Waste Management of North America-West
Western Group
Rocky Mountain Region
5660 Greenwood Plaza Blvd. Suite 400
Englewood, Colorado 80111
303/770-3324

SFUND RECORDS CTR
2166-05415

June 25, 1993

Chris Stubbs
South Coast Groundwater Section (H-6-4)
United States Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105

RE: RESPONSE TO REQUEST FOR INFORMATION PURSUANT TO SECTION 104 OF CERCLA FOR THE VALLEY RECLAMATION COMPANY (NOW KNOWN AS WASTE MANAGEMENT DISPOSAL SERVICES OF CALIFORNIA, INC. D/B/A BRADLEY LANDFILL AND RECYCLING CENTER) LOCATED AT 9227 TUJUNGA AVENUE, SUN VALLEY, CALIFORNIA

Dear Chris:

Attached is our response to U.S. Environmental Protection Agency's request for information pursuant to section 104 of CERCLA for the Valley Reclamation Company (now known as Waste Management Disposal Services of California, Inc. d/b/a Bradley Landfill and Recycling Center) located at 9227 Tujunga Avenue, Sun Valley, California.

All narrative and current information for this Information Request was submitted by:

Greg Loughnane
Division President and General Manager
Waste Management Disposal Services of California, Inc.
Bradley Landfill & Recycling Center
9081 Tujunga Avenue, 2nd Floor
Sun Valley, CA 91352
(818) 767-6180
Fax # (818) 767-4270

Frank Kiesler
Environmental Engineer
Waste Management Disposal Services of California, Inc.
Bradley Landfill & Recycling Center
9081 Tujunga Avenue, 2nd Floor
Sun Valley, CA 91352
(818) 767-6180
Fax # (818) 767-4270

Waste Management of North America-West
Western Group
Rocky Mountain Region
5660 Greenwood Plaza Blvd. Suite 400
Englewood, Colorado 80111
303/770-3324

EPA should direct future correspondence in regard to this matter to:

P.B. "Lynn" Walker, Esq.
Senior Environmental Counsel
WMX Technologies and Services, Inc.
5660 Greenwood Plaza Boulevard, Suite 400
Englewood, CO 80111
(303) 770-3324
Fax # (303) 770-8976

Submission of this response should not, under any circumstances, be construed as an admission of any liability or financial responsibility by Waste Management Disposal Services of California, Inc. or any of its parent companies.

If you have any questions, please call.

Very truly yours,

James O Liermann for Lynn Walker

P.B. "Lynn" Walker
Senior Environmental Counsel

PBLW:jl

Enclosure

QUESTIONS

1. Describe the current business operations and activities at the facility. Include a description of the goods and services produced and furnished and an explanation of the processes involved in their production and furnishing. In addition, provide a summary of any and all changes in the types of goods and services produced and furnished, including but not limited to any changes in the production or furnishing processes and the dates of such changes since operations began at the facility.

For the purposes of this answer, Respondent presumes that by "facility", EPA is referring to the description of the land found in Attachment 1.

The current business operations and activities at the facility include:

A. Waste Management Disposal Services of California, Inc. (WMDSC) d/b/a Bradley Landfill and Recycling Center operations:

1. Class III nonhazardous solid waste landfill. Operations began in December of 1958.

2. Materials recovery facility. A manual sortline is used for the recovery of recyclables from commercial and residential sources. Operations began in February of 1993.

3. Wood waste recycling facility. A tub grinder processes scrap wood. Recovered materials are sold as boiler fuel and for composting. Operations began in May of 1990.

4. Gas recovery system. Processing of landfill gas for use as a fuel.

B. Waste Management Disposal Services of California, Inc. d/b/a Waste Management of Los Angeles operations:

1. A nonhazardous solid waste hauling company whose administrative offices and vehicle maintenance facility is located on the property. Operations began in December of 1989.

C. Livingston-Graham, Inc. operations:

1. Concrete batch plant. This is a facility for the preparation and sale of ready-mix concrete. Livingston-Graham leases property from Waste Management Disposal Services of California, Inc. Operations began in June of 1983.

2. Identify the current owner(s) of the facility. State the dates during which the current owner owned, operated, or leased any portion of the facility, and provide copies of all documents evidencing or relating to such ownership, operation, or lease, including but not limited to, purchase and sale agreements, deeds, and leases.

The current owner of the facility is Waste Management Disposal Services of California, Inc. (formerly Valley Reclamation Co.). The date of purchase was December 31, 1986. Livingston-Graham, Inc. has leased a portion of the property from WMDSC since the property's acquisition on December 31, 1986 to date. Prior to acquisition, the lessor was Conrock Co. (name changed to Calmat Co. in 1984).

See Attachment 2 for the purchase agreement.
See Attachment 3 for the Livingston-Graham, Inc. lease agreement.

3. Identify all prior owners of the facility. For each prior owner further identify:

a. The dates of ownership;

b. All evidence that hazardous materials were released or threatened to be released at the facility during the period that they owned the facility.

Respondent is currently researching its files to ascertain information with regards to the property ownership history and will supplement this response if additional details are found.

Prior owners of the facility include:

1. Calmat Co. owned Bradley East, Bradley West and Bradley West Extension prior to WMDSC's acquisition on December 31, 1986.

2. Livingston-Graham, Inc. owned the portion of the facility known as the Bradley West Extension until June 1, 1983 when Calmat Co. acquired this portion of the property.

See Attachment 4 for Exhibit H (Environmental Violations) of the purchase agreement and Attachment 5 for the environmental assessment review.

4. Identify the prior operators and lessees of the facility. For each such operator or lessee, further identify:

a. The dates of their operations at or lease of the facility;

b. The nature of their operations at the facility;

c. All evidence that hazardous materials were released or threatened to be released at the facility during the period in which they were operating at the facility.

Respondent believes that prior operators and lessees of the facility include:

1. Calmat Co. operated a landfill at Bradley East, West, and West extension from February 28, 1981 to December 31, 1986.

2. The Land Restoration Corp. operated Bradley East and West from December 18, 1958 to February 28, 1981 as a landfill.

3. Livingston-Graham, Inc. operated the Bradley West Extension from November 18, 1964 to June 1, 1983 as a landfill.

5. The Laidlaw Gas and Recovery System leased and operated a gas recovery system from approximately January 1981 to 1989.

See Attachment 4 for Exhibit H (Environmental Violations) of the purchase agreement and Attachment 5 for the environmental assessment review.

5. Provide a scaled map of the facility which includes the locations of significant features. Describe the physical characteristics of the facility, including but not limited to, the following:

a. Surface structures (e.g., buildings, tanks, etc.);

b. Subsurface structures (e.g., underground tanks, sumps, pits, clarifiers, etc.);

c. Ground water wells and dry wells, including drilling logs;

d. Past and present storm water drainage system, sanitary sewer system, including septic tank(s) and subsurface disposal field(s);

e. Any and all additions, demolitions, or changes of any kind to physical structures on, under, or about the facility, or to the property itself (e.g., excavation work) and state the dates on which such changes occurred.

See Attachment 6 for the four maps included:

1. Plot plan and topography map;

2. Landfill areas map;

3. Groundwater monitoring well location map w/drilling logs;

4. Gas collection system.

- Underground fuel storage tanks are located at the Livingston-Graham concrete batch plant, specifics unknown.

- Sewage disposal methods at Livingston-Graham are unknown.

- Landfill operations office utilized a septic holding tank until 1993.

- Scalehouse currently utilizes a septic holding tank.

6. Provide all existing technical or analytical information about the facility, including but not limited to, data and documents related to soil, water (ground and surface), geology, hydrogeology, or air quality on and about the facility.

Compilation and copying of responsive information will require additional time. At this time, Respondent is providing the following information:

1. Groundwater Monitoring and Waste Discharge Data Reports for: March 1987, 1988 (2nd and 4th quarters), 1989 (4 quarters), 1990 (4 quarters), 1991 (4 quarters), 1992 (4 quarters), and 1993 (1st quarter).

See Attachment 7.

2. South Coast Air Quality Management District Rule 1150.1-Monitoring Reports for: 1990 (4th quarter), 1991 (4 quarters), 1992 (4 quarters), and 1993 (1st quarter).

See Attachment 8.

7. Are you or your consultants planning to perform any investigations of the soil, water (ground or surface), geology, hydrogeology, or air quality on or about the facility? If so, identify:

a. The nature and scope of these investigations;

b. The contractors or other persons that will undertake these investigations;

c. The purpose of the investigations;

d. The dates when such investigations will take place and be completed;

e. Where on the facility such investigations will take place.

The facility is currently completing a groundwater Evaluation Monitoring Report per the requirements of Title 23 CCR Chapter 15.

a. Scope: Assess the nature and extent of impacts to the groundwater and design a corrective action program, if necessary.

b. Contractors:

1. Meredith/Boli & Associates
   6701 Center Drive West, Suite 900
   Los Angeles, CA 90045

2. Interphase
   11558 Sorrento Valley Road
   San Diego, CA 92121

3. Waste Management-Environmental Monitoring Labs
   2100 Cleanwater Drive
   Geneva, IL 60134

4. Kerfoot and Associates
   2200 E. Patrick Lane, Suite 23
   Las Vegas, NV 89119

5. Rust Environment and Infrastructure
   18401 Von Karman Ave., Suite 550
   Irvine, CA 92715

c. Purpose: Same as scope.

d. Dates of Work: Field work was completed in September 1992 and the final report is expected by July, 1993.

e. Location of Work: Most field work was groundwater sampling, therefore, work was located at the monitoring wells. See Attachment 6 for locations of monitoring wells sampled.

