

**FRANCHISE AGREEMENT WITH
PLEASANT HILL BAYSHORE DISPOSAL, INC.**

CONTRA COSTA COUNTY

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**FRANCHISE AGREEMENT WITH
PLEASANT HILL BAYSHORE DISPOSAL, INC.**

1. **EFFECTIVE DATE, PARTIES.** This Agreement is binding between the County and the below named Contractor and is effective on the date last signed by the parties hereto.

2. **DEFINITIONS.** As used herein, the following terms shall have the meanings set forth below:

a. **Agreement.** Agreement means this Agreement by and between the County and Contractor for the collection, removal, and disposal of solid waste and the recycling of material.

b. **Act.** 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. **Board.** Board means the Board of Supervisors for the County of Contra Costa.

d. **Commercial Solid Waste.** Commercial Solid Waste means Solid Waste routinely originating from stores, business offices and other commercial and light industrial sources, excluding residences and wastes from heavy industry (i.e., industry that manufactures or processes petroleum, lumber, steel, chemicals, explosives, fertilizers, gas, rubber, cement, sugar and other products [see section 84-60.402 of the Contra Costa County Ordinance Code.]).

e. **Contractor.** Contractor means Pleasant Hill Bayshore Disposal, Inc. a wholly owned subsidiary of Browning Ferris Industries of California, Inc., a California Corporation, and is the entity which has been granted an exclusive franchise pursuant to the terms and conditions set forth herein.

f. **County.** County means the County of Contra Costa.

g. **Customers.** Customers means those who have contracted with the Contractor for the collection of materials for recycling and/or for the collection, removal, or disposal of Solid Waste, pursuant to this Agreement and applicable ordinances of County, including mandatory subscription ordinances.

h. **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.

i. **Franchise Area.** Franchise Area means the geographic area generally described in Exhibit A to this Agreement, which Exhibit is attached hereto and incorporated herein by reference, and illustrated in the six hundred (600)-scale maps to be maintained and available for inspection at the Community Development Department. Exhibit A and said six hundred (600)-scale maps shall be amended from time to time 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. **Hazardous Waste.** Hazardous Wastes include any waste material or mixture of wastes which is toxic, corrosive, flammable, an irritant, a strong sensitizer, which generates pressure through decomposition, heat or other means, if such a waste or mixture of wastes may cause substantial personal injury, serious illness or harm to humans, domestic animals, or wildlife, during or as an approximate result of any disposal of such wastes as defined in Article 2, Chapter 6.5, Section 26117 of the Health and Safety Code. The terms "toxic," "corrosive," "flammable," "irritant," and "strong sensitizer" shall be given the same meaning as in the California Hazardous Substances Act (Chapter 13 commencing with Section 28740 of Division 21 of the Health and Safety Code). (14 Cal.Code Regs., § 17225.32.)

k. **Industrial Waste.** Industrial Waste includes all types of Solid Waste which result from industrial processes and manufacturing operations and/or which originates from such facilities.

l. **Infectious Waste.** Infectious Wastes include:

(1) Equipment, instruments, utensils and other fomites of a disposable nature from the rooms of patients who are suspected to have or have been diagnosed as having a communicable disease and must, therefore, be isolated as required by public health agencies;

(2) laboratory wastes, including pathological specimens (i.e., all tissues, specimens of blood elements, excreta and secretions obtained from patients or laboratory animals) and disposable fomites (any substances that may harbor or transmit pathogenic organisms) attendant thereto;

(3) surgical operating room pathologic specimens - including recognizable anatomical parts, human tissue, anatomical human remains and disposable materials from hospital, clinics, outpatient areas and emergency rooms, as is also defined in Section 314(d) of the California Administrative Code, Title 17. (14 Cal.Code Regs., § 17225.36.)

m. **Recycle or Recycling.** Recycle or 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.

n. **Residential Solid Waste.** Residential Solid Waste means Solid Waste routinely originating from single-family or multiple family dwellings. Residential Solid Waste includes household hazardous waste, but does not include septage.

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

p. **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.

q. **Waste Stream.** Waste Stream means the Solid Waste to be collected under this Agreement from the time of its collection by the Contractor to its disposal at a landfill or, at County's discretion, delivery to a transfer facility or other facility by Contractor.

3. **TERM.** Subject to Section 33 (Annexation and Change of Franchise Area Boundaries) and Section 35 (Breach and Termination), the term of this Agreement and the exclusive franchise granted hereunder shall be 20 years, commencing on the effective date first mentioned in section 1 of this Agreement. *July 31, 2015*

4. **INTENT TO REGULATE ALL RECYCLING AND RESIDENTIAL AND SOLID WASTE COLLECTION, REMOVAL AND/OR DISPOSAL.** The parties hereto agree that County currently has jurisdiction to regulate the collection, removal and disposal of all Solid Waste, and the recycling of all material, in the Franchise Area. The intent of this Agreement is to regulate Solid Waste handling service and recycling of material in the Franchise Area.

5. **EXCLUSIVE PRIVILEGE AND DUTY.** To the extent allowed by law, County hereby grants to Contractor the exclusive privilege

and duty to collect and remove for disposal and recycling, all residential and commercial Solid Waste, including recyclable materials, within the Franchise Area and to charge and receive charges therefor, pursuant to and subject to the terms of this Agreement. Contractor promises and agrees to perform the responsibilities and duties set forth herein.

The Franchise Area may be expanded or reduced in size by mutual agreement of the parties, or as provided in Section 33 (Annexation and Change of Franchise Area Boundaries) of this Agreement.

6. EXCEPTIONS TO EXCLUSIVE PRIVILEGE. The exclusive privilege granted by this Agreement shall not apply if:

(a) A person or entity generates Solid Waste, including recyclable materials, and personally collects, removes and disposes or recycles such in a clean and sanitary manner in conformance with all applicable laws and regulations, including mandatory subscription ordinances. This exception shall not apply to a person who incurs a net cost of collection to a third person in the above described activities; or

(b) 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 by or 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.

7. CONTRACTOR'S DUTY TO MAINTAIN RECORDS; COUNTY'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 County, upon its request, records as to number of Customers, total and by type, route maps, service records and other materials and operating statistics in such manner and with such detail as County may require. County shall treat the information required by this paragraph that affects the competitive position of the company as confidential information to the extent permitted by law.

County may at any time during the term of this Agreement, have the books and records of the Contractor examined by a County Agent or Agents appointed for that purpose by the County. County shall give thirty (30) days' written notice to the Contractor of

such examination date. County expenses incurred under this section shall be paid by Contractor subject to their recovery through the rates allowed by the County hereunder.

