

**SCHEDULE 2.1(i)**  
**STATEMENT OF WORK FOR PRIVATE MULTI-FAMILY BUILDING COLLECTION SERVICES**

This Statement of Work is incorporated into and forms part of the Master Services Agreement made between [redacted] (“**Contractor**”) and MULTI-MATERIAL RECYCLING INC. carrying on business as Recycle BC (“**Recycle BC**”) made as of [redacted] (the “**Agreement**”). The effective date of this Statement of Work (the “**SOW Effective Date**”) is [redacted].

**SECTION 1. Interpretation**

1.1 Definitions. In this Statement of Work (including the attachments hereto), the following terms will have the following meanings. Capitalized terms used but not defined in this Statement of Work will have the respective meanings ascribed to them in the Agreement.

“**Agreement**” has the meaning set out on the first page of this Statement of Work.

“**Approved Multi-Family Building**” means a Multi-Family Building on the list of approved Multi-Family Buildings maintained by Recycle BC in accordance with Section 2.1.1, which makes up the Multi-Family Household Baseline.

“**Blended Collection Route**” means a collection route on which Contractor collects In-Scope PPP from both Approved Multi-Family Buildings and ICI locations, as previously agreed upon and approved in writing by Recycle BC.

“**Claim Information**” has the meaning set out in Section 3.3.2.

“**Collection Container**” means any container acceptable to Recycle BC used for storage of In-Scope PPP at a central location in a Multi-Family Building complex, but, for the avoidance of doubt, may not include single-use bags.

“**Contractor**” has the meaning set out on the first page of this Statement of Work.

“**Customer**” means any owner, property manager or resident of an Approved Multi-Family Building.

“**Determined ICI Amount**” has the meaning set out in Section 2.1.1(h).

“**Hazardous Waste**” means any waste that may pose a risk to health, safety or the environment if not properly managed, including materials that are corrosive, reactive, toxic, leachable or ignitable (e.g. used oil, paint, pesticides, batteries, chemicals).

“**In-Scope PPP**” means the PPP set out in Attachment 2.1.2 and such other materials identified as In-Scope PPP by Recycle BC in writing from time to time.

“**Industrial, Commercial and Institutional**” or “**ICI**” means any operation or facility other than a residential premises as defined in the Regulation, including commercial facilities such as retail stores or offices located in the street level or lower levels of a Multi-Family Building and vacation facilities, such as hotels, motels, cottages, cabins and rental, co-operative, fractional ownership, time-share or condominium accommodation associated with sports and leisure facilities (e.g., ski resorts); and, institutional facilities such social or community service organizations and personal or health care facilities located in the street level or lower levels of a Multi-Family Building and residences at which medical care is provided, such as nursing homes, long-term care facilities and hospices.

“**Missed Collection**” means any failure of Contractor to collect In-Scope PPP from an Approved Multi-Family Building on the Approved Multi-Family Building’s scheduled collection day.

**“Multi-Family Building”** means a complex, where residents are expected to deliver In-Scope PPP to a central storage area accessible by all residents, from which collection occurs.

**“Multi-Family Building Collection”** has the meaning set out in Section 2.1.

**“Multi-Family Generation”** means, in respect of a Blended Collection Route, the average weight of In-Scope PPP material generated per Multi-Family Household on such Blended Collection Route, as determined from time-to-time in accordance with Section 2.1.1(f).

**“Multi-Family Household”** means a self-contained dwelling unit providing accommodation to one or more people where the resident is expected to deliver In-Scope PPP to a central location on the property of the Multi-Family Building from which In-Scope PPP is collected.

**“Multi-Family Household Baseline”** has the meaning set out in Attachment 5.

**“Multi-Stream”** means In-Scope PPP collected as segregated material categories. These categories may include Paper and Cardboard and Mixed Containers, with each category stream collected and maintained separate from each other.

**“Not Accepted Materials”** means, collectively, any material that is not PPP.

**“Old Corrugated Cardboard”** means paper-based material consisting of a fluted corrugated sheet and one or two flat linerboards. For clarity, waxed or coated corrugated cardboard is excluded from this definition.

**“Private Road”** means a privately-owned and maintained right-of-way that allows for access by a service vehicle and that serves multiple residences.

**“Public Road”** means a public right-of-way used for public travel, including public alleys and lanes.

**“Quarterly Blended Allotment”** means, in respect of any given quarter, the total weight of In-Scope PPP that may be collected from Multi-Family Households on Blended Collection Routes in such quarter, which equals the product of (i) the Multi-Family Generation in respect of such Blended Collection Route, times; (ii) the number of Multi-Family Households on such Blended Collection Route, times; (iii) the number of times In-Scope PPP is collected from such Blended Collection Route and delivered to the Designated Post-Collection Facility in the applicable quarter. Recycle BC reserves the right to define and modify the months encompassed within a given quarter, assuming all months are assigned to a quarter and each quarter contains 3 months.

**“Reduced Split Weighing”** means a method whereby a subset of randomly selected collection vehicles of a Multi-Stream Contractor have each material category compartment weighed separately, and the results are extrapolated to calculate the split between the material categories on the remainder of the Contractor’s collection vehicles on a monthly basis, therefore eliminating the need for all collection vehicles to weigh each compartment individually.

**“Resident Education Top Up”** means a top up amount paid by Recycle BC to Contractor for the purposes of promotion, education and outreach programs in connection with PPP.

**“Residential Generation Audit”** has the meaning set out in Section 2.1.1(f).

**“Service Administration Top Up”** means an amount paid by Recycle BC to Contractor for the purposes of administrative expenses associated with PPP program coordination, including office staff, data analysis and reconciliation, correspondence, office rent and office equipment.

**“Service Area”** means the geographic area delineated in Attachment 2.1.1.

“**Service Commencement Date**” means [●].

“**Single-Stream**” means In-Scope PPP collected as comingled material categories. These categories may include Paper and Cardboard and Mixed Containers, collected together in the same Collection Container.

“**SOW Effective Date**” has the meaning set out on the first page of this Statement of Work.

“**SOW Services**” has the meaning set out in Section 2.

“**SOW Term**” has the meaning set out in Section 4.

“**Transition and Implementation Plan**” has the meaning set out in 2.4.

1.2 Attachments. As of the SOW Effective Date, the following Attachments form part of this Agreement:

<u>Attachment</u>	<u>Description</u>
Attachment 2.1.1	– Service Area
Attachment 2.1.2	– In-Scope PPP
Attachment 3.4	– Service Level Failures
Attachment 5	– Fees

## **SECTION 2. Services**

Contractor will provide, on the terms and conditions set out in the Agreement as supplemented and modified by the terms and conditions of this Statement of Work, the following Services (the “**SOW Services**”):

2.1 Multi-Family Building Collection Services. Beginning on the Service Commencement Date, Contractor will collect In-Scope PPP from Multi-Family Buildings in the Service Area as further described in this Section 2.1 (“**Multi-Family Building Collection**”) and in accordance with the terms of the Agreement and this Statement of Work.

