

AGREEMENT

THIS AGREEMENT is made and entered into this 18th day of March, 1987, by and between the GARDEN GROVE SANITARY DISTRICT, hereinafter designated as "DISTRICT", and JAYCOX DISPOSAL COMPANY, INC., a California Corporation, hereinafter designated as "CONTRACTOR".

RECITALS

1. CONTRACTOR has submitted an acceptable proposal to provide exclusive trash disposal services to DISTRICT, as such disposal relates to costs for dumping of said trash at trash transfer stations and landfills.
2. DISTRICT desires to utilize the exclusive services of CONTRACTOR for economic benefits.
3. DISTRICT desires to employ CONTRACTOR and CONTRACTOR desires to serve the DISTRICT on an exclusive contract basis.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

I. TERM OF CONTRACT

This contract and its provisions shall be effective as of April 1, 1987, and shall extend until the 31st Day of December, 1987. Thereafter, on January 1 of each year, the terms of this agreement shall be automatically extended one (1) year. Should either party desire that said automatic renewal and extension provision be terminated, such party shall give the other written notice of such termination a minimum of thirty days prior to January 1 of any year of the agreement. Such notice shall terminate the automatic one year renewal and extension provision, and the agreement shall remain in effect for the balance of the term then outstanding.

II. SCOPE OF SERVICE

CONTRACTOR hereby agrees to furnish all labor, materials, and equipment necessary for the disposal of all residential garbage and rubbish within the territorial limits of the Garden Grove Sanitary District as such territorial limits exist in the District during the terms of this

Agreement for the amounts of compensation hereinafter set forth. CONTRACTOR shall become the owner of such garbage and rubbish. He shall dispose of same in a sanitary and legal manner,

The attention of CONTRACTOR is called to the provisions of all ordinances and laws affecting the disposal of rubbish and waste material in the County of Orange, and the State of California, and CONTRACTOR shall observe all of the terms or any applicable laws or ordinances now in effect and amendments thereto.

III. EXCLUSIVE CONTRACT

It is mutually agreed by and between the parties hereto that up to and including the date of this Contract, CONTRACTOR has been granted an exclusive Contract in regard to the disposal of residential trash from within the Garden Grove Sanitary District. It is mutually agreed between the parties hereto that insofar as can legally be done, the provisions of this Contract concerning disposal of residential trash shall constitute an exclusive Contract, under which CONTRACTOR shall have the exclusive right and obligation for disposing of all residential trash and garbage generated within the Garden Grove Sanitary District. The above shall include the exclusion of all other contractors, persons, corporations, or other entities. It is specifically agreed, however, that this paragraph shall not apply to any territory within the Garden Grove Sanitary District where said territory is within the territorial limits of a City with which DISTRICT has an agreement under which the City agrees to pick up said garbage and rubbish and DISTRICT agrees not to do so, or where DISTRICT has decided or hereafter decides not to pick up any such garbage and rubbish within the territorial limits of the District.

IV. PAYMENT

A. Payment for services would be due within ten (10) days after date of monthly statement for work performed during the preceding month. It is agreed that DISTRICT shall pay CONTRACTOR \$ Eleven Dollars and Eighty Four Cents (\$11.84)----- for each ton of rubbish and garbage received and disposed of, plus the annual price increase as specified in Section V, designated "Yearly Price Adjustment".

B. In the event that the County of Orange increases their current rate per ton (\$6.00--six dollars) for disposal of rubbish and trash at the landfill, DISTRICT shall compensate CONTRACTOR for the difference between the current rate and the increased rate. Payment would be made in accordance with Section IV.

V. YEARLY PRICE ADJUSTMENT

The amounts to be charged by CONTRACTOR and the amounts to be paid shall be increased once each year by an amount proportional to the increase in the Consumer Price Index as published periodically by the United States Department of Labor, excepting therefrom the current and future rates charged per ton by the County of Orange for use of the landfills. In using the Consumer Price Index, the amount reported for "All Items Indexes, "All Urban Consumers - Los Angeles - Long Beach - Anaheim" for the month of November will be used to compute the annual increase in the Index and the percentage of increase over the previous November will be applied to the current rate paid to CONTRACTOR to determine the increase to the nearest penny in the rates for the following calendar year; it is understood and agreed that the current rates for the Calendar Year 1987 are \$Eleven Dollars & Eighty Four Cents per ton.

