

**RESTATEMENT OF FRANCHISE AGREEMENT
BETWEEN
RODEO SANITARY DISTRICT
AND
RICHMOND SANITARY SERVICE, INC.**

This Restatement of Franchise Agreement (“Agreement”), effective on January 1, 2012, is by and between **RODEO SANITARY DISTRICT** (“District”) and **RICHMOND SANITARY SERVICE, INC.** (“Contractor”).

RECITALS

WHEREAS, Rodeo Sanitary District, a Special District organized under the Sanitary District Act of 1923 and Richmond Sanitary Service, Inc., a California Corporation and wholly-owned subsidiary of Republic Services, Inc., entered into a Franchise Agreement for waste and recyclables collection and disposal services effective November 1, 2001, the term of which was extended through and including December 31, 2011, by writing dated March 3, 2011 (Exhibit A-1), and further extended through and including January 11, 2012, by writing dated January 6, 2012 (Exhibit A-2).

WHEREAS, the Board of Directors determined that continuity of waste and recyclables collection and disposal service was essential to the public health and in the community interest to update and extend said Franchise Agreement.

DEFINITIONS

1.0 DEFINITIONS. As used herein, the following terms shall have the meanings set forth below.

1.01 Agreement. “Agreement” means this Restatement of Franchise Agreement by and between the District and Contractor for the collection, removal and disposal of solid waste and the recycling of material, including Construction and Demolition (C & D) materials.

1.02 Brown Goods. “Brown Goods” means electronic equipment such as stereos, televisions, VCR’s, Personal Data Assistants (PDA’s), telephones and other similar items not containing cathode ray tubes (CRT’s).

1.03. Bulky Items. “Bulky Items” means those materials including furniture, carpets, mattresses, white goods, brown goods, E-waste, clothing and Large Green Waste that does not exceed seven feet by three feet by two feet (7’x3’x2’) in size nor weigh no more than two hundred (200) pounds, which are attributable to the normal activities of a single-family residential dwelling or individual service unit of a multi-family apartment complex of three (3) residential units or less, utilizing individual cart service.

1.04 California Integrated Waste Management Act. “California Integrated Waste Management Act” means the California Integrated Waste Management Act of 1989 (Public Res.

Code Section. 40000 et seq.) and all rules and regulations adopted under any of those sections as such sections, rules and regulations may be amended from time to time in the future.

1.05. Commercial Solid Waste. "Commercial Solid Waste" means Solid Waste routinely originating from commercial premises and from multi-family apartment complexes receiving centralized bin service, multi-family apartment complexes of four (4) or more residential units utilizing individual cart service and wastes originating from commercial business activities performed in Residential premises.

1.06 Contractor. "Contractor" means Richmond Sanitary Service, Inc. (RSS) and is the entity which has been granted an exclusive franchise pursuant to the terms and conditions set forth herein.

1.07. Customers. "Customers" means home owners and owners or operators of commercial, industrial and business premises within the Franchise Area.

1.08 Designated Waste. "Designated Waste" as used herein has the meaning set forth in Section 2522 of Title 23 of the California Code of Regulations, as amended from time to time.

1.09. District. "District" means the Rodeo Sanitary District, acting by and through its Board of Directors.

1.10. District Manager. "District Manager" means the District Manager of Rodeo Sanitary District.

1.11. E-waste. "E-waste" means discarded electronics equipment such as cell phones, answering machines, computers, monitors and peripheral equipment, televisions and other items containing cathode ray tubes (CRT's), LCD or plasma screens or monitors.

1.12. Food Waste. "Food Waste" means food scraps and trimmings from food preparation and left over table service, including but not limited to, meat, fish, bones, dairy, vegetable, fruit and grain waste and acceptable food packaging items such as pizza boxes, paper towels, waxed cardboard and food contaminated paper products..

1.13. Franchise Area. "Franchise Area" means the geographic area generally described in Exhibit B to this Agreement. Exhibit B may be amended from time to time upon the mutual agreement of the parties without requiring an amendment to this Agreement to reflect changes in boundaries of the Franchise Area in such a manner as to identify each alteration to the Franchise Area and the effective date thereof.

1.14. Green Waste. "Green Waste" means any vegetative or organic matter resulting from normal yard and landscaping maintenance separated at their source of generation that is not more than three (3) feet in its longest dimension or six (6) inches in diameter and fits in the Green Waste Cart provided by Contractor, which are not manufactured or processed, and is subject to decomposition. Green Waste includes but is not limited to, plant debris including but not limited to, leaves, grass clippings, weeds, tree trimmings, shrubbery pruning/cutting, branches, brush, cactus, unflocked natural Christmas trees and other forms of vegetative waste, but shall not include putrescible Food Waste

1.15. Hazardous Waste. "Hazardous Waste" means a waste, or combination of wastes, which because of its quantity, concentration or physical, chemical, toxic or infectious characteristics may either:

- 1) Cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; or
- 2) Pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, disposed of or otherwise managed.

1.16. Household Hazardous Waste. "Household Hazardous Waste" means any material that may be harmful to humans, animals or the environment that may be generated or commonly found at a Residential Service Unit.

1.17. Industrial Waste. "Industrial Waste" means Solid Waste originating from mechanized manufacturing facilities, factories, refineries and publicly operated treatment works and waste which is collected in debris boxes ten (10) yards or greater in size.

1.18. Infectious Waste. "Infectious Waste" as used herein has the meaning set forth in Health and Safety Code Section 25117.5, as amended from time to time.

1.19. Solid Waste/Municipal Solid Waste. "Solid Waste" or "Municipal Solid Waste" (MSW) has the meaning set forth in Section 40191 of the California Public Resources Code as of the date of execution of this Agreement. MSW includes, but is not limited to, all putrescible and non-putrescible solid, semi-solid and liquid wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semi-solid wastes and other discarded solid and semi-solid wastes. MSW does not include Infectious, Designated or Hazardous Waste, except Household Hazardous Waste.

1.20. Multi-family Apartment Complex. "Multi-family Apartment Complex" shall mean any apartment complex of four (4) or more residential units.

1.21. Recycling. "Recycling" means the process of collecting, sorting, cleaning, treating and reconstituting materials and recovering them so they may be used in the form of raw material, reused or reconstituted products.

1.22. Recyclable Materials. "Recyclable Materials" means those materials subject to Recycling. Recyclable Materials to be collected by Contractor in the Curbside Collection Program are listed in Exhibit F.

1.23. Residential Solid Waste. "Residential Solid Waste" means Solid Waste routinely originating from single-family dwellings or multi-family dwellings of up to three (3) units utilizing individual cart service. Residential Solid Waste includes Household Hazardous Waste, but does not include Septage.

1.24. Septage. "Septage" means non-sewered liquid or semi-liquid waste that may be trucked to treatment facilities for disposal, to include but not be limited to, waste from residential septic tanks, commercial grease cleanouts and industrial waste holding facilities.

1.25. Sludge. "Sludge" shall mean accumulated solids, residues and precipitates generated as a result of water treatment or processing, including wastewater treatment, water supply treatment or operation of an air or water pollution control facility, and mixed liquids and solids pumped from septic tanks, grease traps, privies or similar disposal appurtenances or other such waste having similar characteristics or effects.

1.26. White Goods. "White Goods" means discarded refrigerators, ranges, water heaters, freezers, washers, dryers and other similar household appliances.

TERMS AND CONDITIONS

2.0 TERM. Subject to Section 32.0 of this Agreement, the term of this Agreement and the exclusive Franchise granted hereunder shall continue through December 31, 2021.

3.0 INTENT TO PROVIDE FOR ALL SOLID WASTE COLLECTION, REMOVAL, DISPOSAL AND/OR RECYCLING. The parties hereto agree that District currently has the right to grant to Contractor the exclusive privilege and duty of the collection, removal, and/or recycling of all Solid Waste and Recyclable Materials, including Construction and Demolition ("C & D"), in the Franchise Area as set forth herein.

4.0 EXCLUSIVE PRIVILEGE AND DUTY. District hereby grants to Contractor the exclusive privilege and duty to collect and remove for disposal and/or recycling all solid waste, recyclable materials (including C & D) within the Franchise Area as depicted in amended Exhibit B hereto, and to charge and receive charges therefore, pursuant to and subject to the terms of the Franchise Agreement and this First Amendment thereto. The Franchise Area may be expanded or reduced in size by mutual agreement of the parties.

5.0 EXCEPTIONS TO EXCLUSIVE PRIVILEGE. The exclusive privilege granted by this Agreement shall not apply if a person or entity contracts with a third party for the removal and disposal or recycling of inorganic refuse or garden waste (a "Non-Franchised Contractor" and such removal and disposal or recycling is solely incidental to the work such as remodeling, roofing or gardening occasionally performed for the customer. This exception shall not apply if the Non-Franchised Contractor incurs a net cost of collection to any third person in connection with its collection and/or disposal of said Solid Wastes or Recyclable Materials. Nor shall the exclusive privilege of this Agreement apply to those who qualify for exemption under Rodeo Sanitary District Ordinance 99-102, as amended.

6.0 CONTRACTOR'S DUTY TO MAINTAIN RECORDS; DISTRICT'S RIGHT TO EXAMINE RECORDS. Contractor shall maintain a proper set of books and records in accordance with generally accepted accounting principles, accurately reflecting the business done by it under this Agreement.

The District may have the books and records of the Contractor examined by a District Agent appointed for that purpose by the District. District shall give thirty (30) days' written notice to the Contractor of such examination date.

Contractor shall further maintain and make available to District upon its request, records as to number of Customers, total and by type, route maps and tonnage information, as may reasonably be required by District. In addition, Contractor shall maintain accurate records of vehicle and equipment maintenance and customer complaints which shall be available to the District upon request. District shall treat the information required by this paragraph as confidential information to the extent permitted by law.

District may, in the event of a request for a change of rates based upon an event of Force Majeure pursuant to Section 33.0 of this Agreement, take the actions, subject to the limitations and controls, set forth in the balance of this Section 7.0.

The information required by this Section shall pertain to Contractor's operations covered and regulated by this Agreement, and nothing contained herein shall require Contractor to provide District with information pertaining to Contractor's operations which are not regulated by District, except in conformance with this Section 6.0.

A District Agent may examine Contractor's books, records and financial statements pertaining to operations not regulated by the District as may be reasonably required for the sole purpose of gathering information necessary to allow the District Agent to ascertain whether income, expenses, assets and liabilities are reasonably and consistently allocated among operations regulated by District and those not regulated by District. Contractor shall obtain District's written approval of its method of segregating its financial records between District-regulated and non-District regulated operations. District shall not unreasonably withhold such approval.

Information gathered from examination of records pertaining to operations not regulated by District shall be treated by District and its agents as confidential information.

For the review of books and other financial records necessary to verify the Contractor's income, expenses, assets and liabilities, "District Agent" shall mean an independent Certified Public Accountant or public accountancy firm. For all other information or records, including the results of financial verification, "District Agent" shall mean any consultant designated by the District.

Nothing in this Section will prevent District from allowing public access to District records as provided for under the California Government Code, and in the event any dispute arises as to the public's public access to said information provided by Contractor under the terms of this Agreement, District shall in its discretion provide public access to said information according to law or tender the defense of any claims made against the District concerning said information to Contractor. Prior to releasing any information pursuant to this paragraph, District shall make a good faith effort to notify Contractor of the intended release with the intention that Contractor will have a reasonable opportunity to obtain a protective order prior to the time the law requires District to disclose the information.

7.0 RATES. Contractor shall perform the responsibilities and duties herein agreed in accordance with and in consideration of the rates set forth in this Agreement.

7.01 RESIDENTIAL SERVICE. Commencing on January 1, 2012, and subject to other provisions of this Agreement, the rates charged hereunder for standard residential weekly waste and bi-weekly recyclables curbside collection service, shall remain fixed as defined in Exhibit C for the Calendar Years 2012 (Phase 1 Adjustment) and 2013 (Phase 2 Adjustment).

