

**SECOND AMENDMENT TO  
SOLID WASTE HANDLING SERVICES AGREEMENT  
BETWEEN THE  
CITY OF REDONDO BEACH AND ARAKELIAN ENTERPRISES, INC.**

THIS SECOND AMENDMENT TO THE SOLID WASTE HANDLING SERVICES AGREEMENT ("Second Amendment") between the City of Redondo Beach ("City") and Arakelian Enterprises, Inc. dba Athens Services (hereinafter "Contractor" or "Athens") is made and entered so as to be effective as of July 1, 2026. City and Contractor may hereinafter be individually referred to as "Party" or collectively as the "Parties."

**RECITALS**

WHEREAS, City and Athens entered that certain Solid Waste Handling Services Agreement effective as of July 1, 2011, and thereafter executed that certain First Amendment to the Solid Waste Handling Services Agreement on July 1, 2019 (collectively, "Agreement");

WHEREAS, City and Contractor are mindful of the provisions of the laws governing the safe collection, transport, recycling, and Disposal of Solid Waste;

WHEREAS, City and Contractor further desire to confirm that Contractor has agreed, as part of this Agreement, to provide such services as are necessary or desirable to ensure City complies with the applicable laws, including the requirements of SB 1383; and

WHEREAS, the City determines that it is in the best interest of the City to implement the changes pertaining to the provision of services as specified in this Second Amendment.

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the above recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree to amend the Agreement as follows:

**TERMS**

1. **Amendment Definitions.** Unless otherwise specified, all capitalized terms in this Amendment shall refer to those defined terms specified in Chapter 5-2, Article 8 (Mandatory Organic Waste Disposal Reduction) of the Redondo Beach Municipal Code ("SB 1383 Ordinance") and 14 California Code of Regulations Section 18982. In the event of a conflict between a definition in this Amendment and a definition in 14 California Code of Regulations Section 18982, the definition in Section 18982 shall control.

2. **References to "Green Waste."** All references to "Green Waste," "Organics," and "Organic Waste" in the Agreement shall mean "Organic Waste" as defined in the SB 1383 Ordinance, except references to "Green Waste" in Sections 1.48, 1.63A, and 4.3(c).

3. **Limitations to Scope.** Upon commencement of exclusive Roll-off Box Service pursuant to Section 4.1.3, Section 4.3.i and 4.3.j of the Agreement will thenceforth be deleted in their entirety and Section 4.3 i will be replaced with the following and Section 4.3.j will no longer be used:

- i) Construction and Demolition Waste not collected in a Roll-off Box, Temporary Bin, or Compactor Roll-Off Box;

4. **Roll-off; Scope of Franchise.** A new Section 4.1.3 is hereby added to the Agreement as follows:

#### **4.1.3 Exclusive Roll-off and Temporary Bin Services**

In accordance with Section 4.1.1, City hereby grants to Contractor, and Contractor hereby accepts from City, the contract and privilege, on the terms and conditions set forth herein to the Contractor for the service in the City of Collecting, transporting, handling and disposing of: (i) Solid Waste deposited in Roll-off Boxes, Compactors, or similar Containers, and (ii) temporary Bin Service using Rent-a-Bins or similar Containers provided to Customers upon request. Notwithstanding the foregoing, the City at the earliest date permissible in compliance with Public Resources Code Section 49520, shall grant the Contractor the exclusive right and privilege to provide the services specified hereunder. If the City has not done so, City shall, no later than July 1, 2026, issue notice concerning exclusivity hereunder in compliance with Public Resources Code Section 49520.

5. **Current Classifications; Bundled Service.** Sections 5.2, 5.3.1 and 5.3.2 of the Agreement are hereby deleted in their entirety and replaced with the following:

#### **5.3 Classifications for Bundled Collection Services**

##### **5.3.1 Default Service Types**

The following default service types apply: (i) residential dwellings of three (3) units or less shall receive Cart service by default and (ii) all other Customers shall receive Bin service. Further, Customers shall receive default bundled Collection service at least once per week as follows: (i) Cart service shall include one (1) 96-gallon Refuse Cart; one (1) 96-gallon Recycling Cart; and one (1) 96-gallon Organic Waste Cart, with Customers eligible to request additional Carts for all streams at no additional cost; (ii) Bin service shall include one (1) 3-cubic-yard Refuse Bin, one (1) 96-gallon Recycling Cart; one (1) 64-gallon Organic Waste Cart (or, as applicable, two (2) 35-gallon Organic Waste Carts). The foregoing shall apply unless approved for alternative service under Section 5.3.2.