VI. DAYS AND HOURS OF OPERATION

Receipt of trash as provided for in this contract shall be between the hours of 6:00 a.m. and 5:00 p.m. made on every day of the year except Saturdays, Sundays and the following holidays:

- A. New Year's Day
- B. Thanksgiving Day
- C. Christmas Day
- D. July 4th
- E. Labor Day
- F. Memorial Day

Except that CONTRACTOR agrees to receive trash and rubbish on Saturday of each week wherein one of the above-listed holidays occurs.

VII. HARDSHIP CLAUSE

In the event that circumstances beyond control of CONTRACTOR impose on or generate excessive costs for CONTRACTOR in performance of this Contract, or should the DISTRICT experience a reduction in volume of trash or

rubbish because of recycling or other circumstances, CONTRACTOR may request a hearing before the Board to determine if an adjustment in compensation is warranted to avoid undue financial hardship on CONTRACTOR and material impairment of his ability to provide the level and quality of service demanded by DISTRICT.

VIII. LABOR DISPUTES

Should CONTRACTOR be temporarily unable to perform in accordance with the terms of this Contract because of a labor dispute, DISTRICT shall have the option during this period to instruct their agent to dispose of all rubbish and garbage in any manner selected by DISTRICT.

IX. SUCCESSORS AND ASSIGNS

All of the terms, conditions and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of the Contract shall be made without written consent of the parties to this agreement.

X. LITIGATION

In the event that legal action shall be instituted to enforce any provision of this Agreement, the prevailing party in said legal action shall be entitled to recover its attorneys' fees from the opposing party in an amount determined by the court to be reasonable under the circumstances.

Failure on the part of CONTRACTOR to comply with the terms and provisions of this Contract shall be grounds for DISTRICT to terminate same. In such event, DISTRICT shall send a notice to CONTRACTOR to be present at a regular or special meeting, designated in said notice, to show cause why the Contract should not be terminated, and, if after the hearing, DISTRICT shall determine that a substantial breach has occurred on the part of CONTRACTOR, DISTRICT may, at its option, thereupon declare the Contract null and void. CONTRACTOR shall keep on file with the DISTRICT its post office address and telephone number.

The waiver of a breach of any of the terms of said Contract shall not cancel or in any way affect the right of DISTRICT to declare a default for any recurrence of the same or any other breach of said Contract.

The DISTRICT shall not, nor shall any officer or employee thereof, be liable or responsible for any accident, loss or damage happening or occurring in the doing of the work and the CONTRACTOR shall indemnify and hold harmless DISTRICT and its officers and employees, of any and all liability arising therefrom. DISTRICT shall not assume any liability or responsibility for any accident, loss or damage as a result of any operations of the CONTRACTOR in the performance of his work under this contract. DISTRICT shall be named as additional insured on CONTRACTOR's liability policy in accordance with the stipulations as set forth on Page 8, Section O of the Trash Pickup Contract dated December 31, 1980.

XI. AGREEMENT AND AMENDMENTS

The Agreement between the parties supersedes all prior negotiations, representations or agreements, whether oral or written. Any amendments to this Agreement, including amendments relating to additional services and compensation, shall be in writing and duly executed by both parties.

XII. SEVERABILITY

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

The parties hereto have executed this Agreement the day and year first appearing herein.

GARDEN GROVE SANITARY DISTRICT

By: 

ROBERT H. MAIN, PRESIDENT OF THE BOARD

JAYCOX DISPOSAL COMPANY, INC.

By: 

TITLE: President

By: _____

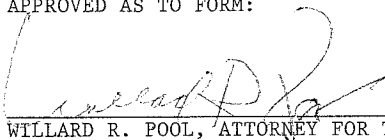
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ATTEST:



SHELDON S. SINGER, SECRETARY OF THE BOARD

APPROVED AS TO FORM:



WILLARD R. POOL, ATTORNEY FOR THE DISTRICT