

Consent to Assignment and First Amendment to Agreement for Integrated Solid Waste Management Services

This Consent to Assignment and First Amendment ("Consent and Amendment") to the Amended and Restated Agreement for Integrated Solid Waste Management Services is made and entered into among the CITY OF GARDENA, a municipal corporation (hereafter "CITY"), USA WASTE OF CALIFORNIA, INC., a Delaware corporation (hereafter "CONTRACTOR" or "WM"), Waste Resources of Gardena (hereafter "WRG"), a California corporation, and Waste Resource Technologies, Inc., a Delaware corporation (hereafter "WRT"), each of which may be referred to individually as a "Party" or together as the "Parties".

Recitals

WHEREAS, City and WRG entered into a certain Amended and Restated Agreement for Integrated Solid Waste Management Services dated March 22, 2022 ("Original Franchise Agreement"); and

WHEREAS, by letter dated July 9, 2025 WRG notified City that WRT and Waste Management WRT Holdings, LLC, a Delaware limited liability company ("Waste Management WRT") have entered into a proposed transaction that includes the acquisition of WRT's assets. Specifically, WRT has entered into that certain Plan of Reorganization and Purchase and Sale Agreement, dated March 31, 2025 (the "Asset Purchase Agreement"), with Waste Management WRT, which contemplates the sale of the commercial, industrial and residential solid waste (including recycling material) collection and dumpster rental business of WRT and its subsidiaries (the "Transaction"). The Transaction would include the assignment of WRG's interests in the Original Franchise Agreement. WRG further notified the City that upon closing of the Transaction WM would continue WRG's operations in Gardena; and

WHEREAS, pursuant to Section 12.5 of the Original Franchise Agreement, no assignment or other transfer of the Original Franchise Agreement is permitted without the prior consent of City; and

WHEREAS, WRG has requested that City approve the assignment of the Original Franchise Agreement to WM; and

WHEREAS, pursuant to Section 12.5 of the Original Franchise Agreement, WRG provided certain documents to City regarding the proposed transfer and the qualification of the proposed transferee; and

WHEREAS, City has reviewed the information submitted by WRG and WM; and

WHEREAS, City is willing to approve the assignment of the Original Franchise Agreement to WM only if WRG guarantees the timely and full performance by WM of its obligations, including the payment of monies pursuant to the Original Franchise Agreement; and

WHEREAS, upon the closing of the Transaction, the parties wish to amend the Original Franchise Agreement as set forth below by this Consent to Assignment and First Amendment. The Original Franchise Agreement, as amended, is referred to herein as the Amended Franchise Agreement; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1.9 Definitions - Approved Facilities

A. Article 1, Section 1.9 of the Agreement is hereby amended to read as follows:

"Approved Facility(ies)" means any one of or any combination of the: Approved C&D Processing Facility; Approved Disposal Facility; Approved Organic Waste Processing Facility; Approved Source Separated Recyclable Materials Processing Facility; Approved Mixed Waste Processing Facility; and, Approved Transfer Facility as listed in Exhibit 6."

1.30 Definitions – Contractor

B. Article 1, Section 1.30 of the Agreement is hereby amended to read as follows:

"Contractor" means USA Waste of California, Inc., and its officers, directors, employees, agents, companies and Subcontractors."

2.6.C REPRESENTATIONS AND WARRANTIES OF CONTRACTOR

C. Article 2, Section 2.6.c of the Agreement is hereby amended to read as follows:

c. "There is no action, suit or other proceeding as of the date of this Agreement, at law or in equity, or to the best of Contractor's knowledge, any investigation, before or by any court or governmental authority, pending or threatened against Contractor which is likely to result in an unfavorable decision, ruling or finding which would materially and adversely affect the validity or enforceability of this Agreement or any such agreement or instrument entered into by Contractor in connection with the transactions contemplated hereby, or which could materially and adversely affect the ability of Contractor to perform its obligations hereunder or which would have a material adverse effect on the financial condition of Contractor. [This provision may be waived by the City.]"

4.2.6 MINIMUM RECYCLING REQUIREMENTS

D. Article 4, Section 4.2.6 of the Agreement is hereby amended to read as follows:

"Contractor shall divert from landfilling, a minimum of 27% of all Solid Waste it Collects under this Agreement annually for the 12 months ending December 31 of each calendar year during the term of this Agreement. Contractor may in its discretion deliver Discarded Materials in the Gray/Black Container from Commercial Customers to an Approved Mixed Waste Processing Facility permitted to receive and Process such

materials in an amount sufficient to ensure that the 27% minimum diversion requirement is achieved each year. Contractor's discretion is limited to delivery of the quantity of Gray/Black Container materials to an Approved Mixed Waste Processing Facility that would result in diversion that would exceed the 27% minimum diversion requirement for the calendar year.

Contractor shall also Recycle or divert from landfill sufficient waste to ensure that the City meets the then current AB 939 requirements for diversion City-wide (currently 50%) Contractor shall only be considered to have met this requirement under this Agreement if the City's annual report to the CalRecycle shows a greater than 50% diversion rate and if the CalRecycle approves the City's reports as having a greater than 50% diversion rate in connection with efforts to meet City's AB 939 diversion goals.

Contractor must meet both diversion obligations; meeting one requirement does not relieve Contractor of the other. Liquidated damages shall be assessed under Section 11.4 for failure to meet these goals.

Contractor shall Divert from landfilling the State-mandated Construction and Demolition Diversion percentage required by CALGreen, currently 65%, of all Construction and Demolition Debris loads Contractor Collects under this Agreement. This percentage may change in the future if CALGreen's requirements change.

Upon the request of either party, not more often than once every two (2) years, the Parties agree to meet and confer regarding adjustments to the minimum Diversion rate, based on factors including waste characterization data provided by Contractor, trends in source reduction and reuse, trends in third party Diversion, extent of reverse logistics, the availability of permitted Facilities that are capable of Processing material to achieve the required levels of Diversion, emerging methods of Processing and Recycling/reusing new waste materials, the availability of markets, transportation constraints, embargoes, and the impact of scavenging. City shall consider such information provided by Contractor and other industry data and shall, at its sole discretion, determine if any adjustments to the minimum Diversion requirements shall be made, and such changes must be approved by the City Council before becoming effective.

If these Diversion requirements are not met, City may instruct Contractor to initiate new programs at Contractor's expense in order for this goal to be met on a consistent basis.

Contractor as Authorized Recycling Agent. City hereby designates Contractor as an authorized Recycling agent (though not the sole agent) for the purposes of conducting Recycling activities within the City pursuant to the terms of Public Resources Code Section 40105. Notwithstanding the foregoing, Contractor at all times shall be and remain independent from the City."

4.4.4 PAPER SHREDDING EVENT

E. Article 4, Section 4.4.4 of the Agreement is hereby amended to read as follows:

"Contractor shall provide an on-site mobile shredding service for use by City residents (a "Shredding Event") two (2) times per calendar year with two (2) mobile on-site shredding trucks at each event at no additional charge to City or ratepayers, provided the City Manager or his or her designee may require less than two (2) mobile on-site shredding trucks at each event. The Shredding Event shall be provided at a date, time, and location designated and approved by the City, in his or her reasonable discretion,

and should be for a minimum of three (3) hours in duration, or until the capacity of two (2) shredding trucks have reached capacity. In the event inclement weather prevents a Shredding Event from occurring, Contractor shall reschedule the Shredding Event to a date, time and location designated and approved by the City. The Shredding Event shall be conducted at Contractor's sole cost and expense, utilizing equipment, personnel, and methods appropriate for such event, as approved by the City. Prior to each Shredding Event, Contractor shall coordinate with City staff and/or public safety personnel to make arrangements for safe, convenient, and effective access to and participation by City residents in the Shredding Event. Contractor shall procure all necessary insurance coverage needed for Shredding Event.

