

AGREEMENT REGARDING COUNTY CONSENT TO CHANGE IN CONTROL OF RICHMOND SANITARY SERVICE, INC.

1. Parties. The County of Contra Costa, a political subdivision of the State of California ("County"), Richmond Sanitary Service, Inc., a California corporation ("RSS"), Bay Collection Services, Inc., a California corporation ("BCI"), and Republic Services, Inc., a Delaware corporation ("Republic"), mutually promise and agree as follows:

2. Effective Date. This Agreement Regarding County Consent to Change in Control of Richmond Sanitary Service, Inc. ("Consent Agreement") is effective on April 24, 2001, provided it is approved by the County Board of Supervisors on or before April 30, 2001, signed by all parties on or before May 11, 2001, the Transaction described below closes on or before May 11, 2001, and evidence acceptable to County of the closing of the Transaction is provided to County on or before August 6, 2001.

3. Background.

A. County and RSS are parties to a franchise agreement entitled "Franchise Agreement Between Contra Costa County and Richmond Sanitary Service, Inc.," dated October 23, 1993 ("Franchise Agreement").

B. Republic has executed and delivered to BCI, an agreement to acquire all of the stock of BCI ("Transaction"). BCI owns all of the stock of RSS; therefore, the Transaction will result in a change of control of RSS for which County consent is required under Section 32 of the Franchise Agreement. The Transaction is scheduled to close on or before May 1, 2001 and Republic, BCI and RSS request County approval of the Transaction on or before April 30, 2001.

C. The County is willing to provide its consent to the Transaction for the purpose of Section 32 of the Franchise Agreement based in part on the promises, representations and warranties of Republic, BCI and RSS herein.

4. Republic, BCI and RSS Representations and Warranties.

A. By letter dated February 26, 2001, the West Contra Costa Integrated Waste Management Authority sent a Request for Information to Mr. Richard Granzella of RSS and to Mr. Stephen Kalish of Republic. On March 19, 2001 Republic provided a detailed response to the Request for Information ("the Response"). The County received a copy of the Response on March 22, 2001. Republic warrants that the information provided in the Response is true in every material respect.

B. By letters dated April 11 and 13, 2001, addressed to Deidra Dingman, Solid Waste Program Manager, Community Development Department, Contra Costa County, Scott W.

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Gordon of BRUEN & GORDON provided written responses to the County's request for information to RSS. RSS warrants that the information provided in said letters is true in every material respect.

C. RSS represents and warrants that it is not in default of any of the requirements of the Franchise Agreement.

D. Republic, BCI and RSS, and each of them, represent and warrant that following the closing of the Transaction, RSS shall perform and discharge all of its obligations under the Franchise Agreement in a manner which will meet or exceed existing levels of service, quality and cost-efficiency. Exhibit A hereto summarizes some of the solid waste and recycling services provided by RSS.

E. Republic and BCI represent and warrant that Republic's purchase of BCI stock will have no negative or detrimental impact upon the County, including its ratepayers, with respect to RSS's performance and discharge of its obligations under the Franchise Agreement.

F. Republic, BCI and RSS warrant that each has the authority to enter this Consent Agreement.

5. Transaction Costs Will not be Included in Rates. Republic, BCI and RSS promise and agree that any and all costs associated with the Transaction shall be born by Republic, BCI and/or RSS. Republic, BCI and RSS acknowledge that such costs are not recoverable in the rates established under the Franchise Agreement and further, that RSS will not seek or make any attempt to recover any of such costs in the rates.

6. Consent of County. Subject to and in reliance on the warranties, representations and promises set forth herein, the County hereby consents to the Transaction and acknowledges that this consent satisfies any and all Franchise Agreement requirement for County consent or approval of the Transaction.

7. Promises Material to Franchise Agreement. The representations, warranties, promises and agreements herein shall be considered material representations of the Franchise Agreement.

8. Franchise Agreement Remains in Full Force and Effect. Subject to section 7, this Consent Agreement and the Transaction shall not be deemed or construed to modify, waive or affect any of the provisions, covenants, or conditions of the Franchise Agreement, which remain in full force and effect in every respect.

IN WITNESS WHEREOF, the parties have executed this Agreement Regarding County

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Consent to Change in Control of Richmond Sanitary Service, Inc. as of the dates indicated below.

COUNTY OF CONTRA COSTA

By: Gayle B. Wickrama
Chair Board of Supervisors

Date: April 24, 2001

ATTEST: John Sweeten, County Administrator and Clerk of the Board

By: John Sweeten
Deputy Clerk

RICHMOND SANITARY SERVICE, INC., a California Corporation

By: Richard Granzella

Title: PRESIDENT

Date: April 24, 2001

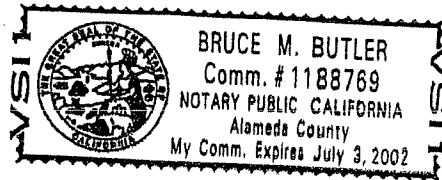
BY: Caeser Nuti
TITLE: ASSISTANT SECRETARY

