

**THIRD AMENDMENT TO THE FRANCHISE AGREEMENT BETWEEN
THE CITY OF PERRIS AND CR&R INCORPORATED, FOR THE
COLLECTION, TRANSPORTATION, RECYCLING, COMPOSTING AND
DISPOSAL OF SOLID WASTE AND CONSTRUCTION DEBRIS AND
FOR PROVIDING TEMPORARY BIN/ROLLOFF SERVICES**

This Third Amendment to the Franchise Agreement ("Amendment No. 3") is entered into as of July 27, 2021 by and between the City of Perris, a Municipal Corporation ("City") and CR&R Incorporated, a California Corporation ("Grantee"). The parties are individually referred to as "Party" and collectively referred to as "Parties."

RECITALS

- A. On October 25, 1993, the City and Grantee entered into that certain agreement entitled "Agreement between the City of Perris and CR&R Incorporated for the Collection, Transportation, Recycling, Composting, and Disposal of Solid Waste and Construction Debris and for Providing Temporary Bin/Rolloff Services" ("Franchise Agreement").
- B. On May 30, 1995, the City and Grantee amended the Franchise Agreement to reflect the termination of the solid waste transfer and recycling facility ("MAP") referenced in the Franchise Agreement ("Amendment No. 1").
- C. On May 30, 2017, the City and Grantee amended the Franchise Agreement to reflect new services for Organic Waste and Green Waste ("Amendment No. 2").

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the promises above stated and the terms, conditions, covenants, and agreements contained herein, the Parties hereby agree to amend the Franchise Agreement for the third time as follows:

- 1. **Recitals Incorporated.** The foregoing recitals are true and correct and incorporated herein by reference as if set forth in full.
- 2. **Amendment to SECTION 6 of the Franchise Agreement.** Section 6 ("FRANCHISE FEE") is hereby amended to read as follows:

"Grantee shall pay to City a Franchise Fee which shall be 18% of Gross Receipts from residential customers and 15% of Gross Receipts for commercial/industrial rolloff customers. "Gross Receipts" shall mean total cash receipts collected from customers by the Grantee (or the County Tax Assessor through the property tax roll), for the provision of services pursuant to this Agreement, without any deductions. Gross Receipts do not include revenues from the sale of Recyclable Materials. The Franchise Fee shall be payable no later than the fifteenth day of each month based on the prior month's Gross Receipts. The Franchise Fee for Gross Receipts that are

collected by the County Tax Assessor for delinquent accounts shall be deducted by City prior to the City forwarding funds it receives from the Tax Assessor for payment to Grantee.”

3. **Amendment to SECTION 19 of the Franchise Agreement.** Subsection “G” (“Delinquent Accounts”) of Section 19 is hereby amended to read as follows:

“G. **Delinquent Accounts.**

- (1) A residential customer who has not remitted required payment for solid waste collection, recycling and/or disposal service within ninety (90) calendar days after the date of billing shall be notified by the city or the city’s contractor servicing the premises on forms that contain a statement that if payment is not received within fifteen (15) calendar days from the date of the notice, a 10% penalty and 1.5% monthly interest and administrative charges will begin to accrue. If the city’s contractor is providing the statement, it shall inform the city of the delinquency in an annual report. The grantee will deliver a report of all delinquencies not later than June 1 of each year with a request that the City place the delinquencies on the property tax roll.
- (2) Pursuant to Sections 38790.1 and 25831 of the Government Code, the City shall collect delinquent fees or charges for solid waste collection, recycling and/or disposal services on the property tax roll for the residential premises. The City shall provide the Grantee with a paid parcel list report from County to be included with payment and an accounting of franchise fee deductions.
- (3) The city or its contractor may discontinue commercial or bin service as set forth in this Section and Chapter 7.16. Persons who have not remitted required payments within thirty (30) days after the date of billing shall be notified on forms approved by city. Said forms shall contain a statement that services may be discontinued fifteen (15) days from the date of notice if payment is not made before that time. Upon payment of the delinquent, redelivery, or reinstatement fees, if applicable, City or the contractor shall resume collection on the next regularly scheduled collection day.”

4. **Amendment to Exhibit “E”.** Exhibit E (“ANNUAL RATE ADJUSTMENT METHODOLOGY”) is hereby amended to provide that the adjustment shall be made using the “Annual” column of the CPI tables published by the U.S. Bureau of Labor Statistics.

5. **Continuation of Franchise Agreement Terms.** Except as specifically stated in this Amendment No. 3, all the terms and provisions of the Franchise Agreement and of Amendment No. 1 and Amendment No. 2 shall remain in full force and effect.


IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 3 as of the date first above written.

CITY OF PERRIS, a municipal corporation



By: Michael M. Vargas, Mayor

ATTEST:



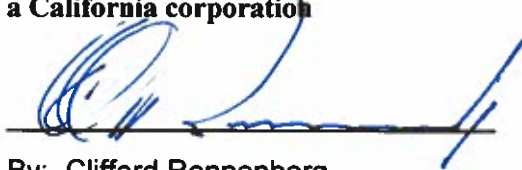
By: Nancy Salazar, City Clerk

APPROVED AS TO FORM:



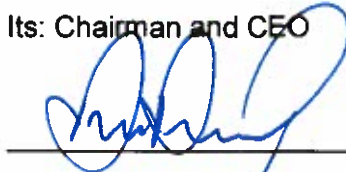
Eric L. Dunn, City Attorney

**CR&R INCORPORATED,
a California corporation**



By: Clifford Ronnenberg

Its: Chairman and CEO



By: David Ronnenberg

Its: President and Secretary

Date: 07/13/2021