of subrogation for losses or claims paid by a consolidated or wrap-up insurance program.

Authorized Representative

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Attachment Code: D540721 Certificate ID: 3958164

Workers' Compensation and Employers' Liability Policy

Named Insured WASTE MANAGEMENT, INC . 800 CAPITOL STREET, SUITE 3000 HOUSTON TX 77002	Endorsement Number Policy Number Symbol: WLR Number: WLR C7263181A (AZ,CA & MA)
Policy Period 1/1/2026 TO 1/1/2027	Effective Date of Endorsement 1/1/2026
Issued By (N am e of 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.	

CALIFORNIA WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because California is shown in Item 3 .A. of the Information Page.

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, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule, where you are required by a written contract to obtain this waiver from us.

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

Schedule

1 . ( ) Specific Waiver
Name of person or organization:

(X) Blanket Waiver
Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

2 . Operations:

ALL OPERATIONS CONDUCTED BY AN INSURED PURSUANT TO SUCH WRITTEN CONTRACT

3 . Premium :

The premium charge for this endorsement shall be 2.0 percent of the California premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.

4 . Minimum Premium : $0

Authorized Agent

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
03/26/2026

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
Aon Risk Services Southwest, Inc.
Dallas TX Office
5005 Lyndon B Johnson Freeway
Suite 1500
Dallas TX 75244 USA

CONTACT NAME:
PHONE (A/C. No. Ext): (866) 283-7122 **FAX (A/C. No.):** 800-363-0105
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	Ironshore Specialty Insurance Company	25445
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
Waste Management, Inc.
and All Affiliated, Related & Subsidiary Companies
800 Capitol, Suite 3000
Houston TX 77002 USA

COVERAGES **CERTIFICATE NUMBER:** 570118848313 **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.

Limits shown are as requested

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)	
A	[ ] UMBRELLA LIAB [ ] OCCUR			IEELPLLCAS2F005	07/01/2025	07/01/2026	EACH OCCURRENCE	$24,000,000
	[X] EXCESS LIAB [X] CLAIMS-MADE						AGGREGATE	$24,000,000
	[ ] DED [ ] RETENTION							
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						[ ] PER STATUTE [ ] OTH-ER	
	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N [ ]	N / A					E.L. EACH ACCIDENT	
	(Mandatory in NH)						E.L. DISEASE-EA EMPLOYEE	
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE-POLICY LIMIT	
A	Environmental Site Liability			ISPILLSCAS2J005 Claims-Made	07/01/2025	07/01/2026	Each Incident Limit Aggregate Limit	$1,000,000 $2,000,000

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

Named Insured Site Location: Sac Val Disposal, 8761 Younger Creek Drive, Sacramento, CA 95928.

CERTIFICATE HOLDER

City of Sacramento
PO Box 947
Sacramento CA 95814 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

Aon Risk Services Southwest, Inc.

Holder Identifier :

Certificate No : 570118848313

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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: Waste Removal and Recycling, 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 Jougnal Achari

Sign Margaret Kashuba

Sign John Febbo (May 21, 2026 16:52:45 PDT)

Sign Matt Eierman (May 22, 2026 10:48:46 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

Waste Removal and Recycling, Inc
8864 Elder Creek Rd., Sacramento, CA 95828
(916) 453-1400 | christine@sacdumpsters.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:

Christine Duggins | Operations Manager
8864 Elder Creek Rd., Sacramento, CA 95828
(916) 453-1400 | christine@sacdumpsters.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 18:58:17 PDT)

City Attorney

Attachments

Exhibit A Scope of Services
Exhibit B Compensation
Exhibit C Insurance

FRANCHISEE:

Waste Removal and Recycling, Inc

NAME OF FIRM

90-0071022

Federal I.D. No.

358 5588 1

State I.D. No.

117704

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)

Christine Duggins
Christine Duggins (May 5, 2026 08:21:54 PDT)

05/05/2026

Signature of Authorized Person

Christine Duggins | Operations Manager

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 *Waste Removal and Recycling, Inc* ("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 *Waste Removal and Recycling, 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.