8. Did you acquire or lease the facility after the disposal or placement of any hazardous substances on, in, or at the facility? Describe all of the facts on which you base the answer to this question.

Yes, Respondent is currently researching its files for responsive information. At this time, Attachments 4 and 5 provide information as to the existence of hazardous substances on, in or at the facility prior to acquisition.

9. At the time you acquired or leased the facility, did you know or have reason to know that any hazardous substance was disposed of on, in, or at the facility? Describe all investigations of the facility that you took prior to acquiring or leasing the facility, and all of the facts on which you base the answer to this question.

See Attachments 4 and 5.

10. Did you ever transport to the facility or use, purchase, generate, store, treat, dispose, or otherwise handle at the facility any hazardous materials? If the answer to this question is anything but an unqualified "no", identify for the entire time period the facility has been in operation:

a. In general terms, the types of hazardous material transported, used, purchased, generated, stored, treated, disposed, or otherwise handled, and the purposes for your transportation, use, purchase, generation, storage, treatment, disposal, or handling of such hazardous materials;

b. The name, Chemical Abstract Service (CAS) number, chemical composition, characteristics, and physical state (e.g., solid, liquid, gas) of each hazardous material so transported, used, purchased, generated, stored, treated, disposed, or otherwise handled;

c. The persons who supplied you with each such hazardous material or how each such hazardous material was generated by you;

d. How each such hazardous material was transported, used, purchased, stored, treated, disposed, or otherwise handled by you;

e. The time period during which each such hazardous material was transported, used, purchased, generated, stored, treated, disposed, or otherwise handled by you;

f. Where each such hazardous material was used, purchased, generated, stored, treated, disposed, or otherwise handled by you, describing the location(s) and providing a map or diagram of such location(s). Location information should include, but is not limited to, information pertaining to tanks, ponds, treatment facilities, and other units where hazardous materials were used, generated, stored, treated or disposed, but which may no longer exist;

g. The persons who transported and/or disposed of each such hazardous material. If disposal off of the facility occurred, provide a detailed description, including copies of manifests, and identify the location where the hazardous material was transported;

h. The annual quantity of each such hazardous material used, purchased, generated, stored, treated, transported, disposed, or otherwise handled by you, reported in gallons for liquids and pounds for solids for every year the facility was in operation.

Provide Material Safety Data Sheets (MSDS) for each hazardous material used, purchased, generated, stored, treated, transported, disposed, or otherwise handled by you.

Respondent will submit the facility business plan, information pertaining to special waste accepted for disposal at the site, and MSDS files, but additional time will be required to compile and copy these documents.

11. Identify all leaks, spills, releases or threats of releases of any kind into the environment of any hazardous materials that have occurred or may occur at or from the facility. In addition, identify:

a. When such releases occurred or may occur;

b. How the releases occurred or may occur;

c. What hazardous materials were released or may be released;

d. What amount of each such hazardous material was released or may be released;

e. Where such releases occurred or may occur, describing the location(s) and providing a map or diagram of such location(s);

f. Any and all activities undertaken in response to each such release or threatened release;

g. Any and all investigations of the circumstances, nature, extent, or location of each such release or threatened release, including the results of any soil, water (ground and surface), or air testing that was undertaken;

h. Whether any report(s) of any such release(s) was (were) made to any public agency, and the content of that (those) report(s);

i. All persons with information relating to subparts a. through h. of this question.

Copies of the reports prepared for reportable spills since Waste Management Disposal Services of California, Inc. acquired the facility are provided.

See Attachment 9.

12. If any releases or threatened releases identified in response to question 11, above, occurred into any subsurface disposal system, floor drain, sump, or dry well inside or under any buildings located on the facility, further identify:

a. Precisely where the disposal system, floor drain, sump, or dry well is and was located;

b. When the disposal system, floor drain, sump, or dry well was installed;

c. Whether the disposal system, floor drain, sump, or dry well was connected to pipes;

d. Where such pipes are or were located, describing the location(s) and providing a map or diagram of such location(s);

e. When such pipes were installed;

f. How and when such pipes were replaced, repaired, or otherwise changed.

None of the releases or threatened releases identified in response to Question 11 occurred into any subsurface disposal system, floor drain, sump, or dry well inside or under any buildings located on the facility.

13. Is the facility currently connected to a sewer line? If so, identify the sewage system, date of connection, and type of wastes discharged. If you are or at some time operated the facility without a sewer line connection, identify the method of waste disposal that you use or did use. Specifically, have you or are you using leach field(s), septic tank(s), or any other method of disposal at the facility. Provide copies of any sewer permits, including but not limited to industrial waste permits.

Industrial Wastewater Discharge Permits are attached (See Attachment 10) for the Valley Reclamation Co. gas recovery system, Waste Management of San Fernando refuse collection and hauling company, and the Valley Reclamation Co. landfill leachate. The operations office for

Bradley Landfill and Recycling Center was placed on the sanitary sewer system on February 22, 1993.

14. Describe any acts or omissions of any persons, other than your employees, agents, or those persons with whom you had a contractual relationship, that may have caused any release or threat of release of hazardous materials at the facility and any damages relating thereto and identify such persons. In addition:

a. Describe all precautions that you took against foreseeable acts or omissions of any such third parties, and the consequence that could foreseeably result such acts or omissions;

b. Describe the care you exercised with respect to the hazardous materials at the facility.

Waste Management Disposal Services of California, Inc. objects to this question as seeking legal conclusions which are privileged. WMDSC does not believe this information is relevant to EPA's inquiries. Without waiving any objections, Respondent is enclosing information documenting the waste screening procedures utilized at the landfill. See Attachment 11 for a copy of the facility Hazardous Waste Exclusion Program and the Special Waste Guidance Manual. If any load of waste contains hazardous waste, it is segregated and disposed of off site in accordance with all applicable requirements. Hazardous waste generated on site is disposed in accordance with applicable state, local, and federal regulations. Chemical Waste Management, Inc. or approved TSD facilities are utilized for hazardous waste management.

15. Identify all divisions and subsidiary companies, corporations, and business entities of Respondent. Describe your interest in or ownership of each company, corporation, or business entity. Identify all parent companies or corporations of Respondent, and describe their interest in or ownership of Respondent. In addition, provide a company and/or corporate history, showing all mergers, acquisitions, name changes, or changes in business form of Respondent and its parents or subsidiaries, including the date of each such change or event. This information may be presented as a table or illustration.

Waste Management Disposal Services of California, Inc. objects to this question and fails to see the relevance of the requested information. WMDSC does not believe this information is needed by the Agency to determine the need for a response, for choosing or taking a response action, or otherwise enforcing the provisions of 42 USC §9601, *et seq.*, at the site. If you think additional information is required in order to be responsive to your request, please notify our attorney as soon as possible as to the basis of your request.

16. Provide a copy of the current Articles of Incorporation and By-laws of Respondent. In addition, provide copies of the Articles of Incorporation for all corporations which are predecessors of Respondent.

Waste Management Disposal Services of California, Inc. objects to this question and fails to see the relevance of the requested information. WMDSC does not believe this information is needed by the Agency to determine the need for a response, for choosing or taking a response action, or otherwise enforcing the provisions of 42 USC §9601, *et seq.*, at the site. If you think additional information is required in order to be responsive to your request, please notify our attorney as soon as possible as to the basis of your request.

17. State Respondent's Standard Industrial Classification ("SIC") Code(s), if any, including the date the code(s) was determined or last updated.

Bradley Landfill and Recycling Center SIC Code (landfill): 4953

Waste Management of Los Angeles SIC Code (hauling): 4212

Waste Management of Los Angeles SIC Code (Air Quality Managment District): 4959

18. Provide copies of any and all operating permits issued to Respondent by the South Coast Air Quality Management District.

See Attachment 12 for copies of the facility SCAQMD permits.

19. Do you currently own or operate any other facility, or have you owned or operated any other facilities in the past, located in the San Fernando Valley? If so, provide the following information:

a. Name of facility;

b. Brief description of operations taking place at facility, including principal product or service sold or furnished;

c. Date you acquired or otherwise began operations at the facility; and

d. Date you sold or otherwise ceased operations at the facility, if applicable.

No, the Respondent has never owned or operated any other facility located in the San Fernando Valley.

20. Please complete the enclosed financial disclosure form.

Waste Management Disposal Services of California, Inc. is a wholly owned subsidiary of Waste Management, Inc. which is a first tier subsidiary of WMX Technologies, Inc. (formerly Waste Management, Inc.). WMX Technologies, Inc. is a publicly owned corporation whose stock is traded on the New York Stock Exchange. WMDSC objects to the requirement that it complete the financial disclosure form. WMDSC does not believe that the USEPA has identified a need for this information. However, assuming this information is requested pursuant to USEPA's authority under Section 104(e)(2)(c) of SARA to determine the financial viability of a party potentially involved in a cleanup action, a copy of Waste Management, Inc.'s 1992 Annual Report is enclosed. See Attachment 13. Supplying this or any other information in response to this request is not an admission of any liability or financial responsibility by WMDSC or any of its parent companies. If you believe additional information is required in order to be responsive to your request, please notify our attorney as soon as possible as to the basis of your request.