7.02 COMMERCIAL SERVICE. Commencing on January 1, 2012, and subject to other provisions of this Agreement, the rates charged hereunder for standard commercial weekly waste and curbside bi-weekly recyclables collection service, shall remain fixed as defined in Exhibit D for the Calendar Year 2012.

7.03. FUTURE ADJUSTMENTS. Thereafter, the above rates shall be subject to the Rate Adjustment Methodology set forth in Section 8.0 of this Agreement.

8.0 RATE ADJUSTMENT METHODOLOGY.

8.01 ANNUAL RATE ADJUSTMENT. Commencing on January 1, 2013, for Commercial customers on January 1, 2014, for Residential customers and thereafter on each January 1, through January 1, 2016, Contractor shall be entitled to a rate adjustment based on the percentage by which the most recent in the Consumer Price Index All Urban Consumers for the San Francisco-Oakland-San Jose Metropolitan Area, base period 1982-84 = 100 (CPI), available on November 30, of the preceding year exceeds the CPI for the corresponding month the year before. For example, the CPI adjustment for January 1, 2014, will be based on the percentage, if any, by which the most recent CPI that is available on November 30, 2013 (say August 2013) exceeds the CPI for the same month in 2012 (in this example, August 2012.).

On or before November 30, 2016, the District Board of Directors shall, pursuant to Article XIID, Section 6, of the California Constitution and Government Code Sections 53755 and 53756, shall conduct a public hearing to implement CPI rate adjustments for the calendar years 2017 through 2021.

Provided that there is no majority protest following the public hearing described in the preceding paragraph, the January 1, 2017, CPI adjustment shall be based on the percentage change in the CPI All Urban Consumers for the San Francisco-Oakland-San Jose Metropolitan Area, base period 1982-84 = 100, published for August 2016, as compared with the CPI published for August 2015. Thereafter, to enable compliance with Government Code Section 53756, January 1 CPI adjustments for the calendar years 2018-2021 shall be based on the percentage change in the respective CPI'S published for August of the preceding year compared to the previous August.

8.02 INTERIM ADJUSTMENT FOR UNFORSEEABLE CIRCUMSTANCES . Contractor may request an adjustment in Rates at reasonable times other than required under this Agreement for unforeseen and reasonably unforeseeable changes in the cost of providing service under this Agreement. Such changes shall include but not be limited to changes in law, ordinances or regulations, changes in service programs services, etc. When an extraordinary adjustment is requested, such adjustment shall consider changes in all costs and revenues

associated with such request. For each such request, Contractor shall prepare a schedule comparing the proposed costs and revenues for such affected line item to the then current costs and revenues, including an estimate of the cost impact of the change. Such request shall be prepared in a form acceptable to District with support for assumptions made by Contractor in preparing the estimate. The parties shall endeavor to negotiate a mutually acceptable adjustment amount.

8.03 PASS THROUGH OF TAXES, FEES AND DISPOSAL SURCHARGES. Along with Contractor's rights as described in this Section 8.0 and in Section 33.0, and notwithstanding the foregoing, the rates may be increased by a pass-through of taxes, fees, or other surcharges increased or imposed after the effective date hereof by local, county or state governmental agencies on disposal rates generally at local landfills, so long as Contractor delivers to District forty-five (45) days' written notice and explanation of such an increase sufficiently in advance to allow the district to provide notice thereof to its Customers no less than forty-five (45) days before a public hearing on the proposed increase.

8.04 DISTRICT APPROVAL OF RATE ADJUSTMENTS. The District shall have the right to approve rate increases described in Section 8.02 and 8.03, above, but such approval shall not be unreasonably withheld, provided that any such adjustments will be effective only after approval by the District Board of Directors following a public hearing by the end of which there is no majority protest.

9.0 WEST CONTRA COSTA COUNTY SANITARY LANDFILL CLOSURE, IRRF DEVELOPMENT AND BONDING AND JPA CHARGES

A. In no event shall the Customers or the District be responsible for the payment of any increases in disposal costs, taxes, surcharges or fees arising from the closure of West Contra Costa Sanitary Landfill or the use of any transfer station owned or used by Contractor or its affiliates.

B. In no event shall the Customers or the District be responsible for the payment of any increases of tipping fees by the West Contra Costa Integrated Waste Management Authority related to facility design, construction and bond financing costs related to development of the West Contra Costa Integrated Resource Recovery Facility ("IRRF").

C. In the event that the West Contra Costa Integrated Waste Management Authority (the "Joint Powers Authority" or "JPA") refuses to accept Solid Waste, Recyclable Materials, Green Waste or Household Hazardous Waste, then Contractor shall not pass through such JPA Additional Charges and shall hold harmless the District from such JPA Additional Charges.

D. Contractor shall defend, indemnify and hold District harmless from any increase in the rates not otherwise provided for in this Agreement.

10.0 COMMENCEMENT OF SERVICES BY CONTRACTOR. Contractor shall commence services provided for pursuant to this Restatement of Franchise Agreement on January 1, 2012, and shall provide such services through December 31, 2021.

11.0 OPERATION BY CONTRACTOR. Contractor shall furnish all necessary equipment for services provided pursuant to this Agreement in the Franchise Area and shall maintain such equipment in a sanitary condition at all times. Contractor shall furnish all necessary labor in connection with the operation of a Solid Waste collection system in the Franchise Area. Contractor shall deliver all necessary carts and containers will be provided at no additional cost to Customers or the District and shall be new or in like condition.

Contractor, in performance hereof, shall use trucks with covered, water-tight truck bodies constructed of sufficient strength to withstand a fire within, without endangering adjacent property. Trucks, roll-off boxes, bins or similar types of equipment shall be kept clean and in good repair. Contractor shall have its name and telephone number on the side of each truck and on each drop box, bin or similar type equipment provided by Contractor. District shall have the right, but no obligation, to inspect the trucks and equipment used by Contractor within the Franchise area.

Contractor shall provide free wheel-out service to eligible residents. For purposes of this Section 11.0, "eligible residents" are those customers who: 1) are physically unable to move the carts and live in a premises with no other residents capable of moving carts; and 2) annually provide a sworn statement verifying these facts, accompanied by medical certification of disability. Contractor shall make a good faith determination of whether or not a household is eligible for free wheel-out service. Customers may appeal this determination to the District and the District shall make a final determination under rules to be established at the discretion of the District.

Contractor shall develop and implement a Public Information and Outreach Program to ensure that recycling efforts are maximized and residences and businesses are fully informed about all aspects of Contractor's services to be rendered hereunder. Contractor shall work with the District to assure that Contractor's Public Education and Outreach Program achieves its goals of educating the residents and businesses of the District and increasing participation in recycling. As part of its efforts generally, Contractor shall provide local community involvement in Rodeo similar to its community involvement in surrounding areas.

Contractor shall develop and implement a Transition Plan to ensure that the implementation of the services, service program enhancements and/or modifications to be provided hereunder occurs with minimum customer inconvenience.

12.0 TIME AND MANNER OF COLLECTION. Contractor shall systematically collect Solid Waste from residential customers in Contractor-provided carts at curbside on a weekly basis and from commercial customers, using Contractor-provided containers, from locations agreed upon between the Contractor and each commercial customer on a weekly or more frequent basis. Upon commencement of service and upon changes in collection day schedules, Contractor shall provide each Customer with notice of the scheduled collection day. Contractor shall not collect Solid Waste from residential Customers between the hours of 7:00 p.m., and 5:30 a.m., and between the hours of 7:00 p.m. and 4:00 a.m., for commercial customers.

As used in this Section 12, the term "curbside" shall mean a location within sufficient proximity of the street to allow Contractor to perform collection using the automated collection devices of Contractor's collection vehicles. Contractor shall not unreasonably refuse to service

containers improperly placed at curbside and shall work with its customers to educate them on how to place carts for collection.

If a collection of Solid Waste for any residential customer is missed, then upon notification, Contractor will return to perform such missed collection. Where the missed collection is not due to the fault of Contractor, an additional fee, consistent with such fees charged in other West Contra Costa County service areas, will be charged to those residential customers requesting return collection. Where a residential customer fails to place his or her cart out in a timely fashion as a result of a good faith error, Contractor shall return to perform such missed collection at no charge to the Customer one time and shall provide written notice to the customer that a charge will be imposed on subsequent occasions.

13.0 CUSTOMER SATISFACTION, AB 939 AND EFFICIENCIES IN OPERATION.

From time to time, at its discretion, District may examine Contractor's operations in order to evaluate whether or not the Contractor is operating at a satisfactory level of efficiency and customer satisfaction. Contractor agrees to cooperate in any such examination and shall permit District representatives to inspect, at Contractor's principal place of business, such information pertaining to Contractor's obligations hereunder as District may require, including, but not limited to, such things as customer inquiry records, collection routes and equipment records. Access to Contractor's records shall be subject to Section 7.0 of this Agreement. Contractor shall provide to the District a quarterly report of AB 939 compliance. The base year shall be 1990.

Contractor agrees to indemnify and hold the District harmless from and against any and all liability to the State of California for the District's non-compliance with the requirements of the California Integrated Waste Management Act due in whole or material part to the material failure of Contractor to properly carry out the reasonable directives of the District to the Contractor regarding collection and disposition of Solid Waste and Recyclable Material; provided, however, that Contractor shall not be obligated to carry out any such directive (and shall not indemnify nor hold the District harmless from any resulting liability) if the District fails to agree to allow Contractor its reasonable costs (including a reasonable profit) associated with carrying out any such directive.

14.0 CUSTOMER SERVICE STANDARDS. Contractor shall provide prompt, efficient, continuous and professional service to its customers. Contractor shall have a phone system with sufficient capacity to promptly respond to telephone calls for at least 8 hours a day during weekdays, excluding those holidays observed by Contractor. Telephone numbers for customer service shall be located in the local telephone directory. All telephone lines for customer service shall be toll free to customers.

Upon initiation of service and at least once a year, Contractor shall send or deliver to customers information concerning the conditions of service, including, but not limited to, rates, fees, charges, service options, payment options, discounts (if any), collection schedule information, the amount and manner of refuse to be collected, service level and inquiry/complaint procedures, including the name, address and local telephone number of Contractor and the name, address and telephone number of the District. The form and content shall be subject to the review and approval of the District. Such approval shall not be unreasonably withheld.

15.0 CUSTOMER COMPLAINTS. Contractor shall develop and implement policy and procedure for responding to and recording customer complaints, including dispute resolution. Upon request, Contractor will provide to District, on a monthly basis, summary reports including the number and nature of complaints from customers and the resolution thereof.

16.0 BILLING. Contractor shall bill (a) residential customers quarterly, in advance, (b) commercial customer's monthly in advance, and (c) roll-off box and compactor customers monthly in arrears. Contractor shall have the right to modify the billing method for any customer if requested by customer and agreed to by Contractor, or in the event that the customer is delinquent. Contractor may, with the approval of the District, change the frequency of billing for any class of customers. Contractor shall have the right to assess and collect reasonable late charges for delinquent payments or to suspend service to any customer for non-payment, in accordance with Contractor's standard procedures applicable to its services in West Contra Costa County, and subject to applicable District ordinances. In no event shall the District assume any liability for non-payment of the customers.

The form and content of customer bills shall conform to the standards and practices of billings for Solid Waste collection, disposal and recycling services applicable in West Contra Costa County.

