

**AMENDMENT TO FRANCHISE AGREEMENT
FOR SOLID WASTE, RECYCLING AND GREEN WASTE SERVICES BETWEEN
BOLINAS COMMUNITY PUBLIC UTILITY DISTRICT AND USA WASTE OF
CALIFORNIA, INC.**

RECITALS

WHEREAS, Bolinas Community Public Utility District (“BCPUD” or “District”), a public utility organized and existing by virtue of the laws of the State of California, and USA Waste of California, Inc., a Delaware corporation, previously entered into that certain Franchise Agreement For Solid Waste, Recycling and Green Waste Services Between Bolinas Community Public Utility District and USA Waste Of California, Inc., dated April 1, 2003 (the “Agreement”); and

WHEREAS, effective January 1, 2008, the Agreement was assigned by USA Waste of California, Inc. to Redwood Empire Disposal, Inc., a California corporation (“Company” or “Contractor”); and

WHEREAS, pursuant to the terms of the Agreement, the Parties have subsequently consented to extend the Agreement through December 31, 2015; and

WHEREAS, Company has satisfactorily performed under the Agreement, which remains in full force and effect as of the date of this Amendment; and

WHEREAS, the Parties desire to extend the term of the Agreement for an additional fifteen (15) years, and to make the other changes to the Agreement set forth in this Amendment.

NOW, THEREFORE, District and Company do hereby enter into this Amendment to the Agreement effective this 16 day of December, 2015 (the “Amendment”).

1. “2013” in line five of Section 2 of the Agreement is hereby deleted and replaced with “2030.”
2. Section 3 of the Agreement is hereby amended to read as follows, in its entirety:

“3. Services, Rates and Rate Setting, Equipment

Company will collect all Solid Waste, Recyclable Materials and Green Waste within the District during the term covered by this Agreement in accordance with federal, state and local law and the services described in Exhibit A, attached hereto and incorporated herein by this reference, and as Exhibit A may be amended by the Directors with the consent of the Company from time to time. Company shall not be responsible for hazardous waste or any other materials that do not meet the definition of Solid Waste, Recyclable Materials and Green Waste, as set forth above.

(A) Without limiting the rights of the parties set forth hereinabove, the maximum rates set forth in Exhibit C, attached hereto and incorporated herein by this reference, are the maximum rates that Company may charge customers for services rendered pursuant to this Agreement. ("Maximum Rates"). The Maximum Rates shall be increased on January 1, 2016 by six percent (6%). The Maximum Rates shall be increased on January 1, 2017 and on the first day of January for each year thereafter through January 1, 2022 by five percent (5%). In addition to the five percent (5%) per year increase through January 1, 2022, and beginning on January 1, 2018, in the event that the Consumer Price Index – San Francisco Region ("CPI") for the previous year (measured from September to September) increases by more than two and one half percent (2.5), the Maximum Rates for the succeeding year will be further increased by the percentage that is the difference between the increase in the CPI over the past year and two and one half percent (2.5). Thus, for example, in a year after 2017 and before 2022, where the CPI increases by three and one half percent (3.5%), the total increase in the Maximum Rates would be six percent (5% plus 1%). After January 1, 2023, the Maximum Rates shall be adjusted by the percentage increase in the CPI over the preceding year each year on January 1 for the remainder of the term of this Agreement.

Adjustment of the Maximum Rates shall be subject to the requirements of any applicable State law or other obligation imposed on the District by law related to the imposition of rates for refuse collection services, including California Constitution, Articles XIII C or XIII D (commonly referred to as "Proposition 218"). The Parties agree that the District may conduct a Proposition 218 hearing and approval process in 2022 for rates effective 2023-2027 and conduct another Proposition 218 hearing and approval process in 2027 for rates effective 2028-2030. If a majority of the District's customers responsible for paying the Maximum Rates submit written protests in connection with any initial Proposition 218 hearing and approval process conducted in either 2022 or 2027, the Maximum Rates will not be immediately adjusted, and the Contractor and District will immediately meet and confer and then resubmit the rate adjustment, or a reasonable alternative rate adjustment, for another Proposition 218 hearing and approval process. If a majority of the customers responsible for paying the Maximum Rates protests any Rate adjustment tied solely to the CPI set forth in this Section upon resubmission of the rate adjustment, then Contractor may request that the District negotiate a potential reduction of services equal to the value of the Rate adjustment that cannot be implemented, and District agrees to negotiate such an adjustment in good faith.

If District and Contractor are unable to reach agreement about such a reduction in services, then Contractor shall have the option to terminate this Agreement upon one hundred and eighty (180) calendar days prior written notice to District, in which case the Contractor shall be entitled to payment of amounts due for contract performance through the date of termination, but otherwise District and Contractor will have no further obligation to one another pursuant to this Agreement after the date of such termination.