Each Shredding Event shall be designed to accommodate up to a maximum of five (5) "Bankers" boxes of paper or other media suitable for shredding from each Residential and Multi-Unit Residential Premises Customer within the City that is participating in the Shredding Event. Residents participating in the Shredding Event must be able to visually observe the materials they delivered to the Shredding Event be shredded. Contractor shall publicize each Shredding Event through methods, and using materials, approved by the City, at no cost to the City."

4.4.5 COMPOST GIVEAWAY

F. Article 4, Section 4.4.5 of the Agreement is hereby amended to read as follows:

"Contractor shall provide two (2) compost giveaway events per calendar year. Gardena residents will be allowed to fill up their containers on a first-come, first-serve basis. Contractor shall provide eighty (80) cubic yards of compost material per event, delivered to a location designated by the City provided the minimum amount of compost to be provided per event can be reduced based on participation at the discretion of the City Manager or his or her designee. Additionally, Contractor shall provide one (1) representative for the duration of each event to support the City. Any compost material remaining after event shall be removed by Contractor, unless otherwise directed by City staff. The compost giveaway events will be coordinated with the City and can be held in conjunction with other City events."

4.4.10 PROVISION OF RECOVERED ORGANIC WASTE PRODUCTS

G. Article 4, Section 4.4.10 of the Agreement is hereby amended to read as follows:

"Contractor shall procure and provide to City quantities of recovered organic waste products to assist the City in meeting the per capita annual recovered organic waste product requirement contained in SB 1383 (14 CCR Section 18993.1). Contractor and City may meet and confer to determine which one or a combination of the following activities may be used to comply with Section 18993.1(f) of Title 14 of the California Code of Regulations:

- a) Bulk Compost and/or Mulch - Contractor shall make available to City bulk Compost and Mulch that meet requirements defined in SB 1383, and shall Transport such material to City upon request, for City use in City parks and facilities at no cost to the City.
- b) Compost Giveaway as described in Section 4.4.5.
- c) Use of Renewable Natural Gas in Collection vehicles.

- d) Bulk Compost and/or Mulch for Private Uses - Contractor agrees to act as a direct service provider on behalf of the City. Contractor may arrange the legal donation of procured Compost and Mulch material on behalf of the City, as requested and pre-approved in writing by the City. The production, acquisition, advertising, storage, Transportation, distribution, or any other costs needed to achieve this requirement shall be performed by Contractor at no additional cost to the City or Customers.
- e) PCAs – Contractor may coordinate the purchasing of PCAs from SB 1383 eligible products (including RNG or biomass-to-electricity) from a reputable vendor, as approved by the City, and supply the City with a copy of the invoice including the amount of PCAs procured and the total purchase cost. The procured amount of PCAs cannot exceed the amount of RNG or electricity that City uses for municipal operations each year.
- f) Other activities approved by CalRecycle.

Contractor shall procure sufficient quantities of recovered Organics Waste products to meet the mandatory procurement requirements for jurisdictions contained in SB 1383 (14 CCR Section 18993.1) and to comply with specifications of these materials as defined in SB 1383, as may be amended, during the term of this Agreement including Agreement extensions granted by the City.”

4.5.4.3.C CONTAINER TRANSITION PLAN (NEW)

H. Article 4.5.4.3.C is hereby added to the Agreement as follows:

“Contractor will implement the Bin Transition Plan attached as Exhibit 10. The completion of this bin transition plan does not relieve the contractor of its requirement to repaint, repair, and/or replace any container identified by the City that requires such maintenance or graffiti removal within two (2) business days of notification per Section 4.5.4.3.A.”

4.5.14 TRANSFER, PROCESSING, AND DISPOSAL

I. Article 4, Section 4.5.14 of the Agreement is hereby amended to read as follows:

“Contractor shall Transport all Discarded Materials to the Approved Facility(ies) specified in Exhibit 6 and shall Transfer, Process, and Dispose of Discarded Materials in accordance with this Section and Exhibit 6. If the Approved Facilities change during the term of this Agreement, and the Contractor does not own or operate one or more of the Approved Facilities, Contractor shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of this this Section and Exhibit 6 shall pertain to the Subcontractor. In addition, Subcontractor requirements or obligations related to indemnification (Article 9) and insurance requirements (Section 9.4) shall apply, as well as any other Subcontractor requirements or obligations stated in other sections of this Agreement.

The Approved Facilities shall comply with the following requirements:

- a) Approved Transfer Facility. Contractor’s Approved Transfer Facility shall be a Transfer Facility or operation that Transfers Residential and Commercial Premises Source Separated Recyclable Materials and Source Separated Organic Waste, and/or Gray/Black Container Waste Collected in accordance with this Agreement.

- b) Approved Source Separated Recyclable Materials Processing Facility (Blue Containers). Contractor's Approved Recyclables Processing Facility shall be a Facility or operation that Processes Residential and Commercial Premises Source Separated Recyclable Materials to recover materials designated for Collection in the Blue Container.
- c) Approved Organic Waste Processing Facility (Green Containers). Contractor's Approved Organic Waste Processing Facility shall be a Facility that Processes Residential and Commercial Premises Source Separated Organic Waste to recover Source Separated Organic Waste.
- d) Approved Disposal Facility (Gray/Black Containers). Contractor's Approved Disposal Facility shall be a Disposal Facility that accepts Residential and Commercial Premises Gray/Black Container Waste Collected in accordance with this Agreement for Disposal.
- e) Approved Mixed Waste Processing Facility. Contractor's Approved Mixed Waste Processing Facility shall be a Facility or operation that Processes Commercial Premises Discarded Materials placed in the Gray/Black Container to recover Recyclable Materials or Organic Materials in accordance with this Agreement."

4.12 CONTRACTOR'S ACTIONS DURING LABOR NEGOTIATIONS (NEW)

J. Article 4.12 is hereby added to the Agreement as follows:

"Any time negotiations are undertaken between the Contractor and its employees relating to wages and benefits subject to a collective bargaining agreement the Contractor shall notify the City in writing no less than thirty (30) days of the commencement of negotiations. Contractor shall regularly report to the City the status of such negotiations from time to time including any pending labor unrest as defined in Section 11.5.

In addition to, and separate from, the steps outlined in the approved contingency plan pursuant to Section 11.5, and included as Attachment 11, Contractor agrees that in the event service is disrupted longer than seven (7) consecutive days, City may temporarily contract with other third-parties for the Collection of Solid Waste for a limited period of time (i.e. from the time Contractor is unable to provide such service until the labor unrest or service disruption has concluded). Notwithstanding the foregoing, Contractor shall be entitled to all Billings for services, whether such services are provided by Contractor or the third-party, during the labor unrest or service disruption. Contractor shall not be responsible for any non-performance or damages arising out of the activities by third-parties engaged by the City for the Collection of Solid Waste. Contractor shall notify City when the labor unrest or service disruption has ended, and the date Contractor will resume Collection of Solid Waste. Contractor shall reimburse City for direct third-party costs (including attorney's fees) incurred by City as a result of the labor unrest. Payment shall be made within 30 days following Contractor's receipt of an invoice with supporting documentation from City for such costs. Additionally, Contractor shall provide a credit to each Customer who contacts Contractor complaining of missed services during labor unrest, except to the extent caused by City's third-party contractor. Contractor may calculate a credit based on the percentage of missed pickups during the month provided that calculation method is consistent for all Customers during labor unrest. For example, if there are two (2) instances of missed pickups in a given month, the number of missed pickups shall be divided by the number of total pickups that otherwise would have occurred in that

month and multiplied by the monthly collection rate in the approved rate schedule. Contractor shall notify all Customers via its website and email that credits may be made available for missed services during labor unrest within seven (7) calendar days of the first missed collection.