17.0 RECYCLING, GREEN WASTE AND USED MOTOR OIL.

17.01 RESIDENTIAL SERVICE

A. Recycling.--Contractor shall collect and remove recyclable materials for recycling from residential customers on a bi-weekly basis, on the same day of the week as Solid Waste Collection, but on opposite weeks as Green Waste Collection. Contractor shall collect those recyclable materials listed on Exhibit F of this Agreement that are timely placed at curbside in a Contractor-provided cart for that purpose. Exhibit F may be amended from time to time upon the mutual agreement of the parties without requiring an amendment to this Restatement of Franchise Agreement.

B. Green Waste.--Contractor shall collect and remove green waste for recycling from residential customers on a bi-weekly basis, on the same day of the week as Solid Waste collection, but on opposite weeks of recyclable materials collection. Contractor shall collect green waste that is timely placed at curbside in Contractor-provided carts.

C. Post-Consumer Food Scraps.--Upon request or directive, Contractor will develop and implement a weekly post-consumer food scraps collection service program for District consideration. The cost of weekly post-consumer food scrap collection is not included in service rates set out in Exhibits C and D. Additional service charges as agreed upon by the parties hereto will apply, but only after approval by the District Board of Directors following a public hearing by the end of which there is no majority protest. Contractor shall not be obligated to carry out any such request or directive if the District fails to agree to allow Contractor its reasonable costs (including a reasonable profit) associated with carrying out any such request or directive.

D. Used Motor Oil & Filters.--Contractor shall collect and remove for recycling from each residential customer on the same day of the week as Solid Waste collection and on the same day of the week as Recyclable Materials collection, up to two (2) gallons of used motor oil and one (1) used oil filter per collection up to six (6) times each year, provided that such used motor oil and filters are presented in a Used Motor Oil Recycling Kit currently provided by Contra Costa County. In the event the County Used Motor Oil Recycling Kit Program is discontinued, the parties shall meet and confer to determine the best practice for used oil/filter recycling and cost management thereof.

17.02 COMMERCIAL SERVICE

A. Recycling.--Bi-weekly curbside recycling and green waste services using standard Contractor-provided carts shall be made available to Commercial customers at no additional cost upon request, or as required by law.

B. Commercial Commingled Recycling.--Contractor shall assist District in meeting AB 32 ("California Global Warming Solutions Act of 2006") and AB 818 ("Mandatory Commercial Recycling Regulations", aka "Renter's Right to Recycle Act") diversion mandates commencing July 1, 2012. AB 32 seeks to reduce green house gas emissions by diverting commercial solid waste to recycling efforts. AB 818 mandates commercial recycling programs for businesses, multi-family residences of 5 units or more and public entities that generate four (4) cubic yards or more of commercial solid wastes per week. Contractor shall offer comingled Commercial recycling service upon customer request. Contractor shall develop a defined Commingled Commercial Recycling Service Program from implementation not later than July 1, 2012. Appropriate notice and program information shall be shall be provided sufficiently in advance to permit customer participation commencing on July 1, 2012. Curbside cart collection of commingled recyclables is included in rates set out in Exhibit D.

The cost of mandated Commingled Commercial Recycling Service Programs and related information and outreach services has not been determined at the time of execution of this Restated Franchise Agreement and is not included in rates set out in Exhibit D. Additional service charges as agreed upon by the parties hereto will apply, but only after approval by the District Board of Directors following a public hearing by the end of which there is no majority protest. Contractor shall not be obligated to carryout any such request or directive (and shall not indemnify nor hold the District harmless from any resulting liability that the District may face under AB 818 or AB 32) if the District fails to agree to allow Contractor its reasonable costs (including reasonable profit) associated with carrying out any such directive.

C. Commercial Post-Consumer Food Scraps.—Upon request, a program of weekly post-consumer food scraps collection service utilizing Contractor-provided wheeled carts will be developed by Contractor for District consideration. The cost of post-consumer food scraps collection service and related information and outreach services are not included in rates set out in Exhibit D. Additional service charges as agreed upon by the parties hereto will apply, but only after approval by the District Board of Directors following a public hearing by the end of which there is no majority protest. Contractor shall not be obligated to carryout any such request or directive if the District fails to agree to allow Contractor its reasonable costs (including a reasonable profit) associated with carrying out any such directive.

D. Public Education and Outreach.--Commencing January 1, 2012, Community Education and Outreach Program for Residential customers will include:

- New Start information packet for new Residential Service customers.
- Annual Service Information mailer
- Billing inserts on:
 - Christmas Tree collection and disposal
 - Set-out Guidelines for customers requesting On-Call Clean-ups (included service)
 - Set-out Guidelines for customers On-Call Bulky Item Collection Service (“For Fee” service)
- Upon request, provide speakers for community organizations, service clubs and schools
- Participation in community events

18.0 ON-CALL CLEAN-UP COLLECTION. Contractor shall collect and remove for disposal bagged wastes (trash, or all green wastes) from residential service customers on an on-call basis twice per year at no additional charge. Each On-Call Clean-up is limited to two (2) cubic yards (15 35-gallon bags) of waste per collection request. An additional fee, consistent with such fees charged in other West Contra Costa County service areas, will be charged to those residential customers requesting On-Call Clean-ups beyond the twice per year limit, or “set-outs” of more than two (2) cubic yards (15 35-gallon bags) of materials for collection per collection request.

On-Call Clean-ups may be used for all trash or all green waste. Trash Clean-ups will be collected on regular solid waste collection day. All Green Waste Clean-ups must be contained in compostable bags, or tied in bundles not more than 4’ in length and 18” in diameter.

Set-outs of mixed materials will be collected as solid waste.

19.0 CHRISTMAS TREE COMPOSTING. Contractor shall collect and remove natural Christmas trees (unflocked and uncontaminated by ornaments, tinsel, stands, wrapping materials, etc.) for composting in bi-weekly Green Waste Collection Program at no additional cost to residential customers, provided that Christmas trees are trimmed and/or cut to size and placed in green waste carts and set out for collection on their regular Green Waste collection day.

Non-compostable flocked trees, trees contaminated by ornaments, tinsel, stands and wrapping materials and artificial trees can be trimmed and cut to size and placed in brown solid waste carts and set out for collection on their regular Solid Waste collection day.

Special Service fees and applicable disposal charges apply to curbside whole tree collection (compostable and non-compostable trees).

With proof of residency, Rodeo residents will be allowed to self-haul natural unflocked Christmas trees with all ornaments, tinsel and stands removed, and not wrapped in cloth or plastic, for no cost disposal at the West County Composting Facility through the second weekend in February. Flocked, artificial trees, trees contaminated with ornaments, tinsel or stands and trees wrapped in cloth or plastic are not compostable and then current disposal fees will apply.

20.0 HOUSEHOLD HAZARDOUS WASTE PROGRAM. Contractor shall allow residential customers, at no additional charge, to deliver household hazardous wastes to its affiliated West County Resource Recovery Facility's Household Hazardous Waste Drop-Off Center, located at 101 Pittsburg Avenue, Richmond, CA 94801, up to government-specified volume limits for materials accepted for disposal. Residential customers may deliver those Hazardous Wastes typically found in residences and incidental to owning and maintaining a place of residence, such as pesticides, solvents, oil based paints, acids, bases, latex paint, used oil, anti-freeze, lead acid batteries and household batteries. Excluded materials are any waste materials generated in the course of operating a business or a business concern at a residence, as well as ammunition, explosives, nuclear waste, infectious waste and wastes requiring special handling.

21.0 INCLUDED SERVICE FOR DISTRICT

A.. Waste Collection and Disposal.--Contractor shall perform solid waste collection and disposal services set forth in Exhibit E to this Agreement at no extra charge to District.

B. On-Call Public Property Clean-up.--Upon request of the District Manager, Contractor shall provide annually up to three (3), or a combined total of 30 cubic yards maximum, On-Call Public Property Clean-ups.

Beginning January 1, 2012, if fewer than three (3) On-Call Public Property Clean-ups are requested in the year, remaining On-Call Public Property Clean-ups may be carried over for use in the following calendar year, for one year. At the end of the second calendar year going forward throughout the term of this Agreement, any unused On-Call Public Property Clean-ups are relinquished and the annual allocation reverts back to up to three (3) On-Call Public Property Clean-ups, with calendar year for one year, etc.

Except for carry-over On-Call Public Property Clean-ups, Contractor's expenses in performing Public Property Clean-up services for the District described in this Section in excess of three (3) Clean-ups or 30 cubic yards in one year shall be paid for by the District.

C. Mandatory Subscription Compliance.--The District Board of Directors have determined that adequate and effective solid waste management protects the public health, combats blight, avoids adverse impact on property values and is properly a responsibility of ownership. Contractor shall assist District to develop and implement processes for compliance with the mandatory subscription provisions of District Ordinance No. 99-102.

22.0 RESPONSIBILITY FOR DISPOSAL. Contractor shall be solely responsible for delivery of Recyclable Materials and Solid Waste collected pursuant to this Agreement to appropriate processing and/or disposal facilities. The costs of such collection and disposal are included in the rates set forth in Exhibits C and D of this Agreement.

23.0 FRANCHISE FEE TO DISTRICT. Contractor shall pay to the District for the exclusive privilege of collecting and removing Solid Waste and Recyclable Materials within the Franchise Area, a franchise fee of four and one-half percent (4.5%) of all Contractor's gross quarterly receipts generated from the performance of such Solid Waste collection services under this Agreement, and such franchise fee shall be paid to the District on a quarterly basis. Said franchise fee shall not be

applied to any collection fees or other receipts related to Green Waste, Household Hazardous Waste materials, or Recyclable Materials.

24.0 HAZARDOUS WASTE. The parties hereto agree that this Agreement contemplates only the collection, transportation and disposal of ordinary Municipal Solid Waste and recognize that federal, state and local agencies with responsibility for defining Hazardous Waste and Designated Waste and for regulating the collection, handling or disposing of such substances are continually providing new definitions, tests and regulations concerning these substances. Under this Agreement, it is Contractor's responsibility to keep current with the regulations and tests on such substances and to identify such substances and to comply with all federal, state and local regulations concerning such substances. Contractor shall make every reasonable effort to prohibit the collection and the disposal of Hazardous/Designated Waste in any manner inconsistent with applicable law.

Contractor agrees to provide to District upon its request, Contractor's program for identifying Hazardous/Designated Waste and complying with all federal, state and local statutes and regulations concerning such substances.

25.0 FAITHFUL PERFORMANCE BOND. Contractor shall submit to District within fifteen (15) days of the execution of this Agreement a corporate surety bond in the amount of One Hundred Thousand Dollars (\$100,000.00). The bond shall be executed by a surety company licensed to do business in the State of California and reasonably acceptable to the District. The condition of the bond shall be that Contractor will faithfully perform the duties imposed by this Agreement. Any action by District to proceed against the bond shall not limit or affect the right of District to use other remedies available to District under the Agreement, or in courts of law or equity.

26.0 INSURANCE. Contractor shall procure and maintain in full force and effect at all times during the entire term of this Agreement the following insurance coverage:

A. Coverage of \$20 million in primary and excess (combined) for comprehensive general liability, automobile liability and employer's liability insurance. District shall be named as an additional insured under such liability insurance policy or policies with respect to acts or omissions of Contractor relating to this Agreement, if available.

B. Workers' Compensation. Insurance with statutory limits.

C. Evidence of comprehensive general liability, automobile liability, employers' liability and Workers' Compensation insurance shall be provided by Contractor by filing with District a certificate of insurance indicating that District is included as an additional named insured if commercially available under the liability policies. All policies shall include a provision that should a policy be cancelled before the expiration date thereof, the issuing company or Contractor shall mail thirty (30) days' written notice to the District.

D. Such insurance shall be obtained from a company or companies licensed to do business in the State of California. Failure of Contractor to maintain insurance in the manner and amounts stated herein will constitute a material breach of this Agreement. Contractor shall provide evidence of insurance satisfactory to the District.