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 County with information pertaining to the Contractor's operations which are not regulated by the County, except in conformance with this section.

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

To the extent allowed by law, information gained from examination of records pertaining to operations not regulated by the County shall be treated by County 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, "County Agent" shall mean County employees or an independent Certified Public Accountant or public accountancy firm. For all other information or records, including the results of financial verification, "County Agent" shall mean any consultant designated by the County or County employees.

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

8. **RATES.** Rates shall be fixed by the County from time to time. In determining the rates, the County shall consider fairness to both Contractor and the Customers. Reasonable costs incurred by Contractor pursuant to this Agreement shall be designated as "pass-through" or "subject to reasonable profit" as

determined by the County during the rate review process. Rates fixed by County shall be maximum rates which Contractor may charge the Customers. The maximum rates fixed by the County at this time shall be the highest commercial rate and the highest residential rate being charged by Contractor within the Franchise Area immediately before the effective date of this Agreement as set forth in Exhibit C. Nothing in this Agreement precludes Contractor from charging rates less than the maximum rates fixed by the County. Pending a rate review by the County, the maximum rates chargeable shall be those rates charged on the effective date of this Agreement.

Following consultation with the Contractor and examination of industry norms and trends, the County, in its sole discretion, shall determine the method of determining Contractor profitability.

All costs associated with County review and processing of rate applications shall be paid by Contractor and shall be allowed as a pass-through cost in the rate application process.

Contractor will offer a mini-can program at reduced rates as directed by the County following consultation with Contractor.

9. **RATE APPLICATIONS.** Rate applications shall be prepared in accordance with such forms and in such detail as required by the County. The application shall include one reproducible hard copy, 15 hard copies bound in an appropriate manner and one copy on disk formatted pursuant to County specifications.

Contractor shall submit its first rate application as directed by the County. All rate applications shall include information from the previous rate change to the present, or such other period of time as is selected by the County. Every three years, a rate application shall be accompanied by an audited financial statement covering the entire period since the last audited rate application together with supporting documentation as required to segregate its County regulated activities from other business activities.

The County Administrator may, in writing, allow the rate application to be submitted without an audited financial statement provided the County Administrator is satisfied that the level of verifiable detail allows for adequate assessment of the Contractor's income, expenses, assets and liabilities.

Rate changes may be initiated by County at any time or by Contractor under the conditions allowed in this section. In either case, Contractor shall prepare a rate application in accordance with the requirements of this section.

If the rate change is initiated by County, the Contractor shall submit its rate application to County within 60 days of County's notice to Contractor.

If the rate change is initiated by Contractor, it shall be submitted no more than once a year under normal operating conditions. The date of Contractor initiated applications shall be standard, year by year; such date to be determined upon mutual agreement of the parties and reasonably related to the fiscal year of Contractor.

In the event that the rate change that would be requested by Contractor is no more than the change in the Consumer Price Index for All Urban Consumers for the San Francisco Bay Area for that fiscal year of Contractor, Contractor may increase its rate up to such amount and not request a rate change from the County. Contractor may defer a rate application pursuant to this paragraph for a maximum of two consecutive years.

In the event that Contractor must make significant changes in its operations or experiences significant changes in costs of revenue not under its control, Contractor may submit a rate application. Contractor shall provide documentation for the need for such rate application relative to those changes. The application will thereafter be considered by the Board.

10. OPERATION BY CONTRACTOR. Contractor shall furnish all necessary equipment (excluding containers for single-family residential wastes) 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.

The 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.

11. LIMITATION ON TIME AND MANNER OF COLLECTION. Contractor shall systematically collect Solid Waste, and to the extent permitted by this Agreement, materials for recycling from its Customers. Frequency, place of pickup (e.g., curbside, backyard, etc.) or any other manner of collection shall be subject to the review and approval of the Director of Community Development. 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 an inhabited dwelling or dwelling unit between the hours of 7:00 p.m. and 4:00 a.m., except that if a dwelling unit is part of a collection route that predominately serves commercial accounts, collection may begin as early as 3:00 a.m.

12. CUSTOMER SATISFACTION, AB 939 AND EFFICIENCIES IN OPERATION. (a) From time to time, at its discretion, County may examine Contractor's operation in order to evaluate whether the Contractor is operating at a satisfactory level of efficiency and customer satisfaction. Contractor agrees to cooperate in any such examination and shall permit County representatives to inspect, at Contractor's principal place of business, such information pertaining to Contractor's obligations hereunder as County 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 Paragraph 8 (Contractor's Duty to Maintain Records; County's Right to Examine Records).

(b) Notwithstanding any contrary provision in this Agreement, the County shall have the right to direct Contractor to compile information, develop plans for and/or conduct programs on alternative methods of Solid Waste and recyclable material collection and management, or to take any other action requested by the County for the purpose of meeting the source reduction, recycling and composting requirements of the Act, and any other applicable federal, state or local laws regarding Solid Waste collection, recycling and disposal, including, without limitation, the County's Materials Diversion Ordinance.

Contractor agrees to indemnify and hold the County harmless from and against any and all liability to the State of California for the County'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 County 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 County harmless from any resulting liability) if the County fails to agree to allow Contractor its reasonable costs (including a reasonable profit) associated with carrying out such directives.

(c) County may require Contractor to develop plans for and conduct programs on alternative methods of Solid Waste collection, including pilot programs of limited scope, or may require additional programs, for the purpose of improving service, increasing customer satisfaction, and meeting diversion requirements. County may also require Contractor to implement efficiencies in its operation upon written notice from County.

The notice shall allow Contractor a reasonable period of time to implement the specified service (efficiency). Should County require commencement of such a program as outlined in this paragraph, Contractor agrees not only to do those things specified herein, but also to act at the direction of the County on other matters that may be necessary for the success and efficiency of the project, such as public information and notification. In the event that County elects to direct Contractor to discontinue any service theretofore performed by Contractor at the direction of County hereunder, County shall allow Contractor to recover its reasonable capital equipment costs and other reasonable costs arising upon termination of the service. Rate adjustments applicable solely to programs instituted pursuant to this subsection (c) initially shall be established at the time the County authorizes implementation of the program or efficiency.

13. 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.

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Not less than once every three years and not less than six months prior to an application for contract renewal, assignment or extension of term, Contractor shall conduct a representative survey or surveys of Customers within the Franchise Area to determine satisfaction with service, including, without limitation, response to customer complaints. The survey methodology, format and content shall be subject to the prior review and approval of the Director of Community Development. A copy of the survey results shall be sent to the County within sixty (60) days of completion of the survey. Nothing in this paragraph shall limit the right of the County to conduct additional surveys. The Contractor shall cooperate with the County in such cases.