Valley Reclamation Company
Bradley Landfill & Recycling Center
9081Tujunqa Avenue, 2nd Floor
P.O. Box 39
Sun Valley, California 91352
818/767-6180 • FAX: 818/767-4270

A Waste Management Company

Notarized Certificate

I, Greg Loughnane, having been duly sworn and being of legal age, hereby state:

1. I am the person authorized by Waste Management Disposal Services of California, Inc. d/b/a Bradley Landfill and Recycling Center to respond to the Environmental Protection Agency's request for information concerning the Bradley East, Bradley West, Sun Valley #3 Landfills at 9227 Tujunga Avenue, Sun Valley, CA.

2. Within the time frame given I have made as complete and thorough a review of all documents, information, and sources as reasonably possible which are relevant to the request.

3. I hereby certify that the attached response to EPA's request is, to the best of my knowledge, complete and contains all information and documents responsive to the request that respondent has located in the time allowed.

(Signature)

Greg Loughnane
(Print Name)

Division President and General Manager
(Title)

Subscribed and sworn to me this 22nd day of June, 1993.

[SEAL]

A. Ann Jones
Notary Public

A. ANN JONES
COMM. #963520
Notary Public-California
LOS ANGELES COUNTY
My comm. expires FEB 16,1994

My Commission Expires 2-16-94
My address is :
10912 Vinedale St.
Sun Valley, CA 91352

2166-05415

ATTACHMENT 1

Land Description

DESCRIPTION

PARCEL 1:

The Northerly 50 feet of Lot 10 of Tract No. 7979, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 131, Pages 49 and 50 of Maps, in the office of the County Recorder of said County.

PARCEL 1A:

Lot 10 of Tract 7979, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 131, Pages 49 and 50 of Maps, in the office of the County Recorder of said County.

EXCEPT the Northerly 50 feet thereof.

PARCEL 1B:

The Northerly 50 feet of Lot 11 of Tract 7979, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 131, Pages 49 and 50 of Maps, in the office of the County Recorder of said County.

PARCEL 1C:

The Southeasterly 50 feet of Lot 8 of Tract 7979, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 131, Pages 49 and 50 of Maps, in the office of the County Recorder of said County.

PARCEL 1D:

Lot 1, Tract 7979, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 131, Page 49 of Maps, in the office of the County Recorder of said County.

PARCEL 1E:

The Northwesterly 50 feet of Lot 7 of Tract 7979, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 131, Pages 49 and 50 of Maps, in the office of the County Recorder of said County.

PARCEL 1F:

Lot 7 of Tract 7979, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 131, Pages 49 and 50 of Maps, in the office of the County Recorder of said County.

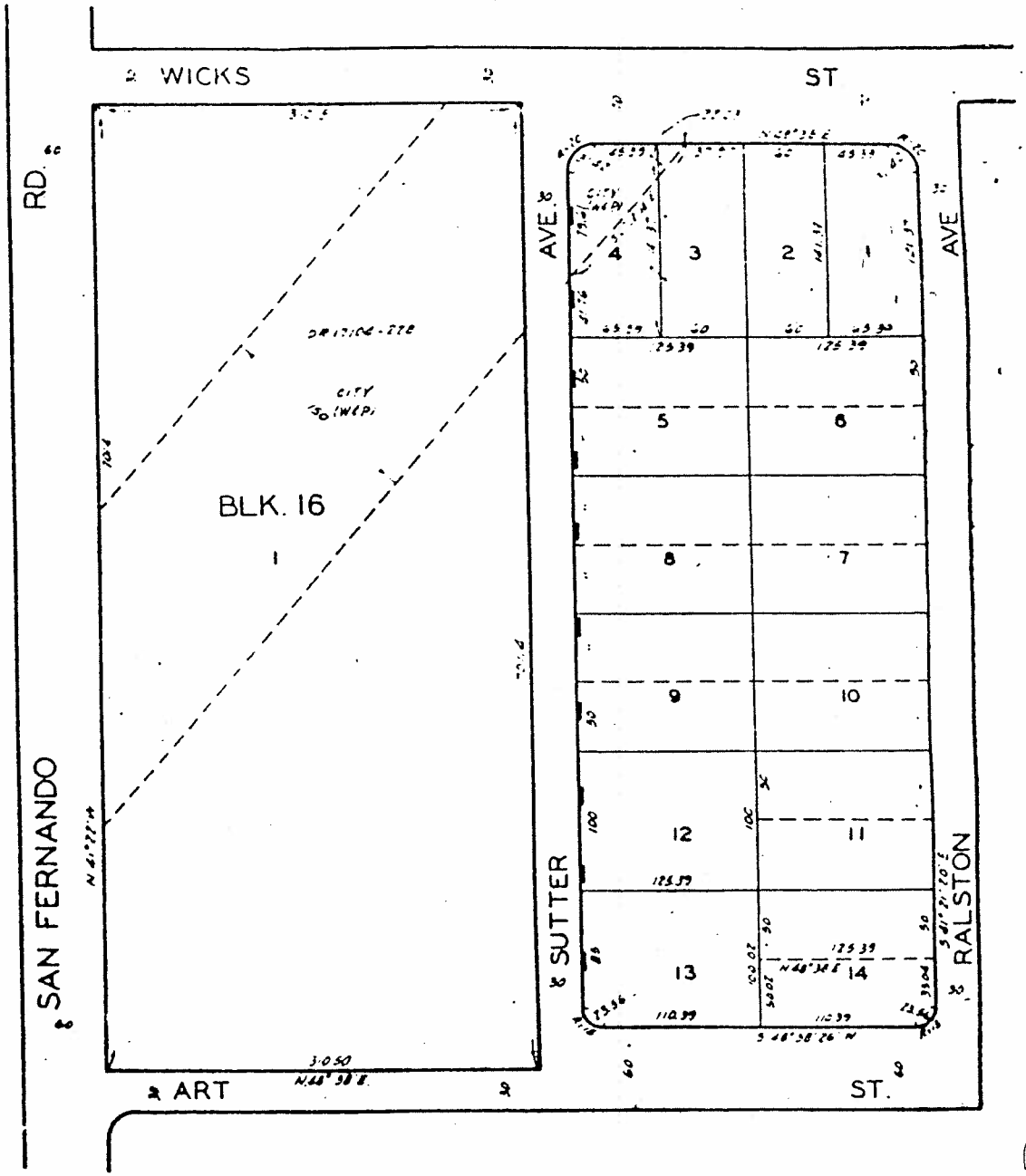
EXCEPT the Northwest 50 feet thereof.

LOS ANGELES LAND AND WATER CO'S SUBDIVISION OF A PART OF MACLAY RANCHO

M.B. 3-17-18

TRACT NO. 7979

M.B. 131-49-50



"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is be[illegible]d to be correct the Company assumes no liability for any loss occurring by reason of reliance thereon."

DESCRIPTION

PARCEL 2:

Lots 6, 7, 9, 10, 11 and the Northeast one-half of Lot 8, all in Block 13 of Los Angeles Land and Water Company's Subdivision of a part of Maclay Rancho, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Pages 17 and 18, of Maps, in the office of the County Recorder of said County.

EXCEPT the Northwest 492.30 feet of said lots.

PARCEL 2A:

The Southwesterly half of Lot 8 in Block 13 of Los Angeles Land and Water Company's Subdivision, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Pages 17 and 18 of Maps, in the office of the said Recorder of said County.

EXCEPT the Northwesterly 492.3 feet thereof.

PARCEL 2B:

Lots 18 to 24, inclusive, in Block 13 of Los Angeles Land and Water Company's Subdivision of a part of Maclay Rancho, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Pages 17 and 18 of Maps, in the office of the County Recorder of said County.

Together with a portion of Wicks Street and Wicks Place as vacated by Resolution To Vacate No. 85-01626, recorded on April 11, 1985, as Instrument No. 85-404554, Official Records.

EXCEPT those portions of said Lots 21, 22, 23 and 24 included within the lines of Tract No. 10729, as per map recorded in Book 174, Page 36, of Maps, Records of said County.

PARCEL 2C:

The Southwesterly half of Lot 17 in Block 13 of the Los Angeles Land and Water Company's Subdivision of a part of Maclay Rancho, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Pages 17 and 18 of Maps, in the office of the County Recorder of said County.

Together with a portion of Wicks Street as vacated by Resolution To Vacate No. 85-01626, recorded on April 11, 1985, as Instrument No. 85-404554, Official Records.

PARCEL 2D:

The Northeasterly 155.25 feet of Lot 17 in Block 13 of the Los Angeles Land and Water Company's Subdivision of a part of Maclay Rancho, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Pages 17 and 18 of Maps, in the office of the County Recorder of said County.

Together with a portion of Wicks Street as vacated by Resolution To Vacate No. 85-01626, recorded on April 11, 1985, as Instrument No. 85-404554, Official Records.

PARCEL 2E:

Lots 1 and 2 of Tract No. 26361, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 832, Pages 27 and 28 of Maps, in the office of the County Recorder of said County.

Together with a portion of Wicks Street as vacated by Resolution To Vacate No. 85-01626, recorded on April 11, 1985, as Instrument No. 85-404554, Official Records.

EXCEPT therefrom a strip of land 10 feet wide in Lot 2, Easterly of and adjacent to the Westerly line of said Lot 2 from the Northeasterly line of the lot to a line 32 feet Northeasterly of and parallel with the Southwesterly line of said lot; thence continuing Southeasterly 10 feet wide Northeasterly of and adjacent to the above described parallel line to its intersection with Wicks Avenue.

PARCEL 2F:

Lot 3 of Tract No. 26361, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 832, Pages 27 and 28 of Maps, in the office of the County Recorder of said County.

PARCEL 2G:

Lot 4 of Tract No. 26361, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 832, Pages 27 and 28 of Maps, in the office of the County Recorder of said County.

