

**SOLID WASTE COLLECTION FRANCHISE AGREEMENT FOR THE
NORTHWESTERN AREA OF HUMBOLDT COUNTY**

THIS AGREEMENT is made this 13th day of Dec, 2011, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter called "COUNTY", and Humboldt Sanitation Company, Inc., hereinafter called "CONTRACTOR".

RECITALS

WHEREAS, the California Integrated Waste Management Act (now CalRecycle) Public Resources Codes Section 40000 et. Seq. requires every local governmental agency to meet state mandated targets for diversion of solid waste from landfills;

WHEREAS, COUNTY has determined that the public health, safety, and well-being require that the COUNTY grant an exclusive franchise for the collection and disposal of garbage, waste and debris;

WHEREAS, the parties previously entered into an exclusive franchise agreement for the collection and disposal of solid waste effective October 1, 1998;

WHEREAS, CONTRACTOR has performed satisfactorily under the franchise agreement dated December 15, 1998, and amendments thereto:

WHEREAS, COUNTY has been informed of the CONTRACTOR's name change to Humboldt Sanitation Company, Inc.;

WHEREAS, the COUNTY has conducted negotiations with CONTRACTOR to continue providing for the collection and disposal of solid waste and to additionally provide for the collection of recyclable materials;

WHEREAS, all the provision of Title V, Division 2, Chapter 1, of the Humboldt County Health and Safety Code have been complied with;

WHEREAS, the parties hereto wish to enter into an Agreement for the collection and disposal of solid waste, in accordance with the provisions of Chapter 1, of Division 2, of Title V of the Humboldt County Code, which regulates the collection and disposal of solid waste in the unincorporated area of Humboldt County; and

WHEREAS, this Agreement, by its terms, will terminate on December 31, 2031;

WHEREAS, Section 521-6(a) permits the COUNTY to enter into a contract for the right and privilege of collecting solid waste or source-separated materials within the County, if the required findings are made; and

WHEREAS, the Board of Supervisors has determined that CONTRACTOR'S services have been in compliance with the terms of its prior Agreement;

NOW, THEREFORE, the parties hereto mutually agree to enter into an exclusive franchise agreement for the collection of solid waste and a non-exclusive franchise for the collection of source-separated materials, the said Agreement to read as follows:

Section 1. Grant of Agreement.

A. Area Covered. This Agreement shall pertain to that area of the unincorporated territory of the County of Humboldt which is more specifically described as follows (the "Franchise Area"):

Legal Description of Northwestern Humboldt Franchise – Area "A"

Beginning at the mouth of the Mad River at the Pacific Ocean;
Thence along the centerline of the Mad River to the mouth of Mill Creek, at the Mad River in Section 7, T6N, R1E, HB&M;

Thence along the centerline of Mill Creek to a point 300 feet west of Central Avenue;
Thence north, parallel to Central Avenue, to School Road;
Thence east, in such a way as to include all those homes having access to Sutter Road, to the intersection of Azalea Avenue and Sutter Road;
Thence east one mile, more or less, to the east line of Section 4, T6N, R1E, R1E, HB&M;
Thence north, to the northeast corner of Section 4, T11N, R1E, HB&M;
Thence east, to a point one mile east of Highway 101;
Thence northerly, parallel with and one mile east of Highway 101 to the south boundary of Prairie Creek Redwood State Park;
Thence west, to the shoreline of the Pacific Ocean; and
Thence southerly, following said shoreline to the point of origin.

AND

Legal Description of Northwestern Humboldt Franchise – Area "B"

Beginning at the intersection of the mouth of the Mill Creek and the centerline of the Mad River in Section 7, T6N, R1E, HB&M;

Thence along the centerline of Mill Creek to a point 300 feet west of Central Avenue;
Thence north, parallel to Central Avenue, to School Road;
Thence east, in such a way as to exclude all those homes having access to Sutter Road, to the intersection of Azalea Avenue and Sutter Road;
Thence east one mile, more or less, to the east line of Section 4, T6N, R1E, HB&M;
Thence south, to the northwest corner of Section 15, T6N, R1E, HB&M;
Thence east, to the midpoint of the northern border of Section 15, T6N, R1E, HB&M;
Thence south, to approximately 1000 feet to the center of the Mad River in Section 15, T6N, R1E, HB&M;
Thence west along the centerline of the Mad River to the mouth of Mill Creek (point of BEGINNING) in Section 7, T6N, R1E, HB&M.

i) Exceptions. The franchise granted to CONTRACTOR by this Agreement shall not apply to any of the following:

1. Any State or Federal lands, State or Federally owned or operated facilities and any areas within an incorporated city, or within Indian Tribal lands;
2. School districts, or special districts having the power to regulate solid waste collection;

Upon mutual agreement of the parties, territory can be added to the Franchise Area or this Franchise may be merged with other another adjoining franchise.

B. Services Covered.

i) Exclusive Franchise for Franchise Solid Waste. There shall be granted to CONTRACTOR, upon the terms and conditions hereinafter specified, an exclusive franchise for the collection, transportation and removal to solid waste processing and/or disposal facilities of Franchise Solid Waste, in the Franchise Area.

(1) Enforcement. COUNTY shall have no obligation to enforce the exclusivity provision of this Agreement against third party violators, but shall engage in good faith efforts to cooperate in such enforcement actions brought by CONTRACTOR.

ii) Non-exclusive Franchise for Recycling. There shall be additionally granted to CONTRACTOR, upon the terms and conditions hereinafter specified, a non-exclusive franchise for the collection and transportation, and removal to processing facilities, of all Recyclables generated at all residential and commercial premises or otherwise in the Recycle Area.

As used in this Agreement, "residential" premises includes all single family dwellings, multi-family dwellings and mobile home parks, and "commercial" premises includes all commercial, industrial and COUNTY premises or facilities.

Section 2. Term of Franchise. Unless earlier terminated pursuant to this Agreement, the term of this Agreement shall begin January 1, 2012, and terminate on December 31, 2031. The term may be further extended until December 31, 2036, by mutual agreement, provided that COUNTY determines that CONTRACTOR is providing service consistent with all requirements of this Agreement and all amendments hereto.

Section 3. Definitions. The definition of solid waste and all other definitions not otherwise defined in this document shall be as defined in Section 521-3, Chapter I of Division 2 of Title V of the Humboldt County Code, in Article 4 of Chapter 3 of Division 7 of Title 14 of the California Code of Regulations, or in the Public Resources Code.

- A. Franchise Solid Waste means: All residential and commercial garbage, trash and rubbish, as those terms are commonly defined but excluding hazardous, low-level radioactive, electronic and medical waste, Recyclables, demolition and construction wastes, abandoned vehicles and parts thereof, white goods and other bulky waste, dewatered, treated or chemically fixed sewage sludge which is not hazardous waste, manure or animal solid and semisolid wastes, household hazardous waste and other materials that by their nature cannot be legally transported to and disposed of in a Class III landfill. The forgoing notwithstanding, Franchise Solid Waste will also include incidental amounts of residential customer generated demolition and construction wastes, pet waste and vehicle maintenance items, all to the extent that they can be placed into the customer's collection can.
- B. "Targeted Recyclables" means newspaper, aluminum cans, steel cans, glass containers, PET plastic, HDPE plastic, corrugated cardboard, magazines, other mixed paper. Other materials may be added upon prior approval of the Franchise Contract Administrator.

Section 4. Records/ Reporting.

A. Record Keeping.

i) **General.** In order to administer this Agreement it is necessary for CONTRACTOR to maintain accurate, detailed financial and operational information in a consistent format and to make such information available to COUNTY in a timely fashion. CONTRACTOR shall maintain records required to conduct its operations, to support requests it may make to COUNTY, and to respond to requests from COUNTY in the conduct of

COUNTY's business as may be relevant to the parties' rights and duties under this Agreement. Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as fire, theft and earthquake. Electronically maintained data/records shall be protected and backed up. All records shall be maintained for five (5) years after the expiration of this Agreement.

ii) Inspection of Records. COUNTY, and/or agents selected by COUNTY, shall upon three business days notice, have the right, during regular business hours, to conduct on-site inspections of the records identified under Section 4(A)(i) and related to CONTRACTOR'S performance and/or duties under this Agreement. If requested by COUNTY, CONTRACTOR shall also make copies of any such documents and provide the same to COUNTY at no cost.

iii) Solid Waste Records. Records shall be maintained by CONTRACTOR for COUNTY relating to:

1. Service recipient services and billing by name, address and type of service;
2. Weight of solid waste by type (e.g., solid waste, Recyclables, and yard waste).
3. Routes;
4. Facilities, equipment and personnel used;
5. Facilities and equipment operations, maintenance and repair;
6. Processing and disposal of solid waste;
7. Types and quantities of hazardous waste inadvertently collected but diverted from landfilling;
8. Complaints; and,
9. Missed pick-ups.

CONTRACTOR shall maintain records of all solid waste collected in the service area for the period of this Agreement and all extensions to this Agreement or successor agreements. In the event COUNTY requests certain records or CONTRACTOR discontinues providing services to COUNTY, CONTRACTOR shall provide all records of all solid waste records as described above requested to COUNTY within thirty (30) days

of such request or discontinuing service. Records shall be in chronological and organized form and readily and easily interpreted.

iv) CERCLA Defense Records. COUNTY views the ability to defend against Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and related litigation as a matter of great importance. For this reason, COUNTY regards the ability to prove where solid waste collected in the service area was taken for transfer or disposal, as well as where it was not taken, to be matters of concern. CONTRACTOR shall maintain data retention and preservation systems which can establish where solid waste collected in the service area was disposed of, if other than the designated disposal facility (and therefore establish where it was not landfilled). This provision shall survive the expiration of the period during which collection services are to be provided under this Agreement. At the termination of this Agreement, CONTRACTOR shall turn these records over to the COUNTY. CONTRACTOR shall provide these records to COUNTY in all organized and indexed manner rather than destroying or disposing of them.

v) Confidential or Proprietary Information. COUNTY agrees not to disclose to the public the financial or proprietary information, or trade secrets, that have been treated by the CONTRACTOR as confidential, when such information is marked as such, unless disclosure is authorized by the CONTRACTOR or required by law. In the event that a suit is brought against the COUNTY to compel disclosure of such records, CONTRACTOR agrees that, after receipt of reasonable notice and a request to defend, it will either authorize release of the records or defend the action, at its own cost and expense.