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), days of collections, 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 County Community Development Department. The form and content shall be subject to the review and approval of the Director of Community Development.

14. **LOCAL ADVISORY BOARD.** The Board of Supervisors may designate an existing committee to represent the Franchise Area, or form an advisory body to advise the Board on the performance of the Contractor in the community, local service interests and needs, and rate applications. In all cases, the Committee shall hold its meetings at a time and place convenient to the public. The Committee shall keep a record of all public comments and submit such comments when reporting to the Board.

15. **CUSTOMER COMPLAINTS.** Contractor shall develop and implement policy and procedure for responding to and recording customer complaints, including dispute resolution. The policy and procedure shall be subject to the approval of the Director of Community Development.

16. **BILLING.** The form and content of customer bills shall be subject to the review and approval of the Director of Community Development.

Bills for services may be monthly, bimonthly or quarterly as determined by County. Contractor may bill its customer in advance or in arrears. The County may establish billing period options for Customers upon a finding that such options are cost-effective and meet a community need.

Full payment for drop boxes may be required by Contractor prior to delivery of the drop box to the customer.

The County shall have the right to direct the Contractor to change or alter its billing system in which event the marginal additional expenses incurred by the Contractor in the implementation of the change, with regard to the accounting, printing, mailing, loss of use of funds, or otherwise, shall be recoverable by the Contractor through the rates allowed by the County provided such expenses are reasonable. Contractor shall inform customers of all rate changes at least 30 days prior to their effective date. A copy or facsimile of such notice shall be provided to County at the time of customer notification.

17. **RECYCLING.** County grants to Contractor the right and obligation to operate recycling programs, including curbside pickup of recyclable materials, as determined and designated by County, subject to County's right to terminate this grant to Contractor pursuant to the provisions of this section.

Contractor has instituted and is implementing a recycling program including regular curbside pickup at all single family residences of at least aluminum, tin, newsprint, glass bottles, non-colored HDPE and PET. This program is currently operating to the satisfaction of County; however, County has the right at anytime to modify said program or require new programs as

provided at Section 12 (b) hereof.

Contractor shall maintain and provide to the County records relating to its recycling programs as directed by the Director of Community Development.

Contractor's provision of recycling service shall be reviewed within three (3) years of the effective date of this Agreement and, at County's discretion, every five years thereafter. If County determines that continuation of such service by Contractor is not consistent with the County's ratepayers best interest, but not as a result of Contractor's failure to satisfactorily provide recycling services, Contractor shall be allowed to recoup its unamortized capital expenditures as follows. Contractor shall make a good faith effort to sell all disposable assets acquired in furtherance of the program for their fair market value. If income derived from the sale is insufficient to cover the unamortized costs of such assets, Contractor may transfer those losses together with net operations profits or losses to its general account and submit a rate application to cover such losses.

If County determines that Contractor has failed to satisfactorily provide and perform recycling services, County may terminate this grant to Contractor of the right and obligation to provide and operate recycling programs, at no cost or further obligation on the part of County or County's ratepayers.

18. FREE SERVICE FOR COUNTY. Contractor shall provide Solid Waste collection and disposal services at those County buildings designated by the Director of Community Development from time to time, at no charge to the County.

19. FRANCHISE AREA-WIDE COLLECTION. In addition to its regular collections, Contractor shall provide two annual collections for each region in the Franchise Area as determined by the Community Development Director. Said collections shall be made each year throughout the term of this Agreement in accordance with practices and procedures established by Contractor and subject to the approval of the Community Development Director.

20. PARTICIPATION IN COMMUNITY CLEAN-UP PROJECTS. Contractor shall provide, upon direction of the Community Development Director, Solid Waste drop boxes or equivalent containers for community or other clean-up projects within the Franchise Area. The Contractor's obligation shall be limited to the equivalent of ten (10) 20-cubic yard drop boxes per year, per region in the Franchise Area.

21. DISPOSAL AND WASTE STREAM CONTROL. Contractor shall be solely responsible for the disposal of the Solid Waste collected

pursuant to this Agreement. County has complete authority and control over the Franchise Area waste stream. County may, at its sole discretion upon providing 60 days' notice to Contractor, direct the Solid Waste collected under this Agreement to be delivered to any site or facility of its choosing. This shall include the right of the County to direct the Solid Waste to be delivered to any County designated transfer station, disposal site, transformation facility and/or resource recovery facility. It is understood that County may contract with any party, public or private, to commit the waste stream from the Franchise area, and that Contractor's contracts may not bind County, nor need County consider such other contracts for any purpose.

Notwithstanding the above, Contractor may propose, and County may but need not consider, waste management and/or disposition alternatives which are cost effective. In determining or comparing costs, County shall consider all relevant factors, including but not limited to, transportation costs, closure and postclosure requirements, costs and liabilities, disposal fees, fees levied by governmental entities, including benefits to Contractor's customers from paying such fees, costs of compliance with ordinances and other local requirements, and long-term costs, including degree of control over future costs.

22. MISCELLANEOUS OBLIGATIONS OF CONTRACTOR. Contractor shall assist County in its enforcement of its mandatory subscription ordinance by providing County with the addresses of properties not subscribing to collection service within the Franchise Area and by providing collection service to such properties upon written request by the County.

23. ADMINISTRATIVE SERVICES AND FRANCHISE FEES. Contractor shall pay to the County for (a) the services provided by the County in administering this Agreement, (b) for services and programs pertaining to Solid Waste provided by the County, and (c) additionally as directed by the County, a percentage of its gross annual revenues generated from the performance of such waste collection services under this Agreement. Such percentage, time and frequency of payment shall be established by County from time to time. Said sums shall be payable from the Contractor to the County upon the inclusion of the administrative service charge in the allowed rate and upon the collection of said rate by the Contractor. Such administrative and program services and any franchise fees shall be considered a reasonable cost and subject to "pass-through" as described in Section 8 on Rates.

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 County 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. PRELIMINARY DISPUTE RESOLUTION. If Contractor has a question as to the interpretation of this Agreement, it shall submit a written request to the Director of Community Development for a determination of the issue. The Contractor shall provide and submit such information as the Director of Community Development may request or require to make the requested determination. The written determination of the Director of Community Development may be appealed to the Board of Supervisors pursuant to Ordinance Code Chapter 14-4.