27.0 INDEMNIFICATION. All work and performance covered by this Agreement shall be at the risk of Contractor.

Notwithstanding the provisions of Section 28.0, Contractor agrees to save, indemnify and keep harmless the District, its officers, directors, employees, agents and assigns against any and all liability, claims, judgments or demands, including demands arising from injuries or deaths of persons and damage to property arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation arising through the sole negligence or willful misconduct of District, and will make good to and reimburse District for any expenditures, including reasonable attorney's fees, that District may make by reason of such matters if requested by District shall defend any such suit at the sole cost and expense of Contractor.

Should any party successfully challenge the validity of this Agreement, or the procedure by which this Agreement was entered into, then in such case the Contractor shall have no cause of action for damages or any other relief against District as a result of such successful challenge.

Contractor has the right to defend this Agreement and District. District has no duty to Contractor to defend the validity of this Agreement or any provision hereof.

28.0 ATTORNEY'S FEES. Except for circumstances in which Contractor is obligated to defend and indemnify District, including without limitation those set forth in Section 27.0, in the event of litigation between the parties arising hereunder, each party shall pay its own litigation expenses, including attorney's fees.

29.0 ASSIGNABILITY. Contractor shall not sell, assign, subcontract or transfer this Agreement or any part hereof, or any obligation hereunder, without the written consent of District. Any assignee, as a condition of obtaining the District's written consent, shall be required to disclose financial information to District evidencing that the obligations of Contractor pursuant to this Agreement will be performed throughout the remaining term of this Agreement.

The term "assign" shall include any dissolution, merger, consolidation or other reorganization of Contractor, which results in change of control of Contractor. The term "assign" does not include internal business reorganizations or formation of new companies by Contractor.

In the event Contractor herein attempts to assign or subcontract this Agreement or other part hereof or any obligation hereunder to a non-affiliate of Contractor without the consent of the District, then the District shall have the right to elect to terminate this Agreement forthwith, without suit or other proceeding.

Following a properly noticed public hearing, District may assign or transfer any or all of its rights under this Agreement without the consent of Contractor to any legally authorized public entity, provided such entity assumes all of the obligations of District as provided herein.

30.0 INVOLUNTARY ASSIGNMENT. No interest of Contractor in this Agreement shall be assignable by operation of law. Each or any of the following acts shall be considered an involuntary assignment providing District with the right to elect to terminate the Agreement forthwith, without suit or other proceeding.

A. If Contractor is or becomes insolvent, or makes an assignment for the benefit of creditors.

B. If Writ of Attachment or Execution is levied on this Agreement or other property of Contractor such that would affect Contractor's ability to perform its duties and obligations under this Agreement.

C. If in any proceeding in which Contractor is a party, a Receiver is appointed with authority to take possession of Contractor's property such that would affect Contractor's ability to perform its duties and obligations under this Agreement.

31.0 NOTICE PROVISIONS. Any notice required or permitted under this Agreement shall be in writing and shall be deemed to have been given if delivered personally, or ten (10) days after posted by certified mail, return receipt requested, addressed as appropriate either

To Contractor: Richmond Sanitary Service, Inc.
Attn: Shawn Moberg, General Manager
3260 Blume Drive, Suite 115
Richmond, California 94806

Or to District: Rodeo Sanitary District
Attn: District Manager
800 San Pablo Avenue
Rodeo, California 94572

Each party will also endeavor to mail a courtesy copy to counsel for the other party

32.0 BREACH AND TERMINATION. Upon recommendation by the District Manager, the District shall determine whether a breach of any provision of this Agreement by Contractor has occurred. Any waiver of a breach shall not be deemed to be a waiver of any subsequent breach or to be construed as approval of a course of conduct. In the event that the District determines that a breach has occurred, District shall give Contractor written notice of the breach setting forth the breach or default. Contractor shall have a reasonable period to cure the noticed breach. In the event the breach or default is cured to the satisfaction of the District within the period of time allotted, the breach shall not be deemed a material breach. In the event that the District determines that Contractor has failed to satisfactorily cure the breach or default within the period of time allotted, the District may determine such breach or default to be material, subject to Contractor's rights pursuant to the dispute resolution procedure set forth below.

Multiple or repeated breaches, or a pattern of breaches and subsequent attempts to cure said breaches by Contractor shall provide an adequate basis for the District, in its discretion, to declare any subsequent breach to be material, notwithstanding whether the breach is ultimately cured by Contractor. A material breach shall be cause for termination of this Agreement by the District.

In the event of termination pursuant to this Section, District shall have the right to temporarily assume the obligations of Contractor and shall have the right forthwith to take

possession of all trucks and other equipment of Contractor and exercise Contractor's right to enter and use any disposal facilities for the purpose of performing the services agreed to be performed by Contractor herein until such time as District can make other arrangements for the performance of said services. However, such temporary assumption of Contractor's obligations under the Agreement shall not be continued by District for a period exceeding twelve (12) months from the date such operations are undertaken by District.

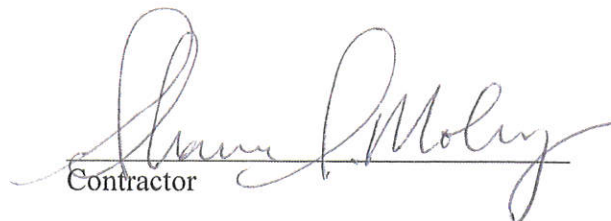
During any period in which District has temporarily assumed the obligations of Contractor under this Agreement, District shall be entitled to the gross revenue attributable to operations during such period and shall pay there from only those costs and expenses applicable or allocable to said period, including the reasonable rental value of the trucks and equipment to be paid to Contractor. District shall be entitled to the excess, if any, of revenue over applicable or allocable costs and expenses during such period. The loss, if any, during such period shall be a charge against Contractor, and shall be paid to District by Contractor on demand. Final adjustment and allocation of gross revenue, costs and expenses to the period during which District temporarily assumed the obligations of Contractor shall be determined by an audit by a Certified Public Accountant and prepared in report form with his unqualified opinion annexed thereto.

Nothing in this Agreement shall prevent the District during any period in which District temporarily assumes the obligations of Contractor under this Agreement, from employing persons who were employed by the Contractor for the collection of Solid Waste under this Agreement.

Upon the occurrence of a material breach and the declaration of such and termination of this Agreement by the District, this Agreement and the franchise granted there under shall be of no further force and effect, excepting these provisions governing District's right to temporarily assume Contractor's obligations and to use Contractor's facilities upon early termination as provided herein District then shall be free to enter into whatever other arrangements are deemed justified and necessary for the collection, removal and disposal of Solid Waste within the Franchise Area.

In the event of a dispute between Contractor and the District of whether or not a material breach has occurred, or whether or not such a breach has been cured, or otherwise under this Agreement, then the parties shall engage in good faith negotiations to resolve their differences. The party seeking to commence the dispute resolution process provided in this Section 32.0 shall send a notice to the other party. The parties may elect to employ the services of a mediator to assist in the resolution of any such dispute. In the event that the parties are unable to resolve their dispute within thirty (30) days of the date of the sending of the notice, then either party may commence an action in the Superior Court of the State of California in the County of Contra Costa. The parties hereby waive their right to trial by jury. This waiver of their right to a trial by jury is made by the parties after consultation with their respective counsel and is a knowing and informed waiver.


District


Contractor

Notwithstanding the foregoing, in the event that the District determines that the health and safety of its residents require immediate action, the District may proceed to litigation without mediation and may seek injunctive relief.

33.0 FORCE MAJEURE. Notwithstanding Contractor's exclusive franchise rights set forth in Section 5.0 of this Agreement, upon an event of Force Majeure due to war, insurrection, riots, floods, earthquakes, fires, acts of God, acts of a public enemy, epidemics, quarantine restrictions, or any other causes beyond the control and not the fault of Contractor, which interrupts the collection of Solid Waste by Contractor, the District shall have the right to declare a temporary suspension of this Agreement for the reasonable duration of the event of Force Majeure and until such time as District determines that Contractor is able to reassume all obligations under this Agreement. Should Contractor fail to demonstrate to the reasonable satisfaction of the District that required services can be resumed by Contractor prior to the expiration of a six (6) months' period, this Agreement may be terminated at the direction of the District.

Upon an event of Force Majeure beyond the control or not the fault of Contractor, which does not interrupt the collection of Solid Waste by Contractor, but affects the costs incurred by Contractor to perform the duties and obligations described herein, Contractor may apply to District for changes in the rates set forth in Exhibits C and D attached hereto and as such rates may have been adjusted pursuant to this Agreement.

Contractor shall not be in breach or default under the terms of this Agreement if such breach or default is due to war, insurrection, riots, floods, earthquakes, fires, acts of God, acts of a public enemy, epidemics, quarantine restrictions, or other causes beyond the control or not the fault of Contractor, and such breach or default could not have been prevented by reasonable foresight on the part of the Contractor.

34.0 COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS. Contractor shall comply with all applicable laws, rules and regulations that are now in effect or may be promulgated or amended from time to time by the Government of the United States, the State of California, the District and any other agency now authorized or which may be authorized in the future to regulate the services to be performed herein regarding the collection, removal and disposal of Solid Waste and recycling of material.

35.0 AMENDMENT OR MODIFICATION. This Agreement may be amended or modified upon written agreement of the parties hereto. The parties agree to meet and confer in good faith if amendments or modifications are proposed.

36.0 SEVERABILITY. In the event legal action is brought by a person or entity, other than the parties to this Agreement, to challenge, invalidate, contest or set aside any of the provisions of this Agreement, each and every term and condition, and each and every section and paragraph is severable from the remaining terms, conditions, sections and paragraphs. The invalidation of any term, condition, section or paragraph as a result of a legal action, brought by a person or entity not a party to this Agreement, shall not affect the validity or enforceability of the remaining provisions. However, if material provisions hereof are invalidated or otherwise affected, the parties agree to negotiate in good faith to reach agreement on revisions which preserve the substance hereof to the greatest extent allowed by law. For purposes of the pre-

ceding sentence, the provisions of Sections 6.0, 14.0, 23.0, 26.0, 27.0, 29.0, 34.0 and 38.0 are deemed to be material.

37.0 CONFLICT OF INTEREST STATEMENT. Neither the Contractor nor any of its officers, owners, agents, employees, representatives, or parties in interest, has in any way sought by agreement or collusion, communication or conference with any person or entity to secure any advantage against the District, or any person interested in this Agreement. All discussions, negotiations and communications related to or regarding the terms and conditions of services to be provided and compensation for those services under this Agreement are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of Contractor or any of its officers, owners, agents, employees, representatives or parties in interest, including signatories to this Agreement.

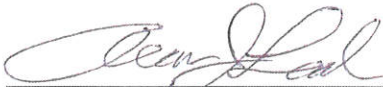
38.0 PARENT COMPANY GUARANTEE. Contractor is a wholly-owned subsidiary of Republic Services, Inc., and Republic Services, Inc., hereby guarantees the performance of Contractor hereunder.

39.0 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the District has caused these presents to be signed thereunto duly authorized and Contractor has caused these presents to be signed on its behalf by its General Manager, and Republic Services, Inc., has caused these presents to be signed on its behalf by its Area President, thereunto duly authorized and empowered to enter into this First Amendment and Restatement of the Franchise Agreement, with the intent to be bound hereby, all on the day and year first above written.

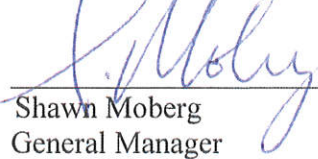
Rodeo Sanitary District

By:

 1-11-12
Alan Leal, President Date
Board of Directors

Richmond Sanitary Service, Inc.

By:

 12/30/11
Shawn Moberg Date
General Manager

Approved as to form:

By

 1-10-12
District Counsel Date

Republic Services, Inc.