B. Reporting.

i) General. Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

1. Determine the number of subscribers to each service by service level, and the total revenues generated.
2. Determine the total quantity of material collected, transferred, recycled, processed and/or disposed through each program and service, by material type.
3. Evaluate past and expected progress towards achieving the COUNTY's diversion goals and objectives.

4. Determine needs for adjustment to programs; and, evaluate service recipient service and complaints.

5. Prepare AB 939 Annual Reports and any and all other State required reports.

CONTRACTOR may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be approved by the Franchise Contract Administrator. CONTRACTOR agrees to submit all reports electronically and shall to the extent that its existing computer system is capable, provide such data in a format that is compatible with COUNTY software. CONTRACTOR will provide a certification statement, under penalty of perjury, by the responsible CONTRACTOR official, that the report being submitted is true and correct to the best knowledge of such official after their reasonable inquiry.

ii. Quarterly and Annual Reports. CONTRACTOR shall submit to the Franchise Contract Administrator written reports, which contain the information set forth below, on a quarterly basis. Debris Box reported tonnage shall be the actual tonnage. CONTRACTOR shall likewise submit an Annual Report. Information required in this report may be compiled on a monthly or quarterly basis. CONTRACTOR shall submit this report to the Franchise Contract Administrator by April 1 for the prior calendar year. Reports are to include the following information as to Contractor's operations in the Franchise Service Area, at a minimum:

1. Number of subscribers by type of service (i.e., residential, Commercial, or debris box), frequency of service, and container size, as of the last day of the preceding quarter;
2. Gross receipts during the preceding quarter from billings for services provided under this Agreement;
3. With respect to material collected by CONTRACTOR in COUNTY in the preceding quarter (under this Agreement and under any other agreement between CONTRACTOR and COUNTY, combined), (i) the total number of tons of non-debris box Franchise Solid Waste collected and delivered to the Designated Disposal Facility for disposal, (ii) the total number of tons of debris box Franchise Solid Waste collected and delivered to the Designated Disposal Facility for disposal, and (iii) the total number of tons of Targeted Recyclables collected and delivered to the Designated Recycling Facility for processing.
4. Number of non-collection tags issued to customers in accordance with Section 5.B(ii)(3) or Section 12.C(ii), summarized by reason for issuance);

5. Summary of service complaints received during the preceding quarter based on the complaint log required to be kept in accordance with Section 5.B(ii)(4).
6. Dates during the preceding quarter (if any) on which CONTRACTOR provided hazardous waste training to employees pursuant to Section 12.C(i).
7. Two copies (one to the Franchise Contract Administrator, one to COUNTY's Risk Management Division, 825 5th Street, Room 121, Eureka, California 95501) of all reports, pleadings, applications, notifications, notices of violation, communications or other material, materially relating specifically to CONTRACTOR's performance of services pursuant to this Agreement and adverse to CONTRACTOR, submitted by CONTRACTOR to, or received by CONTRACTOR from, the United States or California Environmental Protection Agency, the California Integrated Waste Management Board (now CalRecycle), the Securities and Exchange Commission or any other federal, state or local agencies, including any federal or state court. Copies shall be submitted to COUNTY simultaneously with CONTRACTOR's filing or submission of such matters with said agencies. CONTRACTOR's routine correspondence with said agencies need not be routinely submitted to COUNTY, but shall be made available to COUNTY promptly upon COUNTY's written request.
8. Certification by a responsible official of CONTRACTOR, under penalty of perjury, that the information contained in the report being submitted is true and correct to the best knowledge of such official after his or her reasonable inquiry.
9. For each quarterly report for the quarter ended March 31, a declaration by a responsible official of CONTRACTOR, under penalty of perjury, stating the amount of gross receipts during the preceding calendar year from billings for Franchise Solid Waste services provided under this Agreement.
 - * Narrative summary of problems encountered (including scavenging) and actions taken with recommendations for COUNTY, as appropriate.
 - * The address of each terminal within the County of Humboldt that houses collection vehicles, per Section 12.B of this Agreement.
 - * Other information or reports that County may reasonably request or require.

- iii. Quarterly reports are due May 15 for the quarter ended March 31; August 15 for the quarter ended June 30; November 15 for the quarter ended September 30; and February 15 for the quarter ended December 31.

At COUNTY's request, CONTRACTOR agrees to submit quarterly reports in electronic format (e.g., Word and Excel files) using the computer software then in use by CONTRACTOR using COUNTY forms attached hereto as Exhibit A.

The information listed above shall be the minimum reported for each service. To the extent that the requested information is not tracked directly by the CONTRACTOR or can not be specifically established due to the nature of CONTRACTOR's operations, CONTRACTOR shall present to COUNTY a proposed method for estimating the required information, the reasonableness of which shall be subject to the approval of COUNTY.

CONTRACTOR shall supply additional information, when requested by the Franchise Contract Administrator, as specified by the California Integrated Waste Management Act of 1989 (now CalRecycle) and other State or local laws.

- iv. **Reporting Adverse Information.** CONTRACTOR shall provide COUNTY two (2) copies (one to the Franchise Contract Administrator, one to Risk Management) of all reports, pleadings, applications, notifications, Notices of Violation, communications or other material, materially relating specifically to CONTRACTOR's performance of services pursuant to this Agreement, submitted by CONTRACTOR to, or received by CONTRACTOR from, the United States or California Environmental Protection Agency, the California Integrated Waste Management Board, the Securities and Exchange Commission or any other federal, state or local agencies, including any federal or state court. Copies shall be submitted to COUNTY simultaneously with CONTRACTOR's filing or submission of such matters with said agencies. CONTRACTOR's routine correspondence to said agencies need not be routinely submitted to COUNTY, but shall be made available to COUNTY promptly upon COUNTY's written request.
- v. **Failure to Report.** The refusal or failure of CONTRACTOR to file any required reports, or to provide required information to COUNTY, or the inclusion of any materially false or misleading statement or representation by CONTRACTOR in such report shall be deemed a material breach of this Agreement and shall subject CONTRACTOR to all remedies which are available to COUNTY under this Agreement or otherwise.

Section 5. Service Obligations of Contractor.

A. Description of Services.

i) Franchise Solid Waste. CONTRACTOR shall offer curbside collection and disposal of Franchise Solid Waste within the Franchise Area to all residential customers on a weekly basis and to all commercial customers at the frequency agreed with each such customer, at the price and container size as set forth in Exhibit A to this agreement.

ii) Targeted Recyclables.

(1) General. CONTRACTOR shall offer curb-side collection of Targeted Recyclables to all solid waste customers within the Recycle Area, every other week, or on an alternative regular schedule approved the Franchise Contract Administrator. CONTRACTOR shall provide residential customers with a container or containers into which such customers may place Targeted Recyclables. Collection of Targeted Recyclables can occur on the same day as Solid Waste Collection. Solid waste and recycle collection services shall be bundled into a single rate and paid by all customers in the Recycle Area.

(2) Recycling Standards. The following Targeted Recyclables must be collected: newspaper, aluminum cans, steel cans, glass containers, PET plastic, HDPE plastic, corrugated cardboard, magazines, other mixed paper. Other materials may be added upon prior approval of the Franchise Contract Administrator.

(3) Directing Recyclable Materials Processing. All Targeted Recyclables collected by CONTRACTOR pursuant to this Agreement shall be processed at a facility designated by CONTRACTOR and approved by COUNTY (such approval not to be unreasonably withheld). As of the date of this Agreement, the designated facility is the facility operated by Humboldt Recycling LLC located 2585 Central Avenue, McKinleyville, CA 95540.

Rate adjustments shall be made in accordance with Section 13 A below.

iii) Automated Services. CONTRACTOR shall implement automated solid waste services for can service customers within twelve (12) months of the execution of this agreement, subject to change based upon financing, and the availability of equipment and supplies and delivery schedules of vendors. CONTRACTOR shall regularly update the Franchise Contract Administrator as to any such changes. If the

CONTRACTOR implements such automated solid waste services, CONTRACTOR shall provide all affected customers with solid waste toter containers suitable for automated machine handling, as approved by the Franchise Contract Administrator. Such toter containers will be furnished at no initial cost to the customers. All such containers will be the property of the CONTRACTOR. Upon collection services becoming fully automated, bag service shall no longer be required to be provided.

iv) Right of First Refusal for Green Waste Program. If COUNTY determines in its sole discretion to implement a Green Waste collection program, COUNTY shall notify CONTRACTOR of its intention in writing and the specifications of such program, and CONTRACTOR shall have the right to submit to COUNTY within 30 days of such notice a proposal to provide such services according to such specifications, the costs of doing so, and the change in rate structure required to cover such costs. CONTRACTOR and COUNTY shall negotiate CONTRACTOR'S provision of such Green Waste program in good faith for a period of 60 days from the submission of CONTRACTOR'S proposal. If the parties fail to reach agreement, then after such 60-day period has expired, COUNTY shall have the right to either (i) enter into an exclusive contract with a third party for the provision of such Green Waste program in the Franchise Area according to the same specifications presented to CONTRACTOR, or (ii) grant one or more non-exclusive licenses to third parties to provide Green Waste collection services in the Franchise Area (in which event CONTRACTOR shall be entitled to such a license on the terms and conditions no more favorable than any license granted to a third party). COUNTY shall not enter into discussions with or consider proposals from third parties regarding any Green Waste program unless COUNTY has complied with the foregoing obligations.

v) Consistency of services. If CONTRACTOR offers service to an incorporated city surrounded by or adjacent to the Franchise Area, CONTRACTOR shall provide notice to the Franchise Contract Administrator and offer to provide the same or similar service within the Franchise area under agreed upon terms and conditions.

vi.) Special Services. CONTRACTOR may charge a fee to customers requesting special services such as having their cans picked from a location other than that specified in Section 6(a) and/or that Toters be provided for semi-automated collection service upon approval of Franchise Contract Administrator.

vii.) County Bin Service. CONTRACTOR shall provide COUNTY at no additional cost with up to ten (10) rentals per Rate Year of 20-cubic-yard bins, not to exceed a maximum of twenty (20) tons, to be used for neighborhood clean-up. This service shall include the rental cost of each

bin for a period of two (2) days, delivery and pick-up of bins, and disposal of up to twenty (20) tons of the waste placed in the bins (which shall also be at no additional cost to COUNTY). COUNTY shall provide at least one week's notice to CONTRACTOR regarding the need for, and delivery location of, such bins. Unused rentals may not be carried forward to a subsequent Rate Year.