26. FAITHFUL PERFORMANCE BOND. Contractor shall submit to County simultaneously with the execution of this Agreement a corporate surety bond in the amount of \$10,000.00, provided however, that the Board may increase this amount not more often than every three years to reflect changes in the Consumer Price Index for All Urban Consumers for the San Francisco Bay Area. The bond shall be executed by a surety company licensed to do business in the State of California and acceptable to County. The bond shall be approved by County and shall be payable to County. The condition of the bond shall be that Contractor will faithfully perform the duties imposed by ordinance, this Agreement and the rules and regulations of County. Any action by County to proceed against the Bond shall not limit or affect the right of County to use other remedies available to County under the Agreement, or in courts of law or equity. Notwithstanding the foregoing, in lieu of the corporate surety bond, Contractor may provide to County a letter of credit, cash bond or other security acceptable to the County Administrator's Office in a form satisfactory to the County.

27. 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) Public liability and property damage insurance including completed operations, products, contractual, broad form

property damage, personal injury and owned and non-owned automobile liability with such coverages and limits as may be reasonably requested by County from time to time, but in no event with limits not less than the sum of \$1 million combined single limit for each occurrence arising from the services as stated in the Agreement herein. County shall be named as an additional insured under such liability insurance policy or policies, if commercially available.

(b) Contractor shall carry workers' compensation insurance for all its employees.

Evidence of liability and workers' compensation insurance shall be provided by Contractor by filing with County a certificate of insurance indicating that County is endorsed as an additional named insured under the liability policy. All policies shall include a provision that written notice of cancellation or any material change in coverage shall be delivered to County thirty (30) days in advance of the effective date thereof. No cancellation, alteration or change of beneficiary shall be made without written notice to County.

County reserves the right to examine all policies from time to time to ensure appropriate conformity to prevailing practices and standards of the insurance industry.

Such insurance shall be obtained from a company or companies licensed to do business in the State of California and acceptable to County. Failure of Contractor to maintain insurance in the manner and amount stated herein and as directed by County Administrator, subject to the approval of the Board, will constitute a material breach of this Agreement.

28. INDEMNIFICATION. a. Complete Indemnification of County. All work and performance covered by this Agreement shall be at the risk of Contractor.

Contractor agrees to save, indemnify and keep harmless the County, its officers, 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, including environmental damage, 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 County, and will make good to and reimburse County for any expenditures, including reasonable attorney's fees, that County may make by reason of such matters and, if requested by County shall defend any such suit at the sole cost and expense of Contractor.

The above promise by Contractor to indemnify, hold harmless

and defend the County expressly includes, but is not limited to, all claims, damages (including but not limited to special and consequential damages), natural resources damages, punitive damages, injuries, costs, response, remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorneys and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against, County, its officers, employees or agents arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless or whether undertaken due to governmental action) concerning any hazardous substances or hazardous waste at any place where municipal solid waste is or has been transported, transferred, processed, stored, disposed of or otherwise come to be located by Contractor under Agreement, or the activities of Contractor pursuant to this Agreement resulting in a release of hazardous substances or waste into the environment. The foregoing is intended to operate, in part, as an agreement pursuant to Section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, "CERCLA", 42 U.S.C. Section 9607(e), and California Health and Safety Code section 26364, to defend, protect, hold harmless and indemnify County. The intent of the section is to provide County with the highest level of protection possible under existing and future laws.

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

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

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

30. ASSIGNABILITY. Contractor shall not sell, assign, subcontract or transfer this Agreement or any part hereof, or any obligation hereunder, without the written consent of County.

The term assignment shall include any dissolution, merger, consolidation or other reorganization of Contractor, which

results in change of control of Contractor.

It is understood and agreed by the parties that any corporation wholly owned by Browning Ferris Industries of California, Inc. may presently and in the future perform the obligations and responsibilities of the Contractor in the regions of the Franchise Area. Performance of the obligations and responsibilities of the Contractor by such companies shall not require an assignment under this section.

In the event Contractor herein attempts to assign or subcontract this Agreement or any part hereof or any obligation hereunder, County shall have the right to elect to terminate this Agreement forthwith, without suit or other proceeding.

Consent to assignment may not be unreasonably withheld. However, it is understood that County's grant of this franchise to Contractor is partly persuaded by the Contractor's financial strength and background in the field of waste management; therefore, assuming Contractor maintains its ability to faithfully carry out its duties hereunder, it is in the County's ratepayers' best interest for Contractor to continue under this Agreement.

Following a public hearing, County may assign or transfer any or all of its rights under this Agreement without the consent of Contractor to any legally authorized public entity.

31. 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 County 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.

(4) Except as otherwise provided in Section 31 (Assignability), in the event of a probate proceeding where the rights of Contractor under the Agreement would pass to another individual or other individuals.

32. 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:

Pleasant Hill Bayshore, Inc.
Attn: Ken Etherington
441 North Buchanan Circle
Pacheco, CA 94553

Or to County:

Attention: Director of Community Development
651 Pine Street, 4th Floor North Wing
Martinez, California 94553

33. ANNEXATION AND CHANGE OF FRANCHISE AREA BOUNDARIES. Contractor shall give notice to County by January 30 of the next calendar year of any geographic area in the Franchise Area or immediately contiguous to the Franchise Area, in which Contractor has commenced service within the preceding year, notwithstanding whether Contractor deems that area to be regulated or unregulated.

Contractor realizes that the public agency boundaries may be altered by virtue of actions taken by the Contra Costa County Local Agency Formation Commission (LAFCO). Contractor agrees that should a municipal corporation lawfully annex territory which is within the Franchise Area, County may make such alterations to the Franchise Area as the annexation necessitates. Should the Franchise Area boundaries be amended, Contractor agrees that it will abide by any change resulting from the Franchise Area change. Contractor agrees that the Board of Supervisors may make such alterations to the Franchise Area as are necessitated by such Local Agency Formation Commission actions and shall have no right or claim to damages or other relief against the County for such alterations to the Franchise Area. However, nothing herein is intended to abrogate Contractor's rights under Public Resources Code Section 49520 or any successor or similar statute.

34. AFFILIATED ENTITIES. Contractor shall provide information necessary to reasonably satisfy County that the charges made by any Affiliated Entity are reasonable in accordance with the provisions of Section 8 (Contractor's Duty to Maintain Records; County's Right to Examine Records). Information gained from examination of books and records pertaining to operations not regulated by the County shall be treated by the County and its agents as confidential information.

"Affiliated Entity" shall be defined, for purposes of this section, as any entity which provides products or services to Contractor and in which either Contractor or the affiliated entity owns a ten percent (10%) or greater interest in the other, or where one person or entity owns ten percent (10%) or greater interest in both. For purposes of this section, the term "Contractor" shall include Contractor, and if Contractor is an individual or a group of individuals (partnership), all immediate family members, or if a corporation, major shareholders, and if any major shareholder is an individual, said individuals' immediate family members. For the purpose of this paragraph, "immediate family" includes spouses and relatives of the first degree of sanguinity, and their spouses.

