

ARTICLE 6

COMPANY COMPENSATION AND RATES

6.1 General

- A. The compensation provided for in this Article 6 shall be the full compensation due to the Company under this Agreement for all labor, equipment, materials, supplies, taxes, insurance, bonds, overhead, disposal, transfer, profit and all other things necessary to perform all services required by this Agreement.
- B. The Company shall perform the duties described in this Agreement in consideration of the right to receive compensation for such services rendered at maximum rates fixed from time-to-time by the City.

6.2 Compensation to the Company

The compensation paid to the Company for services rendered from the Effective Date through June 30, 2005, shall not exceed that set forth in Exhibit 1, unless otherwise provided for in a written amendment to this Agreement. Unless and until the maximum rates set forth on Exhibit 1 are adjusted, the Company shall provide the services required by this Agreement, charging no more than the maximum rates authorized by Exhibit 1, except as provided herein and in Section 6.4.

6.3 Future Adjustments

Effective July 1, 2005, and on each July 1 thereafter, the compensation paid to the Company shall be adjusted annually to maximum rates that are based upon changes in the Consumer Price Index ("CPI"), All Urban Consumers, for the Los Angeles-Anaheim-Riverside Area, as published by the United States Department of Labor, Bureau of Labor Statistics. The Company shall submit to the City, each April, beginning in April 2005, information in support of an annual adjustment. This information will include changes in the CPI that have occurred during the preceding calendar year. The City Manager or his designee shall review the information submitted by Company and approve the rate adjustment if the information submitted is determined to be accurate. As an alternative, the City Manager may refer the proposed adjustment to the City Council for approval, in its reasonable judgment.