##### **5.3.2 Changes in Classification**

Except as otherwise specified in this Agreement and after consultation with the Customer, Contractor shall determine the appropriate service type and Container size, type, frequency, and quantity for each Customer subject to reasonable disapproval of City. If the Contractor's determination of appropriate service type is disputed by the Customer, the Customer and Contractor shall

submit sufficient evidence to the City in support of their respective position. The Public Works Director will consult with the Customer and Contractor and make a determination within forty-five (45) calendar days for any dispute associated with the initial roll-out of Containers effective July 1, 2026, and thereafter, within fifteen (15) calendar days of receipt of Customer and Contractor's evidence as to the service type to be provided. If the Public Works Director does not issue a determination within the time provided herein, Contractor's determination of the appropriate service type shall be deemed approved. Notwithstanding the foregoing, Customer Container size, type, frequency, and quantity must be sufficient to comply with Applicable Law at the appropriate service level and approved rate sheet and such that no Solid Waste is placed outside the Collection Container.

Costs associated with other Container selections are detailed in Appendix E.

6. **Overfilled Containers.** Section 5.4.5 of the Agreement is deleted in its entirety and replaced with the following:

#### **5.4.5 Overfilled Containers (Except Residential Carts)**

Except for Residential Carts, any Container may be considered overfilled if Solid Waste rises above the top of the Container sufficiently that it is likely to result in (i) materials spilling/dislodging during Collection activity by Contractor's vehicles or (ii) if excess material is placed on top of or around a Container. Bin Customers and Commercial Cart Customers that regularly produce more Solid Waste than their current level of service can accommodate may have their service level increased in accordance with the following procedure:

First Incident in Three Month Period - If more material is placed for Collection than fits in a Bin or Commercial Cart, Contractor shall photograph the overfilled Container, Collect the Solid Waste, and send to the Customer (at both the service and billing addresses) the picture and a letter instructing the Customer that further instances may result in an increase in the level of service. This is considered the first warning (provided photograph is obtained and delivered). Contractor may not charge the Container Overflow Fee in the Approved Rate Schedule for the first overflow incident.

Second Incident in Three Month Period - Upon the second event of an overfilled Bin or Commercial Cart in a three-month period, Contractor shall photograph the overfilled Container, Collect the Solid Waste, and send to the Customer the picture and a letter instructing that a third incident in that same three-month period may result in an increase in the level of service. This is the second warning. Contractor may charge the Container Overflow Fee in the

Approved Rate Schedule.

Third Incident in Three Month Period - Upon the third event of an overfilled Bin or Commercial Cart in a three-month period, Contractor shall photograph the overfilled Container, Collect the Solid Waste, and send to the Customer the picture and a letter notifying the Customer of a recommended increase in service level, as determined by the Contractor, to accommodate the higher demand for service. The notification letter shall include a statement that the pending change in service may be disputed by notifying the Contractor and City in writing of such dispute within seven days of receipt of the letter. The Contractor shall send a copy of any such notification letter to the City on the same day it is sent to the Customer. Contractor may also charge the Container Overflow Fee in the Approved Rate Schedule.

If a Customer disputes such fee(s) or service change, then Contractor shall temporarily halt the charge and/or increased rate resulting from increasing the Collection Container size or Collection frequency until the dispute is resolved, and Contractor may request a ruling by the Public Works Director to resolve the dispute. During the pendency of any dispute, Contractor shall restore Container size or Collection frequency to the prior levels. A request by Contractor to the Public Works Director to rule on any such dispute must be filed within ten (10) days of Contractor's halting of the fee charge, or increased rate, and must include written documentation and/or photographic evidence of ongoing problems. Within ten (10) days thereafter, the Public Works Director or their designee, shall request a meeting (in person or by phone) with both the Customer and Contractor to resolve the dispute. Following such a meeting, the Public Works Director or their designee, shall rule on the dispute within ten (10) days. If the Public Works Director or their designee rules in favor of the Customer, Contractor must credit the paid fees or rate increases arising from a change in service. If the Public Works Director or their designee rules in favor of Contractor, Contractor may charge Customer any temporarily halted charges and/or increased rates resulting from changes in service.