PARCEL 2H:

The Southwesterly 10 feet of Lot 1 of Tract No. 24119, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 629, Pages 21 and 22 of Maps, in the office of the County Recorder of said County.

PARCEL 2I:

Lots 1 and 2 of Tract No. 24119, as per map recorded in Book 629, Pages 21 and 22 of Maps, together with a portion of Wicks Street as vacated by Resolution To Vacate No. 85-01626, recorded on April 11, 1985, as Instrument No. 85-404554, Official Records and Lot 1 of Tract No. 38698, as per map recorded in Book 989, Pages 17 and 18 of Maps, all in the City of Los Angeles, County of Los Angeles, State of California, in the office of the County Recorder of said County.

EXCEPT therefrom the Southwesterly 10 feet and Westerly 10 feet of Lot 1 of Tract No. 24119.

PARCEL 2J:

All of Tract No. 10729, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 174, Pages 36 and 37, of Maps, in the office of the County Recorder of said County.

EXCEPT that portion of said Tract No. 10729 included within the lines of Tract No. 18542, as per map recorded in Book 551, Pages 5 and 6 of Maps, Records of said County.

PARCEL 2K:

Lot 1 of Tract No. 18542, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 551, Pages 5 and 6 of Maps, in the office of the County Recorder of said County.

PARCEL 2L:

Lots 7 and 8 in Block 16 of the Los Angeles Land and Water Company's Subdivision of part of the Maclay Rancho, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Pages 17 and 18 of Maps, in the office of the County Recorder of said County.

EXCEPT that portion of said land included within the lines of Tract No. 10729, as per map recorded in Book 174, Pages 36 and 37 of Maps, Records of said County.

PARCEL 2M:

Lot 6 in Block 16 of the Los Angeles Land and Water Company's Subdivision of a part of Maclay Rancho, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Pages 17 and 18 of Maps, in the office of the County Recorder of said County.

Together with a portion of Wicks Street as vacated by Resolution To Vacate No. 85-01626, recorded on April 11, 1985, as Instrument No. 85-404554, Official Records.

EXCEPT therefrom that portion thereof conveyed by the Fernando Valley Development Company to Los Angeles Land and Water Company, by deed recorded in Book 5889, Page 190 of Deeds, Records of said County.

PARCEL 2N:

Lot 5, Block 16 of the Los Angeles Land and Water Company's Subdivision of a part of Maclay Rancho, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Pages 17 and 18 of Maps, in the office of the County Recorder of said County.

Together with a portion of Wicks Street as vacated by Resolution To Vacate No. 85-01626, recorded on April 11, 1985, as Instrument No. 85-404554, Official Records.

PARCEL 2O:

Lots 16 and 17 in Block 16 of the Los Angeles Land and Water Company's Subdivision of a part of Maclay Rancho, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Pages 17 and 18 of Maps, in the office of the County Recorder of said County.

EXCEPTING therefrom those portions of said lots lying within the lines of Tract No. 10646, as per map recorded in Book 174, Pages 34 and 35 of Maps, in the office of the County Recorder of said County.

PARCEL 2P:

Lot 15 in Block 16 of the Los Angeles Land and Water Company's Subdivision of a part of Maclay Rancho, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Pages 17 and 18 of Maps, in the office of the County Recorder of said County.

PARCEL 2Q:

Lots 1, 2 and 3 of Tract No. 13080, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 253, Page 36 of Maps, in the office of the County Recorder of said County.

PARCEL 2R:

Lot 13, Block 16 of the Los Angeles Land and Water Company's Subdivision of a part of Maclay Rancho, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Pages 17 and 18 of Maps, in the office of the County Recorder of said County.

EXCEPT that portion of said land included with Art Street as dedicated on the map of Tract No. 13080.

PARCEL 2S:

That portion of Lot 3 in Block 18 of the Los Angeles Land and Water Company's Subdivision of a part of Maclay Rancho, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 3, Pages 17 and 18 of Maps, in the office of the County Recorder of said County, lying Northwesterly of the Northwesterly boundary line of the land first described in Parcel 2 of the deed to the Los Angeles Land and Water Company, recorded in Book 5889, Page 190 of Deeds, Records of said County.

PARCEL 2T:

That portion of Lot 2 of Tract 10646, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 174, Pages 34 and 35 of Maps, in the office of the County Recorder of said County included within the following described boundaries:

Beginning at the Southwesterly terminus of that certain course in the Westerly boundary of said Lot 2 shown on the map of said Tract No. 10646 as having a bearing and length of "North 26° 02' 30" East 634.74 feet," thence along said Westerly boundary as follows: North 26° 02' 30" East 634.74 feet, North 0° 37' 30" West 54.39 feet and North 41° 22' West 38.99 feet to an angle point in said Westerly boundary; thence along the Northwesterly prolongation of the last mentioned courses North 41° 22' West 20.00 feet to the center line of said Peoria Street; thence along said centerline North 48° 38' 20" East 50.55 feet to the Westerly boundary of said Lot 2; thence North 80° 00' East 294.00 feet; thence South 25° 02' 11" West 668.21 feet; thence South 62° 27' 28" West 320.05 feet to the point of beginning.

EXCEPT that portion of said land included within the lines of Lot 3 of Tract No. 13080, as per map recorded in Book 253, Page 36 of Maps, in the office of the County Recorder of said County.

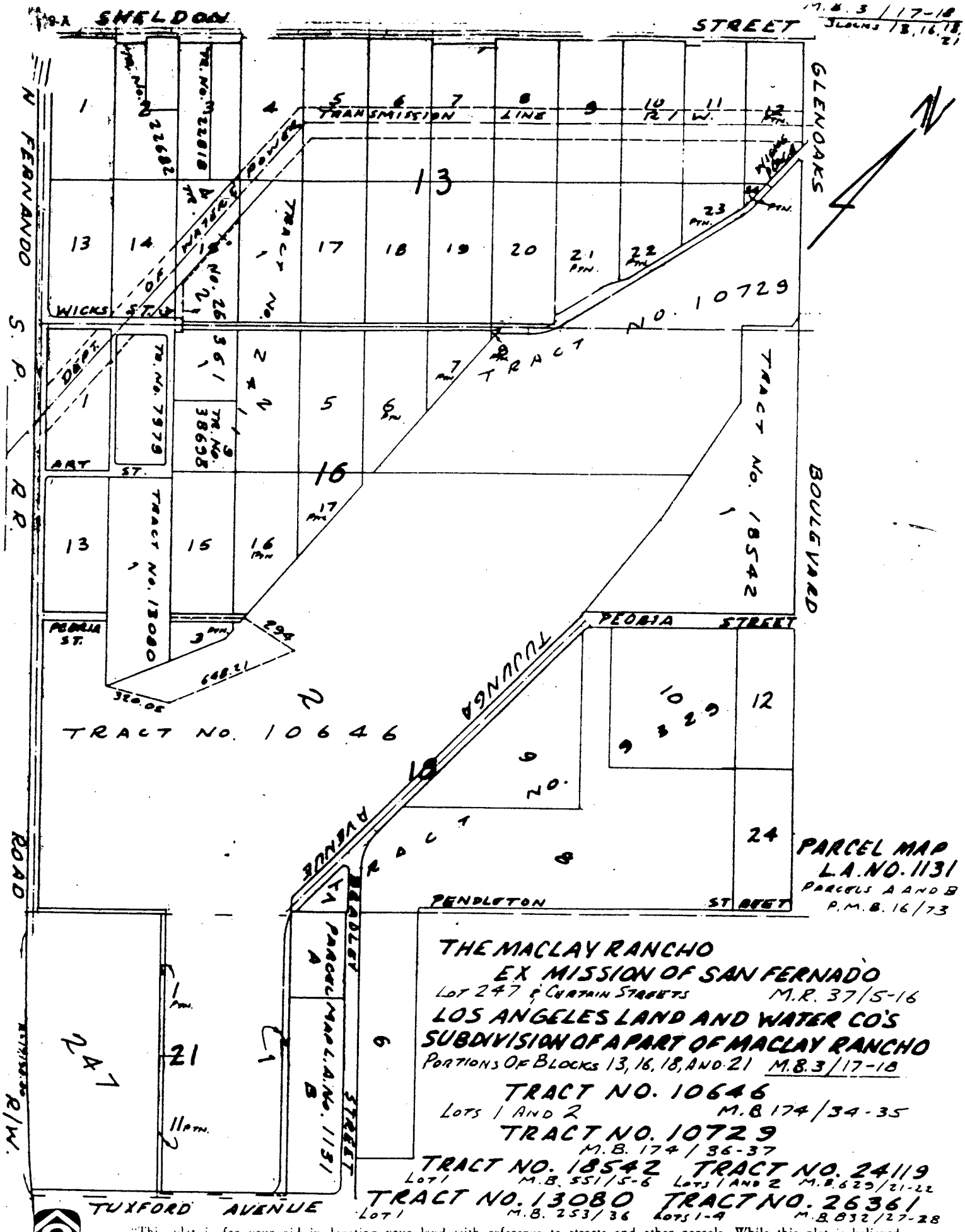
PARCEL 2U:

Those portions of San Fernando Road, Art Street, and Peoria Street vacated by Resolution To Vacate recorded on May 15, 1986, as Instrument No. 86-606504, Official Records.