At the City's discretion during labor unrest, Contractor shall place a minimum of five (5), forty (40) yard Roll-off Boxes or other Containers of equivalent capacity at points agreed upon with the City Manager or their designee to serve as Collection points for the Customers within seven (7) days of said labor unrest. Containers shall be Collected and replaced by Contractor as needed for no additional charge to ensure Customer may Dispose of Solid Waste during any labor unrest.

Throughout service disruption caused by labor unrest, Contractor shall:

- Meet all the requirements agreed to in the approved contingency plan, pursuant to Section 11.5.
- Provide City with a minimum of daily service updates.
- Notify Customers on a real-time basis of a change in their Collection schedule including alternative Collection procedures, if applicable. At a minimum, Contractor shall update its website and shall provide ongoing updates to City for use on its website. Should enhanced contact technologies become available, Contractor shall use such methods upon approval from City."

6.4 METHOD OF ADJUSTMENTS

L. Article 6, Section 6.4.1 of the Agreement is hereby amended to read as follows:

6.4.1 General

"Contractor shall submit its request for an annual rate adjustment in writing, in accordance with the formula in Exhibit 2, to be received by City in person or via certified mail. Such request shall be submitted by March 1 each year to the City Manager or their designee for review and approval. All future adjustments shall be effective July 1.

Annual adjustments shall not exceed an amount greater than two percent (2.0%) more than the percentage increase in the Consumer Price Index-All Items Less Energy for the Los Angeles-Long Beach-Anaheim, CA, All Urban Consumers, Not Seasonally Adjusted (CUURS49ASA0LE), for the corresponding one-year period used to measure the change in the Consumer Price Index for All Urban Consumers for Garbage and Trash Collection (CUUR0000SEHG02) - U.S. City average. Notwithstanding the above, the annual rate adjustment to the maximum rates shall be subject to the requirements included in Section 6.4.1.1.

M. Article 6, Section 6.4.2 of the Agreement is hereby amended to read as follows:

6.4.2 Rate Adjustment Calculation

Subject to approval by majority protest proceedings and subject to the limitations set forth in Section 6.4.1.1 above, approved Contractor compensation shall be based on the percentage change in the average annual published Consumer Price Index for Trash and Garbage Collection (CUUR0000SEHG02), U.S. City average, as published by the United States Department of Labor, Bureau of Labor Statistics, between the 12 months

ended January prior to the Contract Year anniversary date, and the 12 months ended the prior January. For example, for the first rate increase effective July 1, 2023, the change in indices shall be measured as the percentage change from the average of the monthly indices for 12 months beginning February 2021 and ending January 2022 to the average of the monthly indices for the 12 months beginning February 2022 and ending January 2023. An example calculation is included in Exhibit 2A. If the index is discontinued, an alternative index must be approved by the City Manager.

If the rate adjustment calculation is calculated to be 0% or less, there shall be no changes to charges and rates during the Contract Year corresponding the rate adjustment calculation. In the case of a calculated rate decrease, the amount of such decrease shall be carried forward to the following annual rate adjustment as an offset to future rate increases.

9.4 INSURANCE

N. Article 9, Section 9.4 of the Agreement is hereby amended to read as follows:

"City does not, and shall not, waive any rights against Contractor which it may have by reason of the aforesaid defense and hold harmless agreements, because of acceptance by City or the deposit with City by Contractor of the insurance policies described in this provision.

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. The most recent editions of Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 00 01).
2. The most recent editions of Insurance Services Office form number CA 00 20 covering Automobile Liability, code 1 "any auto".
3. Environmental/Pollution Liability Insurance in a form acceptable to the City Attorney.
4. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.

B. Minimum Limits of Insurance. Contractor shall maintain in force for the term of this Agreement limits no less than:

1. Comprehensive General Liability: Five Million Dollars (\$5,000,000) combined single limit per occurrence for bodily injury, Personal injury and property damage. Such limits can be achieved through a combination of primary and excess liability policies.
2. Automobile Liability: Five Million Dollars (\$5,000,000) combined single limit per accident for bodily injury and property damage. Such limits can be achieved through a combination of primary and excess liability policies.
3. Environmental/Pollution Liability Insurance. Five Million Dollars (\$5,000,000) per loss and annual aggregate applicable to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically damaged or destroyed; clean-up costs, including first party cleanup of the City's property and third-party cleanup, and bodily injury costs if pollutants impact other properties; and defense, including costs, fees and expenses incurred in the investigation, defense,

or resolution of claims. Coverage shall include completed operations and shall apply to sudden and non-sudden pollution conditions. Coverage shall apply to acts, errors or omissions arising out of, or in connection with, Contractor's scope of work under this Agreement. Coverage shall also apply to non-owned deposit sites ("NODS") that shall protect against, for example, claims regarding bodily injury, property damage, and/or cleanup costs involving NODS. Coverage is preferred by the City to be occurrence based. However, if provided on a claims-made basis, Contractor warrants that any retroactive date applicable to coverage under the policy precedes the Effective Date of this Agreement, and that continuous coverage shall be maintained, or an extended discovery period will be exercised through completion or termination of this agreement for a minimum of five (5) years. This provision does not limit or alter any rights or remedies to City allowable under this agreement and/or applicable law in perpetuity.

4. Cyber Liability Insurance: appropriate to the Contractor's profession and industry practice, with limits not less than \$2,000,000 per occurrence. Coverage for cyber risks shall be sufficiently broad to respond to the duties and obligations as are undertaken by Contractor under this Agreement and shall include but not be limited to claims involving invasion of privacy violations, information theft, release of private information, extortion, and network security. The policy shall provide coverage for breach response notification and remediation costs, regulatory fines and penalties, credit monitoring expenses, electronic funds transfer losses, electronic data restoration expenses, and business interruption costs with limits sufficient to respond to these obligations.
5. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

C. Deductibles and Self-Insured Retentions. If, in the reasonable opinion of City, Contractor does not have sufficient financial resources to protect City from exposure with respect to any deductibles or self-insured retentions, at the option of City. Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability Environmental Liability and Automobile Liability Coverages
 - a) City, its elective and appointive boards, commissions, officials, employees, agents and volunteers are to be named as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; Premises owned, leased or used by Contractor; or vehicles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its elective and appointive boards, commissions, officials, employees, agents or volunteers.
 - b) Contractor's insurance coverage shall be primary insurance as respects City, its elective and appointive boards, commissions, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by City, its officials, elective and appointive

boards, commissions, employees, agents or volunteers shall be excess of Contractor's insurance and shall not contribute with it.

- c) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officials, elective and appointive boards, commissions, employees, agents or volunteers.
- d) Coverage shall state that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

- 2. Workers' Compensation and Employers Liability Coverage - The insurer shall agree to waive all rights of subrogation against City, its officials, elective and appointive boards, commissions, employees, agents and volunteers for losses arising from work performed by Contractor for City.
- 3. All Coverages - Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice has been given to City.

E. Scope of Coverage. All of the above policies of insurance shall be primary insurance and shall name the City, its electives and appointive boards, commissioners, officials, officers, employees, and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against the City, its electives and appointive boards, commissioners, officials, officers, employees, agents, and their respective insurers. In the event any of said policies of insurance are cancelled, Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 9.4 to the City.

F. Acceptability of Insurers. The insurance policies required by this section shall be issued by an insurance company or companies authorized to do business in the State of California and with a rating in the most recent edition of Best's Insurance Reports of size category XIII or larger and a rating classification of A or better.

