

**ASSUMPTION AND AMENDMENT -
FORT BRAGG FRANCHISE AGREEMENT**

THIS ASSUMPTION AND AMENDMENT - FORT BRAGG FRANCHISE AGREEMENT (the "Amendment") is made and entered into as of January __, 2021 by and between the City of Fort Bragg, a Municipal Corporation hereinafter referred to as "City," and C&S Group Holdings, Inc., a Nevada corporation hereinafter referred to as "C&S," with reference to the following:

A. City and USA Waste of California, Inc. dba Empire Waste Management ("WM"), are parties to that certain Franchise Agreement dated January 8, 2007, as amended by that certain First Amendment dated February 23, 2009, that certain Second Amendment dated August 23, 2011, that certain Third Amendment dated September 13, 2011, that certain Fourth Amendment dated January 14, 2013, that certain Fifth Amendment dated October 10, 2018 and that certain Sixth Amendment dated January 11, 2021 (together the "Agreement"), pursuant to which WM provides Solid Waste, Recyclable Materials and Green Waste services (the "Services") to the residents and businesses in City. The Agreement expires on June 30, 2021.

B. City desires to substitute C&S for WM as Grantee to provide the Services effective July 1, 2021, and to extend the term of and otherwise amend the Agreement pursuant to the terms of this Amendment, and C&S is willing to assume the Agreement as amended hereby.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, City and C&S hereby agree as follows:

1. Assumption of Agreement. Subject to the terms of this Amendment, C&S hereby assumes the duties of Grantee under the Agreement and City hereby accepts C&S as Grantee under the Agreement. C&S shall have the right, upon written notice to City, to assign this Amendment, and the Agreement as amended hereby, to a wholly-owned subsidiary of C&S at any time prior to July 1, 2021, whereupon such subsidiary shall become Grantee under the Agreement as amended hereby, and C&S shall be relieved of all responsibility under the Agreement as amended hereby. Capitalized terms used but not defined in this Amendment shall have the respective meanings assigned them in the Agreement.

2. Term of Agreement. Section 4A of the Agreement is deleted and replaced with the following:

"A. Term of Agreement. The term of this Agreement shall commence on July 1, 2021 (the "Commencement Date") and expire on June 30, 2031, unless extended or terminated as hereinafter provided. Grantee may elect to extend the term, with the approval of City, two (2) times for five (5) years each pursuant to the terms and conditions of this Agreement. Grantee may exercise this option by providing written notice at least three hundred sixty-five (365) days before the end of the initial term or the first extended term, and City shall provide written notice of its approval or disapproval within ninety (90) days after its receipt of Grantee's written notice. Prior to the Commencement Date, Grantee shall perform all activities necessary to prepare itself to perform the services required hereunder."

3. Service Rates. Effective on the Commencement Date, Grantee shall charge customers the existing service rates set forth on Exhibit A attached to this Amendment.

4. Approved Facilities. Subject to City's existing agreement for Green Waste processing with Cold Creek Compost, Inc., as of the Commencement Date, Grantee will use the Approved Recyclable Materials Processing site for processing Recyclable Materials, the Approved Green Waste Processing site for processing Green Waste, and the Designated Disposal Location for disposal of Solid

Waste, all as agreed upon by City and Grantee at least sixty (60) days prior to the Commencement Date. City and Grantee agree to use commercially reasonable efforts to reach agreement on all such facilities by such date.

5. Certain Provisions Waived. City hereby waives any and all provisions in the Agreement (other than the provisions relating specifically to Grantee's performance of the Services, compliance with laws and regulations (Section 3), payment of expenses and fees (such as Sections 4B(7) and 16), providing and maintaining equipment and service standards (Section 7), providing reports and audits (Section 13) and, except as addressed in Section 6 of this Amendment, maintaining bonds, insurance and indemnification (Section 17)) that would cause Grantee to be in default on the Commencement Date, including, without limitation, the provisions requiring Grantee to maintain an office, yard and/or Recycling Center within the Territory. Grantee shall maintain an office and yard in a coastal location near City as of the Commencement Date, and shall maintain a Recycling Center at a coastal location near City within six (6) months after any existing Recycling Center that serves the residents of City ceases to be actively operated.

6. Indemnity. Grantee's obligation to defend, indemnify and hold City harmless from any and all litigation and claims, damages and liabilities brought to challenge this Agreement under Section 17C.(1)(c) of the Agreement shall be limited to Grantee's expenditure of \$100,000.

7. Further Amendments or Restatement. City and Grantee agree to use commercially reasonable efforts to further amend, or to restate, the Agreement, as amended by this Amendment, to better suit their mutual objectives not later than December 31, 2021.

8. Governing Document; Conflict. Except as amended by this Amendment, the Agreement shall remain in full force and effect. In the event of a conflict between the Agreement and this Amendment, this Amendment will control. This Amendment shall be effective as set forth herein.

9. Counterparts. This Amendment may be signed in two (2) or more counterparts, each of which shall be deemed an original but when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be signed on the day and year written above, upon which date this Amendment becomes effective.

CITY OF FORT BRAGG, a Municipal Corporation

By: _____
City Manager, City of Fort Bragg

ATTEST:

City Clerk

C&S GROUP HOLDINGS, INC., a Nevada corporation

By: _____
David Carroll, President

Exhibit A

[attach existing Rate chart]