2.1.1 Approved Multi-Family Buildings.

- (a) Subject to Section 2.1.1(d) and 2.1.1(e), Contractor will not collect In-Scope PPP from any location other than an Approved Multi-Family Building. Recycle BC will maintain a list of Approved Multi-Family Buildings, which list will be initially comprised of the Multi-Family Buildings agreed on by Recycle BC and Contractor prior to the SOW Effective Date.
- (b) Contractor will maintain a contact list for all Approved Multi-Family Buildings within the Service Area, made available to Recycle BC upon request.
- (c) Recycle BC may remove all or a portion of a Multi-Family Building from the list of Approved Multi-Family Buildings, immediately upon notice, where Contractor has committed any breach of this Agreement in respect of such Multi-Family Building or portion thereof (including a failure to meet or exceed applicable Service Levels) and has failed to cure such breach within thirty (30) days of being given notice thereof by Recycle BC.
- (d) Recycle BC may, in its sole discretion, approve Contractor to collect In-Scope PPP from a limited number of ICI locations. Contractor will collect In-Scope PPP only from ICI locations approved by Recycle BC in advance. Recycle BC shall have the

right, exercisable at any time in its sole discretion, to revoke its approval of any one or more ICI locations.

- (e) Notwithstanding any other provision of this SOW, Contractor may collect In-Scope PPP from Approved Multi-Family Buildings and ICI locations together on collection routes in the Service Area that have been approved in writing by Recycle BC, at its sole discretion, as Blended Collection Routes. Contractor will submit and maintain a list of Approved Multi-Family Buildings on each Blended Collection Route that will be maintained in accordance with Attachment 5 Section 3.
- (f) Recycle BC reserves the right to calculate the Multi-Family Generation based on reasonably equivalent multi-family generation rates from within the Recycle BC program, and in addition, from time to time at Recycle BC's sole discretion, require Contractor to conduct an audit (a "**Residential Generation Audit**") of the amount of In-Scope PPP collected from Multi-Family Households on a subset of such Blended Collection Routes. Each Residential Generation Audit requires Contractor to collect In-Scope PPP from only the Multi-Family Buildings on the applicable Blended Collection Route and record and submit to Recycle BC the following information: (i) the total weight of In-Scope PPP collected from all Multi-Family Households on such Blended Collection Route; (ii) the number of Multi-Family Households on such Blended Collection Route; and (iii) the frequency that such Blended Collection Route is serviced. This information will be used to calculate a Multi-Family Generation in respect of such Blended Collection Route, and in turn, inform the Quarterly Blended Allotment to be received under the Recycle BC program by the Designated Post-Collection Facility. When required, Contractor will complete a Residential Generation Audit, and deliver the results of such Residential Generation Audit to Recycle BC, within thirty (30) days of each quarter.
- (g) Unless Contractor and Recycle BC otherwise agree in writing, the Quarterly Blended Allotment in respect of a quarter will apply retroactively to the beginning of such quarter and remain in effect until the beginning of the next subsequent quarter. Recycle BC, at its sole discretion, reserves the right to change the amount and frequency of Residential Generation Audits, dependent upon the consistency of results.
- (h) Contractor will not be entitled to receive any Fees or other payments in respect of In-Scope PPP collected from ICI locations and will be solely responsible for all costs associated with the collection and post-collection management of In-Scope PPP collected from ICI locations. Recycle BC reserves the right to develop and apply a methodology, at its own sole discretion, for calculating the amount of In-Scope PPP from ICI locations included in Contractor-collected In-Scope PPP delivered to the Designated Post-Collection Facility (the "**Determined ICI Amount**"). Without limiting the generality of the foregoing, Contractor acknowledges and agrees that Contractor will be solely responsible for any costs or fees charged by the Designated Post-Collection Service Provider in respect of the Determined ICI Amount.

#### 2.1.2 PPP Materials.

- (a) Contractor will collect all In-Scope PPP from all Approved Multi-Family Buildings that is placed in Collection Containers (including both Contractor-provided Collection Containers and Collection Containers provided by Approved Multi-Family Buildings). The Contractor will not place limits on the quantity of In-Scope PPP collected from Approved Multi-Family Buildings and the quantity of material collected will be limited to what can reasonably fit inside the Collection Container(s). If a location generates an excessive amount of In-Scope PPP, the

Contractor may provide additional Collection Containers to accommodate the extra volume. Subject to Section 6.1, if extra Collection Containers have already been provided or there is insufficient space for additional Collection Containers, the Contractor and the building management may collaborate to increase service frequency to meet capacity as an enhanced service.

- (b) Materials collected by Contractor may not contain more than 5% by weight of Not Accepted Materials. Loads exceeding 5% by weight of Not Accepted Materials may be subject to rejection by the Designated Post-Collection Service Provider and may result in Service Level Failure Credits as set out in Attachment 3.4.
- (c) Materials collected by Contractor may not contain (i) any packaging containing Hazardous Waste; (ii) Foam Packaging; or (iii) Flexible Plastic (outside of the Flexible Plastic Collection Container).
- (d) If Contractor collects In-Scope PPP in Multi-Stream, Contractor must ensure that:
  - (i) loads of Paper and Cardboard do not contain more than 1% by weight of Mixed Containers; and
  - (ii) loads of Mixed Containers do not contain more than 3% by weight of Paper and Cardboard.
- (e) Contractor must ensure that loads of Mixed Containers and Paper and Cardboard (whether collected in a Single-Stream or a Multi-Stream) do not contain more than 3% by weight of Glass Bottles and Jars.
- (f) Contractor must ensure that the loads of Flexible Plastics do not contain more than 5% by weight of Mixed Containers, Paper and Cardboard and Glass Bottles and Jars.
- (g) Contractor must ensure that loads of Glass Bottles and Jars do not contain more than 1.5% by weight of Not Accepted Materials and other categories of In-Scope PPP (individually or in the aggregate). Loads of segregated Glass Bottles and Jars exceeding 1.5% by weight of Not Accepted Materials and other categories of In-Scope PPP (individually or in the aggregate) may be subject to rejection by the Designated Post-Collection Service Provider and may result in Service Level Failure Credits as set out in Attachment 3.4.
- (h) Contractor will implement and maintain reasonable procedures to ensure that loads delivered to the Designated Post-Collection Facility comply with the requirements set forth in this Section 2.1.2, including procedures to monitor the content of collected materials and procedures to notify and reject material from Approved Multi-Family Buildings who do not comply with such requirements. Such procedures are subject to review by Recycle BC at any time and from time to time. If Recycle BC determines that such procedures are inadequate, Contractor will adopt such procedures as Recycle BC may reasonably require in order to ensure compliance with this Section 2.1.2.
- (i) Recycle BC will work collaboratively with Contractor to provide assistance and direction to support Contractor in ensuring that loads delivered to the Designated Post-Collection Facility comply with the requirements set forth in this Section 2.1.2, with the ultimate goal of continuous improvement.

