

**Amendment to Franchise Agreement  
Between  
City of Richmond and Richmond Sanitary Service, Inc.**

This Amendment to the Franchise Agreement is entered into effective June 22, 2004, by and between the City of Richmond, a municipal corporation ("City") and Richmond Sanitary Service, Inc., a California corporation ("RSS, Inc").

The City and RSS entered into a Franchise Agreement effective July 1, 1986, and amended on September 6, 1991; January 20, 1994; March 16, 1999; and January 1, 2003 (hereinafter referred to as the "Franchise Agreement"). The City and RSS, Inc. have agreed to a further amendment of the Franchise Agreement. All of the terms, conditions, rights and obligations of the parties under the Franchise Agreement shall remain in full force and effect and shall not be changed in any manner except as expressly set forth in this Amendment to the Franchise Agreement. The parties expressly agree that their rights and duties under the Agreement derive from the execution of the original Franchise Agreement in 1986 and modified to the extent of subsequent amendments which expressly modify the Franchise Agreement.

The City and RSS, Inc. hereby amend the Franchise Agreement as follows:

The City and Franchisee agree that in consideration of the mutual covenants and promises set forth in this Franchise Agreement, City and RSS, Inc. agree that upon the earliest date of:

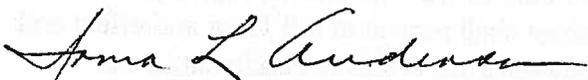
- (1) the expiration of the term of the Service Agreement between the JPA and West Contra Costa Resource Recovery ("WCRR") for the operation of the Integrated Resource Recovery Facility ("IRRF");  
or
- (2) the expiration of the term of any agreement which may be entered into, other than the IRRF Service Agreement, between the JPA and any affiliated entity of Franchisee (including WCRR) for the transfer of Solid Waste which includes the City's Solid Waste; or
- (3) City's withdrawal from the West Contra Costa County Integrated Waste Management Authority,

that the City and RSS, Inc. shall meet and confer in good faith to develop diversion and recycling programs for the City to be implemented for City by RSS, Inc. to assist the City in meeting its AB 939, diversion requirements. The parties shall meet and confer to develop the elements of the program(s) and the costs of the new programs to be added to the rates authorized by this Franchise Agreement.

IN WITNESS WHEREOF, and in consideration of the mutual promises set forth above, the City and RSS, Inc. have duly authorized execution of this Amendment and have executed this Amendment as of the date first hereinabove written.

"CITY"

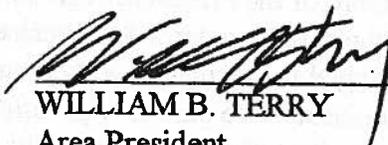
City of Richmond,  
a California municipal corporation



IRMA ANDERSON  
Mayor  
City of Richmond

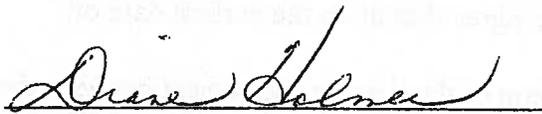
"RSS, INC."

Richmond Sanitary Service, Inc.,  
a California corporation



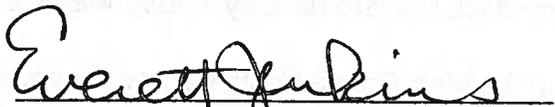
WILLIAM B. TERRY  
Area President  
Richmond Sanitary Service, Inc.

ATTEST:



Diane Holmes, City Clerk

Approved as to form:



Everett Jenkins, Interim City Attorney



Scott W. Gordon, Counsel for RSS, Inc.