EXCEPT therefrom that portion of said San Fernando Road (vacated) lying Southeasterly of the following described line:

Commencing at the intersection of the center line of Bradley Avenue, 60.00 feet wide, with the center line of Tujunga Avenue (formerly Farmdale Avenue), 60.00 feet wide, as shown on map of Tract No. 10643, recorded in Book 174, Pages 34 and 35 of Maps, in the office of the County Recorder of said County; thence North 3° 37' 48" East along the center line of said Tujunga Avenue 560.00 feet; thence North 86° 22' 12" West 30.00 feet to the Westerly line of said Tujunga Avenue; thence South 3° 37' 48" West along said Westerly line 911.88 feet to the True Point of Beginning; thence North 89° 53' 46" West 407.65 feet; thence North 44° 53' 46" West 295.00 feet; thence North 50° 25' 46" West 120.23 feet; thence North 42° 40' 49" West 234.79 feet; thence South

36° 11' 28" West 103.10 feet; thence South 34° 16' 03" West 169.07 feet; thence South 41° 33' 37" West 233.44 feet; thence South 55° 54' 32" West 166.75 feet; thence South 60° 57' 12" West 130.65 feet; thence North 76° 22' 48" West 81.08 feet; thence South 54° 08' 42" West 99.31 feet to the Northeasterly line of said San Fernando Road; thence South 48° 43' 31" West at right angles to said Northeasterly line 60.00 feet to the Southwesterly line of said San Fernando Road, said Southwesterly line also being the Northeasterly line of the Southern Pacific Railroad Right-of-Way, 100.00 feet wide.



SAFECO

"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon."

SAFECO TITLE INSURANCE COMPANY

DESCRIPTION

PARCEL 3:

That portion of Lot 2 of Tract 10646, in the City of Los Angeles, County of Los Angeles, State of California, as shown on map filed in Book 174, Pages 34 and 35, of Maps, in the office of the Recorder of the County of Los Angeles and that portion of San Fernando Road vacated by Resolution to Vacate No. 86-21499 of the City of Los Angeles recorded May 15, 1986 as Instrument No. 86-606504, of Official Records of said County lying Northerly of the following described line:

Commencing at the intersection of the center line of Bradley Avenue, 60.00 feet wide, with the center line of Tujunga Avenue (formerly Farmdale Avenue), 60.00 feet wide, as shown on said map; thence North 3° 37' 48" East along the center line of said Tujunga Avenue 560.00 feet; thence North 86° 22' 12" West 30.00 feet to the Westerly line of said Tujunga Avenue; thence South 3° 37' 48" West along said Westerly line 911.88 feet to the True Point of Beginning; thence North 89° 53' 46" West 407.65 feet; thence North 44° 53' 46" West 295.00 feet; thence North 50° 25' 46" West 120.23 feet; thence North 42° 40' 49" West 234.79 feet; thence South 36° 11' 28" West 103.10 feet; thence South 34° 16' 03" West 169.07 feet; thence South 41° 33' 37" West 233.44 feet; thence South 55° 54' 32" West 166.75 feet; thence South 60° 57' 12" West 130.65 feet; thence North 76° 22' 48" West 81.08 feet; thence South 54° 08' 42" West 99.31 feet to the Northeasterly line of said San Fernando Road; thence South 48° 43' 31" West at right angles to said Northeasterly line 60.00 feet to the Southwesterly line of said San Fernando Road, said Southwesterly line also being the Northeasterly line of the Southern Pacific Railroad Right-of-Way, 100.00 feet wide.

EXCEPT therefrom that portion of said San Fernando Road lying Northwesterly of the Southwesterly prolongation Southeasterly line of Peoria Street, 40.00 feet wide as shown on said map.

ALSO EXCEPTING that portion of said Lot 2 included within the following described boundaries:

Beginning at the Southwesterly terminus of that certain course in the Westerly boundary of said Lot 2, shown on the map of said Tract No. 10646, as having a bearing and length of North 26° 02' 30" East 634.74 feet; thence along said Westerly boundary as follows: North 26° 02' 30" East 634.74 feet, North 0° 37' 30" West 54.39 feet and North 41° 22' 00" West 38.99 feet to an angle point in said Westerly boundary; thence along the Northwesterly prolongation of said last mentioned course North 41° 22' 00" West 20.00 feet to the centerline of Peoria Street as shown on said map; thence along said centerline, North 48° 38' 20" East 50.55 feet to the Westerly boundary of said Lot 2; thence North 80° 00' 00" East 294.00 feet; thence South 25° 02' 11" West 668.21 feet; thence South 62° 27' 28" West 320.05 feet to the point of beginning.

TRW
Real Estate Information

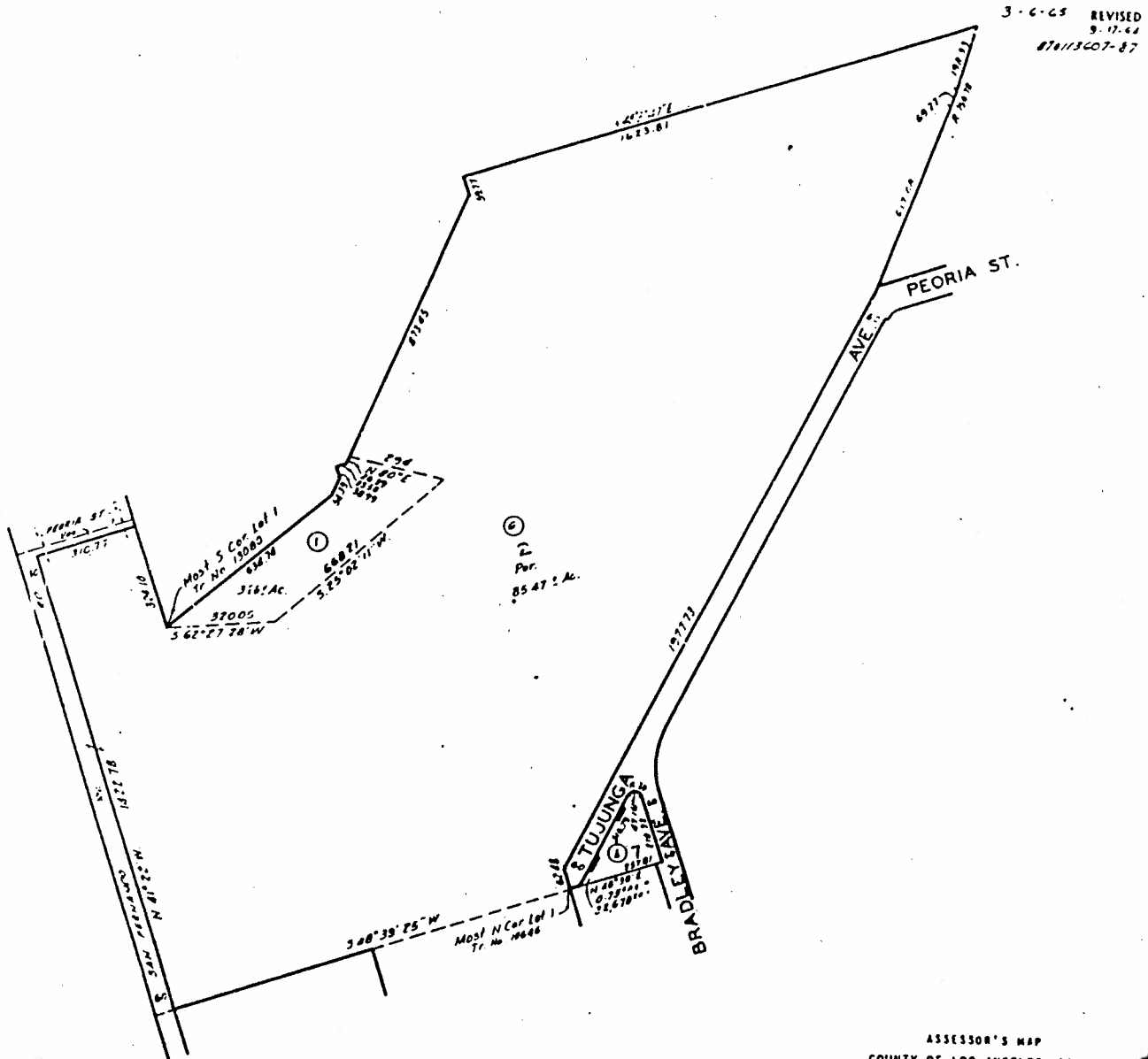
SCALE 1 10/INCH 0 10 20 30 40 50 60

1.800.527.9663

2538	9
SCALE 1"	300'

TRACT NO. 10646
M.B. 174-34-35

TRACT NO. 9329
M.B. 179-9-10



CODE
13

FOR PREV ASSMT SEE 681-216 & 216

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

2166-05415

ATTACHMENT 2

Purchase Agreement

2166-05415

CERTIFICATE OF TRUSTEE

The undersigned hereby certifies that the attached Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds To Charity, dated December 30, 1986, is a true and accurate copy of said document.

Dated: February 19, 1987

David A. Pearre TTEE

David A. Pearre, Trustee

LAW OFFICES
WYMAN, BAUTZER, CHRISTENSEN, KUCHEL & SILBERT
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

WASHINGTON, D.C.
800 NEW HAMPSHIRE AVENUE, N.W., SUITE 980
WASHINGTON, D.C. 20037
(202) 466-2222

TWO CENTURY PLAZA, FOURTEENTH FLOOR
2049 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
(213) 556-8000 (213) 879-8000
CABLE ADDRESS: WYBAROK

NEWPORT BEACH
4100 MACARTHUR BOULEVARD
NEWPORT BEACH, CALIFORNIA 92660
(714) 253-4700

KENT S. BEYER

DIRECT DIAL NUMBER

January 13, 1987

Mr. Robert Coyle
District Manager
Waste Management of North America, Inc.
9200 Glenoaks Boulevard
Sun Valley, California 91352

Re: Purchase of Valley Reclamation Co.