If the District determines that Proposition 218 does not apply to the Rates established for services provided under this Agreement, the Maximum Rates will be adjusted pursuant to the schedule provided in this Section without conducting a Proposition 218 hearing and approval process.

(B) Exhibit C sets forth the current schedule of Maximum Rates for services, and the projected Maximum Rates for services through December 31, 2022, exclusive of any adjustment that may be made to the Maximum Rates for the years 2018 through 2022 based on changes in CPI, as provided for in Section 3.A, above.

(C) Neither the District nor any of its officers, employees, or appointive or elective officials shall be personally liable or in any way responsible for the payment of said charges to Company for providing services to its customers.

(D) The Company shall utilize modern equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of vehicles or equipment."

3. Section 10 of the Agreement is hereby amended to read as follows, in its entirety:

"10. AB 939 Quarterly Reporting Requirements

During the term of this Franchise Agreement and pursuant to Section 41821.5 of the California Public Resources Code and the requirements of Sections 18800 through 18813 of the California Code of Regulations, Company shall prepare quarterly reports providing disposal and diversion activities including tonnage information and program information on collection and processing of solid waste, recyclables and greenwaste collected as required by the Agreement. Company shall submit the report to the District and to the Marin County Hazardous and Solid Waste Management Joint powers authority ("Marin WMA") for review and comment, and revision as needed. Reports shall be submitted on Marin WMA approved forms.

The due dates for these quarterly reports are as follows: first quarter (Jan. -Mar.) May 15th; second quarter (Apr. -June.) August 15th; third quarter (Jul. -Sep.) November 15th; and fourth quarter (Oct. -Dec.) February 15th of the following year. Should, for any reason, the Marin WMA cease to provide the state with county wide data, Company shall be responsible for providing, preparing and submitting all substantially equivalent data required by the California Integrated Waste Management Board.

4. Section 12 of the Agreement is hereby amended to read as follows, in its entirety:

"12. Franchise Fee.

As consideration for the granting by the District to Company of the rights and privileges under this Agreement, Company agrees to pay the District the sum of Five Thousand Dollars (\$5,000) annually, paid in four quarterly payments of One Thousand Two Hundred Fifty Dollars (\$1,250), with the first such payment due on January 1, 2016, and all subsequent payments due on the first day of January, April, July and October of each year during the term of this Agreement."

5. The following sentences are hereby added to the "RECYCLABLE MATERIALS COLLECTION" section of Exhibit A to the Agreement under the "General" heading:

"Contractor is fully committed to maximizing the Recycling of materials separated for recycling. Contractor will use its best efforts to maximize the recycling of recyclable materials, in accordance with the provisions of this Agreement, including maintaining the separation of recyclables from solid waste during the collection process."

6. The following section is hereby added to Exhibit A to the Agreement:

"CHANGE IN APPROVED DISPOSAL LOCATION OR COMPOSTING SITE

The currently approved Disposal Location and Composting Sites are the Redwood Landfill and the Bolinas-Stinson Resource Recovery Project sites. If the District specifies use of a Disposal Location, or Composting Site that is different from the site(s) approved at that time, the District shall provide written notice to contractor at least three (3) months before the effective date of the date Contractor will be required to commence use of the new Disposal Location or Composting Site.

If the District directs a change in the Approved Disposal Location or Approved Composting Site, Contractor shall be entitled to an adjustment in its compensation in order to offset any additional costs to Contractor resulting from such a change, provided that the Contractor can demonstrate that the changes result in additional costs to the Contractor."

7. The following section is hereby added to Exhibit A to the Agreement:

"COMMUNITY CLEAN-UP SERVICES

Contractor shall conduct two (2) one week cleanup events each year, one during the spring, and one during the fall. The Contractor shall collect authorized cleanup items from all single-family customers at the curbside and properly dispose of such items.

Contractor will provide notice to single-family living units that the residents may place:

- 1) up to two (2) cubic yards (14 bags, boxes or regular trash cans) at the curb per event; or
- 2) one (1) bulky item or appliance (e.g., water heater or couch) plus seven (7) bags, boxes or cans; or
- 3) two (2) bulky items or appliances (e.g., water heater or couch).

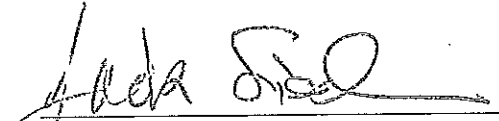
Waste will be collected on customer's regular trash collection day. As appropriate, items are to be bagged in thirty-five (35) gallon size trash bags, boxed or placed in 32-gallon trash cans provided by customer. Loose materials will not be collected.