By

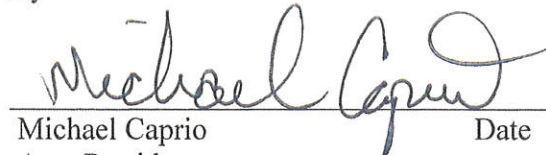
 1/7/12
Michael Caprio Date
Area President

EXHIBIT A

LETTER AGREEMENTS TO EXTEND

(to be attached)



RICHMOND SANITARY SERVICE



Subsidiary of  **REPUBLIC**
SERVICES, INC.

3260 BLUME DRIVE • RICHMOND, CALIFORNIA 94806

March 3, 2011

Mr. Steve Beall, District Engineer
Rodeo Sanitary District
800 San Pablo Avenue
Rodeo, CA 94572

Dear Mr. Beall:

Although we continue to make extraordinary effort to provide a proposal for Franchise extension for the Board's March 8, meeting, owing to constraints of corporate review, it became apparent that we likely will be unable to meet that commitment. Therefore, as a matter of fair dealing to inform the Board as early as possible of the situation, on February 18, we were obliged to request continuing the time for submission of the proposal.

It is our understanding that as consideration for continuing the submission period to March 31, the District Board has requested a two months' extension of the Franchise to December 31, 2011, with no increase in service rates for the months of November and December 2011.

Looking forward to continuing good faith negotiations, we will agree to extend the Franchise through December 31, 2011, with no increase in service rates during that extension period.

Very truly yours,

Shawn Moberg
General Manager

cc: W. Lau
J. Coverston



RICHMOND SANITARY SERVICE



Subsidiary of  **REPUBLIC**
SERVICES, INC.

3260 BLUME DRIVE • RICHMOND, CALIFORNIA 94806

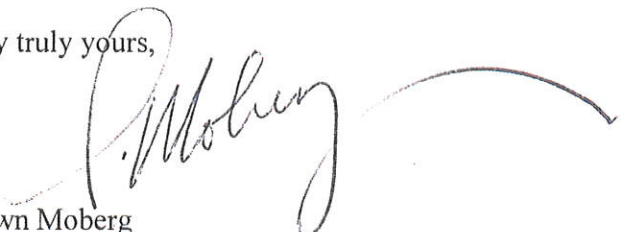
January 6, 2011

Mr. Steve Beall, District Manager
Rodeo Sanitary District
800 San Pablo Avenue
Rodeo, CA 94572

Dear Mr. Beall:

Despite continuing effort by party representatives, we have been unable to complete preparation of the contract document by the extended deadline of January 6, 2012. Therefore, to facilitate final preparation and execution of the contract document we will agree to extend the 2001 Franchise agreement through January 11, 2012.

Very truly yours,


Shawn Moberg
General Manager

cc: C. Nelson
W. Lau
J. Coverston

EXHIBIT B

FRANCHISE SERVICE AREA

See attached map.

Notes:

- 1) Proceedings are currently underway to annex the Marina Project area to the Rodeo Sanitary District. It is anticipated that upon approval, the Franchise Area will be expanded to include the Marina Project area.
- 2) The area commonly known as Tormey is excluded from the Franchise Service Area hereunder.

EXHIBIT C

RESIDENTIAL SERVICE RATES

Effective January 1, 2012

RESIDENTIAL SERVICE					
2012 BASE YEAR PHASE 1			2013 BASE YEAR PHASE 2		
	2012 Standard Rate	2012 Senior Rate		2013 Standard Rate	2013 Senior Rate
20-gallon	20.49	n/a	20-gallon	22.81	n/a
35-gallon	21.99	18.91	35-gallon	24.47	21.05
65-gallon	26.82	n/a	65-gallon	29.85	n/a
95-gallon	36.88	n/a	95-gallon	41.05	n/a

The above rates are based on waste cart size, filled to the rim with lid properly closed, collected curbside, and include:

- 1) One (1) brown waste cart serviced weekly; one (1) 65-gallon blue cart for recycling and one 65-gallon green cart for green wastes, each collected bi-weekly on alternating weeks.
- 2) Two (2) On-call Curbside Clean-ups of up to two (2) cubic yards (15 35-gallon bags) per Year.
- 3) Curbside collection of Used Motor Oil using Contra Costa County provided kits (up to two (2) gallons and one (1) oil filter per collection, up to six (6) times per year.).
- 4) Compostable Christmas trees collected in bi-weekly green waste service, with trees trimmed or cut to size to fit in green waste carts set out curbside on regular green waste collection day.
- 5) Senior Discount Service eligibility guidelines: 62-years or older, occupying a single-family residence, or owner occupying unit of a multi-family premises utilizing individual unit cart service.

EXHIBIT D

COMMERCIAL SERVICE RATES

Effective January 1, 2012

COMMERCIAL SERVICE 2012 Base Year Rates					
Size	1 x wk	2 x wk	3 x wk	4 x wk	5 x wk
1-yard	99.49	198.97	298.46	397.95	497.43
2-yard	153.76	307.51	461.25	615.00	768.76
3-yard	208.02	416.04	624.06	832.08	1,040.09
4-yard	262.28	524.56	786.84	1,049.13	1,311.41
5-yard	318.42	636.85	955.27	1,273.68	1,592.09
7-yard	419.39	838.78	1,258.16	1,677.55	2,096.93

Note:

Above rates include bi-weekly curbside recycling collection service utilizing Contractor-provided carts. With sufficient quantities of source-separated recyclable materials (i.e., cardboard), on-site recycling bin capacity equal to the capacity of the solid waste service is included.

EXHIBIT E

INCLUDED SERVICE FOR DISTRICT

- One (1) 2-yard bin to be located at the District's wastewater treatment plant and emptied on a weekly basis.
- One (1) 20-yard roll-off box located at District's wastewater treatment plant and emptied on-call from District.
- Two (2) 20-yard roll-off boxes to be provided during Rodeo annual clean-up sponsored by Rodeo Chamber of Commerce.
- One (1) 2-yard bin to be located at the Rodeo Community Center and emptied on a weekly basis.
- Weekly collection service for all existing (10) public street containers..
- District's sludge material will be accepted at Contractor's West County Landfill. Only State and County mandated landfill fees and taxes will be charge to District.
- On-call Public Property Clean-up (up to three (3) collections, or 30 cubic yards annually). Unused Public Property Clean-ups shall be rolled over for one year, to the next calendar year, for a maximum of six (6) Clean-ups in any calendar year. On-Call Clean-ups over three (3) allocated clean-ups in one year, or six (6) collections (consisting of up to three (3) roll-over and three (3) allocated clean-ups) in a two-year period shall be shall be paid by the District.

EXHIBIT F

CURBSIDE RECYCLING

Recyclable Materials Accepted in the Curbside Collection Program, includes:

Paper and fiber materials:

- White and colored paper
- Non-carbon forms
- Computer paper
- Newspaper
- Junk mail, magazines and catalogs
- Paper back books
- Phone books
- Corrugated cardboard
- Mixed paper and envelopes
- Paper bags
- Paper egg cartons, cereal-type boxes
- Chip board

Containers:

- Milk, water, juice, beer, wine and soda bottles
- Aluminum cans, foil, roasting pans (fold and flatten)
- Steel and bi-metal cans
- Glass bottles, jars (all colors)
- #1 PETE narrow neck bottles
- #2 HDPE narrow neck bottles
- #3-#7 plastic narrow neck bottles

EXHIBIT G

PUBLIC EDUCATION PROGRAM

Contractor shall assist the District achieve the goals of its program through active participation in public education and outreach. Programs will include general solid waste handling and management information, with emphasis on waste reduction and diversion. The goal will be to increase community awareness, maximize recycling and waste reduction in the residential and commercial sectors through education about recycling, composting, packaging reduction, State of California diversion requirements, reuse opportunities, the importance of utilizing recycled/recyclable products and taking advantage of reuse opportunities.

Contractor's Public Education and Outreach Program will include the following components for residential customers:

- New Service Start information packet with a full complement of information on service programs offered and utilization guidelines.
- An Annual Service Information mailer covering all services offered.
- Billing inserts on Christmas tree composting and disposal options.
- Billing inserts on On-Call Clean-up Collection service.
- On-Call Clean-up guidelines for customers requesting clean-ups.
- Upon request, speakers for community service organizations and schools.
- Participation in community events.

Commercial Service outreach will include:

- Written information on implementation of newly mandated State requirements for enhanced environmental protections, commercial and commingled recycling (i.e., AB 32, AB 818), etc..
- Written information on any new service programs (i.e., food scrap recycling).
- Upon request, site assessment and/or waste stream audits to define service needs and service plans.

FRANCHISE AGREEMENT

BETWEEN

RODEO SANITARY DISTRICT

AND

RICHMOND SANITARY SERVICE, INC.

EFFECTIVE NOVEMBER 1, 2001

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FRANCHISE AGREEMENT

1. EFFECTIVE DATE, PARTIES. This Agreement, effective on November 1, 2001, is by and between the Rodeo Sanitary District, a special district organized under the Sanitary District Act of 1923 ("District"), and Richmond Sanitary Service, Inc. ("Contractor").
2. DEFINITIONS. As used herein, the following terms shall have the meanings set forth below:
 - a. Agreement. Agreement means this Franchise Agreement by and between the District and Contractor for the collection, removal, and disposal of solid waste and the recycling of material.
 - b. California Integrated Waste Management Act. California Integrated Waste Management Act means the California Integrated Waste Management Act of 1989 (Public Res. Code, § 40000 et seq.) and all rules and regulations adopted under any of those sections, as such sections, rules and regulations may be amended from time to time in the future.
 - c. Commercial Solid Waste. Commercial Solid Waste means Solid Waste routinely originating from commercial premises and from multi-family residential complexes receiving centralized bin service (as contrasted to individual cart service for residential unit in an apartment complex, in which event Solid Waste from each such residence shall be deemed to be Residential Solid Waste hereunder).
 - d. Contractor. Contractor means Richmond Sanitary Service, Inc. (RSS, Inc.), and is the entity which has been granted an exclusive franchise pursuant to the terms and conditions set forth herein.
 - e. Customers. Customers means home owners and owners or operators of commercial, industrial and business premises within the Franchise Area.
 - f. Designated Waste. Designated Waste as used herein has the meaning set forth in section 2522 of Title 23 of the California Code of Regulations, as amended from time to time.
 - g. District. District means the Rodeo Sanitary District, acting by and through its Board of Directors.
 - h. District Manager. District Manager means the District Manager of Rodeo Sanitary District.
 - i. Franchise Area. Franchise Area means the geographic area generally described in Exhibit C to this Agreement. Exhibit C may be amended from time to time upon the mutual agreement of the parties without requiring an amendment to this Agreement to reflect

changes of boundaries of the Franchise Area in such a manner as to identify each alteration to the Franchise Area and the effective date thereof.

j. Green Waste. Green Waste means any wastes separated at their source of generation, which are not manufactured or processed, are organic and subject to decomposition, including, but not limited to, leaves, grass clippings, weeds, tree trimmings, untreated wood waste, or shrubbery cuttings, and shall not include putrescible food wastes.

k. Hazardous Waste. Hazardous Waste means a waste, or combination of wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may either:

(1) cause, or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; or

(2) pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed.

