

**FIRST AMENDMENT TO SOLID WASTE FRANCHISE  
AGREEMENT BETWEEN THE CITY OF SANTA PAULA  
AND CROWN DISPOSAL CO., INC.**

THIS FIRST AMENDMENT ("Amendment") is made and entered into this 4th day of November, 2013, by and between the CITY OF SANTA PAULA, a general law city and municipal corporation existing under the laws of California ("CITY"), and CROWN DISPOSAL CO., INC, a California corporation ("CROWN").

1. **RECITALS.** This Amendment is made with reference to the following facts and objectives:
  - A. On April 18, 2011, the CITY and CROWN entered into non-exclusive solid waste franchise agreement relative to the collecting, transferring, recycling, composting, and disposing of solid waste from residential, commercial and industrial premises within CITY's jurisdiction (the "Agreement").
  - B. Section 5.01 of the Agreement provides for a base five-year term with the possibility of two, two-year extensions to be exercised at the City's sole option.
  - C. Section 19.01 of the Agreement authorizes CROWN to increase solid waste fees on July 1, 2013. CROWN has not increased solid waste fees as authorized by Section 19.01.
  - D. CITY desires to extend the initial term of the Agreement to May 31, 2018.
  - E. The parties now mutually desire by this First Amendment to the Agreement ("AMENDMENT") to amend the terms of the Agreement.
2. **AMENDMENT.** In consideration of the foregoing, the Agreement is amended as follows:
  - A. **TERM.** Section 5.01 of the Agreement is amended to read as follows.

"The initial term of this Agreement is for a base period of seven (7) years, commencing on June 1, 2011 and ending May 31, 2018. At City's sole option, the period during which collection services are to be provided pursuant to this Agreement may be extended for a maximum of two (2) additional two (2) year extensions, i.e., for up to two (2) one (1) year periods beginning June 1, 2018 and ending on May 31, 2020, and on June 1, 2020 and ending on May 31, 2022. CITY must give notice of its intent to exercise such option not later than six months before the expiration of the term of this Agreement (i.e., on or before December 31, 2017) or of the first renewal period (i.e., on or before December 31, 2019).
  - B. **RATE ESCALATION.** Section 19.01 of the Agreement is amended to read as follows:

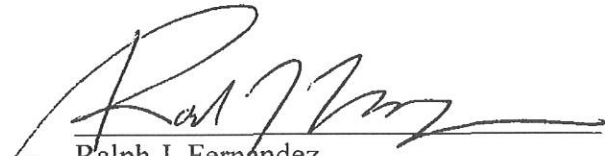
“Escalation. All solid waste rates are subject to escalation beginning July 1, 2015. The rate must be escalated only if FRANCHISEE is in full and complete compliance with the obligations of this Agreement.”

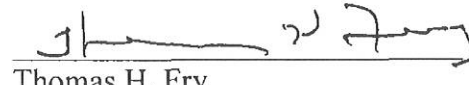
- 3. **COUNTERPARTS.** This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.
- 4. **ORIGINAL AGREEMENT.** Except as modified by this Amendment, all other terms and conditions of the Agreement remain the same.

IN WITNESS WHEREOF the parties hereto have executed this contract the day and year first hereinabove written.


CITY OF SANTA PAULA

CROWN DISPOSAL COMPANY, INC.

  
Ralph J. Fernandez,  
Mayor

  
Thomas H. Fry  
President

ATTEST:

  
Judy M. Rice  
City Clerk



APPROVED AS TO FORM:

LEWITT, HACKMAN, SHAPIRO,  
MARSHALL & HARLAN

  
John C. Cotti, City Attorney

  
John B. Marshall