Dear Bob:

Enclosed for execution by Mr. Pearre are the following documents:

1. Stock Certificate for 250 shares of Valley Reclamation Co.;

2. Unanimous Written Consent of Sole Shareholder of Valley Reclamation Co.; and

3. Safekeeping Agreement.

Please cause Mr. Pearre to execute the Stock Certificate both as President and Secretary and have him complete the necessary information for the Safekeeping Agreement before signing. Please return all originals to my attention.

Please call if you have any questions.

Very truly yours,

Kent S. Beyer
for WYMAN, BAUTZER, CHRISTENSEN, KUCHEL & SILBERT

KSB:ml
Enclosures

MINUTES OF THE ACTION TAKEN BY
THE SOLE DIRECTOR OF
VALLEY RECLAMATION CO.
BY UNANIMOUS WRITTEN CONSENT
IN LIEU OF A MEETING

The following resolution was adopted by the sole director of VALLEY RECLAMATION CO., a California corporation, by unanimous written consent, without a meeting, pursuant to the provisions of the Corporation's By-laws permitting such action to be taken:

> RESOLVED, That David A. Pearre, President, and Gary G. Goellner, Secretary, of this Corporation, and George W. Cosby, any two be and they are hereby authorized, together, to act as signatories on the Corporation's bank account with Security Pacific National Bank.

The undersigned, constituting all of the directors of VALLEY RECLAMATION CO., does hereby consent to the foregoing action this 31st day of December, 1986.

David A. Pearre

MINUTES OF THE ACTION TAKEN BY
THE SOLE DIRECTOR OF
VALLEY RECLAMATION CO.
BY UNANIMOUS WRITTEN CONSENT
IN LIEU OF A MEETING

The following resolutions were adopted by the sole director of VALLEY RECLAMATION CO., a California corporation, by unanimous written consent, without a meeting, pursuant to the provisions of the Corporation's By-laws permitting such action to be taken:

> RESOLVED, That David A. Pearre is hereby elected as President of the Corporation; and
>
> RESOLVED FURTHER, That Gary G. Goellner is hereby elected as Secretary of the Corporation.

The undersigned, constituting all of the directors of VALLEY RECLAMATION CO., does hereby consent to the foregoing action this 31st day of December, 1986.

David A. Pearre

MINUTES OF SPECIAL MEETING OF

SOLE SHAREHOLDER OF

VALLEY RECLAMATION CO.

BY UNANIMOUS WRITTEN CONSENT

David A. Pearre, Trustee of Valley Reclamation Charitable Trust, the sole record owner of all of the 250 issued and outstanding shares of stock of this Corporation, who is duly authorized to represent the shares of this Corporation's stock owned by Valley Reclamation Charitable Trust, being all of the shares entitled to vote at a meeting of the shareholders of this Corporation, pursuant to the authority contained in the By-laws, does hereby adopt the following resolutions by unanimous written consent:

> RESOLVED, That Article III, Section 2, of this Corporation's By-laws be and is hereby amended to read as follows:
>
> "Section 2. NUMBER AND QUALIFICATION OF DIRECTORS.
>
> "The authorized number of directors of the Corporation shall be one (1) until changed by amendment of the Articles of Incorporation or by a By-Laws amending this Section 2, duly adopted by the vote or written assents of the shareholders entitled to exercise a majority of the voting power of the Corporation.
>
> "Directors need not be shareholders of the Corporation."

RESOLVED FURTHER, That David A. Pearre is hereby elected as the sole director of this Corporation, to serve in such capacity until the election and qualification of his successor.

Executed on December 31, 1986, at Los Angeles, California.

VALLEY RECLAMATION CHARITABLE TRUST

By David A. Pearre Trustee
David A. Pearre, Trustee

TRANSACTIONAL DOCUMENTS

RELATING TO PURCHASE OF

BRADLEY EAST AND WEST LANDFILL

AND THE OUTSTANDING CAPITAL STOCK OF

VALLEY RECLAMATION CO.

CLOSING DATE
DECEMBER 31, 1986

Prepared by:

Wyman, Bautzer, Christensen,
Kuchel & Silbert

TRANSACTIONAL DOCUMENTS
RELATING TO PURCHASE OF
BRADLEY EAST AND WEST LANDFILL
AND THE OUTSTANDING CAPITAL BANK STOCK OF
VALLEY RECLAMATION CO.

CLOSING DATE
DECEMBER 31, 1986

Document	Tab No.
I. Creation of Trust	
A. Declaration of Trust dated December 30, 1986 by David A. Pearre, as Trustee under that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986 ("Trustee") and CalMat Co. ("CalMat").	1
II. Stock Purchase	
A. Stock Purchase Agreement dated as of December 31, 1986 by and between CalMat and Trustee.	2
B. Stock Purchase Agreement dated as of December 31, 1986 by and between Trustee and Waste Management of North America, Inc. ("WMNA").	3
C. Promissory Note dated December 30, 1986, executed by Trustee in favor of WMNA in the original principal amount of $48,400,000.	4
III. Real Estate Purchase Agreements	
A. Agreement of Purchase and Sale of Parcel 1 and Joint Escrow Instructions by and between CalMat, as Seller, and Valley Reclamation Co. ("Valley"), as Buyer.	5

TRANSACTIONAL DOCUMENTS
RELATING TO PURCHASE OF
BRADLEY EAST AND WEST LANDFILL
AND THE OUTSTANDING CAPITAL BANK STOCK OF
VALLEY RECLAMATION CO.

CLOSING DATE
DECEMBER 31, 1986

Document	Tab No.
B. Agreement of Purchase and Sale of Parcel 2 and Joint Escrow Instructions by and between CalMat, as Seller, and Valley, as Buyer.	6
C. Agreement of Purchase and Sale of Parcel 3 and Joint Escrow Instructions by and between CalMat, as Seller, and Valley, as Buyer.	7
IV. Miscellaneous Agreements	
A. Operating License Agreement dated as of December 31, 1986 by and between CalMat and Valley.	8
B. Memorandum of Operating Agreement dated as of December 31, 1986 executed by CalMat and Valley.	9
C. Management Agreement dated as of December 31, 1986 by and between CalMat and Trustee.	10
D. Indemnification Agreement dated as of December 31, 1986 by and between CalMat and Waste Management, Inc.	11
E. Reciprocal Easement Agreement dated as of December 31, 1986 by and between CalMat and Valley.	12
F. Agreement Granting Right of First Refusal dated December 31, 1986 by and between CalMat and Valley.	13
G. Certificate dated December 31, 1986 by Scott J. Wilcott.	14

TRANSACTIONAL DOCUMENTS
RELATING TO PURCHASE OF
BRADLEY EAST AND WEST LANDFILL
AND THE OUTSTANDING CAPITAL BANK STOCK OF
VALLEY RECLAMATION CO.

CLOSING DATE
DECEMBER 31, 1986

Document	Tab No.
V. Opinions of Counsel	
A. Opinion of Counsel dated December 31, 1986 given to Trustee by counsel for CalMat.	15
B. Opinion of Counsel dated December 31, 1986 given to CalMat by counsel for Waste Management, Inc.	16
VI. CalMat Co. Resignations	
A. George W. Cosby	17
B. Scott J. Wilcott	18
C. David C. Lauritzen	19
D. Joana J. Pierce	20
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F. A. Frederick Gerstell	22
G. Michael J. Kerstetter	23
VII. CalMat Co. General Releases	
A. CalMat Co.	24
B. Scott J. Wilcott	25
C. George W. Cosby	26
D. David C. Lauritzen	27
E. Joana J. Pierce	28
F. William Jenkins	29
G. A. Frederick Gerstell	30
H. Michael J. Kerstetter	31

UNANIMOUS WRITTEN CONSENT
OF SOLE SHAREHOLDER OF
VALLEY RECLAMATION CO.

The undersigned, being the sole shareholder of Valley Reclamation Co., a California corporation (the "Company"), hereby consents to the adoption of the following resolutions without a meeting as of December 31, 1986:

Election of Director

RESOLVED, that Dave A. Pearre be elected as the sole director of the Company, to hold office until the next annual meeting and until his successors have been elected and qualified.

Election of Officers

RESOLVED, that the following persons are elected to the offices set forth opposite their name, to serve until further notice of the Board of Directors or until his successors are elected and qualified:

David A. Pearre	President
David A. Pearre	Treasurer
Gary G. Goellner	Secretary

CalMat Co. Agreements

RESOLVED, that the execution and delivery on behalf of the Company of the following documents be, and the same is, hereby authorized and approved:

1. Agreement of Purchase and Sale of Parcel 1 and Joint Escrow Instructions dated as of December 31, 1986 by and between the Company, as Buyer, and CalMat Co., a Delaware corporation ("CalMat"), as Seller.

2. Agreement of Purchase and Sale of Parcel 2 and Joint Escrow Instructions dated as of December 31, 1986 by and between the Company, as Buyer, and CalMat, as Seller.

3. Agreement of Purchase and Sale of Parcel 3 and Joint Escrow Instructions dated as of December 31, 1986 by and between the Company, as Buyer, and CalMat, as Seller.

4. Operating License Agreement dated as of December 31, 1986 by and between the Company, as Operator, and CalMat, as Owner.