Hazardous Waste is intended to include all waste which are defined as being a hazardous waste pursuant to any federal, state or county laws, statues, ordinances or other regulation concurrently in effect or as may be enacted or amended in the future.

l. Industrial Waste. Industrial Waste means Solid Waste originating from mechanized manufacturing facilities, factories, refineries, and publicly operated treatment works, and waste which is collected in debris boxes greater than 10 yards in size.

m. Infectious Waste. Infectious Waste as used herein has the meaning set forth in Health and Safety Code section 25117.5, as amended from time to time.

n. Recycling. Recycling means the process of collecting, sorting, cleaning, treating and reconstituting materials and recovering them so that they may be used in the form of raw material for new, reused, or reconstituted products.

o. Recyclable Materials. Recyclable Materials means those materials subject to Recycling. Recyclable Materials to be collected by Contractor from residential Customers are listed on Exhibit B of this Agreement.

p. Residential Solid Waste. Residential Solid Waste means Solid Waste routinely originating from single-family dwellings or multiple family dwellings in which each unit receives individual cart service. Residential Solid Waste includes household hazardous waste, but does not include septage.

q. Septage. Septage means non-sewered liquid or semi-liquid waste that may be trucked to treatment facilities for disposal, to include, but not be limited to, waste from residential septic tanks, commercial grease cleanouts, and industrial waste holding facilities.

r. Solid Waste. Solid Waste has the meaning set forth in Section 40191 of the California Public Resources Code as of the date of execution of this Agreement. Solid Waste includes, but is not limited to, all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semisolid wastes and other discarded solid and semisolid wastes. Solid Waste does not include Infectious, Designated, and Hazardous Waste, except household hazardous waste.

3. TERM. Subject to Section 32 of this Agreement, the term of this Agreement and the exclusive franchise granted hereunder shall commence on November 1, 2001 and continue through October 31, 2011.

4. INTENT TO PROVIDE FOR ALL SOLID WASTE COLLECTION, REMOVAL, DISPOSAL AND/OR RECYCLING. The parties hereto agree that District currently has the right to grant to Contractor the exclusive privilege and duty of the collection, removal, disposal and/or Recycling of all Solid Waste in the Franchise Area. The intent of this Agreement is to provide for the Solid Waste handling service and Recycling of material in the Franchise Area, as set forth herein.

5. EXCLUSIVE PRIVILEGE AND DUTY. District hereby grants to Contractor the exclusive privilege and duty to collect and remove for disposal and/or Recycling, all Solid Waste within the Franchise Area and to charge and receive charges therefor, pursuant to and subject to the terms of this Agreement. The Franchise Area may be expanded or reduced in size by mutual agreement of the parties.

6. EXCEPTIONS TO EXCLUSIVE PRIVILEGE. The exclusive privilege granted by this Agreement shall not apply if a person or entity contracts with a third person for the removal and disposal or recycling of inorganic refuse or garden waste (a "Non-Franchised Contractor") and such removal and disposal or recycling is solely incidental to work such as remodeling or gardening occasionally performed for the customer. This exception shall not apply if the Non-Franchised Contractor incurs a net cost of collection to any third person in connection with its collection and/or disposal of said Solid Waste. Nor shall the exclusive privilege of this Agreement apply to those who qualify for exemption under Rodeo Sanitary District ordinance 99-102 as amended.

7. CONTRACTOR'S DUTY TO MAINTAIN RECORDS; DISTRICT'S RIGHT TO EXAMINE RECORDS. Contractor shall maintain a proper set of books and records in accordance with generally accepted accounting principles, accurately reflecting the business done by it under this Agreement.

Contractor shall further maintain and make available to District, upon its request, records as to number of Customers, total and by type, route maps, and tonnage information, as may reasonably be required by the District. In addition, Contractor shall maintain accurate records of vehicle and equipment maintenance, and customer complaints which shall be available to the

District upon request. District shall treat the information required by this paragraph as confidential information to the extent permitted by law.

District may, in the event of a request for a change of rates based upon an event of Force Majeure pursuant to Section 33 of this Agreement, take the actions, subject to the limitations and controls, set forth in the balance of this Section 7:

The District may have the books and records of the Contractor examined by a District Agent appointed for that purpose by the District. District shall give thirty (30) days' written notice to the Contractor of such examination date.

The information required by this Section shall pertain to Contractor's operations covered and regulated by this Agreement, and nothing contained herein shall require the Contractor to provide the District with information pertaining to the Contractor's operations which are not regulated by the District, except in conformance with this Section.

A District Agent may examine Contractor's books, records and financial statements pertaining to operations not regulated by the District as may be reasonably required for the sole purpose of gathering information necessary to allow the District Agent to ascertain whether income, expenses, assets and liabilities are reasonably and consistently allocated among operations regulated by District and those not regulated by the District. Contractor shall obtain District's written approval of its method of segregating its financial records between District-regulated and non-District regulated operations. District shall not unreasonably withhold such approval.

Information gained from examination of records pertaining to operations not regulated by the District shall be treated by District and its agents as confidential information.

For the review of books and other financial records necessary to verify the Contractor's income, expenses, assets and liabilities, "District Agent" shall mean an independent Certified Public Accountant or public accountancy firm. For all other information or records, including the results of financial verification, "District Agent" shall mean any consultant designated by the District or District employees.

Nothing in this Section will prevent District from allowing public access to District records as provided for under the California Government Code, and in the event any dispute arises as to the public's public access to information provided by Contractor under the terms of this Agreement, the District shall in its discretion provide public access to said information according to law or tender the defense of any claims made against the District concerning said information to Contractor. Prior to releasing any information pursuant to this paragraph, District shall make a good faith effort to notify Contractor of the intended release.

8. RATES. Contractor shall perform the responsibilities and duties herein agreed in accordance with and in consideration of the rates set forth in Exhibit A to this Agreement, such rates subject to the Rate Adjustment Methodology set forth in Section 9 of this Agreement.

9. RATE ADJUSTMENT METHODOLOGY. Subject to other provisions of this Agreement, the rates charged hereunder, as set forth in Exhibit A to this Agreement, shall remain fixed for the first two (2) years of the term of this Agreement. Thereafter, Contractor shall be entitled to five (5) adjustments to the rates during the term of this Agreement based on the Consumer Price Index All Urban Consumers for the San Francisco – Oakland – San Jose Metropolitan Area, base period 1982-84 = 100 (CPI). Contractor shall be entitled to such rate adjustments on November 1, 2003, November 1, 2005, November 1, 2007, November 1, 2009, and on one of the following dates at the discretion of Contractor: November 1, 2004, November 1, 2008, or November 1, 2010.

In no event shall the Customers or the District be responsible for the payment of any increases in disposal costs, taxes, surcharges or fees arising from the closure of the West Contra Costa Sanitary Landfill or the use of any transfer station owned or used by Contractor.

In no event shall the Customers or the District be responsible for any increase in tipping fees resulting from the transfer of Solid Waste, Recyclable Materials, Green Waste or Hazardous Waste.

In no event shall the Customers or the District be responsible for any increase in tipping fees resulting from the disposal of Solid Waste, Recyclable Materials, Green Waste or Hazardous Waste at a landfill other than the West Contra Costa Sanitary Landfill.

In no event shall the Customers or the District be responsible for the payment of any increases of tipping fees by the West Contra Costa Integrated Waste Management Authority.

Along with Contractor's rights as described in this Section 9 and in Section 33, and notwithstanding the foregoing, the rates may only be increased by a pass-through of taxes, fees, or other surcharges increased or imposed after the effective date hereof by local, county or state governmental agencies on disposal rates generally at local landfills, so long as Contractor delivers to District forty-five (45) days' written notice and explanation of such an increase. The District shall have the right to approve such an increase, but such approval shall not be unreasonably withheld.

In the event that the West Contra Costa Integrated Waste Management Authority (the "Joint Powers Authority" or "JPA") refuses to accept Solid Waste, Recyclable Materials, Green Waste or Hazardous Waste from the Franchise Area or, after the effective date hereof, the JPA establishes or raises any special fees, taxes or other charges ("JPA Additional Charges") on Solid Waste, Recyclable Materials, Green Waste or Hazardous Waste, then Contractor shall not pass through such JPA Additional Charges and shall hold harmless the District from such JPA Additional Charges.

Contractor shall defend, indemnify, and hold District harmless from any increase in the rates not otherwise provided for in this Agreement.

10. COMMENCEMENT OF SERVICES BY CONTRACTOR. Contractor shall commence services provided pursuant to this Agreement on November 1, 2001, and shall provide such services throughout the term of this Agreement.

11. OPERATION BY CONTRACTOR. Contractor shall furnish all necessary equipment for services provided pursuant to this Agreement in the Franchise Area and shall maintain such equipment in a sanitary condition at all times. Contractor shall furnish all necessary labor in connection with the operation of a Solid Waste collection system in the Franchise Area. Contractor shall deliver all necessary carts and containers to Customers for the collection of all Solid Waste, Recyclable Material and Green Waste prior to Contractor's commencement of services on November 1, 2001. Such carts and containers will be provided at no additional cost to Customers or the District and shall be new or in like condition.

Contractor, in performance hereof, shall use trucks with covered, water-tight truck bodies constructed of sufficient strength to withstand a fire within, without endangering adjacent property. Trucks, drop boxes, bins, or similar types of equipment shall be kept clean and in good repair. Contractor shall have its name and telephone number on the side of each truck and on each drop box, bin or similar type equipment provided by Contractor. District shall have the right, but no obligation, to inspect the trucks and equipment used by Contractor within the Franchise Area.

Contractor shall provide free wheel-out service to eligible residents. For purposes of this Section 11, "eligible residents" are those Customers who: (1) are physically unable to move the carts and live in a residence with no other residents capable of moving carts; and (2) annually sign a sworn statement verifying these facts. Contractor shall make a good faith determination of whether or not a household is eligible for free wheel-out service, and Customers may appeal this determination to the District, and the District shall make a final determination under rules to be established at the discretion of the District.

Contractor shall develop and implement a Public Education and Outreach Program to ensure that recycling efforts are maximized and residences and businesses are fully informed about all aspects of Contractor's services to be rendered hereunder. Contractor shall work with the District to assure that Contractor's Public Education and Outreach Program achieves its goals of educating the residents and businesses of the District and increasing participation in recycling. As part of its efforts generally, Contractor shall provide local community involvement in Rodeo similar to its community involvement in surrounding areas. Section 5 of Part B of Contractor's response to the District's RFP is attached hereto as Exhibit E, and by this reference incorporated herein, and Contractor shall perform as provided therein.

Contractor shall develop and implement a Transition Plan to ensure that the implementation of the services to be provided hereunder occurs with minimal disruption in service. Contractor shall work with the District to develop and implement the Transition Plan. As part of Contractor's Transition Plan, Contractor shall offer permanent employment on routes serving Rodeo, without any reduction in pay or benefits or loss of seniority rights, to displaced full-time Rodeo drivers employed by the District's previous contractor, who apply to Contractor for such positions, subject only to Contractor's work rules including physical examination

requirements and drug testing and except as specifically provided for herein, subject to Contractor's existing union contracts. The offer of employment shall remain in effect for twenty (20) days after the effective date of this Agreement.

12. TIME AND MANNER OF COLLECTION. Contractor shall systematically collect Solid Waste from residential customers in Contractor-provided carts at curbside on a weekly basis and from commercial customers, using Contractor-provided containers, from locations agreed upon between Contractor and each commercial customer, on a weekly or more frequent basis. Upon commencement of service and upon changes in collection day schedules, Contractor shall provide each Customer with notice of the scheduled collection day. Contractor shall not collect Solid Waste from residential Customers between the hours of 7:00 p.m. and 5:30 a.m., and between the hours of 7:00 p.m. and 4:00 a.m. for commercial Customers.

As used in this Section 12, the term "curbside" shall mean a location within sufficient proximity of the street to allow Contractor to perform collection using the automated collection devices of Contractor's trucks. Contractor shall not unreasonably refuse to pick up containers improperly placed at curbside and shall work with its Customers to educate them on how to place carts for collection.

If a collection of Solid Waste for any residential Customer is missed, then upon notification, Contractor will return to perform such missed collection. Where the missed collection is not due to the fault of Contractor, an additional fee, as set forth in Exhibit A to this Agreement, will be charged to those residential Customers requesting return collections. Where a residential Customer fails to place his or her cart out in a timely fashion as a result of a good faith error, Contractor shall return to perform such missed collection at no charge to the Customer one time and shall provide written notice to the Customer that a charge will be imposed on subsequent occasions.

13. CUSTOMER SATISFACTION, AB 939 AND EFFICIENCIES IN OPERATION. From time to time, at its discretion, District may examine Contractor's operation in order to evaluate whether or not the Contractor is operating at a satisfactory level of efficiency and customer satisfaction. Contractor agrees to cooperate in any such examination and shall permit District representatives to inspect, at Contractor's principal place of business, such information pertaining to Contractor's obligations hereunder as District may require, including, but not limited to, such things as customer inquiry records, collection routes and equipment records. Access to Contractor's records shall be subject to Section 7 of this Agreement. Contractor shall provide to the District a quarterly report of AB 939 compliance. The base year shall be 1990.

Contractor agrees to indemnify and hold the District harmless from and against any and all liability to the State of California for the District's noncompliance with the requirements of the California Integrated Waste Management Act due in whole or material part to the material failure of Contractor to properly carry out the reasonable directives of the District to Contractor regarding collection and disposition of Solid Waste and Recyclable Material; provided, however, that Contractor shall not be obligated to carry out any such directive (and shall not indemnify nor hold the District harmless from any resulting liability) if the District fails to agree to allow

Contractor its reasonable costs (including a reasonable profit) associated with carrying out any such directive.

14. **CUSTOMER SERVICE STANDARDS.** Contractor shall provide prompt, efficient, continuous and professional service to its Customers. Contractor shall have a phone system with sufficient capacity to promptly respond to telephone calls for at least 8 hours a day during weekdays, excluding those holidays observed by Contractor. Telephone numbers for customer service shall be located in the local telephone directory. All telephone lines for customer service shall be toll free to Customers.

Upon initiation of service, and at least once a year, Contractor shall send or deliver to Customers information concerning the conditions of service, including, but not limited to, rates, fees, charges, service options, payment options, discounts (if any), collection schedule information, the amount and manner of refuse to be collected, service level and inquiry/complaint procedures, including the name, address and local telephone number of Contractor and the name, address and telephone number of the District. The form and content shall be subject to the review and approval of the District Manager, such approval not to be unreasonably withheld.

15. **CUSTOMER COMPLAINTS.** Contractor shall develop and implement policy and procedure for responding to and recording Customer complaints, including dispute resolution. Contractor will provide to District, on a monthly basis, summary reports including the number and nature of complaints from Customers and the resolution thereof.

16. **BILLING.** Contractor shall bill (a) residential customers quarterly, in advance, (b) commercial customers monthly, in advance, and (c) debris box and compactor customers monthly, in arrears. Contractor shall have the right to modify the billing method for any customer if requested by customer and agreed to by Contractor, or in the event that the customer is delinquent. Contractor may, with the approval of the District, change the frequency of billing for any class of customers. Contractor shall have the right to assess and collect reasonable late charges for delinquent payments or to suspend service to any customer for non-payment, in accordance with Contractor's standard procedures applicable to its services in West Contra Costa County, and subject to applicable District ordinances. In no event shall the District assume any liability for non-payment of the Customers.

The form and content of Customer bills shall conform to the standards and practices of billings for Solid Waste collection, disposal and recycling services applicable in West Contra Costa County.

17. **RECYCLING, GREEN WASTE AND USED MOTOR OIL.** Contractor shall collect and remove Recyclable Materials for Recycling from residential Customers on a biweekly basis, on the same day of the week as Solid Waste collection, but on opposite weeks of Green Waste collection. Contractor shall collect those Recyclable Materials listed on Exhibit B of this Agreement that are timely placed at curbside in a Contractor-provided container for that purpose. Exhibit B may be amended from time to time upon the mutual agreement of the parties without requiring an amendment to this Agreement.

Contractor shall collect and remove Green Waste for recycling from residential customers on a biweekly basis, on the same day of the week as Solid Waste collection, but on opposite weeks of Recyclable Materials collection. Contractor shall collect Green Waste that is timely placed at curbside in Contractor-provided containers.

Contractor shall collect and remove used motor oil for Recycling from residential Customers on a biweekly basis, on the same day of the week as Solid Waste collection, and on the same day of the week as Recyclable Materials collection. Contractor shall collect and remove up to two (2) gallons of used motor oil from each residential Customer on said biweekly basis, provided that such used motor oil is presented in translucent plastic containers with sealed or screw-on tops (e.g., milk jugs).

Contractor shall provide written notice of the availability of Recycling services to commercial Customers and shall provide Recycling services to commercial Customers upon their request, as set forth in Exhibit A to this Agreement.

18. **BULKY WASTE COLLECTION.** Contractor shall collect and remove for disposal and/or Recycling bulky wastes from residential Customers on an on-call basis twice per year for each residential Customer at no additional charge. Each residential Customer is limited to two (2) cubic yards of bulky waste per collection request. An additional fee, as set forth in Exhibit A to this Agreement, will be charged to those residential Customers requesting bulky waste collections beyond the twice per year limit or placing more than the two (2) cubic yards of bulky waste for collection per collection request. ~~Bulky waste shall not include Green Waste.~~

19. **CHRISTMAS TREE RECYCLING.** Contractor shall collect at curbside and remove for Recycling Christmas trees from residential Customers during a two-week period commencing on the Monday following the Christmas holiday each year at no additional charge.

20. **HOUSEHOLD HAZARDOUS WASTE PROGRAM.** Contractor shall allow residential Customers, at no additional charge, to deliver household hazardous wastes to Contractor's West County Resource Recovery Facility, located at 101 Pittsburg Avenue, Richmond, CA 94801, during four (4) events per year. Each of the four (4) events shall be conducted over a 3-day period (Thursday and Friday, from 9:00 a.m. to 4:00 p.m., and Saturday, from 9:00 a.m. to 3:00 p.m.). Dates and times for delivery shall be clearly indicated on each invoice sent to residential Customers. Residential Customers may deliver those Hazardous Wastes typically found in residences and incidental to owning and maintaining a place of residence, such as pesticides, solvents, oil based paints, acids, bases, latex paint, used oil, antifreeze, lead-acid batteries, and household batteries. Excluded materials are any waste materials generated in the course of operating a business concern at a residence, as well as ammunition, explosives, nuclear waste, and Infectious Waste.

21. **FREE SERVICE FOR DISTRICT.** Contractor shall perform the Solid Waste collection and disposal services set forth on Exhibit D to this Agreement at no charge to the District. Contractor's expenses in performing services for the District described in this Section shall be recoverable through the rates charged hereunder.

22. RESPONSIBILITY FOR DISPOSAL. Contractor shall be solely responsible for the disposal of the Solid Waste collected pursuant to this Agreement. The costs of such disposal are included in the rates set forth in Exhibit A to this Agreement.

23. FRANCHISE FEE TO DISTRICT. Contractor shall pay to the District for the exclusive privilege of collecting and removing Solid Waste and Recyclable Materials within the Franchise Area, a franchise fee of four and one-half percent (4.5%) of all of Contractor's gross quarterly receipts generated from the performance of such Solid Waste collection services under this Agreement, and such franchise fee to be paid to the District on a quarterly basis. Said franchise fee shall not be applied to any collection fees or other receipts related to Green Waste, household hazardous materials, or Recyclable Materials.

24. HAZARDOUS WASTE. The parties hereto recognize that federal, state and local agencies with responsibility for defining Hazardous Waste and for regulating the collection, handling or disposing of such substances are continually providing new definitions, tests and regulations concerning these substances. Under this Agreement, it is Contractor's responsibility to keep current with the regulations and tests on such substances and to identify such substances and to comply with all federal, state and local regulations concerning such substances.

Contractor agrees to provide to District upon its request, Contractor's program for identifying Hazardous Waste and complying with all federal, state and local statutes and regulations dealing with Hazardous Waste.

Contractor shall make every reasonable effort to prohibit the collection and the disposal of Hazardous Waste in any manner inconsistent with applicable law.

25. FAITHFUL PERFORMANCE BOND. Contractor shall submit to District simultaneously with the execution of this Agreement a corporate surety bond in the amount of one hundred thousand dollars (\$100,000). The bond shall be executed by a surety company licensed to do business in the State of California and reasonably acceptable to District. The condition of the bond shall be that Contractor will faithfully perform the duties imposed by this Agreement. Any action by District to proceed against the bond shall not limit or affect the right of District to use other remedies available to District under the Agreement, or in courts of law or equity.

26. INSURANCE. Contractor shall procure and maintain in full force and effect at all times during the entire term of this Agreement the following insurance coverage:

(a) \$20 million in primary and excess (combined) for comprehensive general liability, automobile liability, and employer's liability insurance. District shall be named as an additional insured under such liability insurance policy or policies with respect to acts or omissions of Contractor relating to this Agreement, if commercially available.

(b) Workers' compensation insurance with statutory limits.

Evidence of comprehensive general liability, automobile liability, employer's liability and workers' compensation insurance shall be provided by Contractor by filing with District a certificate of insurance indicating that District is included as an additional named insured if commercially available under the liability policies. All policies shall include a provision that should a policy be cancelled before the expiration date thereof, the issuing company will endeavor to mail thirty (30) days' written notice to the District.

Such insurance shall be obtained from a company or companies licensed to do business in the State of California. Failure of Contractor to maintain insurance in the manner and amount stated herein will constitute a material breach of this Agreement. Contractor shall provide evidence of insurance satisfactory to the District.

27. INDEMNIFICATION. All work and performance covered by this Agreement shall be at the risk of Contractor.

Contractor agrees to save, indemnify and keep harmless the District, its officers, directors, employees, agents and assigns against any and all liability, claims, judgments, or demands, including demands arising from injuries or deaths of persons and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation arising through the sole negligence or willful misconduct of District, and will make good to and reimburse District for any expenditures, including reasonable attorney's fees, that District may make by reason of such matters and, if requested by District shall defend any such suit at the sole cost and expense of Contractor.

Should any party successfully challenge the validity of this Agreement, or the procedure by which this Agreement was entered into, then in such case the Contractor shall have no cause of action for damages or any other relief against District as a result of such successful challenge.

Contractor has the right to defend this Agreement and District. District has no duty to Contractor to defend the validity of this Agreement or any provision hereof.

28. ATTORNEY'S FEES. In the event of litigation between the parties arising hereunder, each party shall pay its own litigation expenses, including attorney's fees.

29. ASSIGNABILITY. Contractor shall not sell, assign, subcontract or transfer this Agreement or any part hereof, or any obligation hereunder, without the written consent of District. Any assignee, as a condition of obtaining the District's written consent, shall be required to disclose financial information to District evidencing that the obligations of Contractor pursuant to this Agreement will be performed throughout the remaining term of the Agreement.

The term "assign" shall include any dissolution, merger, consolidation or other reorganization of Contractor, which results in change of control of Contractor. The term "assign" does not include internal business reorganizations or formation of new companies by Contractor.

In the event Contractor herein attempts to assign or subcontract this Agreement or any part hereof or any obligation hereunder to a non-affiliate of Contractor without the consent of the District, then the District shall have the right to elect to terminate this Agreement forthwith, without suit or other proceeding.

Following a properly noticed public hearing, District may assign or transfer any or all of its rights under this Agreement without the consent of Contractor to any legally authorized public entity, providing such entity assumes all of the obligations of District as provided herein.

30. INVOLUNTARY ASSIGNMENT. No interest of Contractor in this Agreement shall be assignable by operation of law. Each or any of the following acts shall be considered an involuntary assignment providing District with the right to elect to terminate the Agreement forthwith, without suit or other proceeding:

(1) If Contractor is or becomes insolvent, or makes an assignment for the benefit of creditors;

(2) If Writ of Attachment or Execution is levied on this Agreement or other property of Contractor such that would affect Contractor's ability to perform its duties and obligations under this Agreement.