By: Bruce M. Butler

Title: NOTARY PUBLIC

Date: MAY 22, 2001

[Acknowledgment Required]



FORM APPROVED: Silvano B. Marchesi, County Counsel

By: Silvano B. Marchesi

BAY COLLECTIONS SERVICES, INC., a California Corporation

By: Richard Granzella

Name: RICHARD GRANZELLA

Title: PRESIDENT

Date: April 24, 2001

BY: Caeser Nuti
TITLE: ASSISTANT SECRETARY

By: Bruce M. Butler

Title: NOTARY PUBLIC

Date: MAY 22, 2001

[Acknowledgment Required]

REPUBLIC SERVICES, INC., a Delaware Corporation

By: Brian Sales

Title: Vice President

Date: MAY 22, 2001

By: Matthew P. Katz

Title: Vice President

Date: MAY 22, 2001

[Acknowledgment Required]

April 19, 2001

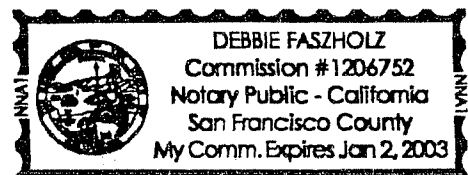
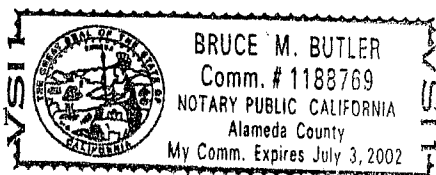


EXHIBIT A
AGREEMENT REGARDING COUNTY CONSENT TO CHANGE IN CONTROL OF
RICHMOND SANITARY SERVICE, INC.

Following is a list of solid waste and recycling services currently provided to customers of Richmond Sanitary Service (RSS) which are included as part of the standard rates.

Existing residential services

Garbage

Standard residential service is weekly collection from a 35-gallon, collection company provided garbage cart. Larger carts and/or additional carts are available for an extra charge with rates based proportionally on volume. For an extra charge, residents can request either pre-paid bag ties or a bulky item collection for collection and disposal of extra waste or large items.

Green waste

Standard residential service is every other week collection from one (1) 64-gallon "green waste" cart. The current definition of acceptable materials for the green waste collection program include yard trimmings, grass cuttings, leaves, flowers, pine needles, weeds, Christmas trees and uncooked fruit and vegetables.

Recyclables

Standard residential service is every other week collection of one (1) 64-gallon commingled recyclables cart. The current definition of acceptable materials for the commingled recyclables collection program include paper (newspaper, white paper, mixed paper, chipboard, cardboard, and phone books), plastic # 1 and 2, glass bottles/jars, aluminum cans, and bi-metal (tin/steel) cans.

On-call cleanups

Each residential account is entitled to two (2) on-call cleanups. One cleanup collection for the first six month period of the year (January 1 to June 30) and one for the second six month period of the year (July 1 to December 31).

Used motor oil and filters

On-call collection of recyclable used motor oil utilizing a tightly sealed container shall be made available to residential customers who call first and request a collection of the recyclable used motor oil on an upcoming regularly scheduled recyclables or garbage collection day.

Carts

RSS is responsible for replacing or repairing broken carts – not due to customer negligence. The green waste carts are owned by the West Contra Costa Integrated Waste Management Authority.

Existing Commercial Services

Commercial customers are business accounts and as part of their standard rates are eligible for an unlimited number of commingled recyclables collection carts at no additional cost. To be eligible for the commingled recyclables collection service, the customer must generate and set out at least once a month a full cart. If the customer generates large volumes of recyclables, the collection company may cooperatively work with the customer to provide an alternate type or cart, bin or roll-off box for collection of recyclables.

Commercial customers are also eligible for an unlimited number of green waste collection carts at no additional cost. The current definition of acceptable materials for the green waste collection program include yard trimmings, grass cuttings, leaves, flowers, pine needles, weeds, Christmas trees and uncooked fruit and vegetables, and shall also include waxed corrugated cardboard boxes. To be eligible for the green waste collection service, the customer must generate and set out at least once a month a full cart. If the customer generates large volumes of recyclables, the collection company may cooperatively work with the customer to provide an alternate type or cart, bin or roll-off box for collection of green waste.

Schools, both public and private, are commercial customers and are eligible for the aforementioned recycling and green waste collection services. RSS provides small recycling bins, labeled with a list of acceptable materials, to place in all school classrooms and offices as well as collection carts at RSS's expense.

Existing Industrial Services

Industrial customers are business accounts and as part of their standard rates are eligible for an unlimited number of commingled recyclables collection carts and green waste collection carts at no additional cost. The current definition of acceptable materials for the green waste collection program include yard trimmings, grass cuttings, leaves, flowers, pine needles, weeds, Christmas trees and uncooked fruit and vegetables, and shall also include waxed corrugated cardboard boxes. To be eligible for the commingled recyclables collection service or the green waste collection service, the customer must generate and set out at least once a month a full cart. If the customer generates large volumes of recyclables and/or green waste, RSS may cooperatively work with the customer to provide an alternate type or cart, bin or roll-off box for collection of recyclables.