Authorized cleanup items shall not include: dirt, rock, concrete, tires, stumps, mattresses, hazardous waste, materials that present a health and safety hazard or other items prohibited from disposal.”

8. Exhibit B to the Agreement is hereby deleted in its entirety.
9. Exhibit C to the Agreement is hereby deleted in its entirety, and replaced by a new Exhibit C, attached to this Amendment and incorporated herein as Exhibit A.
10. The Agreement remains in full force and effect except as specifically modified by this Amendment.

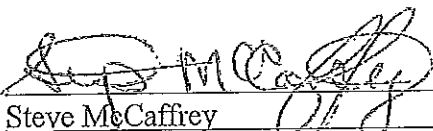
IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first set forth above.

Bolinas Community Public Utility District

By: 

Jack Siedman
President, Board of Directors

Redwood Empire Disposal, Inc.
A California corporation

By: 

Steve McCaffrey
Director

EXHIBIT A TO AMENDMENT

EXHIBIT C

SERVICE AREA	BOLINAS											
COMPANY CODE:	Current	New	New	New	New	New	New	New	New	New	New	New
	1/1/14	1/1/15	1/1/16	1/1/17	1/1/18 *	1/1/19 *	1/1/20 *	1/1/21 *	1/1/22 *			
M - (IF MANDATORY)			6.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%			
O - OIL RECYCLING												
1-4 YARD FEL 1 X WK	\$457.13	\$468.74	\$496.86	\$521.70	\$547.79	\$575.18	\$603.94	\$634.14	\$665.85			
1-4 YARD FEL 2 X WK	\$914.24	\$937.46	\$993.71	\$1,043.40	\$1,095.57	\$1,150.35	\$1,207.87	\$1,268.26	\$1,331.67			
1-4 YARD FEL 3 X WK	\$1,371.37	\$1,406.20	\$1,490.57	\$1,565.10	\$1,643.36	\$1,725.53	\$1,811.81	\$1,902.40	\$1,997.52			
1-4 YARD FEL 4 X WK	\$1,828.49	\$1,874.93	\$1,987.43	\$2,086.80	\$2,191.14	\$2,300.70	\$2,415.74	\$2,536.53	\$2,663.36			
1-4 YARD FEL 5 X WK	\$2,285.61	\$2,343.66	\$2,484.28	\$2,608.49	\$2,738.91	\$2,875.86	\$3,019.65	\$3,170.63	\$3,329.16			
1-32 GAL FEL TOTER 1 X WK	\$16.49	\$16.91	\$17.92	\$18.82	\$19.76	\$20.75	\$21.79	\$22.88	\$24.02			
2-32 GAL FEL TOTER 1 X WK	\$32.95	\$33.79	\$35.82	\$37.61	\$39.49	\$41.46	\$43.53	\$45.71	\$48.00			
3-32 GAL FEL TOTER 1 X WK	\$49.44	\$50.70	\$53.74	\$56.43	\$59.25	\$62.21	\$65.32	\$68.59	\$72.02			
1-64 GAL FEL TOTER 1 X WK	\$34.52	\$35.40	\$37.52	\$39.40	\$41.37	\$43.44	\$45.61	\$47.89	\$50.28			
1-96 GAL FEL TOTER 1 X WK	\$52.57	\$53.91	\$57.14	\$60.00	\$63.00	\$66.15	\$69.46	\$72.93	\$76.58			
4 YARD FEL RCY	\$50.23	\$51.51	\$54.60	\$57.33	\$60.20	\$63.21	\$66.37	\$69.69	\$73.17			
4 YARD INSTA BIN	\$212.89	\$218.30	\$231.40	\$242.97	\$255.12	\$267.88	\$281.27	\$295.33	\$310.10			
EXTRA 1.5 YARD FEL	\$48.64	\$49.88	\$52.87	\$55.51	\$58.29	\$61.20	\$64.26	\$67.47	\$70.84			
EXTRA 2 YARD FEL	\$70.47	\$72.26	\$76.60	\$80.43	\$84.45	\$88.67	\$93.10	\$97.76	\$102.65			
EXTRA 3 YARD FEL	\$92.39	\$94.74	\$100.42	\$105.44	\$110.71	\$116.25	\$122.06	\$128.16	\$134.57			
EXTRA 4 YARD FEL	\$48.61	\$49.84	\$52.83	\$55.47	\$58.24	\$61.15	\$64.21	\$67.42	\$70.79			
EXTRA TOTER FEL CM	\$6.05	\$6.20	\$6.57	\$6.90	\$7.25	\$7.61	\$7.99	\$8.39	\$8.81			

* If the CPI for the previous year (Sept. to Sept.) exceeds 2.5%, then the rates shown here will be adjusted by the amount the CPI exceeds 2.5%