### 2.1.3 Collection.

- (a) Contractor shall not place limits on the quantity of In-Scope PPP collected from Approved Multi-Family Buildings. Where Contractor uses automated carts or front end bins as the Collection Container, the quantity of material collected may be limited to what can reasonably fit inside the Collection Container.
- (b) Contractor will pick up In-Scope PPP from Approved Multi-Family Buildings in Collection Containers that are directly, or reasonably, accessible by the collection vehicle. The Collection Containers may be on a Public Road if the Approved Multi-Family Building has permission from the local government to store the Collection Containers on a Public Road.
- (c) Contractor will perform Multi-Family Building Collection with sufficient frequency that each Approved Multi-Family Building always maintains sufficient capacity in its uncollected Collection Containers so as not to be a barrier to use of Multi-Family Building Collection services by the residents of such Approved Multi-Family Building; provided that the service standard hereunder is not intended to require Contractor to perform Multi-Family Building Collection more frequently than once per week. Without limiting the generality of the foregoing, Contractor will coordinate with each Approved Multi-Family Building to arrange for a pick-up schedule for the Approved Multi-Family Building that, if requested by the Approved Multi-Family Building, is consistent.
- (d) Contractor will make collections in an orderly, non-disruptive and quiet manner, and will return Collection Containers with their lids closed in their set out location in an orderly manner. The location of returned Collection Containers should not block sidewalks, driveways or street parking.
- (e) Subject to Section 2.1.2(a) and Section 2.1.3(a), Contractor will not reject any In-Scope PPP set out by a Customer unless Customer is notified of the reason for such rejection.

### 2.1.4 Collection Containers.

- (a) Except to the extent and on the conditions otherwise approved by Recycle BC in writing, Contractor will provide Collection Containers to each Approved Multi-Family Building that provide sufficient volume to accommodate In-Scope PPP generated by such Approved Multi-Family Building between collections so that Collection Container capacity and design is not a barrier to use of Multi-Family Building Collection services by the residents of such Approved Multi-Family Building.
- (b) Except to the extent and on the conditions otherwise approved by Recycle BC in writing, if Multi-Family Buildings are added to the list of Approved Multi-Family Buildings under Section 2.1.1(a) Contractor will deliver Collection Containers to any such Multi-Family Buildings at least ten (10) Business Days prior to the start date provided agreed on by Contractor and Recycle BC.
- (c) If any Approved Multi-Family Building chooses to provide its own Collection Containers, Contractor will handle such Collection Containers in such a way as to prevent undue damage, and Contractor will be responsible for unnecessary or unreasonable damage to such Collection Containers. Contractor is not required to collect materials from any Customer-owned Collection Container if (i) collecting material from such Collection Container would involve a risk of injury to Contractor

personnel or risk of damage to Contractor or Customer property; (ii) the Collection Container is otherwise incompatible with Contractor's collection model; or (iii) Customer provided Collection Containers are prohibited by municipal bylaw.

- (d) If Contractor did not provide Multi-Family Building Collection in the Service Area immediately prior to the Service Commencement Date, Contractor will deliver Collection Containers that meet the requirements set out in this Agreement to each Approved Multi-Family Building at least ten (10) Business Days prior to the Service Commencement Date unless otherwise approved by Recycle BC in writing.
- (e) Contractor may not collect In-Scope PPP in single-use bags.
- (f) If Contractor proposes to change the type of Collection Containers it uses for Multi-Family Building Collection in the Service Area, Contractor will submit a detailed transition plan to Recycle BC a minimum of six (6) months prior to the scheduled or planned change. Any change to the type of Collection Containers used for Multi-Family Building Collection in the Service Area is subject to approval in writing by Recycle BC, which approval will not be unreasonably withheld.
- (g) Contractor will replace Collection Containers once they no longer meet a functional condition in accordance with reasonable procedures subject to review and approval by Recycle BC.

#### 2.1.5 Designated Post-Collection Facility.

- (a) Contractor will deliver all collected In-Scope PPP to the Designated Post-Collection Facility on the day of collection, unless alternative arrangements have been approved in writing by Recycle BC. If Contractor is unable to deliver collected In-Scope PPP to the Designated Post-Collection Facility on the day of collection for an unforeseen reason outside Contractor's reasonable control, Contractor will deliver such collected In-Scope PPP to the Designated Post-Collection Facility on the next Business Day, unless otherwise approved by Recycle BC in writing, and will store such In-Scope PPP during the interim in a safe and secure manner. Contractor may not charge any amounts to the Designated Post-Collection Service Provider in connection with such storage. Contractor will not deliver In-Scope PPP to any location other than the Designated Post-Collection Facility or dispose of any collected In-Scope PPP without prior written authorization from Recycle BC.
- (b) If Contractor utilizes Blended Collection Routes, it will be the Contractor's sole responsibility to ensure that the amount of In-Scope PPP in respect of such Blended Collection Route delivered to the Designated Post-Collection Facility in any quarter does not exceed the applicable Quarterly Blended Allotment. This allotment will be determined by full truckloads (or full compartment loads in the case of Multi-Stream collection vehicles) and will hold an accuracy of plus or minus less than one average truck load for that quarter. Without limiting the generality of the foregoing, Contractor acknowledges and agrees that Contractor will be solely responsible for any costs or fees charged by the Designated Post-Collection Service Provider in respect to any In-Scope PPP delivered to the Designated Post-Collection Facility above and beyond the applicable Quarterly Blended Allotment.
- (c) Contractor will deliver all collected In-Scope PPP to the Designated Post-Collection Facility segregated, at a minimum, in the manner set out in Attachment 2.1.2.

