

COVENANT NOT TO SUE AND HOLD HARMLESS AGREEMENT

This Covenant Not to Sue and Hold Harmless Agreement is entered into by and between Solid Wastes of Willits, Inc. ("SWOW"), a California corporation and the County of Mendocino and is effective January 13, 2017.

RECITALS

1. The parties have entered into several contracts for the transportation and disposal of solid waste and recycling entitled "*Franchise Agreement between County of Mendocino and Solid Wastes of Willits, Inc. for Solid Waste Refuse Collection Areas No. One(1), Three (3), and Four (4),*" "*Transfer Station Operations Agreement and Lease between County of Mendocino and Solid Wastes of Willits, Inc.,*" dated effective September 1, 2010 and "*Agreement for Transfer Station Operation and Solid Waste Transportation and Disposal,*" dated effective February 2000, and "*Caspar Transfer Station Operations Agreement & Lease between County of Mendocino and Solid Wastes of Willits, Inc.,*" dated January 31, 2011 and (herein, the "Solid Waste Agreements").
2. On December 20, 2016, SWOW predicted the imminent financial collapse of SWOW at a public Mendocino County Board of Supervisors meeting.
3. Because of SWOW's financial concerns, SWOW has asked the County of Mendocino to consider rate increases.
4. Mendocino County is willing to consider these matters upon SWOW agreeing not to sue County of Mendocino and holding County of Mendocino harmless from communications and actions it takes while making the necessary analyses.

NOW, THEREFORE, in exchange for County of Mendocino's consideration and analysis of releasing SWOW from the aforementioned Solid Waste Agreements; (herein, collectively referred to as the "Considerations") SWOW agrees as follows:

1. To hereby covenant not to sue or otherwise bring any action in law or equity against County of Mendocino, its officials, employees, agents or attorneys for any claims, loss, damage, expense, debt or liability of any nature whatsoever arising out of the County of Mendocino's Considerations. Considerations may include, without limitation, third party communications with: potential SWOW solid waste competitors and consultants.
2. To indemnify, hold harmless and defend County of Mendocino, its officials, employees, agents or attorneys, for and against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses, including reasonable attorneys' fees, which may in any way accrue against SWOW as a consequence of County of Mendocino's Considerations.

I/We have read and fully understand that this Agreement is a hold harmless and a covenant not to sue regarding any and all claims we or any others may sustain against County of Mendocino, its officials, employees, agents, and attorneys by reason of County of Mendocino's Considerations, and I/we fully intend to be bound by the terms of this Agreement and that it shall further bind my/our successors in interest, heirs, administrators, devisees, assigns and personal representatives from and after the date of execution.

Signed this _____ day of _____, 20 __, at _____, CALIFORNIA.

SOLID WASTES OF WILLITS, INC:

COUNTY OF MENDOCINO

By: Gerald W. Ward, President

Chair, Board of Supervisors