5. Memorandum of Operating License Agreement dated as of December 31, 1986 by and between the Company and CalMat.

6. Reciprocal Easement Agreement dated as of December 31, 1986 by and between the Company and CalMat.

7. Agreement Granting Right of First Refusal dated December 31, 1986 by and between the Company and CalMat.

Additional Actions.

RESOLVED, that the officers of the Company are authorized and directed to do, or cause to be done, any and all such other acts and things and to execute and deliver any and all such documents, papers and instruments, as with the advice of counsel, they may deem necessary or desirable in order to carry into effect the purpose and intent of the foregoing resolutions.

The undersigned sole shareholder of Valley Reclamation Co., a California corporation, hereby consents to the foregoing resolutions.

David A. Pearre, as Trustee under that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986

GENERAL RELEASE

IN CONSIDERATION of the convenants herein contained, Michael J. Kerstetter does hereby release and forever discharge Valley Reclamation Co., its respective predecessors, successors, assigns, and any other person acting on their respective behalfs, from all claims, demands, causes of action, obligations, damages and liability whether or not known, suspected or claimed, which it has or may have against or claim against Valley Reclamation Co.

Michael J. Kerstetter acknowledges that he has been advised by his attorneys concerning, and is familiar with, the provisions of California Civil Code §1542, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Release, which if known by him, must have materially affected his settlement with the debtor."

Michael J. Kerstetter expressly waives any and all rights which he has under California Civil Code §1542 or any other state or federal statute or common law principle of similar effect.

DATE: 12-30-86

Michael J. Kerstetter

GENERAL RELEASE

IN CONSIDERATION of the convenants herein contained, A. Frederick Gerstell does hereby release and forever discharge Valley Reclamation Co., its respective predecessors, successors, assigns, and any other person acting on their respective behalfs, from all claims, demands, causes of action, obligations, damages and liability whether or not known, suspected or claimed, which it has or may have against or claim against Valley Reclamation Co.

A. Frederick Gerstell acknowledges that he has been advised by his attorneys concerning, and is familiar with, the provisions of California Civil Code §1542, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Release, which if known by him, must have materially affected his settlement with the debtor."

A. Fr derick Gerstell expressly waives any and all rights which he has under California Civil Code §1542 or any other state or federal statute or common law principle of similar effect.

DATE: 12/31/86

A. Gerstell

GENERAL RELEASE

IN CONSIDERATION of the convenants herein contained, William Jenkins does hereby release and forever discharge Valley Reclamation Co., its respective predecessors, successors, assigns, and any other person acting on their respective behalfs, from all claims, demands, causes of action, obligations, damages and liability whether or not known, suspected or claimed, which it has or may have against or claim against Valley Reclamation Co.

William Jenkins acknowledges that he has been advised by his attorneys concerning, and is familiar with, the provisions of California Civil Code §1542, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Release, which if known by him, must have materially affected his settlement with the debtor."

William Jenkins expressly waives any and all rights which he has under California Civil Code §1542 or any other state or federal statute or common law principle of similar effect.

DATE: 12/31/86

William Jenkins

GENERAL RELEASE

IN CONSIDERATION of the convenants herein contained, Joana J. Pierce does hereby release and forever discharge Valley Reclamation Co., its respective predecessors, successors, assigns, and any other person acting on their respective behalfs, from all claims, demands, causes of action, obligations, damages and liability whether or not known, suspected or claimed, which it has or may have against or claim against Valley Reclamation Co.

Joana J. Pierce acknowledges that she has been advised by her attorneys concerning, and is familiar with, the provisions of California Civil Code §1542, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Release, which if known by him, must have materially affected his settlement with the debtor."

Joana J. Pierce expressly waives any and all rights which she has under California Civil Code §1542 or any other state or federal statute or common law principle of similar effect.

DATE: 12/3/86

Joana J. Pierce

GENERAL RELEASE

IN CONSIDERATION of the convenants herein contained, David C. Lauritzen does hereby release and forever discharge Valley Reclamation Co., its respective predecessors, successors, assigns, and any other person acting on their respective behalfs, from all claims, demands, causes of action, obligations, damages and liability whether or not known, suspected or claimed, which it has or may have against or claim against Valley Reclamation Co.

David C. Lauritzen acknowledges that he has been advised by his attorneys concerning, and is familiar with, the provisions of California Civil Code §1542, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Release, which if known by him, must have materially affected his settlement with the debtor."

David C. Lauritzen expressly waives any and all rights which he has under California Civil Code §1542 or any other state or federal statute or common law principle of similar effect.

DATE: 12/31/86

David C. Lauritzen

GENERAL RELEASE

IN CONSIDERATION of the convenants herein contained, George W. Cosby does hereby release and forever discharge Valley Reclamation Co., its respective predecessors, successors, assigns, and any other person acting on their respective behalfs, from all claims, demands, causes of action, obligations, damages and liability whether or not known, suspected or claimed, which it has or may have against or claim against Valley Reclamation Co.

George W. Cosby acknowledges that it has been advised by its attorneys concerning, and is familiar with, the provisions of California Civil Code §1542, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Release, which if known by him, must have materially affected his settlement with the debtor."

George W. Cosby expressly waives any and all rights which it has under California Civil Code §1542 or any other state or federal statute or common law principle of similar effect.

DATE: 12/31/86

George W. Cosby

GENERAL RELEASE

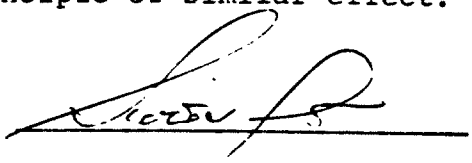
IN CONSIDERATION of the convenants herein contained, Scott J Wilcott does hereby release and forever discharge Valley Reclamation Co., its respective predecessors, successors, assigns, and any other person acting on their respective behalfs, from all claims, demands, causes of action, obligations, damages and liability whether or not known, suspected or claimed, which it has or may have against or claim against Valley Reclamation Co.

Scott J Wilcott acknowledges that he has been advised by his attorneys concerning, and is familiar with, the provisions of California Civil Code §1542, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Release, which if known by him, must have materially affected his settlement with the debtor."

Scott J Wilcott expressly waives any and all rights which he has under California Civil Code §1542 or any other state or federal statute or common law principle of similar effect.

DATE: 12/3/86



GENERAL RELEASE

IN CONSIDERATION of the covenants herein contained, CalMat Co. does hereby release and forever discharge Valley Reclamation Co., its respective predecessors, successors, assigns, and any other person acting on their respective behalfs, from all claims, demands, causes of action, obligations, damages and liability whether or not known, suspected or claimed, which it has or may have against or claim against Valley Reclamation Co.

CalMat Co. acknowledges that it has been advised by its attorneys concerning, and is familiar with, the provisions of California Civil Code §1542, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Release, which if known by him, must have materially affected his settlement with the debtor."

CalMat Co. expressly waives any and all rights which it has under California Civil Code §1542 or any other state or federal statute or common law principle of similar effect.

DATED: 12/30/86

CALMAT CO.

BY: _____

CalMat Co

3200 SAN FERNANDO ROAD/P O. BOX 2950/LOS ANGELES, CALIFORNIA 90051/(213) 258-2777

December 31, 1986

To Whom It May Concern:

I hereby tender my resignation effective December 31, 1986 as an officer of the Valley Reclamation Co., a California corporation.

Michael J. Kerstetter

Michael J. Kerstetter

CalMat Co

3200 SAN FERNANDO ROAD/P. O. BOX 2950/LOS ANGELES, CALIFORNIA 90051/(213) 258-2777

December 31, 1986

To Whom It May Concern:

I hereby tender my resignation effective December 31, 1986 as an officer and member of the Board of Director of the Valley Reclamation Company, a California corporation.

Scott J Wilcott

CalMat Co

3200 SAN FERNANDO ROAD/P. O. BOX 2950/LOS ANGELES, CALIFORNIA 90051/(213) 258-2777

December 31, 1986

To Whom It May Concern:

I hereby tender my resignation effective December 31, 1986 as an officer of the Valley Reclamation Co., a California corporation.

George W. Cosby

George W. Cosby

CalMat Co

3200 SAN FERNANDO ROAD/P. O. BOX 2950/LOS ANGELES, CALIFORNIA 90051/(213) 258-2777

December 31, 1986

To Whom It May Concern:

I hereby tender my resignation effective December 31, 1986 as an officer of the Valley Reclamation Co., a California corporation.

David C. Lauritzen

CalMat Co

3200 SAN FERNANDO ROAD/P. O. BOX 2950/LOS ANGELES, CALIFORNIA 90051/(213) 258-2777

December 31, 1986

To Whom It May Concern:

I hereby tender my resignation effective December 31, 1986 as an officer of the Valley Reclamation Co., a California corporation.

Joana J. Pierce

CalMat Co

3200 SAN FERNANDO ROAD/P. O. BOX 2950/LOS ANGELES, CALIFORNIA 90051/(213) 258-2777

December 31, 1986

To Whom It May Concern:

I hereby tender my resignation effective December 31, 1986 from the Board of Director of the Valley Reclamation Company, a California corporation.

William Jenkins

William Jenkins

CalMat Co

3200 SAN FERNANDO ROAD/P. O. BOX 2950/LOS ANGELES, CALIFORNIA 90051/(213) 258-2777

December 31, 1986

To Whom It May Concern:

I hereby tender my resignation effective December 31, 1986 as an officer and member of the Board of Director of the Valley Reclamation Company, a California corporation.