35. BREACH AND TERMINATION. The Director of Community Development shall have authority, subject to review by the Board of Supervisors upon appeal, to 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 Director determines that a breach has occurred, County 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, said breach not to exceed 60 days. In the event the breach or default is cured to the satisfaction of the Director of Community Development within the period of time allotted, the breach shall not be deemed a material breach. In the event that the Director of Community Development determines that Contractor has failed to satisfactorily cure the breach or default within the period of time allotted, the Director of Community Development may determine such breach or default to be material.

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 Director of Community Development, in his discretion, to declare any subsequent breach to be material, notwithstanding whether that breach is ultimately cured by Contractor.

If such a determination of material breach is made, the Director of Community Development's determination shall be automatically appealed to the Board of Supervisors for final action.

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

In the event of a termination pursuant to this section, County 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 County 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 County for a period exceeding twelve (12) months from the date such operations are undertaken by County.

During any period in which County has temporarily assumed the obligations of Contractor under this Agreement, County 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. County 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 County by Contractor on demand. Final adjustment and allocation of gross revenue, costs, and expenses to the period during which County 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 County during any period in which County 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 Board of Supervisors, this Agreement and the franchise granted thereunder shall be of no further force and effect, excepting these provisions concerning County's right to temporarily assume Contractor's obligations and to use Contractor's facilities, and Section 28 (Indemnification). County 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.

36. **EMERGENCY.** Notwithstanding Contractor's exclusive franchise rights set forth in Paragraph 5 (Exclusive Privilege and Duty), in the event of an emergency due to natural disaster or labor strike which interrupts the collection of Solid Waste by Contractor, the Board of Supervisors shall have the right to declare a temporary suspension of this Agreement for the reasonable duration of the emergency and until such time as County determines that Contractor is able to reassume all

obligations under this Agreement. Should Contractor fail to demonstrate to the satisfaction of the Board of Supervisors 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 Board.

37. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS.

Contractor shall be responsible for and 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 County 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. This includes County Ordinance Code Chapter 418-6 (on mandatory subscription to Solid Waste collection service), and the County's Materials Diversion Ordinance.

38. 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.

39. POLICE POWERS. Nothing in this Agreement is intended to or may limit County authority pursuant to its police power.

40. CONTEST OF AGREEMENT'S TERMS. In the event either party to this Agreement attempts to challenge the validity of any portion of this Agreement, such action in attempting to challenge the Agreement shall constitute a material breach of this Agreement and the non-breaching party shall have the right to elect to terminate this Agreement forthwith without suit or other proceeding.

This section shall not be construed to prevent either party from seeking redress from the courts for the purpose of legal review of administrative proceedings regarding rate setting or County actions taken pursuant to this Agreement, or for the purpose of interpreting or enforcing the provisions contained in this Agreement.

41. 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 negotiate in good faith to reach agreement on revisions which preserve the substance hereof to the greatest extent allowed by law.

42. **WAIVER.** The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision. The acceptance of any monies which become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other party of any provision of this Agreement.

43. **SURVIVAL OF OBLIGATIONS.** Obligations of this Agreement which embody continuing obligations, including but not limited to Section 28 (Indemnification) shall survive the termination or expiration of this Agreement.

44. **NEW AGREEMENT.** Upon the effective date of this Agreement, all other Agreements between the parties for the provision of solid waste and/or recycling services within the Franchise Area are superseded except that all continuing obligations under said superseded agreements shall continue in full force and effect for the periods covered by said superseded agreements.

45. **ENTIRE AGREEMENT.** This Agreement represents the full and entire agreement between the parties hereto with respect to the matters covered herein.

46. **OPERATIVE DATE.** This Agreement becomes operative on the Effective date as to areas within the Franchise Area subject to other agreements between the parties (e.g., portions of the Bay Point area). As to all other areas within the Franchise Area, this Agreement becomes operative on August 5, 1996, or on such earlier date as the parties may agree.

47. **GUARANTY.** Prior to the the operative date, Contractor shall provide to the Director of Community Development, proof of guaranty by Browning Ferris Industries of California, Inc., of the performance by Contractor of each and every provision of this Agreement to be performed by Contractor. Proof of Guaranty shall

be in the form set forth in Exhibit B.

/

COUNTY OF CONTRA COSTA

Gayle Bishop
CHAIR, BOARD OF SUPERVISORS

August 1, 1995
Date

ATTEST, Phil Batchelor,
Clerk of the Board
and County Administrator

FORM APPROVED
VICTOR J. WESTMAN, County Counsel
By: Bayn

By: Jim Cennelli
DEPUTY

CONTRACTOR
PLEASANT HILL BAYSHORE
DISPOSAL, INC., a California
Corporation

Kim Elving
Title

Date

Vice President and Director, Pleasant Hill Bayshore

Taxpayer I.D. No.

