

ADDENDUM #1 TO MRF OPERATING AGREEMENT

This ADDENDUM #1 TO MRF OPERATING AGREEMENT (“**Addendum**”), by and among the **WESTERN PLACER WASTE MANAGEMENT AUTHORITY**, a joint powers authority organized under California law (“**WPWMA**”), and FCC Environmental Services, LLC (“**Contractor**”). All capitalized terms not herein defined shall have the meaning ascribed to them in the Agreement (as defined below). The WPWMA and Contractor are hereinafter referred to jointly as “**the Parties**” and singularly as a “**Party**”.

RECITALS

A. The Parties are concurrently entering or have entered into that certain OPERATING AGREEMENT FOR THE WESTERN PLACER MATERIALS RECOVERY FACILITY (the “**Agreement**”). Under the Agreement, Contractor is operating the Facility as defined in the Agreement commencing July 1, 2022 and subject to satisfaction of those conditions set forth in Article 3.

B. As set forth in Section 3.3 of the Agreement, the Facility experienced a fire and incurred substantial damages due to causes outside of Contractor’s control prior to the Effective Date of the Agreement (“Fire Damage”). As a result, the Facility will not be at full operating efficiency as of the Effective Date, as was represented during the procurement phase of the project.

C. The Parties wish to execute this Addendum to outline the suspended or modified portions of the Agreement until the Facility is at full operating efficiency.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, the Parties hereby agree as follows:

1. Recitals. The above Recitals are true and correct and form a substantive part of this Addendum.
2. Defined Terms. All capitalized terms shall have the meaning ascribed to them in the Agreement unless otherwise noted.
3. Fire Recovery Period. From the Effective Date through the earlier of (1) Substantial Completion of the portion of the Facility Expansion for the Construction and Demolition Debris Processing Area or (2) the substantial completion of repairs to the Facility to correct the Fire Damages which result in the Facility obtaining its prior, full operating efficiency as reasonably determined by written agreement between the Parties, Contractor shall Recycle for Creditable Recovery not less than 8 percent (8%) by weight of all Municipal Solid Waste received at the WPWMA Site if it is directed to the Facility for Processing. As part of these operations, Contractor may direct no more than fifty percent (50%) of Municipal Solid Waste received at the WPWMA Site each month directly to the Landfill for disposal without any Processing. Notwithstanding

anything to the contrary in the Agreement or any other agreement between the Parties, Contractor shall be compensated for each Ton diverted to the Landfill for disposal without any Processing at the rate of Thirty-Three Dollars and Ten Cents (\$33.10). Such amount shall be in addition to any payments Contractor receives under the terms of its operating agreement with WPWMA for the Landfill. In addition, these Tons shall not be included in the calculation of the MSW Guaranteed Minimum Recycling Level, and such shall not be counted in any way towards the minimum annual amount guaranteed by WPWMA to Contractor in the operating agreement for the Landfill. Upon completion of any repairs to correct the Fire Damage, the Parties shall meet and confer to determine if the repairs have met the requirements of Item (2) above, the appropriate recovery percentage for the Facility if not, and whether the rates in this Addendum or Agreement should be modified to reflect the applicable recovery percentage for the Facility.

4. Recycling Incentive or Disincentive Payments for July 2022. Contractor shall not be eligible for or subject to any incentive or disincentive payments for exceeding or failing to meet the MSW Guaranteed Minimum Recycling Level as set forth in Section 6.6 of the Agreement for the month of July 2022. Commencing the latter of (1) August 1, 2022 or (2) the completion of repairs to the Facility by WPWMA to address the Fire Damage, the provisions of Section 6.6 of the Agreement as may be modified by Section 3 of this Addendum shall apply .

5. Term. This Addendum shall commence on the Effective Date and shall terminate upon the occurrence of either conditions set forth in Section 3 of the Addendum. Upon such date, this Addendum shall have no further force or effect.

6. Interpretation with the Agreement. This Addendum is an amendment to the Agreement as set forth in Section 10.5 of the Agreement. This Addendum shall control over any conflict or inconsistency with the Agreement. Except for such conflicts and inconsistencies, this Addendum shall be interpreted as part of and in accordance with the applicable terms of the Agreement. Except as set forth in this Addendum, the Agreement remains in full force and effect.

[signature page follows]

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed effective as of the date next to their signatures.

WESTERN PLACER WASTE
MANAGEMENT AUTHORITY, a joint
powers authority organized under California
law

CONTRACTOR

By: _____
Chair

By: _____
President

APPROVED AS TO FORM

WPWMA Counsel