- (d) If Contractor collects Mixed Containers and Paper and Cardboard in Multi-Stream, Contractor must unload both Paper and Cardboard and Mixed Containers in separate bunkers or locations as directed by the Designated Post-Collection Service Provider. If Contractor collects Old Corrugated Cardboard segregated, it must comply with the direction of the Post-Collection Service Provider to tip into either the Paper and Cardboard bunker, or a segregated Old Corrugated Cardboard bunker. Loads delivered in violation of this Section 2.1.5(d), including as a result of driver error or mechanical failure, may be subject to a Service Level Failure Credit as set out in Attachment 3.4.
- (e) Contractor will follow all reasonable instructions and procedures regarding the delivery of In-Scope PPP as directed by the Designated Post-Collection Service Provider and Recycle BC, including instructions and procedures pertaining to health and safety, Reduced Split-Weighing, delivery and unloading of In-Scope PPP, audit procedures and weigh scale operation.
- (f) If Contractor is scheduled to collect In-Scope PPP from an Approved Multi-Family Building on a holiday, Contractor will coordinate directly with the Designated Post-Collection Service Provider and Recycle BC a minimum of ten (10) Business Days in advance of such holiday in order to schedule the delivery of such In-Scope PPP.
- (g) If the Service Area is within the Metro Vancouver Regional District, subject to Section 2.1.5(i) the Designated Post-Collection Facility will be located within thirty (30) minutes (on average based on typical traffic conditions between 10 am and 2 pm Monday to Friday) from the Service Area boundary at the point of least distance to the Designated Post-Collection Facility.
- (h) If the Service Area is not within Metro Vancouver Regional District, subject to Section 2.1.5(i) the Designated Post-Collection Service Provider will locate the Designated Post-Collection Facility within sixty (60) kilometers from the Service Area boundary at the point of least distance to the Designated Post-Collection Facility. If delivery to the Designated Post-Collection Facility requires the use of a ferry or barge, then the delivery boundary is the ferry or barge terminal and the Designated Post-Collection Service Provider will be responsible for the portion of the trip that requires ferry or barge travel.
- (i) If, after using commercially reasonable efforts, the Designated Post-Collection Service Provider is unable to locate a Designated Post-Collection Facility in accordance with Section 2.1.5(g) and Section 2.1.5(h), as applicable, Contractor will not be required to deliver In-Scope PPP to the Designated Post-Collection Facility except on terms mutually acceptable to Contractor and the Designated Post-Collection Service Provider.
- (j) Recycle BC may change the location of the Designated Post-Collection Facility upon i) thirty (30) days' written notice if the new Designated Post-Collection Facility is within twenty (20) kilometers of the existing Designated Post-Collection Facility and in compliance to Section 2.1.5(g) or Section 2.1.5(h) and ii) ninety (90) days' written notice if the new Designated Post-Collection Facility is more than 20 kilometers from the existing Designated Post-Collection Facility and in compliance to Section 2.1.5(g) or Section 2.1.5(h).
- (k) Unless Recycle BC otherwise agrees in writing, Contractor may not consolidate or otherwise sort In-Scope PPP collected from Approved Multi-Family Buildings before delivering such materials to the Designated Post-Collection Facility. Such approval may be subject to such conditions or procedures as Recycle BC considers appropriate or necessary in the circumstances and may be revoked at

any time by Recycle BC in its sole discretion, including if Contractor has failed to comply with such conditions or procedures.

- (l) If the Designated Post-Collection Service Provider rejects a load of In-Scope PPP from Contractor due to a verified claim that such load contains more than 5% by weight of Not Accepted Materials or contains any Hazardous Waste, or for instances with bulkhead failures contaminating segregated material loads, Recycle BC reserves the right to designate alternative procedures and requirements associated with that load and to deduct any additional costs associated therewith from the Fees otherwise due to Contractor.
- (m) Recycle BC will, in its sole discretion, approve any Reduced Split Weighing, and the percentage of loads required to split weigh. If Recycle BC has provided such approval to Contractor, the Contractor is required to follow all direction as per Section 2.1.5(e). Recycle BC reserves the right to remove or change Reduced Split Weighing requirements at any time.
- (n) On a monthly basis, or on a schedule agreed upon by the Designated Post-Collection Service Provider, Contractor will retrieve any Collection Containers which have been inadvertently dropped into the collection vehicle and tipped at the Designated Post-Collection Facility.
- (o) If at any time during the SOW Term the Designated Post-Collection Facility is temporarily closed for three (3) Business Days or less, including due to emergency, mechanical breakdown or maintenance, Contractor shall deliver In-Scope PPP collected pursuant to this Statement of Work to an alternative location specified by Recycle BC in writing. If the Designated Post-Collection Facility is closed for longer than three (3) Business Days, Contractor and Recycle BC will mutually agree on a solution.

#### 2.1.6 Spillage.

- (a) All loads collected by Contractor will be completely contained in collection vehicles at all times, except when In-Scope PPP is actually being loaded. Hoppers on all collection vehicles will be cleared frequently to prevent the occurrence of blowing or spillage.
- (b) Any spillage of In-Scope PPP that occurs during Multi-Family Building Collection will be immediately cleaned up or removed by Contractor at its sole expense. Contractor will keep accurate records of each occurrence of spillage and its clean-up, and will make such records available to Recycle BC on request. Contractor expressly acknowledges it is solely responsible for any violations of Applicable Law that may result from said spillage.
- (c) Without limiting Section 2.1.6(b) above, Contractor will maintain all collection vehicles to ensure that no liquid wastes (e.g., leachate) or oils (e.g., lubricating, hydraulic, or fuel) are discharged on the property of Approved Multi-Family Buildings, Public Roads or Private Roads. All collection and route supervisor vehicles used by Contractor will be equipped with a spill kit sufficient in size to contain a spill of equivalent volume to the largest lubricating, hydraulic or fuel tank on the largest collection vehicle. Any discharge of liquid wastes or oils that may occur from Contractor's collection vehicles will be cleaned up or removed by Contractor within three (3) hours of the discharge and will be remediated by Contractor at its sole expense. Such clean-up or removal will be documented with pictures, and notice of such clean-up or removal will be provided to Recycle BC in writing. Contractor will comply with all Applicable Laws in respect of ground-water

or drainage systems safety and standards. Contractor will immediately notify Recycle BC or the Designated Post-Collection Service Provider of any spills that enter ground-water or drainage systems.

#### 2.1.7 Routes

- (a) Except for In-Scope PPP collected from ICI locations in accordance with Section 2.1.1(d) and 2.1.1(e) Contractor collection vehicles used to perform Multi-Family Building Collection may only be used to collect materials from locations other than Approved Multi-Family Buildings if they are emptied before and after such other use and Contractor has obtained prior approval from Recycle BC in writing.

