

**FIRST AMENDMENT TO FRANCHISE AGREEMENT FOR  
SOLID WASTE, RECYCLING, AND GREEN WASTE SERVICES**

This FIRST AMENDMENT TO THE FRANCHISE AGREEMENT FOR SOLID WASTE, RECYCLING, AND GREEN WASTE SERVICES (this "Amendment") is made and entered into on July 12, 2011, by and between the TOWN OF SAN ANSELMO, a municipal corporation, hereinafter referred to as the "Town," and MARIN SANITARY SERVICE, a California corporation, hereinafter referred to as the "Company."

**RECITALS**

A. Town and Company entered into the Franchise Agreement for Solid Waste, Recycling, and Green Waste Services dated effective on January 1, 2010 (the "Agreement"), for a term of ten (10) years and pursuant to which the Company currently renders Solid Waste, Recycling Material and Green Waste collection, processing and disposal services to businesses and residents in the Town.

B. The methodology for setting the rates and charges for services and the compensation paid to the Company is set forth in Section 6 of the Agreement and in Exhibit B thereto.

C. Company also provides solid waste, recycling and green waste services to the following jurisdictions in Marin County: Larkspur, Ross, San Rafael, Ross Valley South, Las Gallinas Sanitary District, and Central Marin County. These jurisdictions refer to themselves as collectively the "Franchisor's Group" and conduct their annual rate setting collectively through a uniform procedure which results in all the jurisdictions being presented with the same annual percentage increase by the Company for consideration by their respective governing bodies.

D. The rate setting methodology attached as Exhibit B to the Agreement is intended to mirror the rate setting methodology utilized by the Franchisor's Group thereby allowing Company to conduct one annual, uniform rate setting calculation and providing the Town with potential cost benefits.

E. Company submitted an application to Town with a request for a 31.48% increase for the Rate Period commencing January 1, 2011.

F. The Franchisor's Group is not a separate legal entity. The Town has requested to be a part of the Group but has not been allowed to participate.

G. The Town and the Company believe that it would be beneficial if the annual rate setting process for the Town is simplified and that the Town has assurance that the annual rate adjustments will be not more than the rate adjustments in the neighboring jurisdictions that are members of the Franchisor's Group.

## AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. For the Rate Year commencing January 1, 2011 the Town hereby approves a rate increase of 31.48% effective July 1, 2011. Due to the substantial increase Company has agreed that the increase for the 2011 Rate Year will not be made retroactive beyond July 1<sup>st</sup>.
2. Commencing with the Rate Increase for 2012 and thereafter for the remainder of the Term, the Town and the Company agree that Town's rate shall be calculated in the annual rate calculation conducted by the Franchisor's Group at no expense to Town. In addition, the parties agree that no rate increase requested by Company will exceed the increase adopted by all of the members of the Franchisor's Group for the same services being utilized by Town. In the event that members of the Franchisor's Group utilize services not utilized by Town such services shall be excluded from the rate calculation.
3. Town shall be offered an opportunity to participate in any programs offered by Company to the members of the Franchisor's Group, such as a food to energy program, at the same proportional rate.
4. In the event that a majority of the members of the Franchisor's Group cease to use Company's services or if the Franchisor's Group fails to conduct a rate review the rate increase requested by Company will be calculated in accordance with Exhibit B.
5. If, in any given year, the Town elects to modify the levels of service, the franchise fee, or the vehicle impact fee, the modification(s) will be taken into account and the Town's rates will be adjusted accordingly.
6. Whenever the term "Contractor" is utilized in the Agreement it shall mean and refer to Company.

Except as modified above, all of the provisions of the Franchise Agreement shall remain in full force and effect.

### TOWN OF SAN ANSELMO:

Debra Stutzman  
Town Manager

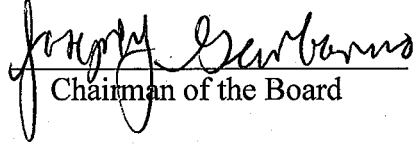
Date 9/12/11

### APPROVED AS TO FORM

Maura Wags  
Town Special Counsel

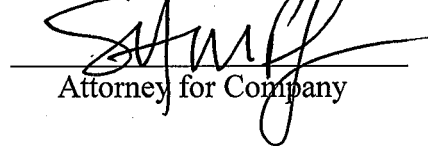
Date 9/15/11

**MARIN SANITARY SERVICE:**

  
Chairman of the Board

Date 10/3/11

**APPROVED AS TO FORM**

  
Attorney for Company

Date 10/4/11