LTF 17a:\frnbfi5.395

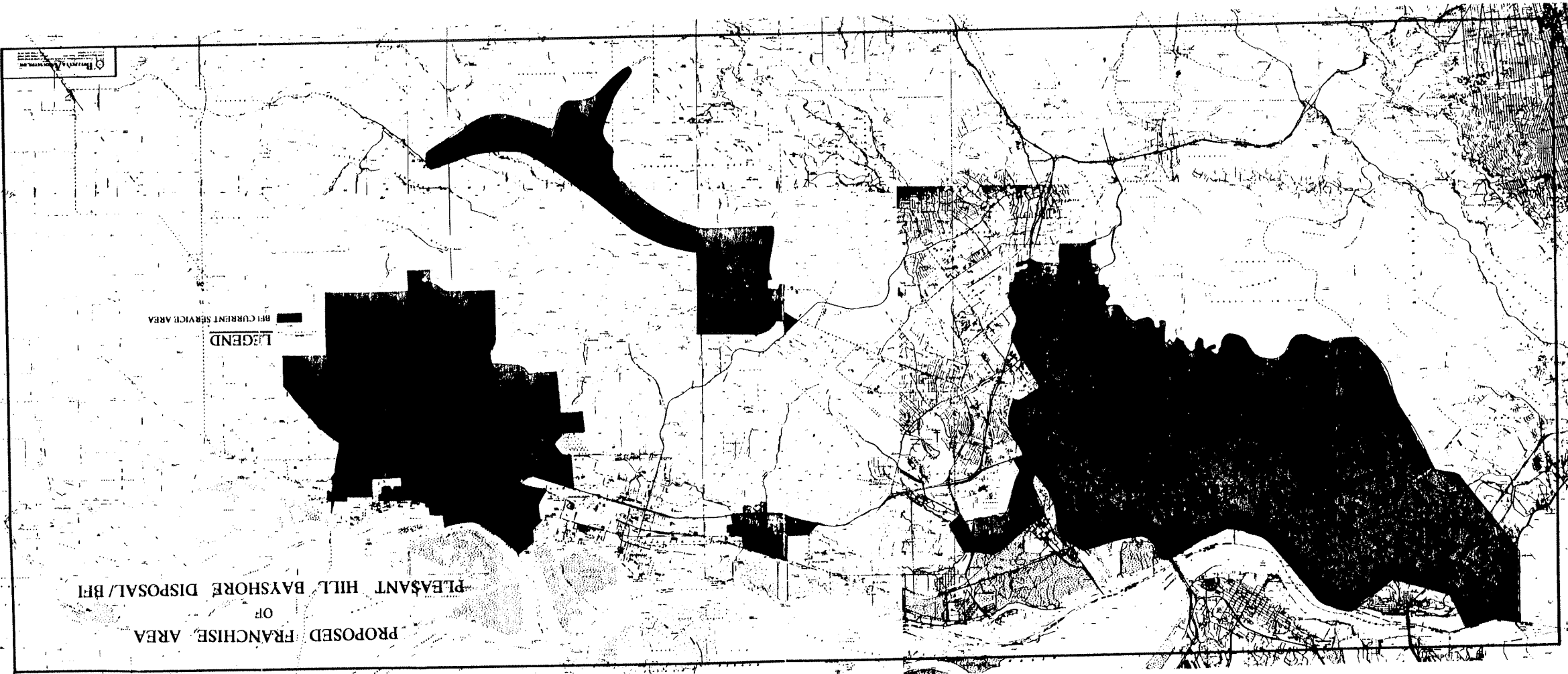


EXHIBIT B

GUARANTY

This Guaranty is made and entered into this 1st day of June 1995 ,
by and between the County of Contra Costa (hereinafter "County") and
Browning-Ferris Industries
of California, Inc. a California corporation ("Guarantor").

RECITALS

WHEREAS, Pleasant Hill Bayshore Disposal, Inc. ("Contractor"), an indirect wholly owned subsidiary of Guarantor desires to enter into a certain Franchise Agreement with the County (the "Agreement") for the provision of solid waste handling service within specified areas in the unincorporated area of the County;

WHEREAS, pursuant to Section 47 of the Agreement, the County has demanded that Contractor obtain certain assurances from Guarantor, as to all conditions and obligations of the Agreement to be fulfilled by Contractor; and

WHEREAS, in order to induce the County to enter into the Agreement with Contractor, Guarantor desires to provide the County with said assurances as to all conditions and obligations of the Agreement to be fulfilled by Contractor;

NOW, THEREFORE, the County and Guarantor hereby agree as follows:

1. Guarantor hereby guarantees to the County the full performance by Contractor of all conditions and obligations in the Agreement which are to be fulfilled by Contractor, provided that the County has fulfilled all of its obligations under the Agreement, and in particular, without limiting the foregoing, that the County has provided Contractor with the requisite notice(s), and opportunities to cure as provided for in the Agreement.

2. The County agrees to give Guarantor notice by certified mail, return receipt requested, at P.O. Box 7325, Fremont, CA 94537 (Attention: General Counsel) each time that the County becomes aware of any fact or circumstance which may give rise to an obligation of Guarantor to perform pursuant to this Guaranty.

3. The County shall not sell, assign or otherwise transfer this Guaranty, or its rights or obligations thereunder, without the written consent of Guarantor, which consent shall not be unreasonably withheld if the assignment is to a municipal corporation.

IN WITNESS WHEREOF, this Guaranty has been executed on the date first above written.

COUNTY OF CONTRA COSTA

By: Larry Bishop

GUARANTOR

By: K. Elmer

Its: VICE PRES. AND DISTRICT MANAGER

By: [Signature]

Its: VICE President.

Contra Costa County

May 2, 1995

Mr. Val Alexeeff, Director
Growth Management and Economic
Development Agency
County of Contra Costa
651 Pine Street
Martinez, CA 94553

Re: Franchise Agreement with Pleasant Hill
Bayshore Disposal/BFI

Dear Val:

This letter confirms that the highest monthly rates for the handling of Commercial Solid Waste (defined in Section 2(d) of the Franchise Agreement with PHBD/BFI) currently charged by PHBD/BFI within the Franchise Area described in Exhibit A to the Agreement are the rates as described in Attachment A-1 to this letter. We understand those rates will be the maximum monthly rates, as described in the Franchise Agreement at Section 8, for the handling of Commercial Solid Waste. We understand that this letter will be included as Exhibit C to the Franchise Agreement with PHBD/BFI to confirm that mutual understanding.

This letter also confirms that the highest monthly rates for handling Residential Solid Waste (defined in Section 2(n) of the Agreement) currently being charged by PHBD/BFI within the Franchise Area described in Exhibit A to the Agreement are the rates described in Attachment A-2 to this letter. With the approval of the Franchise Agreement, the Board will establish those rates as a maximum monthly rate, as defined in the Franchise Agreement at Section 8, for the handling of Residential Solid Waste in the PHBD/BFI franchise area. The maximum residential rates in Attachment A-2 reflect reductions in rates previously made by PHBD/BFI to reflect reduced gate charges at the S.T.A.R. transfer station and Keller Canyon Landfill.

The Franchise Agreement only sets the maximum rates to be charged. There are no minimum rates. It is acknowledged by PHBD/BFI that the County is free to initiate a review and potential reduction of those maximum rates with 60-days notice to the Contractor, consistent with Section 9 of the Franchise Agreement.

EXHIBIT C

SOLID WASTE COLLECTION
AND RECYCLING DISTRICT
(510) 685-4716

• BFI TRANSFER
STATION AT MARTINEZ
(510) 313-8900

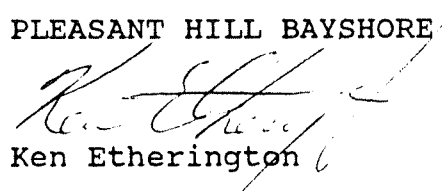
• KELLER CANYON
SANITARY LANDFILL
(510) 458-9800

Mr. Val Alexeeff, Director
May 2, 1995
Page 2

Please also be advised that if PHBD/BFI intends to further decrease the rates it charges to residential customers within the Franchise Area, the County will be notified in advance.