#### 2.1.8 Pilot Programs.

- (a) Recycle BC may wish to test or implement one or more new services, technology or developments in PPP material segregation, processing or collection technology (collectively, "**Pilot Program**"). Recycle BC will provide at least ninety (90) days written notice of its intention to implement a Pilot Program. The allocation of any costs (or savings) accrued by Recycle BC-initiated Pilot Programs will be negotiated prior to implementation pursuant to the change process in Section 2.2 of the Agreement. If Recycle BC deems the Pilot Program a success and desires to incorporate the service or development represented in the Pilot Program into this Statement of Work, such a change will be made pursuant to the change process set out in Section 2.2 of the Agreement.
- (b) Contractor-initiated Pilot Programs will require prior written approval by Recycle BC and will be performed at no additional cost to Recycle BC.

2.2 Customer Service and Management. As part of Multi-Family Building Collection, Contractor will provide the following services.

#### 2.2.1 Customer Service Requirements.

- (a) Contractor will have and maintain throughout the SOW Term a Customer service office and call center, which will be accessible by a local area code and prefix phone number or a toll-free number. Customer service representatives will be familiar with the Recycle BC program requirements and will make best efforts to be available through Contractor's call center during office hours for communication with Customers and Recycle BC representatives. Customer calls will be taken during office hours by a person, not by voice mail. During all non-office hours for the call center, Contractor will have an answering or voice mail service available to record messages from all incoming telephone calls.
- (b) Contractor's Customer service representatives will have instantaneous electronic access to Customer service data and history to assist them in providing excellent Customer service.

#### 2.2.2 Customer Service Representative Staffing.

- (a) Contractor will maintain sufficient staffing to answer and handle complaints and service requests in a timely manner made by all methods, including telephone, letters, e-mails, social media and text messages.

### 2.2.3 Customer Complaints and Requests.

- (a) Contractor will record all Customer complaints and service requests, regardless of how received, including date, time, Customer's name and address, if the Customer is willing to give this information, method of transmittal, and nature, date and manner of resolution of the complaint or service request in a computerized daily log. Contractor will use commercially reasonable efforts to resolve all complaints and service requests within two (2) Business Days of the original contact.
- (b) Contractor's Customer service log will be available for inspection by Recycle BC with consideration to Contractors confidentiality obligations, if requested by Recycle BC.

### 2.3 Promotion and Education.

- 2.3.1 BC will have primary responsibility for developing, designing, and executing public promotion, education, and outreach programs. Contractor will provide Recycle BC with assistance and cooperation, including distributing Recycle BC-developed promotional and educational brochures and assisting with promotion, education and outreach programs at the direction of Recycle BC.
- 2.3.2 Contractor will use approved Recycle BC promotion and education materials, such as signs, decals, and brochure in each Approved Multi-Family Building to ensure clear understanding of accepted materials and material categories.
- 2.3.3 Contractor will have primary responsibility for providing Customers service-oriented information such as dates and times of Multi-Family Building Collection.
- 2.3.4 Recycle BC reserves the right, in its sole discretion, to require Contractor to seek advance approval of any or all public promotion, education and outreach materials associated with the collection of In-Scope PPP, including recycling guides, collection calendars, website content and "oops" tags.
- 2.3.5 Except for logos of the applicable local government, Recycle BC, Contractor or any sub-contractor of Contractor, Contractor may not affix or otherwise include any logo of, or any reference to, any other party or person on a Collection Container in any manner whatsoever, including stickers and hot stamps.

- 2.4 Transition and Implementation Services. If, immediately prior to the SOW Effective Date, Contractor (i) did not perform Multi-Family Building Collection in the Service Area; or (ii) did not provide Multi-Family Building Collection in the Service Area pursuant to a statement of work with Recycle BC, Contractor will, beginning on the SOW Effective Date, and with Recycle BC's input, develop and submit to Recycle BC no later than two (2) weeks after the SOW Effective Date a transition and implementation plan (the "**Transition and Implementation Plan**") for implementing Multi-Family Building Collection in the Service Area, including a specific timeline as to when different activities and events will occur, details of how certain events impact other events in the timeline, and the process to be used to ensure that implementation occurs on the Service Commencement Date with no disruption. The Transition and Implementation Plan will cover the entire period from the SOW Effective Date to and including the six (6) month anniversary of the Service Commencement Date. Contractor will describe in detail what is involved with each of the activities and events listed in the Transition and Implementation Plan. Finalization of the Transition and Implementation Plan will be subject to Recycle BC's prior approval.

## SECTION 3. Performance Standards and Operational Requirements

### 3.1 Personnel Conduct.

- 3.1.1 Contractor personnel performing Multi-Family Building Collection will at all times be courteous, refrain from loud, inappropriate or obscene language, exercise due care, perform their work without delay, minimize noise, and avoid damage to public or private property. If on private property, Contractor personnel will follow the regular pedestrian walkways and paths. Contractor personnel will not trespass, loiter, cross flower beds, hedges, or property of adjoining premises, or meddle with property that does not concern the SOW Services being performed.
- 3.1.2 Contractor personnel will wear a professional and presentable uniform with an identifying badge and/or company emblem visible to the average observer.

### 3.2 Vehicle Standards. Without limiting any other requirements or obligations of Contractor, Contractor will meet or exceed the following standards in respect of collection vehicles used to perform Multi-Family Building Collection:

- 3.2.1 All collection vehicles will be well maintained and clean. All collection vehicles will have appropriate safety markings, including all highway lighting, flashing and warning lights, clearance lights, and warning flags, all in accordance with applicable law. All collection vehicles and all parts and systems of all collection vehicles will operate properly and be maintained in a condition compliant with all applicable laws, good industry standards, and be in a condition satisfactory to Recycle BC. Any collection vehicles not meeting these standards will not be used in the Service Area until repairs are made. All collection vehicles will be equipped with variable tone or proximity activated reverse movement back-up alarms.
- 3.2.2 Contractor will maintain all vehicles used in the performance of Multi-Family Building Collection in a manner intended to achieve reduced emissions and particulates, noise levels, operating costs, and fuel use.

### 3.3 SOW Record and Reporting Requirements.

- 3.3.1 Service Delivery Reporting. In addition to the record keeping and reporting requirements in the Agreement, Contractor will:
  - (a) maintain an electronic record of all Customer requests, Missed Collection, complaints and inquiries, including Customer name, mailing address, contact information (both telephone number and e-mail, if available), property name and service address, if different from mailing address, date of contact, reason for contact;
  - (b) maintain such other records as may be requested by Recycle BC, including:
    - (i) tonnage by collection date and weight scale ticket (which must include the collector name and truck number);
    - (ii) Customer communications related to Multi-Family Building Collection including telephone calls, letters, e-mails and text messages; and
    - (iii) Reporting if Old Corrugated Cardboard is collected segregated from other In-Scope PPP at each Approved Multi-Family Building, and if that Old

Corrugated Cardboard in managed by Contractor via Recycle BC, independently as ICI, or by a third party.

- (c) make all records maintained pursuant to this Statement of Work available to Recycle BC upon request;
- (d) provide a report to Recycle BC on associated collection metrics necessary to calculate the greenhouse gas emissions associated with the performance of Multi-Family Building Collection no more frequently than once per quarter and no less frequently than once per year; and
- (e) upon Recycle BC's request, provide a report per year on the costs associated with the performance of Multi-Family Building Collection services, no more frequently than once per year;
- (f) upon Recycle BC's request, provide a response to questions posed by Recycle BC's non-financial auditor; and
- (g) upon Recycle BC's request, provide up to two ad-hoc reports each year, at no additional cost to Recycle BC, and such ad-hoc reports (i) may include Customer service database tabulations to identify specific Service Level or participation patterns or other similar information reports; and (ii) will not require the Contractor to expend more than forty (40) staff hours per year to complete,

and such records and reports will be provided in Recycle BC-defined format and software compatibility. For reports that are provided at Recycle BC's request, Recycle BC will use best efforts to communicate such request sixty (60) days in advance of due date. Contractor and Recycle BC will meet to discuss requests outside of this scope, all parties being reasonable.

### 3.3.2 Claims Reporting.

- (a) At Recycle BC's discretion, claim reporting under Section 3.3.2(b) shall be assigned by Contractor to the Designated Post-Collection Service Provider.
- (b) All loads will be documented by the Designated Post-Collection Service Provider in a manner specified by Recycle BC, including by a certified scale ticket provided by the Designated Post-Collection Service Provider, with Contractor's name and address, Designated Post-Collection Facility's name and address, date, time, truck number, net weight by material type (as set out in Attachment 2.1.2) and such other information as Recycle BC may designate (collectively, "**Claim Information**").
- (c) Recycle BC will issue a claim summary to Contractor based on Claim Information directly provided to Recycle BC by the Designated Post-Collection Service Provider, pursuant to Section 3.3.2(b), and Contractor will review the claim summary for accuracy. Contractor must report to Recycle BC any content in the claim summary that Contractor disputes within thirty (30) days of the claim summary being issued.
- (d) After Recycle BC has approved the Claim Information, Recycle BC will issue a purchase order to Contractor, including a reference number. Recycle BC will issue payment to Contractor based on the approved purchase order without the need for Contractor to submit an invoice.

- (e) Standard tare weights for specific trucks may only be used on specific written permission of Recycle BC.

3.4 Service Levels. If Contractor fails to meet any Service Level set out in Attachment 3.4, Recycle BC will, in Recycle BC's sole discretion, be entitled to the applicable Service Level Failure Credits set out in Attachment 3.4.

#### **SECTION 4. SOW Term**

This Statement of Work will commence on the SOW Effective Date and its initial term will continue until **December 31, 2029**. Recycle BC may extend this Statement of Work for up to two further periods of one year each by providing at least one hundred eighty (180) days written notice before the expiration of the initial term or any such additional term or terms. The initial term and any such additional term or terms are herein referred to as the "SOW Term".

#### **SECTION 5. Fees**

The Fees payable by Recycle BC for the performance by Contractor of the SOW Services are set out in Attachment 5 to this Statement of Work, and such Fees begin after the Service Commencement Date. For the avoidance of doubt, Contractor acknowledges and agrees that it will not be entitled to receive any Fees in respect of In-Scope PPP collected from ICI locations.

#### **SECTION 6. Additional Terms**

- 6.1 No Double Charge. Contractor will not directly or indirectly charge Customers, including by way of tax, levy or other surcharge, for the cost of providing the SOW Services if and to the extent that such costs are covered by Fees (prior to deducting any Service Level Failure Credits) or other payments that Contractor is entitled to receive from Recycle BC under this Statement of Work. In the event that the Fees do not fully cover the Contractors costs of the program, the Contractor may directly or indirectly charge Customers for the portion of the costs of providing the SOW Services that are not covered by the Fees; provided that the Contractor shall not profit from such amounts.
- 6.2 Scavenging Forbidden. Contractor will not scavenge, or permit any employee (or, at the request of Recycle BC, any other person) to scavenge any materials (including, if permitted by law, materials other than In-Scope PPP that have been set out to be collected by other collection service providers) at any time and at any location during Contractor's performance of the SOW Services or otherwise.
- 6.3 Risk. Contractor will be responsible for all risks, including risk of loss or damage caused by, the In-Scope PPP from the time that the In-Scope PPP is collected by Contractor until the Contractor delivers such In-Scope PPP to the Designated Post-Collection Facility. In-Scope PPP will be deemed to be delivered when off-loaded from Contractor's vehicles at the Designated Post-Collection Facility and accepted by receipt of scale ticket or bill of lading from the Designated Post-Collection Service Provider. Contractor will be responsible for the cost of any damage to Collection Containers or the Designated Post-Collection Facility caused by Contractor.
- 6.4 No Shared Services. Contractor will not collect any material other than the In-Scope PPP to be collected under this Statement of Work (whether on Contractor's own behalf, or on behalf of any third party) while providing the Multi-Family Building Collection pursuant to this Statement of Work.

(Signature page follows.)

IN WITNESS WHEREOF the parties have executed this Statement of Work effective as of the SOW Effective Date.

**Multi-Material Recycling Inc.**

**[CONTRACTOR]**

Signature: \_\_\_\_\_  
(I have authority to bind Recycle BC)

Signature: \_\_\_\_\_  
(I have authority to bind Contractor)

Name: \_\_\_\_\_  
(Please Print)

Name: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_  
(I have authority to bind Contractor)

Name: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

Note: Second signatory to be completed by Contractor only if Contractor requires two signatories (and by leaving the second signatory blank and returning the Statement of Work to Recycle BC, Contractor and the first signatory represent that no additional signatories are required).

SAMPLE

**ATTACHMENT 2.1.1 TO SCHEDULE 2.1(b)  
SERVICE AREA**

1. Under this Statement of Work, the Multi-Family Household Baseline (as defined in Attachment 5) will initially be [●].
2. The Service Area is: Multi-Family Buildings in the [Service Area] receiving Multi-Family Building Collection from Contractor as approved and held by Recycle BC in list format.

SAMPLE

**ATTACHMENT 2.1.2 TO SCHEDULE 2.1(i)  
IN-SCOPE PPP**

For the purpose of this Statement of Work, In-Scope PPP will mean the material described in the categories of PPP below that have been selected as indicated by an "x" in the associated check box (and the In-Scope PPP shall be segregated, at a minimum, in the streams that have been selected below):

- PPP, in Single-Stream, in which Paper and Cardboard and Mixed Containers are collected together.
- PPP, in Multi-Stream, in which Paper and Cardboard must be segregated from all other PPP.
- PPP, in Multi-Stream, in which Mixed Containers must be segregated from all other PPP.
- PPP, that is Glass Bottles and Jars, which must be segregated from all other PPP.
- PPP, that is Flexible Plastics, which must be segregated from all other PPP.

To the extent beverage containers as defined in Schedule 1 of the Regulation are comingled with In-Scope PPP to be collected by Contractor, such beverage containers shall be deemed to be In-Scope PPP for the purposes of this Statement of Work, with polycoated beverage containers, plastic beverage containers and metal beverage containers defined as Mixed Containers and glass beverage containers defined as Glass Bottles and Jars.

SAMPLE

**ATTACHMENT 3.4 TO SCHEDULE 2.1(i)  
SERVICE LEVEL FAILURES**

1. Contractor may incur Service Level Failure Credits for the Service Level Failures described in this Attachment 3.4; provided, however, that the aggregate amount of Service Level Failure Credit in respect of any calendar year shall not exceed the aggregate amount of Fees payable to Contractor in respect of such calendar year:

	<b>Service Level Failure</b>	<b>Service Level Failure Credit</b>
1	Failure to clean up or collect spilled PPP within two hours from the time the Contractor has been notified of the spill or it has been observed by the Contractor	Twice the cost of cleanup incurred by Recycle BC (if Recycle BC performs the cleanup) plus \$500 per incident (regardless of who performs the cleanup).
2	Contractor: (a) fails to accurately report pursuant to Section 3(a) of Attachment 5;  (b) overstates or otherwise inaccurately reports the Multi-Family Household Baseline; or  (c) understates the number of ICI locations in the Service Area per Section 2.1.1(d).	\$5,000 per incident.
3	Overstatement of results for a Residential Generation Audit	\$5,000 per Residential Generation Audit
4	Failure to provide a required report pursuant to Section 3.3.1 or Section 3(a) of Attachment 5 on time.	Withholding of all Fees due to Contractor until the required report is submitted.
5	Failure to separate In-Scope PPP collected from Approved Multi-Family Buildings from any other materials collected by Contractor without prior written approval from Recycle BC.	\$5,000 per route, plus \$3,000 per week (pro-rated in the case of a partial week) until the Service Level Failure has been remedied or a request for approval by the Contractor has been approved in writing by Recycle BC.
6	Delivery of materials to the Designated Post-Collection Facility that contains more than 5% by weight of Not Accepted Materials.	The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure in respect of any calendar year shall not exceed 24 times the applicable Per Load Amount.  For the purpose of this Service Level Failure, the “ <b>Per Load Amount</b> ” in respect of any year will be determined by the Multi-Family Household Baseline for such year, in accordance with the following table:

Service Level Failure		Service Level Failure Credit													
		Multi-Family Household Baseline	Per Load Amount												
		10,000+	\$5,000												
		5,000-9,999	\$3,750												
		2,500-4,999	\$2,500												
		499-2,499	\$1,250												
		0-499	\$500												
7	If Contractor collects Mixed Containers and Paper and Cardboard in Multi-Stream, delivery of a load in violation of Section 2.1.5(d).	\$1,000 per load.													
8	<p>Delivery of a load of:</p> <p>a) In-Scope PPP in Multi-Stream in violation of Section 2.1.2(d);</p> <p>b) Mixed Containers and Paper and Cardboard (whether collected in a Single-Stream or a Multi-Stream) in violation of Section 2.1.2(e);</p> <p>c) Flexible Plastics in violation of Section 2.1.2(f); or</p> <p>d) Glass Bottles and Jars in violation of Section 2.1.2(g).</p>	<p>The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure in respect of any calendar year shall not exceed 24 times the applicable Per Load Amount.</p> <p>For the purpose of this Service Level Failure, the <b>“Per Load Amount”</b> in respect of any year will be determined by the Multi-Family Household Baseline for such year, in accordance with the following table:</p> <table border="1"> <thead> <tr> <th>Multi-Family Household Baseline</th> <th>Per Load Amount</th> </tr> </thead> <tbody> <tr> <td>10,000+</td> <td>\$5,000</td> </tr> <tr> <td>5,000-9,999</td> <td>\$3,750</td> </tr> <tr> <td>2,500-4,999</td> <td>\$2,500</td> </tr> <tr> <td>499-2,499</td> <td>\$1,250</td> </tr> <tr> <td>0-499</td> <td>\$500</td> </tr> </tbody> </table>		Multi-Family Household Baseline	Per Load Amount	10,000+	\$5,000	5,000-9,999	\$3,750	2,500-4,999	\$2,500	499-2,499	\$1,250	0-499	\$500
Multi-Family Household Baseline	Per Load Amount														
10,000+	\$5,000														
5,000-9,999	\$3,750														
2,500-4,999	\$2,500														
499-2,499	\$1,250														
0-499	\$500														
9	The occurrence of a Labour Disruption, if Contractor fails to (i) implement its Business Continuity Plan in respect of such Labour Disruption; or (ii) fails to comply with Sections 4.6.1 or 4.6.2 of the Agreement in respect of such Labour Disruption.	An equitable reduction in the Fees to reflect the value of any SOW Services not received by Recycle BC plus \$5,000 per day of Labour Disruption.													
10	Contractor delivers In-Scope PPP to any location, such as a landfill, incinerator or energy recovery facility, other than the Designated Post-Collection Facility without the prior written permission of Recycle BC	\$25,000 per incident.													
11	Contractor fails to follow Designated Post-Collection Service Provider direction as per Section 2.1.5(e).	\$5000 per incident													

**ATTACHMENT 5 TO SCHEDULE 2.1(i)  
FEES**

1. In this Attachment, the following terms will have the following meaning:

**“Bonus Period”** means each full calendar year day period during the SOW Term, commencing on January 1 and ending on December 31 of each year; provided, however, that (i) if the Service Commencement Date is not January 1, the initial Bonus Period shall commence on the Service Commencement Date and end on December 31 of that year; and (ii) if the SOW Term does not end December 31, the final Bonus Period will commence of January 1 of that year and end on the date on which the SOW Term ends.

**“Multi-Family Household Baseline”** means the number of Multi-Family Households in Approved Multi-Family Buildings as initially set out in Attachment 2.1.1, as may be modified in accordance with Section 3 of this Attachment 5.

**"Blended Collection Route Multi-Family Household Baseline"** means the number of Multi-Family Households in Approved Multi-Family Buildings collected as part of a Blended Collection Route as initially set out in Attachment 2.1.1, as may be modified in accordance with Section 3 of this Attachment 5. This baseline and any adjustments to it will clearly delineate the Multi-Family Households by Collection Type (as set out in the table below).

2. In consideration for Contractor’s performance of the SOW Services, Recycle BC will pay Contractor:

(a) For each Service Area in the table below, the applicable \$ per Multi-Family Household per Year amount in the table below times the applicable Multi-Family Household Baseline (or Blended Collection Route Multi-Family Household Baseline, as applicable) for such Service Areas (to be payable in arrears, in equal monthly payments on net thirty (30) day terms):

<b>Multi-Family Collection Fee</b>		
	<b>Collection Type</b>	<b>\$ per Multi-Family Household per Year</b>
<input type="checkbox"/>	• Single-Stream – Mixed Containers and Paper and Cardboard	\$19.94
<input type="checkbox"/>	• Blended Collection Route: Single Stream - Mixed Containers and Paper and Cardboard	
<input type="checkbox"/>	• Multi-Stream – Paper and Cardboard separate from Mixed Containers	\$31.74
<input type="checkbox"/>	• Blended Collection Route: Multi-Stream - Paper and Cardboard separate from Mixed Containers	
<input type="checkbox"/>	• Flexible Plastics - which must be segregated from all other PPP	\$4.07
<input type="checkbox"/>	• Blended Collection Route: Flexible Plastics - which must be segregated from all other PPP	
<input type="checkbox"/>	• Blended Collection Route – Old Corrugated Cardboard	\$0.00

- (b) If selected (as indicated by an “x” in the associated check box) in the table below (which may be none) the Service Administration Top Up amount as set out in the table below times the Multi-Family Household Baseline as applicable) for such Service Areas (to be payable in arrears, in equal monthly payments on net thirty (30) day terms):

	<b>Top Up Fee</b>	<b>\$ per Multi-Family Household per Year</b>
<input type="checkbox"/>	Service Administration Top Up	\$2.19

- (c) If selected (as indicated by an “x” in the associated check box), the following per tonne amount, to be invoiced and paid pursuant to the claims submission process in accordance with the terms of the Agreement:

	<b>Multi-Family Building Glass Bottles and Jars Fee</b>	
<input type="checkbox"/>	Glass Bottles and Jars	\$ per Tonne
		\$80.00

- (d) For each Bonus Period, the Achieved Bonus Amount times the average Multi-Family Household Baseline for such period, where the “Achieved Bonus Amount” is the performance bonus amount in the table below that corresponds with the Not Accepted Materials percentage by weight of materials collected by Contractor during the Bonus Period. The foregoing will be calculated annually, at the end of each Bonus Period, based on the average Multi-Family Household Baseline for such period and the approved claims submitted for the Bonus Period. The Achieved Bonus Amount for a Bonus Period, if any, will be paid no later than July 1 of the following year.

For purposes of calculating the Achieved Bonus Amount, Recycle BC will apply a methodology, in its sole discretion, to calculate the average amount of Not Accepted Materials in Contractor’s collected material for calculating the Not Accepted Material percentage.

If the Bonus Period is a partial calendar year, the Achieved Bonus Amount will be calculated by Recycle BC on a pro-rated basis taking into account such factors as Recycle BC, acting reasonably, may consider relevant.

If Contractor also provides collection services to curbside households pursuant to another Statement of Work under the Agreement (“**Curbside Household Collection**”), and In-Scope PPP collected from Multi-Family Buildings under this Statement of Work is collected in a vehicle with In-Scope PPP collected in respect of Curbside Household Collection, then, for the purpose of calculating the amounts payable under this subsection (d), the Multi-Family Household Baseline will be adjusted to exclude the number of Multi-Family Households whose In-Scope PPP has been collected in this manner.

Calculation of Achieved Bonus Amount				
Not Accepted Materials percentage by weight	4.0% - 3.5%	≤ 3.4% - 3.0%	≤ 2.9% - 2.5%	≤ 2.4%
Achieved Bonus Amount	<b>\$ per Multi-Family Household</b>			
	\$0.50	\$0.75	\$1.00	\$1.25

3. Adjustment of Multi-Family Household Baseline.

- (a) On July 1 of each year, or on a date to be determined by Recycle BC, and at such other times as the parties may agree, Contractor will, in good faith, report and attest (in a form acceptable to Recycle BC) as to (i) the then-current number of Multi-Family Households in the Approved Multi-Family Buildings; (ii) the then-current number of Multi-Family Households in Approved Multi-Family Buildings collected as part of a Blended Collection Route; and (iii) the Multi-Family Buildings in the Service Area from which Contractor collects In-Scope PPP, where Multi-Family Buildings collected as part of a Blended Collection Route are identified as such.
- (b) Recycle BC may also provide evidence of the then-current number of Multi-Family Households in the Approved Multi-Family Buildings. Based on Contractor's attestation and the evidence provided by Recycle BC, Recycle BC and Contractor will work in good faith to mutually agree on the new Multi-Family Household Baseline. Any Dispute in establishing the foregoing will be resolved by the Dispute resolution process under the Agreement.

4. If the average annual amount of In-Scope PPP collected per Multi-Family Household by Contractor, in any twelve (12) month period (based on the Multi-Family Household Baseline), falls below forty-five (45) kilograms, then Recycle BC may require Contractor to, within ninety (90) days, prepare and submit to Recycle BC for approval a remediation plan designed to raise its collection yield above forty-five (45) kilograms per Multi-Family Household. Following approval of the remediation plan by Recycle BC, Contractor will execute the plan. Contractor will provide monthly reporting to Recycle BC detailing the progress and outcomes of the remediation plan. If material improvement does not occur within ninety (90) days of beginning to execute the plan, then Contractor will work with Recycle BC to establish additional changes and to adopt best practices recommended by Recycle BC in order to increase collection yield, and, at Recycle BC's discretion, may result in an equitable downward change in the Fees to reflect the reduced value of the amount of In-Scope PPP being collected by Contractor.

5. The Multi-Family Collection Fee and Top Up Fee will be adjusted each year, up or down, on the first day of January of each year. Recycle BC reserves the right to choose the adjustment mechanism to be used each year, as between (i) the results of a cost study that samples collection service providers to determine the costs associated with the performance of Multi-Family Building Collection services; and (ii) an adjustment that is based on the Consumer Price Index (CPI) for BC (All Items), which will be calculated as follows:

- (a) Multi-Family Collection Fee or Top Up Fee = Multi-Family Collection Fee or Top Up Fee, as applicable, in the previous year x (1 + (percentage change in CPI/100)); where
  - (i) percentage change in CPI = (current year CPI – previous year CPI)/(previous year CPI) x 100%; and
  - (ii) each year's CPI is the published CPI on September 1st of the year prior.