G. Verification of Coverage. Simultaneously with the execution of this Agreement, Contractor shall furnish City with certificates of insurance evidencing the coverage required herein, in form and substance satisfactory to City. The certificates for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. No work under this Agreement shall commence until Contractor has provided City with the Certificate(s) of Insurance evidencing the required insurance coverage and said Certificate(s) of Insurance are approved by the City, which appraisal shall not be unreasonably withheld. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall have all required endorsements.

H. Companies and Subcontractors. Contractor shall include all Companies and Subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each Contractor and Subcontractor. All coverages for Companies and Subcontractors shall be subject to all of the requirements stated herein.

I. Required Cancellation Notices:

- 1. The certificate of insurance for the Workers' Compensation policy shall contain an endorsement in substantially the following form:

"Thirty (30) days prior written notice shall be given to City in the event of cancellation, of this policy. Such notice shall be sent to:

City Manager (or designated representative)
City of Gardena
1700 West 162nd Street
Gardena, CA 90247

2. The certificate of insurance for the Public Liability policy shall contain endorsements in substantially the following form:
 - a) "Thirty (30) days prior written notice shall be given to City in the event of cancellation, of this policy. Such notice shall be sent to:

City Manager (or designated representative)
City of Gardena
1700 West 162nd Street
Gardena, CA 90247
 - b) "City, its officers, elective and appointive boards, commissions, employees, and agents are additional insureds on this policy."
 - c) "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by City, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."
 - d) "Inclusion of City as an insured shall not affect City's rights as respects any claim, demand, suit or judgment brought or recovered against Contractor. This policy shall protect Contractor and City in the same manner as though a separate policy had been issued to each, but this shall not operate to increase Contractor's liability as set forth in the policy beyond the amount shown or to which Contractor would have been liable if only one party had been named as an insured."

Renewal certificates will be furnished periodically to City to demonstrate maintenance of the required coverage throughout the Term.

J. Other Insurance Requirements

1. In the event any services are delegated to a Contractor or Subcontractor, Contractor shall require such Contractor or Subcontractor to provide statutory workers' compensation insurance and employer's liability insurance for all of the Contractor or Subcontractor's employees engaged in the work in accordance with this Section 9.4. The liability insurance required by this Section 9.4 shall cover all Contractor or Subcontractors or the Contractor or Subcontractor must furnish evidence of insurance provided by it meeting all of the requirements of this Section 9.4.
2. Contractor shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Contractor from any obligation under this Agreement. If any claim exceeding the amount of any deductibles or self-insured reserves is made by any third Person against Contractor or any Contractor or Subcontractor on account of any occurrence related to this Agreement, Contractor shall promptly report the facts in writing to the insurance carrier and to City.

If Contractor fails to procure and maintain any insurance required by this Agreement, City may take out and maintain, at Contractor's expense, such insurance as it may deem proper and deduct the cost thereof from any moneys due Contractor."

12.21 Guarantee of Contractor's Performance

O. Article 12, Section 12.21 of the Agreement is hereby amended to read as follows:

"Pursuant to a guarantee in substantially the form attached as Exhibit 3, Waste Management, Inc., a corporation which owns all of the issued and outstanding common stock of Contractor, has agreed to guarantee Contractor's performance of this Agreement. The Guarantee is being provided concurrently with Contractor's execution of this Agreement."

Conditions of the Consent and First Amendment

- A. As among WRT and WM and their respective affiliates, including the Purchaser, the other Seller Parties and the Significant Stockholders (each of Purchaser, Seller Parties and Significant Stockholders as defined in the Asset Purchase Agreement), nothing in this Consent and Amendment shall be deemed to limit, amend, modify, or restrict any terms of the (i) Asset Purchase Agreement, (ii) the Significant Stockholder Agreements or (iii) any other Ancillary Agreement, as each of (ii) and (iii) are defined in the Asset Purchase Agreement, including, without limitation, any indemnification or guarantee obligations (with respect to Retained Liabilities or otherwise) thereunder.
- B. The effective date of this Consent and First Amendment to the Franchise Agreement shall be the later of (i) the date on which the City Council Approves this Consent and First Amendment, and (ii) the date of the satisfaction of the following conditions:
1. The Transaction shall have closed pursuant to the terms and conditions of the Transaction, as may be amended, and WRG and WM shall have executed and delivered to City an assignment agreement or other reasonably acceptable documentation to the City Attorney, documenting the assignment of the Franchise Agreement by WRG to WM;
 2. WM shall have executed and delivered to City this Consent and Amendment;
 3. WM shall have delivered to City the executed Corporate Guaranty, substantially in the form attached to the Consent and Amendment as Exhibit 3;
 4. WM shall have delivered to City the executed and acknowledged performance bond in compliance with Section 9.5 of the Original Franchise Agreement, substantially in the form attached to the Consent and Amendment as Exhibit 4;
 5. WM shall have delivered to City the executed and acknowledged letter of credit in compliance with Section 9.6 of the Original Franchise Agreement,

substantially in the form attached to the Consent and Amendment as Exhibit 5;

6. WM shall have delivered to City evidence satisfactory to City's risk manager of the insurance required by Section 9.4 of the Original Franchise Agreement.

7. WRG shall have paid to City the transfer fee estimated by the Contractor to be \$1,309,685.22 as of September 30, 2025 as required by Section 12.5.b of the Original Franchise Agreement at least two (2) days before the closing of the transfer.

8. WRG shall have paid the City its expenses for attorney's fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation estimated to be \$60,000 as required by Section 12.5.a of the Original Franchise Agreement at least two (2) days before the closing of the transfer.

9. WRG shall have paid to the City the total amount of accrued Liquidated Damages for WRG failing to meet the 27% Diversion goal for the period of January 1, 2025 through the date on which the Transaction closes estimated to be \$130,543.15 as of September 30, 2025 at least two (2) days before the closing of the transfer.

List of Exhibits:

Exhibit 2A Example Rate Adjustment Formula (Replaces existing Exhibit 2A)

Exhibit 2B Example Calculation for Average Annual Change in Published Indices (Replaces existing Exhibit 2B)

Exhibit 6 Processing, Transfer, and Disposal Services and Facility Standards (Replaces existing Exhibit 6)

Exhibit 10 Contractor's Bin Transition Plan (Added as a new exhibit)

Exhibit 11 Contractor's Contingency Plan (Added as a new exhibit)

Additional Provisions of this Consent and Amendment

A. Continuing Effect of Agreement. Except as amended by this Consent and Amendment, including the Exhibits attached hereto, all other provisions of the Agreement remain in full force and effect and shall govern the actions of the parties under this Consent and Amendment. From and after the date of this Consent and Amendment, whenever the

term "Agreement" appears in the Agreement, in shall mean the Agreement as amended by this Consent and Amendment.

- B. Severability. If any portion of this Consent and Amendment is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- C. Integration. This Consent and Amendment represents the entirety of the Parties' understanding relating to the subject of this Consent and Amendment, including written or verbal communications between the Parties, which shall have no relevance unless expressly incorporated herein. This is an integrated amendment.

IN WITNESS WHEREOF, the Parties have executed this Consent and Amendment as of the day and year first above written.