A list of all Customers assessed Container Overflow Fees will be provided monthly by the Contractor to the City. Upon request, the Contractor will provide the City, within 10 days, all written documentation and/or photographic evidence associated with overfilled Container violations and fees.

7. **Roll-off Box Service.** Upon commencement of exclusive Roll-off Box Service pursuant to Section 4.1.3, Section 5.4.6 of the Agreement will thenceforth be deleted in its entirety and replaced with the following:

#### **5.4.6 Roll-off Box Service**

The provision of service using Roll-off Boxes will be included under this exclusive franchise, as specified in Section 4.1.3. For the avoidance of doubt, the provision of such service is required for City-owned or controlled facilities without charge as specified in Section 5.15. The provision of services to all other Customers shall be subject to the applicable rates set forth in Appendix E, as adjusted annually by the terms set forth in Appendix B for Roll-off Boxes; provided, however, City Administration fees shall not be charged in connection with such services until Contractor retains an exclusive franchise for such Roll-off Box services, as specified in Section 4.1.3. All applicable Permit fees detailed in RBMC §5-2.112 will continue to be paid until the Contractor retains an exclusive franchise for these services. Notwithstanding any provision in this Agreement to the contrary, if Contractor cannot or does not deliver a temporary Roll-off Box to a Customer within two (2) business days, excluding Saturdays, Sundays and holidays, from the request for service, Customer may, on a one-time basis, request a temporary Roll-off Box from another company that can provide the service.

8. **Temporary Bin Service.** Section 5.4.7 of the Agreement is hereby deleted in its entirety and replaced with the following:

#### **5.4.7 Temporary Bin Service – “Rent-a-Bin”**

Contractor shall provide exclusive (as specified in Section 4.1.3) temporary Bin Service using Rent-a-Bins or similar Containers provided to Customers upon request. Contractor must deliver a temporary Bin to a Customer within twenty-four (24) hours of request (Saturdays, Sundays and holidays excluded). Notwithstanding any provision in this Agreement to the contrary, if Contractor cannot or does not deliver a temporary Bin within the time specified herein, Customer may, on a one-time basis, request a temporary Bin from another company that can provide the service. Maximum rates for temporary Bin Service are listed in the Approved Rate Schedule. Per pull fee includes service, transportation, Disposal, delivery and rental for seven days. Contractor may charge a daily rental fee for each day beyond seven days in which a Bin is not serviced, in accordance with the Approved Rate Schedule.

9. **Scout Service Rates.** Section 5.4.8 of the Agreement is hereby deleted in its entirety and replaced with the following:

#### **5.4.8 Bin Pushout/Scout Service**

Contractor may not charge a fee for pushing or rolling Bins to point of Collection.

Contractor may charge a fee for the use of scout vehicles to position Bins for Collection. Use of scout vehicles shall be determined by election of the Customer or as determined to be necessary by the

Contractor to meet service and safety requirements. Disputes over need for scout service shall be subject to the process described in Section 5.3.2. Use of scout vehicles to position Recycling and Organic Waste Bins shall be done without charge to the Customer. Contractor's provision of service hereunder shall be subject to the Approved Rate Schedule set forth in Appendix E, as adjusted annually by the terms set forth in Appendix B.

If Contractor must place a Bin in the public right of way to facilitate Collection, Contractor shall not permit the Bin to remain in the public right of way longer than four (4) hours. If the Bin is stored under a chute for Solid Waste Collection, the Bin must be serviced and returned immediately.

10. **Elimination of Residential Two-Cart Pilot Collection Program.** Section 5.4.11 is hereby deleted in its entirety.

11. **Mandatory Recyclables Collection for Residential Bin and Commercial Customers.** Section 5.5.3 of the Agreement is hereby deleted in its entirety and replaced with the following:

#### **5.5.3 Recyclables Collection for Residential Bin and Commercial Customers**

Contractor shall provide Recycling Collection service to all Residential Bin and Commercial Customers in accordance with Section 5.3. Recycling Collection programs shall be made available at a minimum for the same materials as included above in Section 5.5.1 for the Residential Cart Customer program. Contractor's provision of service hereunder shall be subject to the Approved Rate Schedule set forth in Appendix E, as adjusted annually by the terms set forth in Appendix B.

12. **Diversion Requirement.** Sections 5.5.4 through 5.5.6 of the Agreement, and each subpart therein, are hereby deleted in their entirety and replaced as set forth below. Further, the reference to Section 5.5.6 in Section 11.5 of the Agreement shall be deleted and replaced with "Section 5.5.4."

#### **5.5.4 Diversion Requirement**

During each calendar year of the Term, Contractor shall implement programs reasonably designed to achieve the following diversion requirements: (i) a minimum diversion from Disposal, as specified in Public Resources Code § 41780(a)(2), of all Solid Waste generated in the City, inclusive of Recyclable Materials, Organic Waste, and all other known or typical waste streams generated in the City, including but not limited to self-hauling, hauling by privately contracted landscaping, tree and/or yard service firms, City projects, street sweeping, beaches, hauling by public volunteer activities and special public events, and (ii) a minimum diversion of sixty-five percent (65%) of all Construction and Demolition Waste

collected by Contractor (collectively, the "Diversion Requirements"); provided, Contractor's obligations hereunder will not extend to any loss, cost, liability, fine, penalty, damage, action, suit, duty, obligation, requirement, nonperformance, or noncompliance relating to, arising or resulting from: (i) acts or omissions constituting the negligence, willful misconduct, material breach of this Agreement, or violation of law on the part of City, its officers or employees in connection with the City's Diversion Requirements; (ii) the acts or omissions of third parties, including without limitation the negligence, willful misconduct, or violation of law of such third parties; and/or (iii) as limited by Public Resources Code Section 40059.1.

#### **5.5.5 Corrective Action**

If City fails to comply with the Diversion Requirement due to Contractor's failure to implement the Diversion and public education programs provided for in this Agreement, Contractor must submit a corrective action plan to assist City to comply with the Diversion Requirement by March 15th following the year the Diversion Requirement was not met. Contractor's corrective action plan is subject to approval by the City, which shall not be unreasonably denied, and to be approved by City, must constitute a good faith corrective action plan to allow City to comply with the Diversion Requirement. Implementation of the corrective action plan will be at Contractor's sole cost and expense. If Contractor fails to submit or implement a corrective action plan acceptable to the City, Contractor may be subject to Liquidated Damages as specified in Section 10.4.B.22.

#### **5.5.6 New Diversion Requirements**

If Contractor fails to comply with the Diversion Requirement, and Contractor has implemented all diversion programs required under this Agreement, the City may direct Contractor to modify its programs or implement new diversion programs. Any such modification of Contractor's existing diversion programs or addition of new diversion programs done at the City's request shall be subject to Section 5.18 and each applicable subpart therein including where such request is due to or arises from a Change in Law.

13. **Organic Waste Collection for Residential Bin and Commercial Customers.**  
Section 5.6.4 of the Agreement is hereby deleted in its entirety and replaced with the following:

#### **5.6.4 Organic Waste Collection for Residential Bin and Commercial Customers**

Contractor shall provide Organic Waste Collection service to all Residential Bin and Commercial Customers in accordance with Section 5.3. Organic Waste Collection programs shall be made

available for Organic Waste as defined in Section 1.63A and limited by Appendix I.1. Contractor's provision of service hereunder shall be subject to the Approved Rate Schedule set forth in Appendix E, as adjusted annually by the terms set forth in Appendix B.

14. **SB 1383 Program.** A new Section 5.6.7 of the Agreement is hereby added to the Agreement as set forth below. Further, Appendix I is also hereby deleted and replaced with a new Appendix I to the Agreement, as provided in Attachment 2 to this Amendment, and incorporated herein by reference.

#### **5.6.7 SB 1383 Program**

Contractor's Collection, transportation, and processing of source separated Refuse, Recyclable Materials, and Organic Waste generated at Customer Premises shall be conducted in accordance with the SB 1383 program specified in Appendix I.

15. **Confirmation of No Change to Residential Bulky Waste Collection.** For the avoidance of doubt, Section 5.7.1 remains unchanged. Contractor shall continue to provide Bulky Waste Collection service at no additional charge to (i) all Residential Dwelling Units, inclusive of Cart and Bin Residential Customers, and (ii) all Multi-Family Customers. To provide for Bulky Waste Collection for the City's "live aboard marina community" and Pier tenants, Contractor shall continue to provide Bulky Waste waterside pick-up service twice per year at the Pier at no additional charge to the City.

16. **Recordkeeping (Roll-off).** Sections 7.2.3(b), 7.3.2(a), 7.3.3(a)-(c), 9.3.1, and Appendix H at Section H.4 of the Agreement are hereby amended to include references to Roll-off Boxes in addition to the existing references to City Roll-off Boxes. In each of these sections, any occurrence of "City Roll-off Box" or "Roll Boxes at City Facilities" is revised to "City Roll-off Box(es) and/or Roll-off Box(es)" so that the Contractor's reporting obligations and service descriptions encompass Roll-off container services for non-City customers as well as those for the City.

17. **Approved Facilities.** Sections 8.2, 8.3, and 8.4 of the Agreement are hereby deleted in their entirety and replaced with the following:

#### **8.2 Transportation of Solid Waste to Facilities**

Contractor shall transport all Solid Waste that is Collected in the City to a lawfully permitted Transfer Station, MRF, processing Facility, or Disposal Facility. Source separated Organic Waste shall be transported to and processed at an Organic Waste Processing Facility. All other properly deposited Solid Waste shall be transported to a Facility which shall divert materials into Recyclable Materials that can be processed for recovery, and/or a Facility for Solid Waste for Disposal at a landfill. For the avoidance of doubt, Contractor shall not be required to transport source separated Refuse to a MRF or other processing Facility prior to landfilling except to the extent required by Applicable Law.

Contractor shall cooperate with the operator of any Facility it uses with regard to operations therein, including, for example, complying

with directions from the operator to unload Collection vehicles in designated areas, accommodating to maintenance operations and construction of new facilities, cooperating with its Hazardous Waste exclusion program, and so forth. Contractor will assist the City in obtaining invoice tonnage data from the Facility as City may request for audits.

### **8.3 Facility Selection**

Contractor shall determine the Facilities utilized under this Agreement subject to change by City in the event of public health or safety emergencies or as otherwise required by City in accordance with Sections 8.10 and 8.12. The Contractor shall notify the City in writing each year on or before each July 1st to identify all the facilities to which the Contractor will transport Solid Waste. The Contractor will notify the City during the year if there is an addition to the list of facilities used. For those Facilities it operates, Contractor will permit visitation by City upon reasonable advance notice during normal operating hours.

18. **Capacity Guarantee.** Section 8.6 of the Agreement is hereby deleted in its entirety and replaced with the following:

### **8.6 Facility Capacity Guarantee**

Contractor shall guarantee capacity at Contractor-selected Facilities for all Refuse, Recyclable Materials, Organic Waste, and Construction and Demolition Waste Collected by Contractor during the term of this Agreement.

19. **Cart Color and Appearance.** Section 9.3.2.C of the Agreement is hereby deleted in its entirety and replaced with the following:

### **C. Cart Color and Appearance**

The Refuse, Recycling and Organic Waste Carts will be differentiated by color, respectively gray, blue and green. All replacement Carts must match the color currently in distribution. Contractor may request to be permitted to use an alternative shade when it replaces Refuse, Recycling, and Organic Waste Carts throughout the City; however, City is not obligated to approve any change. The colors shall be colorfast and resistant to fading as a result of weathering or ultraviolet degradation. Color must be approved in advance by the City. Cart and Cart lid colors shall be consistent throughout the City.

20. **Roll-off Boxes.** Section 9.3.5 of the Agreement is hereby deleted in its entirety and replaced with the following:

### **9.3.5 Roll-off Boxes**

Contractor shall provide sufficient Roll-off Boxes to meet service demands in the City throughout the Term of the Agreement, except to the extent Contractor is unable to deliver a Roll-off Box as set forth in Section 5.4.6. Contractor will keep all Roll-off Boxes clean, free from graffiti and equipped with reflectors. Contractor shall properly cover all open Roll-off Boxes during transport as required by the State Vehicle Code. City may request Contractor to replace Roll-off Boxes (excluding compactor Roll-off Box) currently in use due to the condition of these Containers.

