

**AMENDMENT #2 TO AMENDED AND RESTATED FRANCHISE AGREEMENT  
FOR AREAS OF HUMBOLDT COUNTY (EUREKA AREA)**

This is a second amendment to the Amended and Restated Franchise Agreement entered into on April 26, 2011 by and between the County of Humboldt (COUNTY) and Recology Humboldt County (CONTRACTOR). The effective date of this Amendment is January 10, 2012. COUNTY and CONTRACTOR understand and agree that notwithstanding the effective date, the provisions of this Amendment shall apply retroactively to July 1, 2011.

**RECITALS**

WHEREAS, COUNTY and CONTRACTOR entered into a Solid Waste Collection Franchise Agreement for Areas of Humboldt County dated as of November 9, 2010, which covered the Eureka area and took effect on January 1, 2011; and

WHEREAS, COUNTY and CONTRACTOR subsequently entered into an Amended and Restated Solid Waste Collection Franchise Agreement for Areas of Humboldt County (Eureka Area), dated as of April 26, 2011 (the "Franchise Agreement"), which took effect on July 1, 2011; and

WHEREAS, COUNTY and CONTRACTOR thereafter agreed to:

- (i) Designate the Solid Waste of Willits (SWOW) site at the Humboldt Waste Management Authority Eureka Transfer Station as the Designated Recycling Facility as of September 6, 2011; and
- (ii) Change the date of introduction of residential single-stream collection of Targeted Recyclables to October 1, 2011 (with the date of introduction of residential automated collection of Franchise Solid Waste remaining August 1, 2011); and
- (iii) Reduce the Recycling Percentage as of July 1, 2011 to reflect the relative cost of the recycling program to other costs of providing services under the Franchise Agreement; and
- (iv) Adjust Maximum Service Rates as of July 1, 2011 to give effect to the foregoing changes.

WHEREAS, to implement said Maximum Service Rate adjustment, as well as the annual adjustment of Maximum Service Rates due to take effect on July 1, 2011 pursuant to Section 14.B of the Franchise Agreement, COUNTY and CONTRACTOR entered into an amendment which took effect on July 1, 2011; and

WHEREAS, CONTRACTOR complied with the deadlines set forth in clauses (i) and (ii) above; and

WHEREAS, COUNTY and CONTRACTOR wish to extend the period during which CONTRACTOR may provide bag service pursuant to Section 5(B)(3) of the Franchise Agreement; and

WHEREAS, the parties now wish to amend the Franchise Agreement to memorialize the understandings reflected in clauses (i) through (iii) above, as previously agreed, and the extension of bag service.

NOW, THEREFORE, IT IS AGREED as follows:

1. Section 3(J) of the Franchise Agreement is hereby amended to read as follows:

“Transition Date’ means (i) August 1, 2011, with respect to the introduction of automated collection of Franchise Solid Waste from residential customers, and (ii) October 1, 2011, with respect to the introduction of single-stream collection of Targeted Recyclables from residential customers.”

2. The last sentence of Section 5(B)(3) of the Franchise Agreement is hereby deleted and replaced with the following:

“Bag service will be permitted as long as health and safety requirements are satisfied, and may be terminated by CONTRACTOR at any time after residential collection of Franchise Solid Waste becomes fully automated. CONTRACTOR will provide COUNTY and users of bag service with prior written notice before effecting termination. CONTRACTOR intends to terminate bag service effective June 30, 2012.”

3. The fourth sentence of Section 10.A of the Franchise Agreement is hereby amended to read as follows:

“The Recycling Percentage’ shall initially be 8.0%, but effective as of July 1, 2011 shall be 7.6%.”

4. Section 11.B of the Franchise Agreement is hereby amended to read as follows:

“Designated Recycling Facility. All Targeted Recyclables collected by CONTRACTOR pursuant to this Agreement shall be transported for processing to a facility designated by COUNTY (the “Designated Recycling Facility”), as may be changed from time to time in accordance with subsection C below. As of the Commencement Date, the Designated Recycling Facility is the Arcata Community Recycling Center, Samoa Processing Facility, located at 555 Vance Avenue, Samoa, California. As of September 6, 2011, the Designated Recycling Facility is the Solid Waste of Willits (SWOW) site at the Humboldt Waste Management Authority Eureka Transfer Station located at 1059 West Hawthorne Street, Eureka, California.”

5. Except as modified herein or by prior amendments, the Franchise Agreement shall remain in full force and effect. In the event of a conflict between the provisions of this amendment and the original agreement, or any amendments thereto previously executed, the provisions of this amendment shall govern. Capitalized terms used but not defined herein shall have the meanings given to them in the Franchise Agreement.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Amendment #2 to Amended and Restated Franchise Agreement for Areas of Humboldt County (Eureka Area) on the date first written above.

COUNTY OF HUMBOLDT

Uyume Biss  
Chair, County Board of Supervisors

Attest:

Wikki Turner  
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

BY: [Signature]  
Deputy County Counsel

INSURANCE certificates reviewed and APPROVED:

BY: Kelly L. Bergsack  
Risk Management

RECOLOGY HUMBOLDT COUNTY

BY: [Signature]  
Ed Farewell  
Vice President & Group Manager

BY: [Signature]  
Michael Leggins  
Vice President & General Manager