January 13, 2026

City of Gardena

Waste Resources of Gardena ("WRG")

By: Tasha Cerda, Mayor
 Mayor, Tasha Cerda
 Date: 4/23/2026

By: Paul A. Wolfe
 Paul A. Wolfe, President
 Date: 4/23/2026

By: Khoren Shaginian
 Khoren Shaginian, CFO
 Date: 4/23/2026

USA Waste of California, Inc. ("WM")

By: Michael Hammer
 Michael Hammer, President - Southern California Area
 Date: 4/23/2026

By: Vladimir Beytelman
 Vladimir Beytelman, Vice President and Assistant Secretary
 Date: 4/23/2026

WASTE RESOURCES TECHNOLOGIES, INC. ("WRT")

By: Paul A. Wolfe

Paul A. Wolfe, President
Date: 4/23/2026

By: Khoren Shaginian
Khoren Shaginian, CFO
Date: 4/23/2026

EXHIBIT 2A EXAMPLE RATE ADJUSTMENT FORMULA

O. Exhibit 2A of the Agreement is hereby replaced in its entirety with the following:

Exhibit 2A EXAMPLE RATE ADJUSTMENT FORMULA

Step One: Calculate Percentage Change in Indices

Row	Index	A	B	C
		Old Index Value	New Index Value	Percent Change in Index ((Column B/Column A) -1)
1	CPI, Garbage and Trash Collection (1)	500.5	524.0	4.70%

Step Two: Verify that percentage change in Row 1 Column C does not exceed an amount greater than 2% more than the percentage increase in CUURS49ASA0LE in Row 3

Row	Adjustment Factor	D	E	F
		Old Index Value	New Index Value	Percent Change in Index ((Column E/Column D) -1)
2	CPI, Garbage and Trash Collection (1)	500.5	524.0	4.70%
3	CPI, Los Angeles-Long Beach-Anaheim (2)	281.9	290.4	3.02%
4	Difference			1.68%
5	CPI Cap equals Row 3 plus 2%			5.02%
6	Final Percent Change in Index (3)			4.70%

Step Three: Apply Percentage Change to Rates

Row	Rate Category	G	H	I	J
		Current Customer Rate Not Including City Fees (4)	Percentage Change in Index (From Column F, Row 6)	Rate Increase or Decrease (Column G x Column H)	Adjusted Rate (Column G + Column I)
7	Residential Cart Service	\$ 23.51	4.70%	\$ 1.10	\$ 24.61
8	Residential Extra Trash Cart Fee	\$ 7.85	4.70%	\$ 0.37	\$ 8.22
9	Additional Bulky Item Fee- curbside	\$ 15.70	4.70%	\$ 0.74	\$ 16.44
10	Multi-family - 2 Units	\$ 47.02	4.70%	\$ 2.21	\$ 49.23
11	Multi-family - 3 Units	\$ 70.53	4.70%	\$ 3.31	\$ 73.84
12	Multi-family - 4 Units	\$ 94.04	4.70%	\$ 4.42	\$ 98.46

(1) Consumer Price Index Consumer Price Index (CUUR0000SEHG02) for All Urban Consumers, garbage and trash collection - U.S. city average, not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics. Average annual change for the 12 months ending January prior to the Rate Year anniversary date compared to the 12 months ending January in the previous year.

(2) Consumer Price Index (CUURS49ASA0LE) for All Urban Consumers, All Items Less Energy (CPI-U) for the Los Angeles-Long Beach-Anaheim, CA, All Urban Consumers, Not Seasonally Adjusted. Average annual change for the 12 months ending January prior to the Rate Year anniversary date compared to the 12 months ending January in the previous year.

(3) Row 1 or 5, whichever is lower.

(4) Example rates listed. Adjustment applies to all rates.

EXHIBIT 2B EXAMPLE CALCULATION FOR AVERAGE ANNUAL CHANGE IN PUBLISHED INDICES

P. Exhibit 2B of the Agreement is hereby replaced in its entirety with the following:

Consumer Price Index

The rate adjustment index is calculated using the average annual change in the Consumer Price Index for All Urban Consumers for Garbage and Trash Collection (CUUR0000SEHG02) - U.S. City average published by the Bureau of Labor Statistics, measured for the 12 months ending January prior to the Contract Year anniversary date compared to the 12 months ending January in the previous year.

For example, if a rate adjustment based on this CPI index were to be implemented as of July 1, 2022, the average annual index value for the 12 months that began February 2021 and ended January 2022 of 524.0 would have been the "New Index Value" to be used in Column B of the example rate adjustment formula in Exhibit 2A, and the average annual index value for the 12 months that began February 2020 and ended January 2021 of 500.5 would have been the "Old Index Value" in Column A. This would have resulted in a 4.70% increase to the rates as calculated in Column C of Exhibit 2A.

CPI for All Urban Consumers (CPI-U)

Original Data Value

Series CUUR0000SEHG02
Id:
Not Seasonally Adjusted
Series Garbage and trash collection in U.S. city average, all
Title: urban consumers, not seasonally adjusted
Area: U.S. city average
Item: Garbage and trash collection
Base DECEMBER 1983=100
Period:
Years: 2012 to 2023

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	398.880	400.381	401.692	400.913	401.067	402.793	406.243	406.823	407.594	409.495	410.155	410.416
2013	411.126	411.805	412.305	413.675	414.511	414.802	416.505	417.760	418.357	419.687	421.427	422.237
2014	422.440	422.483	423.413	425.393	425.242	425.930	426.562	426.771	427.327	427.995	427.808	428.187
2015	427.734	429.248	429.235	429.807	431.234	430.813	431.229	432.967	433.843	434.829	436.428	436.996
2016	437.205	438.296	437.699	437.676	438.317	437.858	438.607	439.358	439.707	440.311	443.343	444.745
2017	446.266	447.699	446.987	447.129	447.272	448.046	448.328	448.717	449.008	452.196	453.820	453.596
2018	453.354	454.915	455.230	458.722	462.887	465.041	465.579	470.457	471.026	472.535	486.650	485.935
2019	475.687	477.474	478.569	479.449	480.865	480.984	482.138	483.987	484.346	486.133	486.485	486.708
2020	491.003	494.429	495.288	494.432	494.946	496.679	498.564	500.882	501.756	503.315	504.970	508.190
2021	512.722	517.270	518.505	518.579	516.440	517.202	521.185	524.408	529.934	530.114	529.053	532.538
2022	533.078											

Old index value 500.5
New index value 524.0

Additionally, Section 6.4.1 restricts the amount of any annual increase to not exceed an amount greater than two percent (2.0%) more than the percentage increase in the Consumer Price Index-All Items Less Energy for the Los Angeles-Long Beach-Anaheim, CA, All Urban Consumers, Not Seasonally Adjusted (CUURS49ASA0LE) published by the Bureau of Labor Statistics, for the corresponding one-year period used to measure the change in the Consumer Price Index for All Urban Consumers for Garbage and Trash Collection (CUUR0000SEHG02) - U.S. City average. For example, to verify that the change in the Consumer Price Index for All Urban Consumers for Garbage and Trash Collection (CUUR0000SEHG02) - U.S. City average

does not exceed the change in the Consumer Price Index-All Items Less Energy for the Los Angeles-Long Beach-Anaheim, CA, All Urban Consumers, Not Seasonally Adjusted (CUURS49ASA0LE), the average annual index value for the 12 months that began February 2021 and ended January 2022 of 290.4 would have been the "New Index Value" to be used in Line 3 Column E of the example rate adjustment formula in Exhibit 2A, and the average annual index value for the 12 months that began February 2020 and ended January 2021 of 281.9 would have been the "Old Index Value" in Line 3 Column D. The difference between the calculated change in the Consumer Price Index for All Urban Consumers for Garbage and Trash Collection (CUUR0000SEHG02) - U.S. City average and the Consumer Price Index-All Items Less Energy for the Los Angeles-Long Beach-Anaheim, CA, All Urban Consumers, Not Seasonally Adjusted (CUURS49ASA0LE) is calculated in Line 4 Column F of Exhibit 2A.