21. **Liquidated Damages (Diversion)**. Sections 10.4.B.22 and 10.4.B.23 of the Agreement are hereby deleted in their entirety and replaced with the following:

(22) For each business day Contractor fails to submit or implement a corrective action plan acceptable to the City in accordance with Section 5.5.5 of this Agreement:

\$25 for each day until the corrective action is approved plus \$25 per ton below the tonnage level necessary to satisfy the Diversion Requirement in accordance with Section 5.5.4.

(23) Intentionally omitted.

22. **Faithful Performance Bond**. The value of the Performance Bond required by Section 11.1 shall be increased to the sum of \$500,000.

23. **Faithful Performance Letter of Credit**. Sections 11.2 and 11.4 of the Agreement are hereby deleted in their entirety. In addition, all references to "letter of credit" in Sections 11.5, 13.3.1(E), and Appendix B Section B.1 are hereby deleted from the Agreement.

24. **Customer Billing. First paragraph of** Section 12.1 of the Agreement, excluding subparts 12.1.1 through 12.1.4, is hereby deleted in its entirety and replaced with the following:

#### **12.1 Customer Billing and Contractor Compensation**

City shall pay to the Contractor a monthly payment for the Solid Waste Handling Services provided by the Contractor hereunder to Residential Cart Customers Billed on the property tax roll the "Residential Service Contractor Payment", which shall be computed in accordance with the provisions of this Article and may be adjusted from time to time as provided in this Agreement. Multi-Family Building Customers of four (4) units or less shall be billed by and paid to Contractor in accordance with Section 12.1.3.2. Notwithstanding the foregoing, all Multi-Family Buildings of five (5) or more units and Commercial Customers shall be billed by and paid to Contractor in accordance with Section 12.1.3.1. Compensation described under this Section 12.1 constitutes the entire compensation of the Contractor for the Solid Waste Handling Services. The Contractor waives any right it has or may have at any time during the Term of

this Agreement to seek to have the monthly Residential Service Contractor Payment or other fees increased under any theory of fact or law by any Governmental Body, except other than as provided for in this Agreement.

25. **Roll-off Billing.** A new Section 12.1.5 is hereby added to the Agreement as follows:

**12.1.5 Roll-off Customers Billing**

The Contractor shall render a statement (a “Roll-off Service Statement”) to each Service Recipient receiving Roll-off Service from Contractor. Such Roll-off Service Statement shall be provided to Service Recipients no later than thirty (30) days following each service event. Any amounts due to Contractor shall be paid within fifteen (15) days of the date of the Roll-off Billing Statement. The Contractor shall be responsible for determining and maintaining the Service Recipient name, service address, billing address and all other pertinent customer account data. The Contractor affirms that Roll-off Box services provided to Service Recipients are provided at Contractor’s own risk. The City shall in no way be responsible to pay for amounts due from a Service Recipient but unable to be collected by the Contractor. For the avoidance of doubt, all Service Recipients receiving Roll-off Service shall be treated as Commercial Service Recipients for purposes of Section 12.3.

26. **Solid Waste Vehicle Road Impact Fee; Encroachment Recovery Fee.** Section 12.4.1.4 of the Agreement is hereby deleted in its entirety and replaced with the following:

**12.4.1.4 Encroachment Recovery Fee**

Contractor shall pay to the City an Encroachment Recovery Fee. This fee is intended as a charge for Contractor’s unique use and encroachment upon City property and public rights-of-way, and to recover the City’s reasonable costs attributable to the Contractor’s use and encroachment upon City property and public rights-of-way, in connection with the provision of Collection services. Such unique use and recoverable costs include, without limitation: (i) providing parking, fueling, and maintenance areas in the City’s yard for three street sweepers; (ii) encroachment into the public right of way by Carts, Bins, and Roll-off Boxes staged for Collection services; and (iii) loss of parking meter revenue where such encroachments preclude the Collection of parking meter revenue.