Very truly yours,

PLEASANT HILL BAYSHORE DISPOSAL


Ken Etherington

**BFI - PLEASANT HILL BAYSHORE DISPOSAL, INC.
MONTHLY MAXIMUM COMMERCIAL RATES**

Commercial Can Services:

# of 32 gallon Cans Serviced	Days Serviced per Week					Extra Pickups
	1x	2x	3x	4x	5x	
1	\$15.15	\$30.30	\$45.45	\$60.60	\$75.75	\$10.00 per can
2	\$30.30	\$60.60	\$90.90	\$121.20	\$151.50	
3	\$45.45	\$90.90	\$136.35	\$181.80	\$227.25	
4	\$60.60	\$121.20	\$181.80	\$242.40	\$303.00	
5	\$75.75	\$151.50	\$227.25	\$303.00	\$378.75	

Commercial Cart Services:

# of 64 gallon Carts Serviced	Days Serviced per Week					Extra Pickups
	1x	2x	3x	4x	5x	
1	\$24.15	\$55.65	\$87.15	\$118.65	\$150.20	\$15.00 per cart
2	\$48.30	\$111.30	\$174.30	\$237.30	\$300.40	
3	\$72.45	\$166.95	\$261.45	\$355.95	\$450.60	
4	\$96.60	\$222.60	\$348.60	\$474.60	\$600.80	
5	\$120.75	\$278.25	\$435.75	\$593.25	\$751.00	

# of 95 gallon Carts Serviced	Days Serviced per Week					Extra Pickups
	1x	2x	3x	4x	5x	
1	\$35.75	\$78.20	\$120.70	\$163.20	\$205.70	\$20.00 per cart
2	\$71.50	\$156.40	\$241.40	\$326.40	\$411.40	
3	\$107.25	\$234.60	\$362.10	\$489.60	\$617.10	
4	\$143.00	\$312.80	\$482.80	\$652.80	\$822.80	
5	\$178.75	\$391.00	\$603.50	\$816.00	\$1,028.50	

2 Yard Bin Services:

# of 2 Yard Bins Serviced	Days Serviced per Week					Extra Pickups
	1x	2x	3x	4x	5x	
1	\$132.65	\$265.30	\$397.95	\$530.60	\$663.25	\$40.00 per bin
2	\$265.30	\$530.60	\$795.90	\$1,061.20	\$1,326.50	
3	\$397.95	\$795.90	\$1,193.85	\$1,591.80	\$1,989.75	
4	\$530.60	\$1,061.20	\$1,591.80	\$2,122.40	\$2,653.00	
5	\$663.25	\$1,326.50	\$1,989.75	\$2,653.00	\$3,316.25	

Other Fees

One Time Lock Charge	\$65.00
Lock Replacement	\$15.00
Steam Clean Bin	\$65.00

**BFI - PLEASANT HILL BAYSHORE DISPOSAL, INC.
MONTHLY MAXIMUM RESIDENTIAL RATES**

Service Description	Monthly Fee	Quarterly Fee
20 gallon Mini -Can Service + 2 clipping cans at curb	\$16.00	\$48.00
1 - 32 gallon Can Service + 2 clipping cans at curb	\$18.00	\$54.00
2 - 32 gallon Can Service + 2 clipping cans at curb	\$31.50	\$94.50
3 - 32 gallon Can Service + 2 clipping cans at curb	\$45.00	\$135.00
95 Gallon Cart Service (no additional clipping cans)	\$21.00	\$63.00

Recycling fee included in all residential service rates

AGREEMENT REGARDING CONDITIONAL CONSENT TO FRANCHISE ASSIGNMENT

1. **Parties, Effective Date.** Effective on February 2, 1999, the County of Contra Costa, a political subdivision of the State of California ("County"), Pleasant Hill Bayshore Disposal, Inc., a California corporation ("PHBD"), and Allied Waste Industries, Inc., a Delaware corporation ("Allied"), promise and agree as follows:
2. **Background.**
 - a. County and PHBD are parties to a franchise agreement entitled "Franchise Agreement with Pleasant Hill Bayshore Disposal, Inc." attached hereto as Exhibit A and incorporated herein by reference ("Franchise").
 - b. Pleasant Hill Bayshore Disposal, Inc. desires to assign its interest in the Franchise to Allied in connection with Browning-Ferris Industries, Inc.'s ("BFI") sale and transfer of certain assets to Allied, and PHBD is a subsidiary of BFI.
 - c. Allied desires and agrees to assume, perform and discharge all obligations of PHBD under the Franchise.
 - d. The consent of County is required for PHBD's assignment of its interest in the Franchise to Allied, and County is willing to provide such consent based on the promises and representations of Allied and PHBD herein and subject to the conditions set forth below.
 - e. The Central Contra Costa Solid Waste Authority sent a Request For Information (on behalf of the County and other local jurisdictions) to Dennis Fenton of BFI, dated December 9, 1998, and Allied provided a substantive response to the Request For Information, dated December 29, 1998.
 - f. County has relied, in part, on the responses provided in the December 29, 1998 response from Allied in the County's consideration of whether to consent to the assignment, particularly on the stated commitments of Allied with regard to high levels of customer service, adequacy of internal financing of operational and capital needs, and the assumption of all liabilities and responsibilities under the Franchise.
 - g. Allied has demonstrated knowledge of the level of services being provided by PHBD and has voiced a strong commitment to provide each of the types and levels of service being provided by PHBD, as more fully set forth in the Franchise and Exhibit B to this Agreement.

3. **Assignment.** PHBD assigns and transfers to Allied, and Allied accepts such transfer and assignment from PHBD of all of PHBD's rights and obligations in the Franchise.
4. **Representations of PHBD.** PHBD represents and warrants to County as follows:
 - a. PHBD is not in default in any respect of any requirements of the Franchise, and no event has occurred in which with the passage of time would constitute a default under the Franchise; and
 - b. PHBD has agreed to assign its interest in the Franchise to Allied; and
 - c. This assignment is part of a multi-asset/sale transaction expected to close in February 1999 ("closing"), wherein Browning-Ferris Industries is selling all of its Contra Costa and Solano County operations, including the collection franchises, the leased operations of the Contra Costa Transfer & Recovery Station and the Keller Canyon Landfill; and
 - d. PHBD's assignment of this Franchise is subject to the successful closing of the purchase/sale agreement. PHBD's assignment of this Franchise is not effective until the requirements set forth in paragraph 7 below have been met.
5. **Representations of Allied.** Allied represents and warrants to County as follows:
 - a. Allied promises and agrees to assume, perform and discharge all obligations of PHBD under the Franchise from and after the effective date of the assignment (paragraph 7).
 - b. Allied has the professional competence, experience, resources and commitment to and shall carry out the obligations of PHBD in a manner which will meet or exceed the existing service and quality levels performed by PHBD, including those responsibilities set forth in Exhibit B, attached hereto and incorporated herein by this reference; and
 - c. The information provided in that letter from Michael Caprio dated December 29, 1998 is true and correct, including, but not limited to, the ability of Allied to provide for the short and long term operating and capital needs of the Contra Costa/Solano Division and the Northern California District of Allied's operations. A copy of said letter is attached hereto as Exhibit C and is incorporated herein by this reference; and
 - d. Allied agrees to assume existing and future liabilities of PHBD, including all indemnity obligations provided for in the Franchise, for actions or events

e. Allied agrees to make such payments to County as may exist or be required as of the date of the closing, including required payments based on revenue.