B. Standards.

i) **General.** CONTRACTOR is responsible for making its own examination, investigation, and research regarding the proper method of doing the work and all conditions affecting the work to be done and the labor, equipment and the materials needed for the work before entering into this Agreement. CONTRACTOR acknowledges that the Franchise Contract Administrator may wish to conduct Franchise Solid Waste, Recyclables, and Green Waste generation and disposal characterization studies periodically, at the sole expense of the COUNTY. CONTRACTOR agrees to participate and fully cooperate with the Franchise Contract Administrator and its agents to accomplish studies and data collection.

ii) Customer Relations.

(1) Providing Information to Customers. CONTRACTOR shall provide to new customers an information packet which contains the rates charged for different size containers, and contact information for entities which provide source reduction, recycling and hazardous waste disposal opportunities available to the customer. Following the annual rate adjustment, CONTRACTOR shall notify existing customers of the new rates and advise them to contact CONTRACTOR for additional information. Such information shall be provided whenever possible as part of the regular billing cycle to customers. Upon request by the COUNTY, CONTRACTOR shall provide a copy of said information to the Franchise Contract Administrator within thirty days of such request.

(2) Customer Deposits. CONTRACTOR shall not ordinarily require a deposit in order to establish a new customer account. However, in the event of a delinquency in customer payment to CONTRACTOR which exceeds sixty (60) days, CONTRACTOR shall be entitled to discontinue service to that customer, and shall be entitled to require a deposit in advance equal to one full billing cycle as a condition of the restoration of service to such customer. For occasional services, such as debris box rental, a deposit may be required in any amount deemed appropriate by CONTRACTOR,

up to a maximum of full payment in advance. In the event of repeated discontinuation of service to a customer for nonpayment or delinquency, CONTRACTOR may add a reinstatement fee (subject to approval by the Franchise Contract Administrator) to cover the administrative cost of restoring service to that customer.

(3) Non-Collection . CONTRACTOR shall have the right not to collect Solid Waste or Recyclables from any container set out by customer for any of the following reasons: (i) setout not in compliance with the Humboldt County Code or Section 6 (i.e. overweight container, container lid not shut, container not placed at curb); (ii) CONTRACTOR reasonably believes that the container contains hazardous material; (iii) CONTRACTOR reasonably believes that a solid waste container contains 10% or more of materials not comprising Franchise Solid Waste; (iv) CONTRACTOR reasonably believes that a recyclables container contains 5% or more of materials not compromising Targeted Recyclables; or (v) non-payment by the customer. When Solid Waste is not collected from any customer, for reasons other than customer failing to place garbage cans at the curb or non-payment by customer, CONTRACTOR shall notify the customer by attaching tags approved by the Franchise Contract Administrator to the waste not collected which clearly identify the reasons for such non-collection. This requirement shall not apply when driver is unable to locate or have truck access to a solid waste receptacle or customer service has been discontinued due to non-payment.

(4) Service Complaints. All customer complaints shall be directed to CONTRACTOR. CONTRACTOR shall record all complaints received by mail, by telephone, electronically, or in person (including date, name, address of complainant and nature of complaint). CONTRACTOR agrees to use its best efforts to resolve all complaints by the close of business of the second business day following the date on which such complaint is received. Unless the matter is resolved to the satisfaction of the complainant, CONTRACTOR shall refer the complaint to COUNTY for review by the Franchise Contract Administrator. The COUNTY shall determine if the customer's complaint is justified, and if so, what remedy, if any, shall be imposed. The remedy available to the customer under this Section shall be limited to a rebate of customer charges related to the period of breach of any of the terms of this Agreement.

iii) Frequency. The options for frequency of service shall be determined by COUNTY. CONTRACTOR shall also offer to customers who require service less frequently, the option of purchasing trash bags from

CONTRACTOR to be placed on the curb on regular collection days on all as needed basis. The service will be permitted as long as health and safety requirements are satisfied.

iv) Hours of Operation/Noise. CONTRACTOR agrees that, in order to protect the peace and quiet of residents, it shall not begin collection in residential areas before 5:00 a.m. or continue after 7:00 p.m., except as such collection activities are approved in advance by the Franchise Contract Administrator. In addition, the CONTRACTOR shall exercise care while loading, unloading, or operating its equipment, such that the noise level will not exceed 75 dBA at 50 feet. The COUNTY reserves the right to modify the hours of operation should it determine that traffic or noise conditions are creating a nuisance.

v) Hazardous Road Conditions. When hazardous road conditions are present due to snow, ice, slides, or other reasons, the CONTRACTOR may, with approval of the Franchise Contract Administrator, suspend collection in those areas affected.

vi) Clean up of Spills. The CONTRACTOR shall be responsible for the cleaning of all earth, solid waste, or other materials spilled or tracked on any road, street, alley or public place by its personnel or equipment. If the CONTRACTOR fails to clean the same within four hours of being notified by the Franchise Contract Administrator, the Franchise Contract Administrator may cause such roads, streets, alleys or public places to be cleaned and deduct the cost thereof from the Performance Bond required in Section 7.D. With respect to spillage or tracking of hydraulic fluid, motor oil, or similar fluids, "cleaning" as used in this paragraph means application of absorbents to mitigate the effects of the spill, and does not include removing any stain that may remain after such absorbents have been applied. The CONTRACTOR shall not be responsible for picking up garbage spilled or removed from cans by dogs or other animals.

Section 6. Obligations of Customer.

A. Waste Receptacle Location. Customers shall place their containers in a convenient location for removal within five (5) feet of, and visible from, the public roadway. Customers with automated or semi-automated service must place Tote containers at least five feet from any building, vehicle or other object that might impede the automatic collection device. In rural areas, CONTRACTOR shall not be required to travel upon private driveways to collect solid waste. .

B. Protection from Animals, Etc. Customers shall place all household garbage in covered cans and all yard trimmings in covered cans or plastic bags tied shut at the top.

C. Shut Containers; Weight Limits. CONTRACTOR shall not be required to collect Franchise Solid Waste or Targeted Recyclables that have not been placed in properly shut containers (i.e. with the container lid fully closed). CONTRACTOR shall not be required to collect containers that have been improperly locked, such that they cannot be opened by CONTRACTOR. CONTRACTOR shall not be required to collect containers which exceed a laden weight of over 1.5 pounds per gallon.

Section 7. Insurance/Bonds.

A. Insurance Requirement. Without limiting CONTRACTOR's indemnification provided herein, CONTRACTOR shall and shall require any of its subcontractors to take out and maintain, throughout the period of this Agreement, the following policies of insurance placed with insurers with a current A.M. Best rating of no less than A:VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of CONTRACTOR, its agents, employees or subcontractors:

i) Liability. Comprehensive or Commercial General Liability insurance at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), in all amount of \$3,000,000 per occurrence. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project or the general aggregate shall be \$5,000,000. Said policy shall contain, or be endorsed with, the following provisions:

a. The COUNTY, its officers, employees and agents, are covered as additional insured for liability arising out of the operations performed by or on behalf of CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to the COUNTY, its officers, agents, and employees.

b. The policy shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice (10 days for non-payment of the premium) to COUNTY by certified mail.

c. The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.

d. For claims related to this Agreement, the CONTRACTOR's insurance is primary coverage to the COUNTY, and any insurance or self-insurance programs maintained by the COUNTY are excess

to CONTRACTOR's insurance and will not be called upon to contribute with it.

e. Any failure to comply with reporting or other provisions of the parties, including breach of warranties, shall not affect coverage provided to COUNTY, its officers, employees, and agents.

ii) Automobile Insurance. Automobile liability insurance with coverage at least as broad as Insurance Services Office, form CA 0001 06092, Code 1 (any auto) for vehicles used in the performance of this Agreement with minimum coverage of not less than \$1,000,000 per accident combined single limit (ACSL). Such policy shall contain or be endorsed with the provision that coverage shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice (10 days for non-payment of premium) to COUNTY by certified mail.

iii) Worker's Compensation. Workers' Compensation insurance meeting statutory limits of the California Labor Code which policy shall contain or be endorsed to contain a waiver of subrogation against COUNTY, its officers, agents, and employees and provide for thirty (30) days prior written notice in the event of cancellation.

iv) Environmental Liability. Environmental Impairment Liability coverage appropriate for the hazardous materials/waste activity contemplated in the Agreement; specifically, Sudden and Accidental Upset Pollution Liability. One million dollars (\$1,000,000) per claim; and two million dollars (\$2,000,000) annual aggregate. The effective date is to be no later than the commencement date. Such policy shall contain or be endorsed with the provision that coverage shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice (10 days for non-payment of premium) to COUNTY by certified mail.

B. Endorsements. CONTRACTOR shall furnish COUNTY with certificates and original endorsements affecting the required coverage prior to execution of this Agreement by COUNTY. Any deductible or self-insured retention over \$100,000 shall be disclosed to and approved by COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Agreement, take out the necessary insurance, and CONTRACTOR agrees to pay the cost of said insurance.

C. Condition of Execution of Document. This Agreement shall not be executed by County, and Contractor is not entitled to any rights, unless certificates of insurances, or other sufficient proof that the preceding provisions have been complied with, has been filed with the Clerk of the Humboldt County Board of Supervisors.

D. Performance Bond. CONTRACTOR shall post a fifty thousand dollar (\$50,000.00) bond or cash deposit to secure and guarantee the faithful performance of all the terms and conditions of this agreement by CONTRACTOR. Evidence of such bond shall be provided to COUNTY as of the effective date of this Agreement.

Section 8. Indemnification.

A. General Indemnification. CONTRACTOR shall indemnify, defend and hold harmless, at CONTRACTOR's sole cost and expense, the COUNTY, its officers, employees and agents, from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit, of any and every kind and description. Such indemnification and defense shall be rendered, whether judicial, quasi-judicial or administrative in nature including, but not limited to, injury to and death of any person and/or damage to property or for contribution or indemnity claimed by third parties (collectively, the Claims), arising out of or occasioned in any way by, directly or indirectly, CONTRACTOR's performance of, or its failure to perform, its obligations under this Agreement, but not limited to, CONTRACTOR's failure to comply with applicable laws or the CONTRACTOR's breach of its representation and warranties in this agreement. The foregoing shall also apply if the Claim is caused by the joint negligence of the COUNTY and CONTRACTOR, but only to the extent of CONTRACTOR's negligence. This indemnification will not extend to Claims to the extent they are caused by the sole negligence or intentional misconduct or omission of the COUNTY.

B. Hazardous Substance Indemnification. CONTRACTOR shall indemnify, defend with counsel selected by COUNTY, protect and hold harmless the COUNTY and its officers, directors, employees, volunteers, and agents, and member agencies, its officers, directors, employees, volunteers, and agents, (collectively, indemnitee) from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages), injuries, costs, (including without limit any and all response, remediation and removal costs), losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, and expenses (including without limit attorneys' expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity), (Collectively, Damages) or any kind whatsoever paid, incurred or suffered by, or asserted against, indemnitee arising from or attributable to the acts or omissions of CONTRACTOR, its officers, directors, employees, companies or agents, whether or not negligent or otherwise culpable, in connection with or related to the performance of this agreement, including without limit damages arising from or attributable to any operations, repair, clean-up or detoxification, or preparation and implementation of any removal, remediation, response, closure, postclosure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Substance,

Hazardous Waste, and/or construction and street debris, or other waste collected under this Agreement. This indemnity afforded indemnitee, shall only be limited to exclude coverage for intentional wrongful acts and gross negligence of indemnitee and indemnitee delivery of material to CONTRACTOR which does not conform to the descriptions of Solid Waste under this Agreement and as provided in this paragraph 8 B. The forgoing indemnity is intended to operate as an agreement in recognition of Section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, CERCLA, 42 USC 9607(e) and California Health and Safety Code 25364, to defend, protect, hold harmless, and indemnify the COUNTY from liability. This provision is in addition to all other provisions in this Agreement and is intended to survive the end of the Term of this Agreement. Nothing in this paragraph shall prevent CONTRACTOR from seeking indemnification or contribution from persons or entities other than indemnitee, for any liabilities incurred by CONTRACTOR, or the indemnitee.

Section 9. Penalties/ Remedies for Breach. In addition to any other remedies available pursuant to this Agreement or at law or equity, the CONTRACTOR shall be subject to the following penalties, as liquidated damages for violation of the terms and conditions of this Agreement.

A. Reporting and Record Keeping Violations.

1. For each failure to provide reports or documentation, as required by Section 4.B of this Agreement, by the date due, CONTRACTOR shall pay to COUNTY the sum of fifty dollars (\$50.00) per day for each day's delay in reporting, beginning on the fifteenth (15th) day following the due date, and one hundred dollars (\$100.00) per day for each day's delay beginning on the 30th day following the due date, provided, however, that the COUNTY may not impose a fine in excess of one thousand dollars (\$1,000) without having given notice of a failure to provide reports or documentation.

2. For each failure to provide COUNTY access, in accordance with Section 4.A of this Agreement, to records required under Section 4.A or 4.B, within three business days of the COUNTY's request, CONTRACTOR shall pay to COUNTY the sum of fifty dollars (\$50.00) per day for each day's delay in providing access, beginning on the fourth day following the COUNTY'S request, and one hundred dollars (\$100.00) per day for each day's delay beginning on the 15th day following the request.

B. Services and Operations Violations.

1. For each account collected outside the collection hours specified in Section 5.B.iv, CONTRACTOR shall pay to COUNTY the sum of fifty dollars (\$50.00) per incident, beginning with the third incident reported to the COUNTY within a calendar year. COUNTY shall not assess such

penalty without having given prior notice to CONTRACTOR of the incidents.

2. For each occurrence of excessive noise in violation of Section 5.B.iv, CONTRACTOR shall pay to COUNTY the sum of one hundred dollars (\$100.00) per incident, beginning with the third incident reported to COUNTY within a calendar year. COUNTY shall not assess such penalty without having given prior notice to CONTRACTOR of the incidents.

C. Customer Relations Violations.

1. For each failure to provide a customer information packet to a new customer as required by Section 5.B.ii.1, CONTRACTOR shall pay to COUNTY the sum of twenty-five dollars (\$25.00) per incident, beginning with the third incident reported to COUNTY within a calendar year. COUNTY shall not assess such penalty without having given prior notice to CONTRACTOR of the incidents.

2. For each failure to provide copies of customer notices to the Franchise Contract Administrator within thirty days of a rate adjustment as required by Section 5.B.ii.1, CONTRACTOR shall pay to COUNTY the sum of one hundred fifty dollars (\$150.00) per day beginning on the 31st day following the rate adjustment.

3. For each failure to attach non-collection tags to waste not collected as required by Section 5.B.ii.3 or Section 12.C.ii, CONTRACTOR shall pay to COUNTY the sum of fifty dollars (\$50.00) per incident, beginning with the third incident reported to COUNTY within a calendar year. COUNTY shall not assess such penalty without having given prior notice to CONTRACTOR of the incidents.

D. Disposal Facility Violations. For each documented failure of CONTRACTOR to dispose of non-hazardous waste collected pursuant to this Agreement at the Disposal Facility designated by COUNTY under Section 11, CONTRACTOR shall pay to COUNTY the sum of five hundred dollars (\$500.00) per incident.

In the event that CONTRACTOR believes that any of the above penalties have been assessed in violation of the terms herein, CONTRACTOR may request a review of the alleged violation by the County Administrative Officer, and shall have the right to an appeal to the County Board of Supervisors.

Section 10. Payment of Franchise Fee.

A. Establishment of Franchise Fee. For the rights and privileges granted by this exclusive franchise, CONTRACTOR shall pay to COUNTY a Franchise Fee, in the amount set forth in Section 521-9(a) of the County Code, as may be amended from time to time. COUNTY may unilaterally,

at any time, change the Franchise Fee percentage, so long as, before any such change takes effect, the collection rates charged by CONTRACTOR are adjusted to reflect the change. COUNTY shall give CONTRACTOR at least 90 days written notice of its intent to increase the Franchise Fee percentage. Unless otherwise agreed by CONTRACTOR, no change in the Franchise Fee percentage shall take effect until the effective date of the rate adjustment with respect to such change.

B. Calculation of Gross Revenues. Calculation of Gross Revenue shall be as defined in Section 521-9 of the County Code. "Gross revenue" means total revenue received by the refuse collector less recycling revenues in the exercise of the franchise agreement. Formula for the calculation of recycling revenues or the percentage of recycling revenues to total gross revenues for each refuse collector will require County approval before the start of each fiscal year or cost adjustment period".

C. Payment of Fee. The franchise fee shall be due and payable monthly, with payment for each calendar month due on the 15th day of the following month. Payments made later than the 25th day shall be subject to a ten percent (10%) penalty on the amount due. Failure to remit the delinquent amount, on or before a thirty (30) day period following the date the first amount due becomes delinquent, will result in a second penalty equal to ten percent (10%) of the amount due in addition to any other amounts due, including the penalty first imposed.

D. Verification of Gross Receipts. CONTRACTOR shall keep records of the gross receipts obtained in the exercise of the franchise. CONTRACTOR shall, no later than April 1st of each year, submit a declaration under penalty of perjury, stating the amount of gross receipts received during the previous year. The COUNTY shall have the right to audit and examine records of the gross receipts or the CONTRACTOR may elect to hire an independent Certified Public Accountant approved by the COUNTY Auditor-Controller to perform a review of the gross receipts using an agreed upon procedure conforming to audit standards if required. In the event that such audit procedure concludes that underpayment by CONTRACTOR to COUNTY of two percent (2%) or more has occurred, CONTRACTOR shall, in addition to paying the delinquent amount and the penalty provided in Subsection B above, reimburse COUNTY for any costs incurred in performing the audit. In the event that such audit finds no evidence of payment not made as required, COUNTY shall reimburse CONTRACTOR in an amount equal to the COUNTY's cost to have performed the audit itself. In the event that such audit finds evidence of payment not made as required, but less than 2% of the amount due, CONTRACTOR and COUNTY shall share equally the cost incurred by COUNTY to perform the audit.

Section 11. Disposal Facilities and Disposal Fees

A. Designated Disposal Facility. All non-hazardous franchise solid waste collected by the CONTRACTOR from within the franchise area under the terms of this agreement shall be disposed of at the disposal facility designated by COUNTY, as may be changed from time to time. As of the date of this Agreement, the designated location is the HWMA transfer station located at 1059 Hawthorne Street, Eureka, California. However, under the terms of the three party agreement among COUNTY, CONTRACTOR, and HWMA ("Three-Way Agreement") CONTRACTOR may deliver solid waste to Humboldt Sanitation in McKinleyville, California or the Eureka HWMA transfer station. For the purpose of computing fee changes under subdivision C of this section 11, the HWMA transfer station shall be the current designated facility. If CONTRACTOR elects to use the McKinleyville location instead, no fee changes shall be applicable unless and until the COUNTY designates that facility under this subdivision A.

Disposal of all non-hazardous franchise solid waste collected by CONTRACTOR from self-haul customers at the Humboldt Sanitation and Recycling transfer station in McKinleyville, California, shall be determined by the terms of the agreement concerning disposal of municipal solid waste, entered into effective January 1, 2012, with HWMA, COUNTY and CONTRACTOR.

In the event that COUNTY unilaterally designates an alternate disposal facility, the provisions of Section 11.C. shall determine any increase or decrease in the amount of payment to which CONTRACTOR is entitled.

B. Disposal Facility Fees. CONTRACTOR shall be liable to collect from all curbside and self-haul customers the fees charged by the Disposal Facility to fund waste management and disposal activities in Humboldt County ("Franchise Disposal Fee"). Solid waste disposed of at the Humboldt Sanitation facility shall be subject to Satellite Disposal Facility Fees and solid waste disposed of at the HWMA facility shall be subject to the tipping fee established by HWMA. Self-haul solid waste disposed of at Humboldt Sanitation shall be subject to Countywide Fees established by HWMA. CONTRACTOR shall remit said fee to the designated disposal facility monthly, unless an alternate agreement is made between the CONTRACTOR, the COUNTY, and the Disposal Facility. Failure to remit payment within 30 days of the date due shall subject the CONTRACTOR to a penalty of five hundred dollars (\$500) per incident. CONTRACTOR shall be entitled to increase collection rates to provide for any increases in the amount of the Franchise Disposal Fee, as specified in Section 14.B. Such fees shall be specified in Exhibit A, as Franchise Disposal Fee, and shall not be included in the annual CPI adjustment paid to CONTRACTOR.

C. Change of Disposal Facilities. When COUNTY determines that it is necessary to acquire or use an alternative Disposal Facility or Disposal Facilities, the CONTRACTOR shall not be entitled to any compensation by reason thereof,

except in the amount hereinafter prescribed. When a new Disposal Facility is acquired and is designated for use, or when a specified Disposal Facility is abandoned and an alternative Disposal Facility is designated for use, the CONTRACTOR shall deliver garbage from established connection routes to the new or alternate Disposal Facility as may be ordered by COUNTY. The amount of increase or decrease in compensation due to the CONTRACTOR from customers for such change in Disposal Facility shall be computed as follows:

1. The Franchise Contract Administrator shall measure the one-way distances, along the most direct route on the usable highways, roads, and streets from the geographical center of each collection route along which garbage is normally hauled, to the entrance of the Disposal Facility. The geographical center of said collection routes shall be determined by the Franchise Contract Administrator from the route maps provided by the CONTRACTOR. Such distances shall be averaged and, for convenience of computation, this average shall be called Distance A.

2. The Franchise Contract Administrator shall also measure the one-way distance, along the most direct route on usable highways, roads, and streets from the geographical center of each collection route which will use the new or alternate Disposal Facility to the entrance of the new Disposal Facility. The average of these distances shall be called Distance B. The difference in miles between Distance A and Distance B, multiplied by two (2) and by the number of loads thus hauled, as determined by the Franchise Contract Administrator, shall equal the number of Load-Miles.

3. If Distance A is less than Distance B, increased compensation to the CONTRACTOR shall be made as follows: Multiply the Load-Miles above by the Load-Mile Rate as designated in the current rate schedule. This product shall be the gross increase. Divide the gross increase by the total number of customers served to determine the amount of increase to each customer. The collection rate to each customer will be adjusted by this increase to the nearest \$0.05.

4. If Distance B is less than Distance A, decreased compensation to the CONTRACTOR shall be made as follows: Multiply the Load-Miles above by the Load-Mile Rate as designated in the current rate schedule. This product shall be the gross decrease. Divide the gross decrease by the total number of customers served to determine the amount of decrease to each customer. The collection rate to each customer will be adjusted by this decrease to the nearest \$0.05.

5. If Section 11.C of this Agreement is implemented, the Load-Mile Rate shall be increased or decreased per the Consumer Price Index (CPI) rate adjustment described in Section 14.B.ii to bring it up to the date of implementation.

Section 12. Compliance with Laws.

A. General. CONTRACTOR warrants that it will comply with all applicable federal, state and local laws and regulations in effect during the term of this Agreement, as they may, from time to time, be amended, specifically including, but not limited to the Comprehensive Environment Response, Compensation and Liability Act (CERCLA), 42 U.S.C. 9601, *et seq.*, the California Integrated Waste Management Act of 1989 (AB 939), the ordinances and rules of the Humboldt Waste Management Authority, and all other applicable laws of the State of California. CONTRACTOR shall also comply with all final and binding judgments and administrative orders entered against CONTRACTOR in connection with performance under this Agreement.

B . Air Quality. CONTRACTOR shall be and remain in compliance with all applicable air pollution control laws and regulations, and shall report annually to the Franchise Contract Administrator the address of each terminal within the County that houses collection vehicles.

C. Hazardous Waste.

i) Prohibition of Hazardous Waste. CONTRACTOR shall not knowingly allow hazardous waste to enter the solid waste system. COUNTY recognizes that it is impossible for CONTRACTOR to inspect every can and plastic bag. However, CONTRACTOR shall use all feasible efforts and due diligence in keeping hazardous waste from entering the solid waste system. Such efforts shall include, but not be limited to, a program of regular training of CONTRACTOR's employees on hazardous waste identification and periodic inspection of collected solid waste for hazardous content.

ii) Non-Collection. CONTRACTOR shall cooperate with the Disposal Facility and COUNTY in efforts to prevent the improper disposal of hazardous waste. In the event that CONTRACTOR reasonably believes that cans, bins, or other containers set out for collection contain hazardous materials, such containers shall not be collected, but shall be left at the collection location with a notice from CONTRACTOR explaining the reason for non-collection of the container. Such notice shall include information regarding the proper handling and disposal of hazardous materials, as well as the procedure for customers to follow for ensuring the collection of the container, once the hazardous materials have been removed. COUNTY shall assist CONTRACTOR, upon request from CONTRACTOR, in preparing such informational materials.

Section 13. Changes to Contract.

A. Changes to Existing Services and the Adding of New Services. In the COUNTY's discretion, it can direct CONTRACTOR to change existing services or add new services under this Agreement. In such event, the CONTRACTOR and the Franchise Contract Administrator shall first meet and confer on the change and attempt to arrive at a rate change that would provide the CONTRACTOR with fair compensation for such change. If they cannot arrive at an agreement the matter will be submitted to dispute resolution under this Agreement. Provided, however, that any change in rates requires the approval of the Board of Supervisors under the procedures required by law and while the Board shall consider the result of the dispute resolution process, the Board shall not be bound by it.

In the event that the COUNTY is required by law or regulation, or by order of a court or regulatory agency, to begin providing new or changed services prior to the time that a new rate can be set hereunder, a new rate may be immediately set by the Board of Supervisors under the procedures required by law. If the arbitrator determines that a different rate would be required to recover a reasonable additional amount for such new or changed services, then the County shall adjust the rate to conform to the arbitrator's decision and to reimburse CONTRACTOR for any shortfall.

Section 14. Rates.

A. Approval of Rates. The rates to be charged customers by CONTRACTOR shall be set in accordance with the provisions of this Section 14, and shall not be increased except as provided herein. The maximum rates which may be charged by CONTRACTOR in the unincorporated area served by this franchise are those rates shown in Exhibit B of this Agreement. These rates are based on disposal of collected solid waste and recyclables at the designated facilities, and are inclusive of all fees charged by the disposal facility.

B. Rate Changes. Rate changes which occur pursuant to the terms of subsection (i) below (annual index-based adjustments) or subsection (ii) below (changes in disposal/processing fees), or pursuant to Section 11.A (increase of franchise fee) may be implemented without action of the Board of Supervisors, if the total annual rate increase does not exceed eight percent (8%), or such other amount set by the Board of Supervisors. Such rate increases may be implemented by amendment to this agreement executed by the Franchise Contract Administrator. All other rate changes shall be approved by the Board of Supervisors, and shall require the holding of a public hearing, if required by the County Code. It is the policy of the Board of Supervisors to consider rate adjustment requests only on an annual basis.

i) Annual Adjustment of Rates. Rates paid to CONTRACTOR shall be adjusted annually to reflect changes to the Consumer Price Index (CPI) less energy, changes to the cost of fuel, and changes to disposal fees. The formula used to calculate the annual rate adjustment shall be as set forth in Exhibit C.

ii) Exceptional Rate Increase. A request for a rate increase greater than the 8%, or any other request for rate increases not included in section i above, shall require justification by the CONTRACTOR. In addition to any other relevant information, COUNTY may additionally require accounting records and financial statements, as described below, along with supporting documents, compiled by a Certified Public Accountant licensed in the State of California. All costs associated with the submittal shall be borne by the CONTRACTOR.

(1) Contractor's Accounting Records. CONTRACTOR shall maintain accurate and complete accounting records containing the underlying financial and operating data relating to, and showing the basis for allocation and computation of, all costs associated with the services provided for under this Agreement. The accounting records shall be maintained using Generally Accepted Accounting Principles (GAAP) consistently applied.

(2) Financial Statements. Financial statements and/or pertinent sections thereof made available to the COUNTY shall show CONTRACTOR's results of operations for services provided under this Agreement as a separate cost center of the CONTRACTOR's business, including the specific revenues received and expenses incurred for those services. The financial statements shall be prepared at least annually in accordance with Generally Accepted Accounting Principles (GAAP) by the CONTRACTOR and/or its designee and shall be compiled and marked "unaudited". Such statements should include an additional statement of certification by the CONTRACTOR's management.

iv). Adjustment of Disposal/Processing Fees. The parties intend that rates shall be adjusted in accordance with Section 521-8 of the County Code to reflect changes in Disposal Fees and Processing Fees. Such rate adjustments shall ordinarily occur at the same time as the annual rate adjustments provided for in Section 14.B.i, provided, however, that if CONTRACTOR submits a request for a special rate adjustment under Section 14.ii, CONTRACTOR may concurrently submit a request for a rate adjustment under this Section 14.iv

The initial Disposal Fee and Processing Fee components of each rate shown on Exhibit A are based on the per-ton Disposal Fee and Processing Fee shown on Exhibit A, which are currently payable by

CONTRACTOR at the Designated Disposal Facility and the Designated Recycling Facility, respectively. In the event of a change in the Disposal Fee or Processing Fee, the respective Disposal Fee or Processing Fee component of each rate shall be increased or decreased, as the case may be, by the percentage increase or decrease in such Disposal Fee or Processing Fee. The parties acknowledge that, in connection with a change in the Designated Recycling Facility or its fee structure, the Processing Fee currently payable by CONTRACTOR may be replaced by a per-ton fee payable to CONTRACTOR by the Designated Recycling Facility, and hence become a revenue stream to CONTRACTOR. In such event, the Processing Fee component of each rate may become a negative number.

All adjustments to the Disposal Fee and Processing Fee components of rates shall take effect as of the effective date of the underlying change to the Disposal Fee or Processing Fee, as the case may be. If a change to a Disposal Fee or Processing Fee occurs before rates can be adjusted under this Section 14.iv to account for such change, and CONTRACTOR incurs increased costs as a result of such change that would not be otherwise reimbursed under this Agreement, CONTRACTOR shall be entitled to factor such costs into the rate adjustment made pursuant to this Section 14.iv

v) Changes in Law Compliance. CONTRACTOR's cost of compliance with the Solid Waste Collection Vehicle Rule, or similar rules or other changes in Law for which CONTRACTOR will be required to incur additional cost for compliance as required under Section 12 hereof, shall be agreed to and added to the rates hereunder. Provided, however, the initial rates in this Franchise Agreement include the cost of such compliance with law as of the first day of the Term of this Agreement.

vi) Basis for Calculation. The rates in Exhibit B are based on an average density of solid waste equal to 30 pounds per 30 gallon container and 202 pounds per cubic yard. CONTRACTOR agrees that this average density determination shall be used to compute the rates in the attached Exhibit B unless the COUNTY and CONTRACTOR agree that a different average density is justified. COUNTY agrees to adjust the rates accordingly if such a determination is made.

vii) Permitted Adjustments. Upon providing reasonable justification to COUNTY, CONTRACTOR shall be entitled to a rate increase in an amount sufficient to cover CONTRACTOR'S reasonable additional costs (or reductions in revenues) arising out or relating to the following:

a. In the event there is an increase or decrease of ten percent (10%) or more in the number CONTRACTOR's residential customers in the Franchise Area from the number as of July 1, 2011.

b. If the number of CONTRACTOR's customers that sign up for recycle services fall below 1200.

Section 15. Termination - For Cause. If any term or condition of the Agreement is violated, COUNTY may give to CONTRACTOR and his surety a notice to remedy such violation(s) within a thirty (30) day period or if such remedy is not possible to be completed within said 30-day period CONTRACTOR must begin to remedy within the 30-day period and must diligently complete such remedy as soon as possible; and if such violation(s) is substantial and is not remedied within 30 days of the notice, COUNTY at its election, may terminate the Agreement; except that, if the breach is such that the public health, welfare or safety may be endangered, termination may be immediate. If CONTRACTOR becomes insolvent, is adjudged bankrupt, or makes an assignment for the benefit of creditors, the Agreement may be immediately terminated by COUNTY. Upon such involuntary termination, CONTRACTOR shall supply a complete list of customers to the COUNTY.

Upon any breach and/or termination of the Agreement, any work that CONTRACTOR has failed to do may be performed by COUNTY, either directly or by contracting therefore, at the expense of CONTRACTOR and his surety. COUNTY may operate the system, or carry out any portion of the assigned work utilizing its own or CONTRACTOR's equipment until CONTRACTOR has demonstrated to the satisfaction of COUNTY that it is again capable of meeting the terms of the Agreement. On each such occasion, COUNTY shall notify CONTRACTOR, in writing, of the specific failure of CONTRACTOR to perform the required work, and the action to be taken by COUNTY. If CONTRACTOR fails to cure such breach within the specified period of time, COUNTY may terminate the Agreement, and operate the system. In so doing, COUNTY may utilize CONTRACTOR's equipment for a period of up to 120 calendar days from the date of termination of the Agreement. COUNTY shall pay CONTRACTOR fair rental value of such equipment. Liability of COUNTY to CONTRACTOR for loss or damage of equipment used by COUNTY shall be that of a bailee for hire. Ordinary wear and tear is specifically exempt from such liability.

Section 16. Termination - Changed Circumstances. Either party may terminate this agreement by giving the other party written notice of such termination not less than 180 days prior to the date of the proposed termination, in the event of a significant and substantial change in the law or in the circumstances and assumptions forming the basis of this Agreement. Events which shall be deemed significant and substantial changes and which may support termination include, but are not limited to, the following:

A. Adoption of an ordinance or resolution pursuant to Section 25830 of the Government Code or other applicable State law, establishing a schedule of fees for solid waste disposal and imposing said fees ("dwelling unit equivalents") on land within the territory covered by the Agreement;

B. A finding by a court of competent jurisdiction that any material term, condition, or covenant of this agreement is invalid, void or unenforceable.

C. Action by the Humboldt Waste Management Authority which the COUNTY finds will significantly impact the ability of CONTRACTOR to perform its responsibilities as required by the Agreement.

In the event of termination pursuant to the terms of this section, COUNTY may negotiate a new Agreement with CONTRACTOR or may call for bids.

Section 17. Dispute Resolution. If both COUNTY and CONTRACTOR agree, the issues which are the subject of a dispute may be submitted to arbitration in accordance with the rules of the American Arbitration Association (AAA), provided that COUNTY and CONTRACTOR may agree to have the arbitration hearing heard by a single arbitrator acceptable to both COUNTY and CONTRACTOR, but otherwise in accordance with the rules of the AAA. Such Arbitration shall take place in Eureka, California.

Section 18. Assignment and Transfer of Control. Except as provided in this Section, CONTRACTOR shall neither assign its rights nor delegate or otherwise transfer its obligations under this Agreement or change its control to any other person or entity without the prior written consent of COUNTY. A change merely in the form of the entity shall be allowed as long as the proportional interests of the owners remain the same. Any such assignment without the consent of COUNTY shall be void and the attempted assignment shall constitute a material breach of this Agreement.

At the time of signing this Agreement, all of the stock of Humboldt Sanitation Company are held by Gregory Cain, Christine Cain, Tavis Cain and Tasha Eisner. A change in control shall be a change in ownership of more than one half of the corporation's outstanding stock to any person or entity other than the current stockholders. A change in control will not include a transfer of stock into a revocable trust fully controlled by Gregory Cain, Christine Cain, Tavis Cain and Tasha Eisner or their estates upon their death.

CONTRACTOR shall inform COUNTY, in writing, at least 60 days prior to any assignment or change in control stock transfer proposals, and shall not consummate any stock transfer or assignment without approval of COUNTY.

CONTRACTOR must also pay COUNTY its reasonable expenses for attorney's fees and investigation costs to investigate the suitability of the proposed assignee or transferee and to review and finalize any documentation required for such assignment or transfer.

CONTRACTOR shall furnish COUNTY with such financial and experience information as the COUNTY determines is reasonably required to assist it in its review.

If COUNTY does not respond within 60 days, COUNTY approval shall be considered granted. Provided, however, that said period may be extended by the COUNTY for such additional reasonable time as it may need to review and consider the matter. COUNTY shall not unreasonably delay or withhold its consent.

Section 19. Nuclear Free Ordinance Compliance. CONTRACTOR certifies by its signature below that CONTRACTOR is not a Nuclear Weapons Contractor, in that CONTRACTOR is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. CONTRACTOR agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor, as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if CONTRACTOR becomes a Nuclear Weapons Contractor.

Section 20. Notices. A letter addressed and sent by certified U.S. Mail, by either party to the other at its business address shown herein, shall be sufficient notice whenever required for any purpose of this agreement.

County of Humboldt
Contract Administrator
1106 Second Street
Eureka, California, 95501

Humboldt Sanitation Company, Inc.
2585 Central Avenue
McKinleyville, CA 95519

Section 21. Interpretation of Agreement.

A. Entire agreement. This Agreement contains the entire agreement between the parties with respect to the transactions contemplated hereby. This Agreement shall completely and fully supersede all prior understandings and agreements between the Parties with respect to such transactions, including those contained in all prior amendments hereto.

B. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of California.

C. Right to Require Performance. The failure of COUNTY at any time to require performance by CONTRACTOR of any provision hereof, shall in no way affect the right of COUNTY thereafter to enforce same, nor shall waiver by COUNTY of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provisions or as a waiver of any provision itself.

D. Execution in Counterparts. This Agreement may be executed in any number of original counterparts. All such counterparts shall constitute one and the same Agreement.

E. Severability. If any clause, provision, subsection, Section or Division hereof or attachment hereto shall be ruled invalid by any court of competent jurisdiction, then the parties shall:

1. Promptly meet and negotiate a substitute for such Agreement provision which shall, to the greatest extent legally permissible, effect the intent of the parties therein;
2. Negotiate such changes in, substitutions or additions to the remaining provisions hereof as may be necessary in addition to and in conjunction with item 1 above to effect the intent of the parties in the invalid Agreement provision.

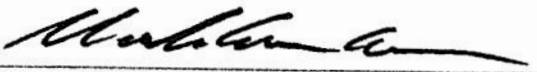
The invalidity of such Agreement provision shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid Agreement provision did not exist, unless either party invokes its right to termination for changed circumstances pursuant to Section 16 herein.


F. ATTORNEY FEES. Should any dispute be litigated, mediated or arbitrated between the parties, the prevailing party shall be entitled to receive reasonable attorneys' fees and costs from the other party.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the date first hereinabove written.

COUNTY OF HUMBOLDT

Attest:



Chair, County Board of Supervisors


Clerk of the Board of Supervisors


APPROVED AS TO FORM:

INSURANCE certificates
reviewed and APPROVED:

BY: 
Deputy County Counsel

BY: 
RISK MANAGER

HUMBOLDT SANITATION COMPANY, INC.


BY: Gregory D. Cain

TITLE: President


BY: Christine A. Cain

TITLE: Chief Financial Officer

**COUNTY OF HUMBOLDT
SOLID WASTE COLLECTION QUARTERLY FRANCHISE REPORT**

Exhibit A

Quarter _____

(Due by the 15th day of the second month following the end of each calendar quarter.)

CONTRACTOR INFORMATION

Franchise Area _____
 Company Name _____
 Address _____
 City, State, Zip Code _____
 Contact Name _____
 Phone Number _____
 Fax Number _____
 E-mail Address _____

SOLID WASTE COLLECTED (TONS)

Location/s:

Solid Waste			
Recyclables			
Green Waste			
Total			

SOLID WASTE (TONS) SELF-HAULED TO CONTRACTOR'S FACILITY OR SEPARATE FACILITY

Location/s:

Solid Waste			
Recyclables			
Green Waste			
Total			

ADDITIONAL INFORMATION:

The undersigned, under penalty of perjury, states that the information listed on the above Quarterly Franchise Report are true and correct.

Name of Preparer and Date

**COUNTY OF HUMBOLDT
SOLID WASTE COLLECTION ANNUAL FRANCHISE REPORT**

Exhibit A

Calendar Year (YYYY) _____

(Due April 1 following Calendar Year)

CONTRACTOR INFORMATION

Franchise Area _____
 Company Name _____
 Address _____
 City, State, Zip Code _____
 Contact Name _____
 Phone Number _____
 Fax Number _____
 E-mail Address _____

FRANCHISE TONNAGE

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Solid Waste					
Recyclables					
Green Waste					

NUMBER OF ACCOUNTS SERVED (MONTHLY SERVICE)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Can: Residential/Comm.					
20 Gallon					
30 Gallon					
32 Gallon					
40 Gallon					
55 Gallon					
60 Gallon					
64 Gallon					
90 Gallon					
Occasional 30-Gallon					
Prepaid bags					
"Blue-Bag"					

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Large Container: Monthly					
1.0 CY					
1.5 CY					
2.0 CY					
3.0 CY					
4.0 CY					
5.0 CY					
6.0 CY					
8.0 CY					
10.0 CY					
14.0 CY					
15.0 CY					
18.0 CY					
20.0 CY					
30.0 CY					
40.0 CY					

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Large Container: Pick-Up					
1.0 CY					
1.5 CY					
2.0 CY					
3.0 CY					
4.0 CY					
5.0 CY					
6.0 CY					
8.0 CY					
10.0 CY					
14.0 CY					
15.0 CY					
18.0 CY					
20.0 CY					
30.0 CY					
40.0 CY					

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
5 YD					
14 YD Covered					
14 YD Uncovered					
18 YD Covered					
18 YD Uncovered					
20 YD					
40 YD Uncovered					

GROSS FRANCHISE RECEIPTS

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Can: Residential/Comm.					
20 Gallon					
30 Gallon					
32 Gallon					
40 Gallon					
55 Gallon					
60 Gallon					
64 Gallon					
90 Gallon					
Occasional 30-Gallon					
Prepaid bags					
"Blue-Bag"					
Total					

Large Container: Monthly

1.0 CY					
1.5 CY					
2.0 CY					
3.0 CY					
4.0 CY					
5.0 CY					
6.0 CY					
8.0 CY					
10.0 CY					
14.0 CY					

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
15.0 CY					
18.0 CY					
20.0 CY					
30.0 CY					
40.0 CY					
Total					

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Large Container: Pick-Up					
1.0 CY					
1.5 CY					
2.0 CY					
3.0 CY					
4.0 CY					
5.0 CY					
6.0 CY					
8.0 CY					
10.0 CY					
14.0 CY					
15.0 CY					
18.0 CY					
20.0 CY					
30.0 CY					
40.0 CY					
Total					

5 YD					
14 YD Covered					
14 YD Uncovered					
18 YD Covered					
18 YD Uncovered					
20 YD					
40 YD Uncovered					
Total					

SUMMARY OF SERVICE COMPLAINTS

(Provide number of complaints by type for each quarter)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Type of Complaint:					
Missed Pick-up					
Excessive Noise					
Spilled Garbage					

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Other (describe):					

NARRATIVE SUMMARY OF PROBLEMS

(Describe problems encountered and actions taken with recommendations for County, as appropriate)

SUMMARY OF HAZARDOUS WASTE TRAINING

Course Title	Date	Number of Emp. Trained

NUMBER OF NON-COLLECTION TAGS ISSUED

(Provide number of tags issued by reason for each quarter)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Hazardous Waste					
Improper Location					
Other (describe):					

COLLECTION VEHICLE LOCATION

(Provide address of each terminal that houses collection vehicles serving the County franchise area)

Address _____
 City, State, Zip Code _____

Address _____
 City, State, Zip Code _____

Address _____
 City, State, Zip Code _____

Address _____
 City, State, Zip Code _____

SOLID WASTE SELF-HAULED TO CONTRACTOR'S SEPARATE FACILITY

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Solid Waste (Tons)					

EXHIBIT A: NORTHWEST HUMBOLDT AREA FRANCHISE RATES
EFFECTIVE JULY 1, 2011

Based on Tip Fee/Ton at HWMA

\$120.23 AREA 1

TYPE OF SERVICE	1	2	3	4	5	6	7	8	9	10
	PR YR BASE RATE /mo./cont.		CPI Adj. 2.35%	CURRENT BASE RATE One cont.		DISPOSAL RATE One cont.		COMBINED RATE One cont.		FREQUENCY OF SERVICE

TABLE 1 CAN RATES - RESIDENTIAL and COMMERCIAL

					Rounded to 5¢
20 Gallon Can	15.43		\$15.79	\$5.73	\$21.52 \$21.50 Weekly
30 Gallon Can	16.47		\$16.86	\$8.59	\$25.44 \$25.45 Weekly
40 Gallon Can	19.11		\$19.56	\$11.45	\$31.01 \$31.00 Weekly
"Blue Bag" rate	5.85		\$5.99	\$1.98	\$7.97 \$7.95 Per pick-up

TABLE 2 LARGE CONTAINERS Monthly service

1.5 CY	113.30		\$115.96	\$86.74	\$202.70 \$202.70 ONCE PER WEEK
	26.24		\$26.86	\$20.02	\$46.87 \$46.85 EACH ADDITIONAL, per
2.0 CY	151.04		\$154.59	\$115.65	\$270.24 \$270.25 ONCE PER WEEK
	34.99		\$35.81	\$26.69	\$62.50 \$62.50 EACH ADDITIONAL, per
3.0 CY	226.59		\$231.91	\$173.47	\$405.39 \$405.40 ONCE PER WEEK
	52.49		\$53.72	\$40.03	\$93.76 \$93.75 EACH ADDITIONAL, per

LARGE CONTAINERS Per Pick up rates for one container

14 YD	213.32		\$218.33	\$186.82	\$405.15 \$405.15 up to 1.414 tons
18 YD	237.49		\$243.07	\$240.20	\$483.27 \$483.25 up to 1.818 tons
40 YD	497.56		\$509.25	\$533.77	\$1,043.02 \$1,043.00 up to 4.04 tons
Excess weight				per ton	\$122.68 \$122.70 overweight bins
Covered charge	16.33		\$16.71	\$0.00	\$16.71 \$16.70 1.5 yd bin

EXHIBIT B: NORTHWEST HUMBOLDT AREA FRANCHISE RATES
EFFECTIVE JULY 1, 2011

Based on Tip Fee/Ton at HWMA \$ 120.23 AREA 2

TYPE OF SERVICE	1	2	3	4	5	6	7	8	9	10
	PR YR BASE RATE /mo./cont.	CPI Adj. 2.35%	CURRENT BASE RATE one cont.	DISPOSAL RATE One cont.	COMBINED RATE One cont.	FREQUENCY OF SERVICE				

TABLE 1 CAN RATES - RESIDENTIAL and COMMERCIAL

	1	4	6	8	9
20 Gallon Can	12.29	\$12.58	\$5.73	\$18.30	\$18.30 Weekly
30 Gallon Can	15.40	\$15.76	\$8.59	\$24.35	\$24.35 Weekly
"Blue Bag" rate	5.85	\$5.99	\$1.98	\$7.97	\$7.95 Per pick-up

TABLE 2 LARGE CONTAINERS Monthly service

	1	4	6	8	9
1.5 CY	113.30	\$115.96	\$86.74	\$202.70	\$20.70 ONCE PER WEEK
	26.24	\$26.86	\$20.02	\$46.87	\$46.85 EACH ADDITIONAL
2.0 CY	151.04	\$154.59	\$115.65	\$270.24	\$270.25 ONCE PER WEEK
	34.98	\$35.80	\$26.69	\$62.49	\$62.50 EACH ADDITIONAL
3.0 CY	226.59	\$231.91	\$173.47	\$405.39	\$405.40 ONCE PER WEEK
	52.49	\$53.72	\$40.03	\$93.76	\$93.75 EACH ADDITIONAL

LARGE CONTAINERS Per Pick up rates for one container

	1	4	6	8	9
5 YD	110.09	\$112.68	\$66.72	\$179.40	\$179.40 up to 0.505 tons
14 YD uncovered	131.83	\$134.93	\$186.82	\$321.75	\$321.75 up to 1.414 tons
14 YD covered	132.52	\$135.63	\$186.82	\$322.45	\$322.45
18 YD uncovered	229.85	\$235.25	\$240.20	\$475.45	\$475.45 up to 1.818 tons
18 YD covered	231.15	\$236.58	\$240.20	\$476.78	\$476.80
40 YD uncovered	411.67	\$421.34	\$533.77	\$955.11	\$955.10 up to 4.04 tons
Excess weight			per ton	\$122.68	\$122.70 overweight bins

TABLE 3 CONTAINER RENTAL RATES

	PR YR BASE RATE	
	Monthly	Daily
1.5 YARD	\$50.35	\$10.10
2 YARD	\$0.00	\$0.00
3 YARD	\$0.00	\$0.00
14 YARD	\$100.40	\$19.95
18 YARD	\$100.40	\$19.95
40 YARD	\$125.50	\$24.75
Covered	\$62.80	\$15.65

	CURRENT BASE RATE			
	Monthly	Rounded to 5¢	Daily	Rounded to 5¢
	\$51.53	\$51.53	\$10.34	\$10.35
	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00
	\$102.76	\$102.75	\$20.42	\$20.40
	\$102.76	\$102.75	\$20.42	\$20.40
	\$128.45	\$128.45	\$25.33	\$25.35
	\$64.28	\$64.30	\$16.02	\$16.00

additional charge, except 1.5 CY

TABLE 4 CHARGES FOR SPECIAL SERVICES
 PER HOUR FOR ONE (1) MAN AND ONE (1) TRUCK:

EXHIBIT "A" and "B"
 \$76.58 OR \$ 76.60 rounded

PER CUBIC YARD PICKUP:

\$36.58 Whichever is greater
 \$21.84 base + \$13.34 disposal

1.5 Cubic Yard Container occasional use	CHARGE	\$63.66 TO DELIVER TO SITE, PLUS	\$54.77 PER EMPTY
		\$32.62 BASE PLUS	\$20.02 DISPOSAL

EXHIBIT B: NORTHWEST HUMBOLDT AREA FRANCHISE RATES
EFFECTIVE JANUARY 1, 2012

Based on Tip Fee/Ton at HWMA

\$120.23 AREA 1

TYPE OF SERVICE	1	2	3	4	5	6	7	8	9	10
	PR YR BASE RATE /mo./cont.		CPI Adj.	CURRENT BASE RATE One cont.		DISPOSAL RATE One cont.		COMBINED RATE One cont.		FREQUENCY OF SERVICE

TABLE 1

CAN RATES - RESIDENTIAL and COMMERCIAL

Rounded to 5¢

20 Gallon Can				\$15.79		\$5.73		\$21.52		\$21.50 Weekly
30 Gallon Can				\$16.86		\$8.59		\$25.44		\$25.45 Weekly
40 Gallon Can				\$19.56		\$11.45		\$31.01		\$31.00 Weekly
"Blue Bag" rate				\$5.99		\$1.98		\$7.97		\$7.95 Per pick-up

TABLE 2

LARGE CONTAINERS Monthly service

1.5 CY				\$115.96		\$86.74		\$202.70		\$202.70 ONCE PER WEEK
				\$26.86		\$20.02		\$46.87		\$46.85 EACH ADDITIONAL, per
2.0 CY				\$154.59		\$115.65		\$270.24		\$270.25 ONCE PER WEEK
				\$35.81		\$26.69		\$62.50		\$62.50 EACH ADDITIONAL, per
3.0 CY				\$231.91		\$173.47		\$405.39		\$405.40 ONCE PER WEEK
				\$53.72		\$40.03		\$93.76		\$93.75 EACH ADDITIONAL, per

LARGE CONTAINERS Per Pick up rates for one container

TOTAL:

14 YD				\$218.33		\$186.82		\$405.15		\$405.15 up to 1.414 tons
18 YD				\$243.07		\$240.20		\$483.27		\$483.25 up to 1.818 tons
40 YD				\$509.25		\$533.77		\$1,043.02		\$1,043.00 up to 4.04 tons
Excess weight								\$122.68		\$122.70 overweight bins
Covered charge				\$16.71		\$0.00	per ton	\$16.71		\$16.70 1.5 yd bin

TABLE 4 CHARGES FOR SPECIAL SERVICES
 PER HOUR FOR ONE (1) MAN AND ONE (1) TRUCK:

EXHIBIT "A" and "B"
 \$76.58 OR \$ 76.60 rounded

PER CUBIC YARD PICKUP: **\$36.58** Whichever is greater
 \$21.84 base + \$13.34 disposal

1.5 Cubic Yard Container occasional use	CHARGE	\$63.66 TO DELIVER TO SITE, PLUS	\$54.77 PER EMPTY
		\$32.62 BASE PLUS	\$20.02 DISPOSAL

EXHIBIT B: NORTHWEST HUMBOLDT AREA FRANCHISE RATES
EFFECTIVE JANUARY 1, 2013

20 Year Bundled Hum San.

Based on Satellite Fee of \$118.64

AREA 1

1 Type of Service	2 Prior Year Base Rate		3 CPI less energy	4 Fuel Adj.	5 Current Year Base Rate		6 Sub-Total	7 Disposal \$118.64	8 Sub-Total	9 Franchise Fee on Base & Disposal	10 Sub-Total	11 Automation Service Percent	12 Sub-Total	13 Franchise Fee on Automation 9%	14 Sub-Total	15 Recycling Costs New Prog Fee	16 Total Rate	17 Frequency of Service		
	Base Rate	Base Fuel			Base Rate	Base Fuel														
TABLE 1 CAN RATES - RESIDENTIAL and COMMERCIAL					91.00%	9.00%														10.72%
20 Gallon Can	NA	NA	NA	NA	\$12.93	\$1.28	\$14.21	\$5.14	\$19.36	\$1.91	\$21.27	\$1.87	\$23.14	0.18	\$23.32	\$1.67	\$25.00	Weekly		
35 Gallon Can	NA	NA	NA	NA	\$13.96	\$1.38	\$15.34	\$7.71	\$23.05	\$2.28	\$25.33	\$2.02	\$27.35	0.20	\$27.55	\$1.81	\$29.36	Weekly		
65 Gallon Can	NA	NA	NA	NA	\$26.32	\$2.60	\$28.92	\$16.45	\$45.37	\$4.49	\$49.86	\$3.80	\$53.66	0.38	\$54.04	\$3.41	\$57.44	Weekly		
90 Gallon Can	NA	NA	NA	NA	\$27.99	\$2.77	\$30.76	\$23.13	\$53.89	\$5.33	\$59.22	\$4.05	\$63.27	0.40	\$63.67	\$3.62	\$67.29	Per pick-up		
TABLE 2 LARGE CONTAINERS Monthly service																				
1.5 CY	NA	NA	NA	NA	\$96.03	\$9.50	\$105.52	\$77.89	\$183.41	\$18.13	\$201.55	\$13.88	\$215.43	1.37	\$216.80	\$12.43	\$229.23	ONCE PER WEEK		
					\$22.24	\$2.20	\$24.44	\$17.97	\$42.42	\$4.19	\$46.61	\$3.22	\$49.83	0.32	\$50.14	\$2.88	\$53.02	EACH ADDITIONAL		
2.0 CY	NA	NA	NA	NA	\$128.02	\$12.66	\$140.68	\$103.85	\$244.53	\$24.18	\$268.70	\$18.50	\$287.21	1.83	\$289.04	\$16.57	\$305.61	ONCE PER WEEK		
					\$29.65	\$2.93	\$32.59	\$23.97	\$56.55	\$5.59	\$62.14	\$4.29	\$66.43	0.42	\$66.85	\$3.84	\$70.69	EACH ADDITIONAL		
3.0 CY	NA	NA	NA	NA	\$192.04	\$18.99	\$211.04	\$155.77	\$366.81	\$36.27	\$403.08	\$27.76	\$430.84	2.74	\$433.59	\$24.86	\$458.45	ONCE PER WEEK		
					\$44.49	\$4.40	\$48.89	\$35.95	\$84.83	\$8.39	\$93.22	\$6.43	\$99.65	0.64	\$100.29	\$5.76	\$106.05	EACH ADDITIONAL		
4 YD	NA	NA	NA	NA	\$237.97	\$23.54	\$261.50	\$207.70	\$469.20	\$46.39	\$515.59	\$34.70	\$550.29	3.43	\$553.73	\$31.08	\$584.81	ONCE PER WEEK		
LARGE CONTAINERS Per Pick up rates for one container																				
14 YD	NA	NA	NA	NA	\$180.80	\$17.88	\$198.68	\$167.76	\$366.44	\$36.23	\$402.67	\$26.13	\$428.80	2.58	\$431.39	\$23.40	\$454.79	up to 1,414 tons		
18 YD	NA	NA	NA	NA	\$201.29	\$19.91	\$221.19	\$179.74	\$400.93	\$39.64	\$440.58	\$29.10	\$469.67	2.88	\$472.55	\$26.06	\$498.60	up to 1,818 tons		
20 YD	NA	NA	NA	NA	\$214.44	\$21.21	\$235.64	\$239.65	\$475.30	\$47.00	\$522.29	\$31.00	\$553.29	3.06	\$556.35	\$27.76	\$584.11	3 DAY RENTAL		
40 YD	NA	NA	NA	NA	\$421.71	\$41.71	\$463.42	\$479.31	\$942.72	\$93.21	\$1,035.93	\$60.96	\$1,096.89	6.03	\$1,102.92	\$54.59	\$1,157.51	up to 4.04 tons		
Excess weight Covered charge	NA	NA	NA	NA	\$13.84	\$1.37	\$15.21	\$ -	\$15.21	\$1.50	\$16.71	per ton	\$16.71	-	\$16.71	\$16.71	\$16.71	1.5 yd bin		

TABLE 3 CONTAINER RENTAL RATES

EXHIBIT "A" and "B"

	Prior Year Base Rate		Current Year Base Rate			
	Monthly	Daily	Monthly	Rounded to \$	Daily	Rounded to \$
1.5 YARD	NA	NA	\$51.53	\$51.55	\$10.32	\$10.30
2 YARD	NA	NA	\$0.00	\$0.00	\$0.00	
3 YARD	NA	NA	\$0.00	\$0.00	\$0.00	
14 YARD	NA	NA	\$102.74	\$102.75	\$20.42	\$20.40
18 YARD	NA	NA	\$102.74	\$102.75	\$20.42	\$20.40
40 YARD	NA	NA	\$128.46	\$128.45	\$25.33	\$25.35
Covered	NA	NA	\$64.25	\$64.25	\$16.03	additional charge, except 1.5 CY

TABLE 4 CHARGES FOR SPECIAL SERVICES PER HOUR FOR ONE (1) MAN AND ONE (1) TRUCK:

EXHIBIT "A" and "B"

		\$76.58	OR	\$76.60	rounded
PER CUBIC YARD PICKUP:		\$36.58	Whichever is greater	\$21.84	base +
				\$13.69	disposal
1.5 Cubic Yard Container occasional use	CHARGE	\$63.66	TO DELIVER TO SITE, PLUS	\$54.77	PER EMPTY
		\$32.62	BASE PLUS	\$19.75	DISPOSAL

TABLE 5 RECYCLING

CURBSIDE RECYCLING	\$4.00	per month
Once every two weeks		

Exhibit C – Calculation for Annual Adjustment of Rates

The first adjustment, if applicable, shall be effective on July 1, 2012. The percentage increase or decrease of the base rate without fuel shall be computed on the basis of the CPI-Urban Wage Earners and Clerical Workers U.S. City Average, all items less energy, as determined and published by the Bureau of Labor Statistics of the U.S. Department of Labor. The month of December shall be used as the month of comparison. The percentage increase or decrease of the fuel component shall be computed on the basis of the annual change in cost of diesel fuel for the first week in December, California region as provided by the United States Energy Information Administration. Such CPI and fuel adjustments shall be applicable only to the base rates and recycling fee, and shall not be applied to the Disposal Facility fee (which may include state, local, and other regulatory fees) or other pass through fees.

A. Base Rate Calculation for July 1 of each year starting 2012

1. Prior Year Base Rate* X CPI less energy
*Prior Year Base Rate includes Base and Automation
2. Prior Year Base Fuel* X Fuel adjustment
*Prior Year Base Rate includes Base and Automation

ADD

B. July 1 Disposal Fee

ADD

C. Franchise Fee on A and B

ADD

D. Recycling Calculation for July 1 of each year starting 2012

1. Prior Year Recycling Fee X CPI less energy
Prior Year Recycling Fee X Fuel adjustment

TOTAL