Consumer Price Index for All Urban Consumers (CPI-U)

Original Data Value

Series Id: CUURS49ASA0LE

Not Seasonally Adjusted

Series: All items less energy in Los Angeles-Long Beach-
Title: Anaheim, CA, all urban consumers, not seasonally
Area: Los Angeles-Long Beach-Anaheim, CA
Item: All items less energy
Base: 1982-84=100
Period:
Years: 2012 to 2022

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	232.233	232.576	233.702	234.245	234.069	234.321	234.840	235.330	235.973	236.488	236.136	235.155
2013	236.600	236.585	237.005	236.890	236.912	236.890	236.499	237.405	237.723	238.753	237.984	237.833
2014	238.987	239.724	240.297	240.626	240.630	240.785	241.343	242.010	242.454	242.845	242.528	242.302
2015	242.822	243.487	244.373	244.636	244.912	245.324	245.738	246.085	246.813	247.878	248.417	248.104
2016	249.720	251.168	251.274	251.429	252.518	252.509	252.506	253.052	253.185	253.742	253.013	253.302
2017	255.488	256.658	257.164	257.596	258.090	258.085	259.220	259.705	260.370	261.559	261.468	261.896
2018	263.457	264.830	265.909	266.600	266.971	266.441	266.950	267.425	269.273	270.021	269.851	269.401
2019	271.869	271.996	273.189	274.505	274.798	275.518	275.897	276.331	277.256	278.028	278.051	277.171
2020	279.587	280.711	279.462	280.000	280.859	281.664	283.124	283.128	282.244	282.775	283.257	282.559
2021	282.653	282.868	283.317	286.335	287.403	288.809	290.195	290.490	291.365	293.463	294.979	296.222
2022	299.135											

Old index value 281.9
 New index value 290.4

EXHIBIT 3

CORPORATE GUARANTY

Guaranty

THIS GUARANTY (the "Guaranty") is given as of the ___ day of _____, 2026.

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

- A. USA Waste of California, Inc., hereinafter ("Owner") is a corporation organized under the laws of the State of Delaware, which is wholly owned by Waste Management, Inc. (Guarantor).
- B. Owner and the City have negotiated an Agreement for Collection, Processing, and Disposal of Solid Waste dated as of _____, (hereinafter "Agreement"). A copy of this Agreement is attached hereto.
- C. It is a requirement of the Agreement, and a condition to the City entering into the Agreement, that Guarantor guaranty Owner's performance of the Agreement.
- D. Guarantor is providing this Guaranty to induce the City to enter into the Agreement.

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

1. **Guaranty of the Agreement.** Guarantor hereby irrevocably and unconditionally guarantees to the City the complete and timely performance, satisfaction and observation by Owner of each and every term and condition of the Agreement which Owner is required to perform, satisfy or observe. In the event that Owner fails to perform, satisfy or observe any of the terms and conditions of the Agreement, Guarantor will promptly and fully perform, satisfy or observe them in the place of the Owner or cause them to be performed, satisfied or observed. Guarantor hereby guarantees payment to the City of any damages, costs or expenses which might become recoverable by the City from Owner due to its breach of the Agreement.
2. **Guarantor's Obligations Are Absolute.** The obligations of the Guarantor hereunder are direct, immediate, absolute, continuing, unconditional and unlimited, and with respect to any payment obligation of Owner under the Agreement, shall constitute a guarantee of payment and not of collection, and are

not conditional upon the genuineness, validity, regularity or enforceability of the Agreement. In any action brought against the Guarantor to enforce, or for damages for breach of, its obligations hereunder, the Guarantor shall be entitled to all defenses, if any, that would be available to the Owner in an action to enforce, or for damages for breach of, the Agreement (other than discharge of, or stay of proceedings to enforce, obligations under the Agreement under bankruptcy law).

3. **Waivers.** Except as provided herein the Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under it for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of the Owner; (2) the actual or purported rejection by a trustee in bankruptcy of the Agreement, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (3) any waiver with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of the City's rights or remedies against the Owner; or (4) any merger or consolidation of the Owner with any other corporation, or any sale, lease or transfer of any or all the assets of the Owner. Without limiting the generality of the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code Section 2819.

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

The Guarantor hereby waives and agrees to waive at any future time at the request of the City to the extent now or then permitted by Applicable Law, any and all rights which the Guarantor may have or which at any time hereafter may be conferred upon it, by statute, regulation or otherwise, to avoid any of its obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantor hereunder: (a) at any time or from time to time, without notice the Guarantor, performance or compliance herewith is waived; (b) any other of any provision of its Agreement indemnification with respect to Owner's obligations under the

Agreement or any security therefore is released or exchanged in whole or in part or otherwise dealt with; or (c) any assignment of the Agreement is effected which does not require the City's approval.

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

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

5. **No Waivers.** No delay on the part of the City in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of the City to take other or further action without notice or demand. No modification or waiver of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by the City and by Guarantor, nor shall any waiver be effective except in the specific instance or matter for which it is given.

6. **Attorney's Fees.** In addition to the amounts guaranteed under this Guaranty, Guarantor agrees in the event of Guaranty's breach of its obligations to pay reasonable attorney's fees and all other reasonable costs and expenses incurred by the City in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder.

7. **Governing Law: Jurisdiction.** This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and

shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws, rules for all purposes including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by the City to enforce this Guaranty may be brought in any court of the State of California and Guarantor consents to personal jurisdiction over it by such courts solely for the purpose of any action brought by the City to enforce this Guaranty. Guarantor appoints the following Person as its agents for service of process in California:

The Corporation Trust Company
1209 Orange Street
Wilmington, DE 19801

With a copy by certified mail to:
Waste Management Inc.
Attn: General Counsel
800 Capital Street, Suite 3000
Houston, Texas, 77002
GCLegal@wm.com

8. **Severability.** If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity will have not have an effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.

9. **Binding On Successors.** This Guaranty shall inure to the benefit of the City and its successors and shall be binding upon Guarantor and its successors, including transferee(s) of substantially all of its assets and its shareholder(s) in the event of its dissolution or insolvency.

10. **Authority.** Guarantor represents and warrants that it has the corporate power and authority to give this Guaranty, that its execution of this Guaranty has been authorized by all necessary action under its Article of Incorporation and By-Laws, and that the Person signing this Guaranty on its behalf has the authority to do so.

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

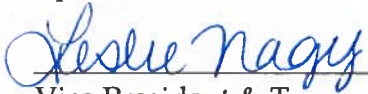
To the City: City Manager (or designated representative)
 City of Gardena
 1700 West 162nd Street
 Gardena, CA 90247


with a copy to the City Counsel at the same address.

To the Guarantor:

Waste Management Inc.
Attn: General Counsel
800 Capital Street, Suite 3000
Houston, Texas, 77002
GCLegal@wm.com

WASTE MANAGEMENT, INC.
a Delaware corporation

By: 
Title: Vice President & Treasurer
Date: 2-4-2026

By: 
Title: Assistant Treasurer
Date: 2/4/2026



■ RLI Insurance Company

9025 N. Lindbergh Drive | Peoria, IL 61615
P: 309-692-1000 | www.rlicorp.com

February 17, 2026

City of Gardena
1700 West 162nd Street
Gardena, CA 90247

RE: Integrated Solid Waste Management Services Agreement – Performance Bond No. CMS0332083

To Whom It May Concern:

Please accept this letter as acknowledgement that Waste Management, Inc and Waste Resource Technologies, have notified RLI Insurance Company of the proposed acquisition and the intended assignment of the related contracts.

Waste Management, Inc currently maintains a surety program with RLI in good standing. RLI already provides the bonds supporting these contracts and is willing to issue any necessary riders or replacement bonds to transition the bond listed below to the Waste Management surety program.

- Performance Bond Number CMS0332083 in the amount of \$600,000 for Integrated Solid Waste Management Services

Sincerely,

A handwritten signature in black ink that reads "Faheem Sabeiha".