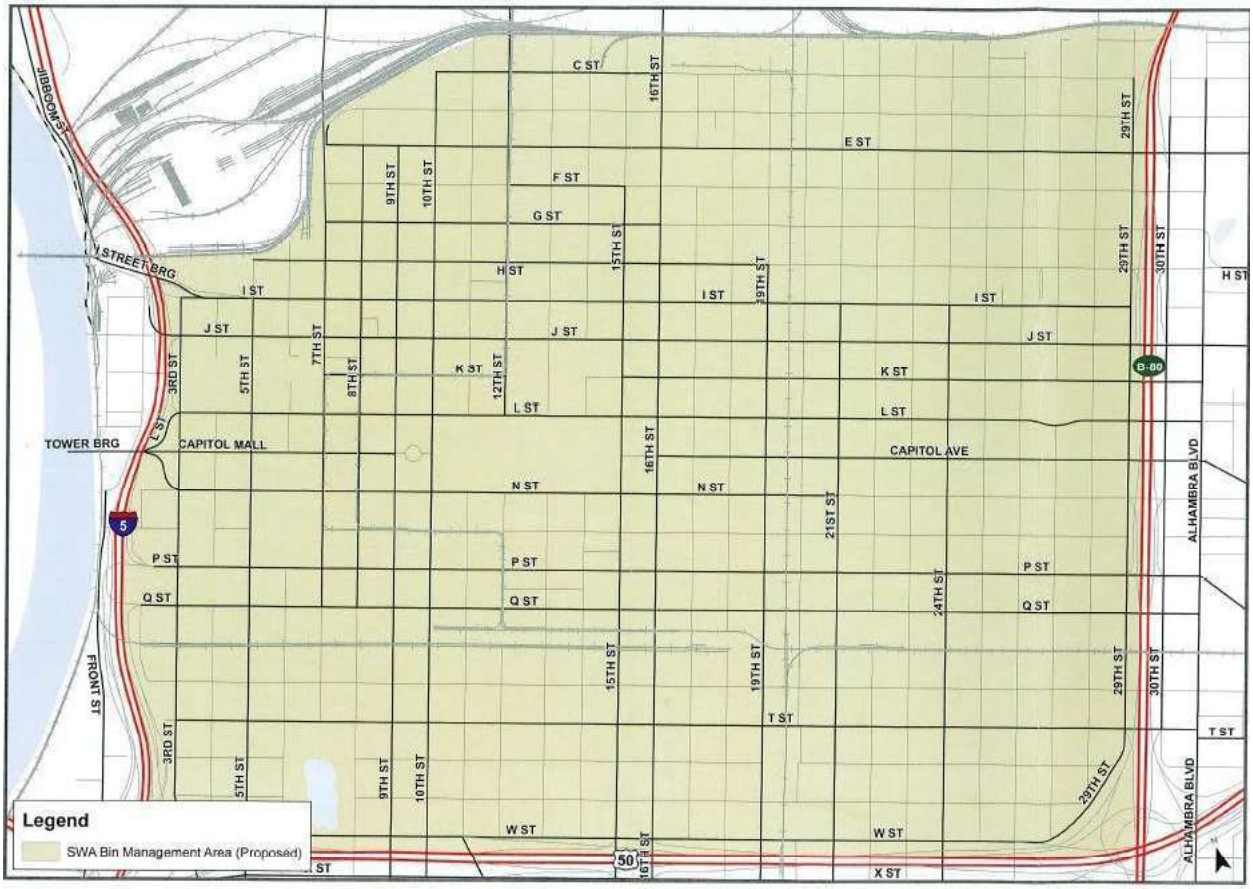


Exhibit B
Compensation

This Exhibit B incorporates by this reference the Franchise Agreement between *Waste Removal and Recycling, Inc* ("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 *Waste Removal and Recycling, 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 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): 11/4/2025

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 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 : Key Risk Insurance Company	10885
INSURER B : Crum & Forster Specialty Insurance Co	44520
INSURER C : Omaha National Casualty Company	32107
INSURER D : Upland Specialty Insurance Company	16988
INSURER E : RSUI Indemnity Company	22314
INSURER F :	

INSURED WASTREM-01
Waste Removal & Recycling, Inc.
8864 Elder Creek Rd.
Sacramento CA 85828

COVERAGES **CERTIFICATE NUMBER:** 312696426 **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			EPK-162767	11/1/2025	11/1/2026	EACH OCCURRENCE	$ 5,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 5,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 5,000,000
	POLICY X PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 5,000,000
	OTHER:						Pollution Liability	$ 1,000,000
A	AUTOMOBILE LIABILITY			BAP2027582-17	11/1/2025	11/1/2026	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)	$
								$
D	UMBRELLA LIAB X OCCUR			USXTL1138125	11/1/2025	11/1/2026	EACH OCCURRENCE	$ 3,000,000
	X EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$ 3,000,000
	DED / RETENTION $							$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N	N/A		ONCC11818-05	10/1/2025	10/1/2026	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
E	EX (3x2) Over Auto			NHA609778	11/1/2025	11/1/2026	Aggregate Each Occurrrence	3,000,000 3,000,000

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 additional insured with regards to General Liability per attached form EN0321 -0211 and EN0320-0211. Primary Non-Contributory status is determined by attached forms EN0147 1111 and CA0449 1116. Waiver of Subrogation status is determined by attached form WCON04WDA 01-19.

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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Policy Number: EPK-162767

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.	

A. **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, 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".

Policy Number: EPK-162767

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
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.	

A. **Section III – Who Is An Insured** within the Common Provisions 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" cause, 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.

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:

3. 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
4. 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.

Policy Number: EPK-162767

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NON-CONTRIBUTORY ADDITIONAL INSURED WITH WAIVER OF SUBROGATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
CONTRACTORS POLLUTION LIABILITY COVERAGE PART
ERRORS AND OMISSIONS 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.

A. **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 arising out of "your work" for that person or organization performed by you, or by those acting on your behalf.

B. As respects additional insureds as defined above, this insurance also applies to "bodily injury" or "property damage" arising out of your negligence when the following written contract requirements are applicable:

   1. Coverage available under this coverage part shall apply as primary insurance. Any other insurance available to these additional insureds shall apply as excess and not contribute as primary to the insurance afforded by this endorsement.

   2. 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 injury or damage arising out of "your work" performed under a written contract with that person(s) or organization(s).

   3. The term "additional insured" is used separately and not collectively, but the inclusion of more than one "additional insured" shall not increase the limits or coverage provided by this insurance.

This Endorsement does not reinstate or increase the Limits of Insurance applicable to any "claim" to which the coverage afforded by this Endorsement applies.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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 Waste Removal & Recycling, Inc. *(Motor Carrier name)* **of** 8710 Jackson Road Sacramento, CA 95826 *(Motor Carrier state or province)*

Dated at 1250 Camp Hill ByPass, Suite 104, Camp Hill, PA 17011 **on this** 3 **day of** November, 2023

Amending Policy Number: BAP2027582-15 **Effective Date:** 11/01/2023

Name of Insurance Company: Key Risk Insurance Company

Countersigned by: Chris DeLander
(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: 717-214-7585.

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)

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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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 10/01/2025 Policy No. ONCC11818-05 Endorsement No.
Insured Insurance Company Omaha National Casualty Company

Waste Removal & Recycling, Inc.

Countersigned By Reagan Nuffall