(3) If in any proceeding to which Contractor is a party, a Receiver is appointed with authority to take possession of Contractor's property such that would affect Contractor's ability to perform its duties and obligations under this Agreement;

31. NOTICE PROVISIONS. Any notice required or permitted under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or ten (10) days after posted by certified mail, return receipt requested, addressed as appropriate either to Contractor:

Richmond Sanitary Service
Attention: William Burrows, Area President
P.O. Box 94804-0100
3260 Blume Drive, Suite 210
Richmond, California 94806

Or to District:
Rodeo Sanitary District
Attention: District Manager
800 San Pablo Ave.
Rodeo, California 94572

Each party will also endeavor to mail a courtesy copy to counsel for the other party.

32. BREACH AND TERMINATION. Upon recommendation by the District Manager, the District shall determine whether a breach of any provision of this Agreement by Contractor has occurred. Any waiver of a breach shall not be deemed to be a waiver of any subsequent breach or to be construed as approval of a course of conduct. In the event that the District determines that a breach has occurred, District shall give Contractor written notice of the breach setting forth the breach or default. Contractor shall have a reasonable period to cure the noticed breach. In the event the breach or default is cured to the satisfaction of the District within the period of time allotted, the breach shall not be deemed a material breach. In the event that the District determines that Contractor has failed to satisfactorily cure the breach or default within the period of time allotted, the District may determine such breach or default to be material, subject to Contractor's rights pursuant to the dispute resolution procedure set forth hereinbelow.

Multiple or repeated breaches, or a pattern of breaches and subsequent attempts to cure said breaches by Contractor shall provide an adequate basis for the District, in its discretion, to declare any subsequent breach to be material, notwithstanding whether that breach is ultimately cured by Contractor.

A material breach shall be cause for termination of this Agreement by the District.

In the event of a termination pursuant to this Section, District shall have the right to temporarily assume the obligations of Contractor and shall have the right to forthwith take possession of all trucks and other equipment of Contractor and exercise Contractor's right to enter and use any disposal facilities for the purpose of performing the services agreed to be performed by Contractor herein until such time as District can make other arrangements for the performance of said services. However, such temporary assumption of Contractor's obligations under the Agreement shall not be continued by District for a period exceeding twelve (12) months from the date such operations are undertaken by District.

During any period in which District has temporarily assumed the obligations of Contractor under this Agreement, District shall be entitled to the gross revenue attributable to operations during such period and shall pay therefrom only those costs and expenses applicable or allocable to said period, including the reasonable rental value of the trucks and equipment to be paid to Contractor. District shall be entitled to the excess, if any, of revenue over applicable or allocable costs and expenses during such period. The loss, if any, during such period shall be a charge against Contractor, and shall be paid to District by Contractor on demand. Final adjustment and allocation of gross revenue, costs, and expenses to the period during which District temporarily assumed the obligations of Contractor shall be determined by an audit by a Certified Public Accountant and prepared in report form with his unqualified opinion annexed thereto.

Nothing in this Agreement shall prevent District during any period in which District temporarily assumes the obligations of Contractor under this Agreement, from employing persons who were employed by the Contractor for the collection of Solid Waste under this Agreement.

Upon the occurrence of a material breach and the declaration of such and termination of this Agreement by the District, this Agreement and the franchise granted thereunder shall be of no further force and effect, excepting these provisions concerning District's right to temporarily assume Contractor's obligations and to use Contractor's facilities upon early termination as provided herein. District then shall be free to enter into whatever other arrangements are deemed justified and necessary for the collection, removal and disposal of Solid Waste within the Franchise Area.

In the event of a dispute between Contractor and the District of whether or not a material breach has occurred, or whether or not such a breach has been cured, or otherwise under this Agreement, then the parties shall engage in good faith negotiations to resolve their differences. The party seeking to commence the dispute resolution process provided in this Section 32 shall send a notice to the other party. The parties may elect to employ the services of a mediator to assist in the resolution of any such dispute. In the event that the parties are unable to resolve their dispute within thirty days of the date of the sending of the notice, then either party may commence an action in the Superior Court of the State of California in the County of Contra Costa. The parties hereby waive their right to trial by jury. This waiver of their right to a trial by jury is made by the parties after consultation with their respective counsel and is a knowing and informed waiver.

District

Contractor

Notwithstanding the foregoing, in the event that the District determines that the health and safety of its residents require immediate action, the District may proceed to litigation without mediation and may seek injunctive relief.

33. **FORCE MAJEURE.** Notwithstanding Contractor's exclusive franchise rights set forth in Section 5 of this Agreement, upon an event of Force Majeure due to war, insurrection, riots, floods, earthquakes, fires, acts of God, acts of a public enemy, epidemics, quarantine restrictions, or any other causes beyond the control or not the fault of Contractor, which interrupts the collection of Solid Waste by Contractor, the District Manager shall have the right to declare a temporary suspension of this Agreement for the reasonable duration of the event of Force Majeure and until such time as District determines that Contractor is able to reassume all obligations under this Agreement. Should Contractor fail to demonstrate to the reasonable satisfaction of the District Manager that required services can be resumed by Contractor prior to the expiration of a six (6) month period, this Agreement may be terminated at the direction of the District.

Upon an event of Force Majeure beyond the control or not the fault of Contractor, which does not interrupt the collection of Solid Waste by Contractor, but affects the costs incurred by Contractor to perform the duties and obligations described herein, Contractor may apply to District for changes to the rates set forth in Exhibit A to this Agreement.

Contractor shall not be in breach or default under the terms of this Agreement if such breach or default is due to war, insurrection, riots, floods, earthquakes, fires, acts of God, acts of

a public enemy, epidemics, quarantine restrictions, or any other causes beyond the control or not the fault of Contractor, and such breach or default could not have been prevented by reasonable foresight on the part of the Contractor.

34. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS. Contractor shall comply with all applicable laws, rules and regulations that are now in effect or may be promulgated or amended from time to time by the Government of the United States, the State of California, the District and any other agency now authorized or which may be authorized in the future to regulate the services to be performed herein regarding the collection, removal and disposal of Solid Waste and recycling of material.

35. AMENDMENT OR MODIFICATION. This Agreement may be amended or modified upon written agreement of the parties hereto. The parties agree to meet and confer in good faith if amendments or modifications are proposed.

36. SEVERABILITY. In the event legal action is brought by a person or entity, other than the parties to this Agreement, to challenge, invalidate, contest or set aside any of the provisions of this Agreement, each and every term and condition, and each and every section and paragraph is severable from the remaining terms, conditions, sections, and paragraphs. The invalidation of any term, condition, section or paragraph as a result of a legal action, brought by a person or entity not a party to this Agreement, shall not affect the validity or enforceability of the remaining provisions. However, if material provisions hereof are affected, the parties agree to negotiated in food faith to reach agreement on revisions which preserve the substance hereof to the greatest extent allowed by law.

37. CONFLICT OF INTEREST STATEMENT. Section 9 of Part A of Contractor's response to the District's RFP is attached hereto as Exhibit F, and by this reference made a part hereof.

38. PARENT COMPANY GUARANTEE. Contractor is wholly-owned by Republic Services, Inc., and Republic Services, Inc. hereby guarantees the performance of Contractor hereunder.

39. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

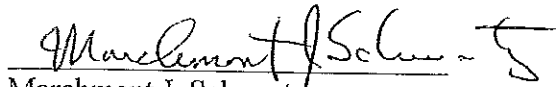
(signatures on following page)

DISTRICT



Mike Carlson,
Chair of the Board of Directors
Rodeo Sanitary District

Approved as to form:



Marchmont J. Schwartz
District Counsel

CONTRACTOR

William Burrows,
Area President,
Richmond Sanitary Service, Inc.

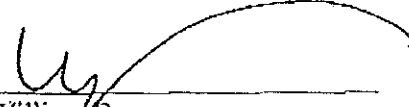
Republic Services, Inc.

Arthur J. Dudzinski,
Western Region Vice President

DISTRICT

CONTRACTOR

 Mike Carlson,
 Chair of the Board of Directors
 Rodeo Sanitary District

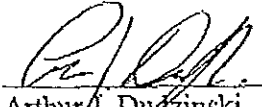


 William Burrows,
 Area President,
 Richmond Sanitary Service, Inc.

Approved as to form:

Republic Services, Inc.

 Marchmont J. Schwartz
 District Counsel



 Arthur J. Duzinski,
 Western Region Vice President

EXHIBIT A

Residential Rates

<u>Refuse Container Size</u>	Monthly Rate/Dwelling Unit	
	Regular Rates	Senior Rates*
20-gallon Cart (insert)	\$13.75	\$12.70
35-gallon Cart	\$14.75	\$12.70
65-gallon Cart	\$18.00	\$15.95
95-gallon Cart	\$24.75	

Note: The monthly rate per unit will vary based upon the refuse cart size utilized by the resident. The rates are based upon a single cart per dwelling unit. In addition, one Recycling and one Green Waste cart will be provided to each residence, the size of which will be based upon the needs and desires of each resident. Size variations in Recycling and Green Waste carts will not impact the monthly rate per dwelling unit. The portion of the above rates applicable to yard waste collection is \$2.20/unit/month.

Return Collections

\$10.00 per cart per return collection.

Bulky Waste Overages

\$28.00 per additional collection; and
\$15.00 per cubic yard.

*Senior Rates – Qualifying criteria is 62 years of age or older and less than \$12,000 in annual income.

Commercial Rates

<u>Refuse Container Size</u>	Frequency of Service				
	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk
1-Cubic Yard	\$77	\$154	\$231	\$308	\$385
2-Cubic Yard	\$119	\$238	\$357	\$476	\$595
3-Cubic Yard	\$161	\$322	\$483	\$644	\$805
4-Cubic Yard	\$203	\$406	\$609	\$812	\$1,015
6-Cubic Yard	\$287	\$574	\$861	\$1,148	\$1,435
96-Gallon Cart	\$31				

Compactor/Debris Box Rates

20-Cubic Yard Debris Box	\$221/pull (includes disposal up to 1 ton)
Compactor Box	\$221/pull (includes disposal up to 1 ton)

Note: An additional disposal fee will be charged for all loads greater than one (1) ton. Also, for same day service, add \$30/pull.

Household Hazardous Waste Collection

Residential rates above include biweekly collection of used motor oil, as well as the quarterly household hazardous waste program.

Commercial Recycling

Recycling and Green Waste services using standard carts at curbside shall be made available at no cost to commercial Customers upon their request.

EXHIBIT B

Recyclable Materials

- Newspaper
 - Corrugated cardboard
 - Aluminum, steel, and bi-metal containers
 - Junk mail
 - Envelopes
 - Magazines
 - White and colored office paper
 - Computer paper
 - Chip board
 - All #1 PETE containers
 - All #2 HDPE containers
 - Paper bags
 - Phone books
 - Non-carbon forms
 - Water, juice, beer and soda bottles
 - Aluminum foils and pans
 - Cereal boxes
 - Clear, brown, green glass containers
-

EXHIBIT C

Franchise Area

(to be attached)

EXHIBIT D

Free Service for District

- One two (2) cubic yard dumpster to be located at the District's wastewater treatment plant and emptied on a weekly basis.
- Two dumpsters to be provided during the annual Rodeo cleanup sponsored by the Rodeo Chamber of Commerce.
- Up to one two (2) cubic yard dumpster to be located at the Rodeo Community Center and emptied on a weekly basis.
- Collection services for all existing public streetside containers of the District.
- District's sludge material will be accepted at Contractor's West County Landfill. Only state and county mandated landfill fees and taxes will be charged to the District.

EXHIBIT E

Public Education Program

(to be attached)

EXHIBIT F

Conflict of Interest Statement

(to be attached)