6. **Consent of County.** Subject to and in reliance on the representations set forth above, County hereby consents to the assignment of PHBD's interest in the Franchise to Allied and releases PHBD from any further obligations thereunder from and after the effective date set forth in paragraph 7 below.

7. **Effective Date of Assignment.** The assignment shall be effective upon the closing having occurred and upon Allied providing to the County, evidence acceptable to the County, of the Faithful Performance Bond required by Section 26 and all insurance required by Section 27 of the Franchise (Exhibit A). Said evidence must be provided to the County by April 5, 1999, unless such deadline is extended by the written agreement of the parties hereto. If evidence acceptable to the County of Allied's satisfaction with all of the requirements hereof is not provided by April 5, 1999 or such time as the parties may agree, this assignment shall be of no force or effect.

Page 3

IN WITNESS WHEREOF, the parties have executed this Agreement regarding Conditional Consent to Franchise Assignment as of the day and year first written above.

COUNTY OF CONTRA COSTA

ATTESTED: February 2, 1999

By: Joe Canciamilla
Title: Chair, Board of Supervisors

By: Phil Batchelor
PHIL BATCHELOR, CLERK OF THE
BOARD OF SUPERVISORS AND
COUNTY ADMINISTRATOR

APPROVED AS TO FORM:
Victor J. Westman, County Counsel

By: William H. Hays
DEPUTY COUNTY COUNSEL

**PLEASANT HILL BAYSHORE DISPOSAL, INC.,
a California corporation**

By: Dennis Fenton
Title: VICE PRESIDENT

By: Diana McVey
Title: VP

**ALLIED WASTE INDUSTRIES, INC.,
a Delaware corporation**

By: Michael Caprio
Title: District Manager

By: Jo Lynn White
Title: Assistant Secretary

TO: Pleasant Hill Bayshore Disposal, Inc. and Allied Waste Industries, Inc.

This Agreement must be signed by two officers. One signature must be that of the Chairman of the Board, President or any Vice President. The other signature must be that of Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer (Civil Code Section 1190 and Corporations Code Section 313). All signatures must be acknowledged pursuant to Civil Code Section 1189).

DD14:BFIASSGN.DOC

EXHIBIT B TO CONDITIONAL CONSENT TO FRANCHISE ASSIGNMENT AGREEMENT

PHBD has undertaken certain activities and made certain commitments with regard to its operations as required by the Franchise Agreement. The following is intended to set forth several of said operations, current activities and/or ongoing commitments of PHBD which Allied agrees to continue, undertake and/or assume as required by the Franchise Agreement. Those activities or obligations include but are not necessarily limited to:

1. Allied shall proceed in a timely manner with the provision of required recycling, source reduction and composting programs required by the County SRRE and the Franchise Agreements.
2. Allied shall cooperate with the County in implementing the programs and goals as outlined in the June 23, 1998 Board of Supervisor's Board Order, implementing expanded recycling and greenwaste programs and redesigning the rate structure and instituting variable can rates.
3. Allied shall continue programs instituted by PHBD to facilitate service to some hard to serve unincorporated areas (including but not limited to the recycling bins serviced at the Canyon Elementary School).

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

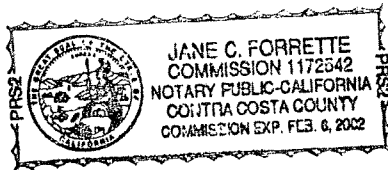
State of California

County of Contra Costa

On March 31, 1999 before me, Jane C. Forrette, Notary Public,
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Michael A. Caprio,
NAME(S) OF SIGNER(S)

☒ personally known to me - **OR** - ☐ proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.



WITNESS my hand and official seal.

Jane C. Forrette
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

ALL-PURPOSE ACKNOWLEDGMENT

State of Arizona

County of Maricopa

On April 7, 1999 before me, Janet L. Weems, Notary Public

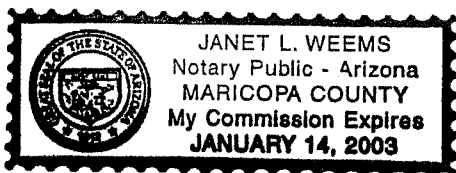
DATE

NAME, TITLE OF OFFICER - E.G. "JANE DOE, NOTARY PUBLIC"

personally appeared Jo Lynn White

NAME(S) OF SIGNER(S)

☒ personally known to me - OR - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Janet L. Weems
SIGNATURE OF NOTARY

OPTIONAL

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CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

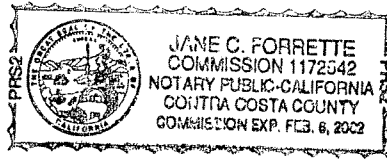
State of CALIFORNIA

County of CONTRA COSTA

On May 8, 2000 before me, Jane C. Forrette, Notary Public,
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Dennis P. Fenton,
NAME(S) OF SIGNER(S)

☒ personally known to me - **OR** - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Jane C. Forrette
SIGNATURE OF NOTARY

OPTIONAL

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CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

DESCRIPTION OF ATTACHED DOCUMENT

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

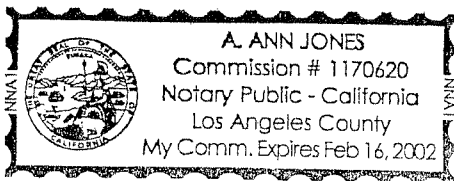
State of CALIFORNIA

County of Los Angeles

On May 25, 2000 before me, A. Ann Jones, Notary Public
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared DIANA McVEY
NAME(S) OF SIGNER(S)

☐ personally known to me - **OR** - ☒ proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity~~(ies)~~, and that by ~~his~~/her/~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.



WITNESS my hand and official seal.

A. Ann Jones
SIGNATURE OF NOTARY

OPTIONAL

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CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

- ☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

DESCRIPTION OF ATTACHED DOCUMENT

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DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE