

June 17, 2019

Mr. Louie Pellegrini
Vice President
Alameda County Industries, Inc.
601 Aladdin Avenue
San Leandro, CA 94577

RE: THIRTEENTH AMENDMENT TO FRANCHISE AGREEMENT

Dear Mr. Pellegrini:

This letter is the Thirteenth Amendment (the "Amendment") to the Franchise Agreement for Solid Waste, Recyclables, and Green Waste Services between the City of San Leandro and Alameda County Industries, Inc., dated February 1, 2000, as previously amended (the "Agreement"). For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City of San Leandro and Alameda County Industries, Inc. (the "Parties"), hereby agree as follows:

1. Effective October 1, 2019, ACI is authorized to implement a 7.89% increase on all rates.
2. The 7.89% rate increase includes:
 - .39% increase for costs associated with unanticipated recycling market impacts related to the China Sword initiative;
 - 3.72% increase for costs associated with the new commercial organics collection route as mandated by state and local law;
 - 1.65% increase for incremental labor increases at the Material Recovery Facility as specified in Amendment Eleven of the Agreement;
 - .88% decrease for recycling revenue share as specified in Amendment Ten of the Agreement; and
 - 3.01% increase for annual rate adjustment process as specified in Amendment Ten of the Agreement.
3. It is the Parties' intention to discuss a new rate adjustment process and consider an amendment to the Agreement accordingly prior to any rate adjustment under Amendment Ten effective July 1, 2020.

4. Such amendment to the Agreement will be brought before the San Leandro City Council for approval before February 1, 2020.
5. Except as amended hereby, the Agreement (including all previous amendments) shall remain in full force and effect.

Please indicate Alameda County Industries, Inc.'s acceptance of this Amendment by signing and returning to me a copy of the Amendment.

Very truly yours,

Jeff Kay
City Manager

Accepted by Alameda County Industries, Inc.

Louie Pellegrini, Vice President