Faheem Sabeiha
Sr. Commercial Surety Underwriter
RLI Insurance Company

Exhibit 5: Performance Bond



February 18, 2026

City of Gardena
1700 West 162nd Street
Gardena, CA 90247
Attention: City Manager

Ladies and Gentlemen:

We understand that USA Waste of California, Inc. intends to submit a request for assignment of the franchise agreement with the City of Gardena upon the successful closing of its acquisition of Waste Resources Technologies, Inc.

We are pleased to confirm that in the event a satisfactory award is made to USA Waste of California, Inc. on or about the date of the closing of the acquisition (estimated on or about April 2026), we are highly interested in issuing an irrevocable, unconditional, evergreen standby letter of credit in a maximum aggregate stated amount of up to USD \$600,000.00 in favor of the City of Gardena, subject to satisfaction of final terms and conditions of the letter of credit, a draft of which is attached hereto as Exhibit A.

This letter is not a commitment to provide any financing or extension of credit, nor shall it obligate Scotiabank or its affiliates to act as lender, issuing bank or in any other capacity with respect to any financing. Any such commitment or undertaking would be made pursuant to one or more written agreements satisfactory to Scotiabank, in its discretion, after receipt of all necessary approvals (including our credit committee).

At the request of our client, we advise that the company and/or its parent company maintains accounts with The Bank of Nova Scotia and these are serviced in a satisfactory manner with no history of credit concerns. We participate in syndicated lines of credit available to the parent company of USA Waste of California, Waste Management, Inc., that are in good standing as of the date hereof. We have maintained accounts with Waste Management of Canada Corporation since 2003 and have had a relationship with Waste Management, Inc. and its predecessors since 1994.

Sincerely,

A handwritten signature in black ink, appearing to read "Lary", with a long, sweeping flourish extending to the right.

By: Lizabeth Lary
Associate Director
The Bank of Nova Scotia

Exhibit A

IRREVOCABLE STANDBY LETTER OF CREDIT NO.: _____

Issue Date: _____

Beneficiary:

City of Gardena

1700 West 162nd Street

Gardena, CA 90247

Attn: City Manager

Applicant:

[USA Waste of California, Inc]

Letter of Credit Amount: USD 600,000.00 (Six-Hundred Thousand and 00/100 U.S. Dollars)

We hereby establish our irrevocable Standby Letter of Credit No. _____ in your favor, as beneficiary, for the account of [USA Waste of California, Inc] , in an amount not to exceed USD 600,000.00 (Six-Hundred Thousand and 00/100 U.S. Dollars) effective immediately and expiring with our close of business on _____ [Expiration date] at our office located at The Bank of Nova Scotia, New York Agency, 250 Vesey Street, 24th Floor, New York NY 10281, Attn: Trade Services Center available by payment against presentation of your draft(s) drawn at sight on The Bank of Nova Scotia, New York Agency when accompanied by the following documents:

1) Beneficiary's signed and dated statement worded as follows (with the instructions in brackets therein complied with):

“The undersigned, an authorized officer of the Beneficiary of The Bank of Nova Scotia, New York Agency Letter of Credit no. _____, hereby certifies that the Applicant is in breach of its obligations under the Contract for *[insert brief description of the underlying transaction, i.e. goods/ services/ works]*. The Beneficiary hereby demands payment of *[insert currency and amount in numbers]* *[insert amount in words]* under the above-mentioned Letter of Credit.”

2) The original (s) of the Letter of Credit and amendment(s) thereto.

All draft(s) drawn under this Standby Letter of Credit must be marked “Drawn under The Bank of Nova Scotia, New York Agency Standby Letter of Credit No. xxxx”.

We have been informed by the Applicant that this Letter of Credit is being issued in connection with the Contract between the Applicant and the Beneficiary for *[insert brief description of the underlying transaction, i.e. goods/ services/ works]*.

It is a condition of this Standby Letter of Credit that it is deemed to be automatically extended without amendment for one year from the expiration date hereof or any future expiration date, unless at least ninety (90) days prior to any such expiration date we send you written notice by courier that this Letter of Credit will not be automatically extended for any such additional period.

In the event this Letter of Credit is no longer required, the original (s) of this Letter of Credit and any amendment (s) thereto must be returned to The Bank of Nova Scotia, New York Agency, 250 Vesey Street, 24th Floor, New York NY 10281, Attn: Trade Services Center together with a signed letter on the beneficiary’s letterhead addressed to The Bank of Nova Scotia, New York Agency agreeing to its cancellation.

All banking charges are for the account of the applicant.

Unless otherwise expressly stated, this Standby Letter of Credit is subject to the International Standby Practices , ICC Publication No. 590 (“ISP98”) and shall be governed by and construed in accordance with the laws of the State of New York. In the event of conflict between ISP98 and a non-mandatory (variable) provision of such law, ISP98 shall govern.

We hereby engage with you that all documents(s) presented under and in compliance with the terms of this Standby Letter of Credit will be duly honored upon presentation at our office at The Bank of Nova Scotia, New York Agency, 250 Vesey Street, 24th Floor, New York NY 10281, Attn: Trade Services Center on or before the expiration date hereof or any automatically extended expiration date.

EXHIBIT 6 PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

Q. Exhibit 6, Section 6.1.A of the Agreement is hereby replaced in its entirety with the following:

"A. Overview. Contractor agrees to Transport and deliver Discarded Materials it Collects in the City to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the commencement date of this Agreement, the Approved Facilities, which were selected by Contractor and reviewed and approved by the City, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Contractor will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement.

Material Type	Approved Transfer Facility (if applicable)	Approved Facility (Processing or Disposal Facility)	Description of Processing Methodology (Material recovery facility, composting facility, anaerobic digestion, etc.)
Source Separated Recyclable Materials	Carson Transfer Station & MRF 19-AQ-0001 321 West Francisco Street Carson, CA 90745	Azusa Transfer and MRF 19-AA-1127 1501 W. Gladstone Azusa, CA 91701	Materials Recovery Facility
		Sun Valley Recycling Park (Bradley East Processing/Transfer Station) 19-AR-1237 Sun Valley (in Los Angeles) CA 91352	
		Waste Management of Orange 30-AB-0363 2050 Glassell Street Orange, CA 92865	
Source Separated Organic Waste	Carson Transfer Station & MRF 19-AQ-0001 321 West Francisco Street Carson, CA 90745	RWP Recycled Wood Products Ontario 2 36-AA-0477 1200 W. City Ranch Road Palmdale, CA 93551	Composting
		Azusa Transfer and MRF 19-AA-1127 1501 W. Gladstone Azusa, CA 91701	

Material Type	Approved Transfer Facility (if applicable)	Approved Facility (Processing or Disposal Facility)	Description of Processing Methodology (Material recovery facility, composting facility, anaerobic digestion, etc.)
Food Waste	Mission Road Recycling & Transfer Station (WRT) 19-AR-1183 840 South Mission Rd Los Angeles (City), CA 90023	Sun Valley Recycling Park (Bradley East Processing/Transfer Station) 19-AR-1237 Sun Valley (in Los Angeles) CA 91352	OREX and/or Composting
	Carson Transfer Station & MRF 19-AQ-0001 321 West Francisco Street Carson, CA 90745	South Valley Compost Site 54-AA-0026 24487 Road 140 Tulare, CA 93274	
	Azusa Transfer and MRF 19-AA-1127 1501 W. Gladstone Azusa, CA 91701	RWP Recycled Wood Products Ontario 2 36-AA-0477 1200 W. City Ranch Road Palmdale, CA 93551	
Gray/Black Container Waste	Carson Transfer Station & MRF 19-AQ-0001 321 West Francisco Street Carson, CA 90745	Antelope Valley Public Landfill 19-AA-5624 1200 W. City Ranch Road Palmdale, CA 93551	Landfill
		Simi Valley Landfill & Recycling Center 56-AA-0007 2801 Madera Road Simi Valley, CA 93065	
		El Sobrante Landfill 33-AA-0217 10910 Dawson Canyon Road Corona, CA 91719	
		Grand Central Recycling & Transfer Station 19-AA-1042 999 Hatcher Ave Industry, CA 91748	High Diversion Organic Waste Processing Facility
C&D	Carson Transfer Station & MRF 19-AQ-0001 321 West Francisco Street Carson, CA 90745	Simi Valley Landfill & Recycling Center 56-AA-0007 2801 Madera Road Simi Valley, CA 93065	C&D Materials Recovery Facility

Material Type	Approved Transfer Facility (if applicable)	Approved Facility (Processing or Disposal Facility)	Description of Processing Methodology (Material recovery facility, composting facility, anaerobic digestion, etc.)
		Looney Bins/East Valley Diversion 19-AR-1223 11616 Sheldon St. Sun Valley (Los Angeles), CA 91352	

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**EXHIBIT 10
CONTRACTOR'S BIN TRANSITION PLAN
(NEW)**

**EXHIBIT 10
BIN TRANSITION PLAN**

In executing this acquisition and transition for servicing the City of Gardena (City), WM intends to acquire WRG's inventory of collection containers used in the performance of the scope of services of the existing Franchise Agreement (Agreement). By utilizing the same equipment, WM can minimize any potential customer service impacts and the opportunity for service disruption during the transition.

Before the franchise assignment and acquisition are finalized, WRG will complete an audit of metal collection containers (bins) deployed throughout the City to ensure they meet the standards outlined in the Agreement. This assessment includes evaluating bin condition, paint, graffiti, structural integrity, and cleanliness. Bins not meeting standards will require attention through refurbishment or replacement which will be completed before the close of the acquisition transaction.

Once the franchise assignment and acquisition are completed, WM will continue the assessment of the bins deployed in the City using a mutually agreed-upon guideline of acceptable and non-acceptable bin conditions to ensure conformance with applicable laws and regulations (including SB 806), WM's stringent safety and performance standards, and the standards set forth in the Agreement. WM will prioritize bins that are in high visibility areas, in line with the City's goal for beautification of streets and parkways as well as eliminating graffiti.

Within twelve (12) months of the effective date of the assignment, all bins will be relabeled and bins that are mutually considered to be in non-acceptable condition will be refurbished and/or replaced, as necessary.

For the remaining existing inventory, bins will be used in accordance with the Agreement as was intended through WM's acquisition of WRG's inventory. Once this inventory is depleted, future deliveries and swaps will be made with SB-1383 compliant bins with required labeling. This gradual transition process helps to minimize any potential service disruptions and reduce unnecessary container scrap.

For your reference, the following pages provide an example of the current and post-transition bin container labeling, examples of the potential future bin color scheme, and a sample timeline of bin-related transition activities.

Example of Current and Post-Transition Bin Container Labeling



Current



Post-Transition

Future Bin Container Color Scheme



Organic Waste	Recyclables	Refuse
Green Lid	Blue Lid	Black Lid
Green Body	Green Body	Green Body

Sample Timeline of Bin Transition Activities*

<i>Task</i>	<i>Activity</i>	<i>Team</i>	<i>Description</i>	<i>Number of Containers</i>	<i>Planned Start (Month)</i>	<i>Planned Duration (Months)</i>	<i>OCT 25</i>	<i>NOV 25</i>	<i>DEC 25</i>	<i>JAN 26</i>	<i>FEB 26</i>	<i>MAR 26</i>	<i>APR 26</i>	<i>MAY 26</i>
1	WRG Audit Swaps	WRG	Identification and swaps of bins out of conformance with the Agreement	~300	Oct-25	Ongoing thru close of acquisition								
2	WM Labels	WM	Replace WRG logo with WM logo decals on existing bins	~2100	Feb-26	12								
3	Out of Conformance Swaps	WM	Swap bins mutually agreed to be out of conformance with the Agreement, WM safety standards, or other potentially applicable regulations, such as SB 806	Dependent upon mutually agreed non-conformance	Feb-26	12								
4	Ongoing Container Swaps	WM	All other bins not identified in above tasks will be replaced as needed through service level changes, safety related concerns, and at end of life	TBD	Feb-26	Ongoing								

**Subject to assignment approval and results of assessment*

EXHIBIT 11 CONTRACTOR'S CONTINGENCY PLAN (NEW)

EXHIBIT 11 CONTRACTOR'S CONTINGENCY PLAN

In accordance with Article 11.5 of the 2022 Amended and Restated Agreement between City of Gardena and Waste Resources of Gardena for Integrated Solid Waste Management Services, USA Waste of California, Inc. (WM) is providing this contingency plan demonstrating how services will be provided during periods of labor unrest.

Overview

If a period of labor unrest has the potential to impact scheduled services provided to Gardena customers, USA Waste of California, Inc. (WM) will undertake appropriate notification activities and, if necessary, implement contingencies until the event is resolved.

City Notifications

Pursuant to Article 11.5, WM will notify the City within two (2) business days of the labor unrest impacting performance, providing details of such cause (to the extent they are known and can be shared) and asserting any intention to claim to excuse from performance as allowed by the Agreement. Additional updates will be provided to the City on mutually-agreeable schedule until the event is resolved.

Customer Notifications

Following notification to the City, WM will work to notify affected Gardena customers of a potential impact to their service, a change in their collection schedule, through available methods, which may include:

- Posting notices on our Gardena residential and business community webpages (home.wm.com/Gardena and business.wm.com/Gardena) and sharing this same information with the City to post on its website.
- Sending push notifications to those customers utilizing the My WM mobile application.
- Emailing those customers subscribed to receive electronic notifications.
- Contacting customers by telephone with an automated out-dial message.
- Posting information to WM's social media channels as well as sharing the same information with the City to distribute through its social media channels.

WM understands, during times of uncertainty, providing timely information to customers is a top priority, and we will continue to do so throughout the duration of the event. Also, should there be other available methods of notifying customers not covered by this plan, WM will work with City staff to identify, evaluate, and utilize as mutually agreed to be appropriate and necessary.

Service Contingency Options

If the labor unrest prevents regular collection schedules from being maintained, WM will evaluate and undertake one or more of the following contingencies as appropriate:

Splitting Routes

One available contingency option is the splitting of routes, whereby the understaffed collection routes are broken up and the stops are redistributed amongst the fully staffed routes with the goal of completing services on or near a customers' regularly scheduled service day.

Collection Prioritization

Another available contingency option is collection prioritization. Under this option, priority may be given to certain material types and/or essential service customers.

For example, under this option, priority could be given to the collection of putrescible waste streams, such as gray/black container waste and commercial food waste, followed by source separated organic waste and source separated recyclable materials.

If collection prioritization results in a temporary change to how collection services are provided, such as an alternative collection schedule, impacted customers would be notified via one or more of the available communication methods noted above.

Temporary Drop-off Locations

Pursuant to Article 4.12, WM shall place a minimum of five (5), forty (40) cubic yard Roll-off Boxes or other Containers of equivalent capacity at locations mutually agreed upon with by the City Manager or their designee to serve as Collection points for the Customers within seven (7) days of said labor unrest. Containers shall be Collected and replaced as needed for no additional charge to ensure Customer may Dispose of Solid Waste during the period of any labor unrest.

Supplemental Resources

Under certain specific circumstances, WM may be able to access supplemental resources beyond those allocated to the City of Gardena.

Finally, should there be other available service contingency options available at the time of the event, but not covered by this plan, WM will work with City staff to identify, evaluate, and utilize as mutually agreed to be appropriate and necessary.