The payment amount for the Encroachment Recovery Fee shall be calculated by the City and provided to the Contractor no later than six (6) months after the effective date of this Second Amendment and shall be retroactive to the effective date of this Second Amendment. Each July 1 thereafter, the Encroachment Recovery

Fee shall be adjusted by the percentage change in the average annual CPI Less Food and Energy for the calendar year ended the previous December over the average annual CPI Less Food and Energy for the preceding year. Contractor rates as approved in Appendix E are inclusive of the Encroachment Recovery Fee, which shall not be additionally or separately billed to Customers or itemized on any Customer billing. In no event shall the total Encroachment Recovery Fee amount paid by the Contractor exceed the amount of the last fee paid by Contractor under Section 12.4.1.4 as of the effective date of this Second Amendment.

27. **Events of Default (Diversion).** Section 13.3.1.Q of the Agreement is hereby deleted in its entirety and replaced with the following:

(Q) Failure to Meet Diversion Goals. Contractor fails to achieve City's Diversion Requirement, as set forth in Section 5.5.4 of this Agreement, for two consecutive calendar years, beginning calendar year 2026.

28. **Term of the Agreement.** Sections 14.1 and 14.2 are hereby deleted in their entirety and replaced with the following:

#### **14.1 Term of Agreement**

The term of this Agreement (the "Term") shall expire June 30, 2036, subject to an extension as provided in Section 14.2 below. Nothing in this Section 14.1 shall be construed as limiting City's right to terminate this Agreement for cause pursuant to Article XIII above.

#### **14.2 City's Option to Extend Term**

Contractor may request up to two, five (5) year extensions to the Term, and at City's sole option, City may grant Contractor's request to extend the Term. Under no circumstances will City be obligated to extend the Term. Contractor must request the first five (5) year extension by June 30, 2034 in order to be eligible for the first extension, and the second by June 30, 2039 in order to be eligible for the second extension. City shall retain the ability to extend the Term of the Agreement per this section subject to the written agreement of Contractor.

29. **Modification to Appendix B Methodology.** Table B.4.2 of Appendix B is hereby modified to delete the "Waste to Energy" cost category and henceforth the weighted percent for the "Waste to Energy" cost category is assigned to the "Disposal" category.

30. **Approved Rate Schedule.** Appendix E to the Agreement is hereby deleted and replaced in its entirety with a new Appendix E as provided in Attachment 1 to this Amendment, and incorporated herein by reference.

31. **Due Execution.** The person(s) executing this Amendment on behalf of a Party hereto warrant(s) that (i) such Party is duly organized and existing; (ii) such person(s) are duly

authorized to execute and deliver this Amendment on behalf of said Party; (iii) by so executing this Amendment, such Party is formally bound to the provisions of this Amendment; and (iv) entering into this Amendment does not violate any provision of any other agreement to which said Party is bound.

32. **Entire Amendment.** This Amendment contains the entire agreement and understanding between the Parties with respect to the subject matter of this Amendment and supersedes any and all prior or contemporaneous oral and written representations, warranties, agreements, and understandings between the Parties concerning the subject matter of this Amendment.

33. **Full Force and Effect.** Other than as set forth in this Amendment, the terms of the Agreement shall remain unchanged and in full force and effect. In the event of any conflict between the Agreement and this Amendment, this Amendment shall apply.

34. **Severability.** If any term or provision of this Amendment or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to the extent necessary to, cure such invalidity or unenforceability, and shall be enforceable in its amended form. In such event, the remainder of this Amendment, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each term and provision of this Amendment shall be valid and be enforced to the fullest extent permitted by law.

35. **Counterparts.** This Amendment may be executed in counterparts, each of which shall be considered an original.

*[Signature page follows]*

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first set forth below.

CITY OF REDONDO BEACH

ARAKELIAN ENTERPRISES, INC., a  
California corporation

\_\_\_\_\_  
**INSERT**

Mayor

\_\_\_\_\_  
Ron Arakelian III  
Executive Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
**INSERT**

City Clerk

\_\_\_\_\_  
Adam Arakelian  
Executive Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

\_\_\_\_\_  
**INSERT**

City Attorney

\_\_\_\_\_  
Date

[Amendment Attachment 1]

Appendix E

Approved Rate Schedule

WORKING DRAFT

WORKING DRAFT