A. Frederick Gerstell

January 31, 1987

To Whom It May Concern:

I hereby tender my resignation effective January 31, 1987 as an officer and director of Valley Reclamation Co., a California corporation.

David A. Pearre

December 31, 1986

David A. Pearee, Trustee
Valley Reclamation Charitable Trust
c/o Wyman, Bautzer Christensen, Kuchel & Silbert
2049 Century Park East, 14th floor
Los Angeles, CA 90067

Re: Stock Purchase Agreement as of December 31, 1986 By and Between CalMat Co. and the Valley Reclamation Charitable Trust (the "Agreement")

Gentlemen:

This opinion is furnished to you pursuant to Section 7.1 of the Agreement. Unless otherwise defined in this opinion, terms defined in the Agreement are used herein as therein defined.

In that connection, I have examined:

(1) The Agreement;
(2) The Certificate of Incorporation and Bylaws of CalMat Co. and the Articles of Incorporation and Bylaws of the Valley Reclamation Company;
(3) Certificates and assurances of officers of CalMat Co. and Valley Reclamation Company and public officials and on matters of fact as I have deemed necessary and relevant in rendering an opinion hereinafter set forth.

In addition, I have investigated such questions of law for the purpose of rendering this opinion as I have deemed necessary.

Based upon the foregoing, it is my opinion that:

(1) The Company is a corporation duly organized and validly existing and in good standing under the laws of the State of California; the Company has full corporate power to own its properties and conduct its business as now being conducted; the Company is not required to be qualified to transact business as a foreign corporation in any other jurisdiction.

(2) The number of shares of authorized stock and outstanding stock of the Company are as set forth in Section 2.2 of the Agreement and all of said outstanding shares are duly authorized and validly issued and are fully paid and nonassessable, and to my knowledge after reasonable investigation, the Company has no valid outstanding options, warrants or other agreements to issue or sell any of the Company's capital stock.

(3) The Shareholder has full legal power and all authorization required by law to effect the exchange and to transfer and deliver said shares to the Trustee in accordance with the Agreement and will pass such title to said shares to the Trustee free and clear of any liens, encumbrances, claims, pledges, security, interests, restrictions, and equities of every kind.

(4) The Agreement has been duly and legally executed and delivered by the Shareholder and is the valid and binding Agreement of the Shareholder, fully enforceable in accordance with its terms.

The opinions expressed herein are subject to the following limitations, qualifications and exceptions:

(1) The effect upon the Agreement of bankruptcy and insolvency, reorganization, moratorium and other similar court decisions relating to or affecting the enforceability of creditor's rights generally.

(2) The limitation imposed by law or by equitable principles upon the specific enforceability of any of the remedies, covenants and other provisions of the Agreement; and upon the availability of injunctive relief and other equitable remedies, regardless of whether such enforcement is considered a proceeding in equity or at law.

(3) The unenforceability of provisions expressly or by implication waiving broadly or vaguely stated rights, unknown future rights or defenses to obligations, or rights granted by law where such waivers are against public policy.

This opinion is rendered only to the Valley Reclamation Charitable Trust and it is solely for their benefit. This opinion may not be relied upon by the Valley Reclamation Charitable Trust or any one else for any other purpose, or furnished to, quoted to, or relied upon by any other person, firm or corporation for any purpose without my prior written consent.

Very truly yours,

Scott J. Wilcott
Senior Vice President
Legal Counsel and Secretary

SJW/hi

December 31, 1986

Cal Mat Co.
3200 San Fernando Road
Los Angeles, CA 90051

Gentlemen:

This opinion is made in conjunction with that certain Indemnification Agreement dated December 31, 1986 (the "Agreement") by and between Waste Management, Inc. ("Waste Management") and Cal Mat Co. ("Cal Mat").

I have examined originals or copies, certified or otherwise identified to my satisfaction, of such corporate and other records, certificates, documents and other papers, and have made such examination of law, as I deemed necessary for the purpose of this opinion.

It is my opinion that:

(a) Waste Management is a corporation duly organized and legally existing in good standing under the laws of the State of Delaware; and

(b) The Indemnification Agreement has been duly and legally authorized by all necessary corporate action on the part of Waste Management, has been duly and legally executed and delivered by Waste Management, and is the valid, enforceable and binding agreement of Waste Management.

Very truly yours,

David L. Kelby
Counsel
WASTE MANAGEMENT, INC.

DLK:gh

CERTIFICATE

The undersigned certifies that he is the duly elected, qualified and acting Secretary of Waste Management, Inc., Delaware corporation ("Company"), and that attached hereto as Schedule A is a true and correct copy of resolutions duly adopted by the board of directors of the Company, and that such resolutions have not been amended or rescinded and are in full force and effect on the date hereof.

Dated: December 31, 1986

Peter H. Huizenga

Recording Requested by
and when Recorded Return to:

Wyman, Bautzer, Christensen,
Kuchel & Silbert
2049 Century Park East
Fourteenth Floor
Los Angeles, California 90067

Attn: Peter M. Weil, Esq.

AGREEMENT GRANTING RIGHT OF FIRST REFUSAL

THIS AGREEMENT (the "Agreement") is made and entered into this 31st day of December, 1986, by and between VALLEY RECLAMATION CO., a California corporation ("Valley") and CALMAT CO., a Delaware corporation ("CalMat"), with reference to the following facts:

R E C I T A L S

1. Valley and CalMat have entered into those certain Agreements of Purchase and Sale and Joint Escrow Instructions (the "Real Estate Purchase Agreements"), dated as of the date hereof, pursuant to which Valley has agreed to acquire the real property on which Valley conducts its operations as well as certain additional real property.

2. CalMat or a subsidiary of CalMat (collectively referred to herein as "CalMat") is the owner of that certain inert debris disposal facility located east of Glenoaks Boulevard, north of Peoria Street and south of Sheldon Avenue, in the City of Sun Valley, County of Los Angeles, State of California, as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

3. Valley desires to obtain a right of first refusal to purchase the Property, and CalMat desires to grant to Valley said right of first refusal, in accordance with the terms and conditions set forth hereinbelow.

A G R E E M E N T

NOW, THEREFORE, IN CONSIDERATION of Valley's agreement to enter into the aforementioned Real Estate Purchase Agreements, and in consideration of the mutual agreements hereinafter set forth and other good and valuable consideration, the parties hereto agree as follows:

1. RIGHT OF FIRST REFUSAL.

(a) In the event CalMat elects to sell the Property, CalMat hereby grants to Valley a right of first refusal to acquire the Property. At any such time that CalMat proposes to sell the Property to a third party, CalMat shall deliver to Valley written notice setting forth all of the terms and conditions upon which CalMat intends to sell the Property to said third party (the "Notice").

(b) Within thirty (30) days after receipt by Valley of the Notice (the "Notice Period"), Valley shall have the right to exercise its right of first refusal to purchase said Property on the terms and conditions specified by CalMat in the Notice. If Valley does so exercise its right of first refusal, then Valley shall proceed to close said purchase on and in accordance with said terms and conditions. If Valley shall fail to deliver to CalMat, within the Notice Period, written notice of its election to exercise its right of first refusal, Valley shall be deemed to have elected not to exercise such right of first refusal.

(c) The term of the right of first refusal granted to Valley under this Agreement shall be twenty (20) years, commencing on the date first above written; provided, however, that notwithstanding anything to the contrary contained herein, this Agreement shall terminate in the event Waste Management of North America, Inc., an Illinois corporation, has not acquired all of the issued and outstanding shares of capital stock of Valley not later than March 1, 1987.

(d) If Valley elects, or is deemed to have elected, not to exercise its right of first refusal, CalMat shall at any time and all times thereafter be free to sell the Property to such third party as with whom CalMat may theretofore have intended to sell the Property, or to any other party, on the same terms and conditions as those offered to Valley pursuant to Valley's right of first refusal hereunder, or upon such other terms and conditions which are not more favorable to such third party or any other party to whom CalMat elects to sell the Property than those

terms and conditions so offered to Valley; provided, however, that if the sale of the Property to such third party or other party is not consummated within one hundred eighty (180) days following the termination of the Notice Period, then the proposed sale of the Property by CalMat shall again be subject to Valley's right of first refusal hereunder.

(e) If Valley elects, or is deemed to have elected, not to exercise its right of first refusal, CalMat may not thereafter sell the Property to such third party as with whom CalMat may theretofore have intended to sell the Property, or to any other party, upon terms and conditions which are more favorable to such third party or any other party to whom CalMat elects to sell the Property than were the terms and conditions which were offered to Valley pursuant to Valley's right of first refusal, until Valley has again been provided an opportunity to exercise its right of first refusal in accordance with the procedures set forth above in this Agreement.

2. ASSIGNABILITY.

The rights and benefits afforded to Valley herein may not be assigned, conveyed or otherwise transferred to any other entity without the prior written consent of CalMat, which consent shall not be unreasonably withheld; provided, however, that Valley may assign, convey, or otherwise transfer the rights and benefits afforded herein to any of its affiliates without the prior written consent of CalMat.

3. SUCCESSORS AND ASSIGNS.

Subject to the restrictions on transfers and encumbrances set forth herein, this Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. Whenever in this Agreement a reference is made to any entity or party, such reference shall be deemed to include a reference to the successors and assigns of such entity or party.

4. NOTICES.

All written notices and demands of any kind which either party may be required or may desire to serve on the other in connection with this Agreement may be served by personal delivery or registered or certified mail, return receipt requested. Any notices or demands so served by registered or certified mail shall be deposited in the United States mail, with postage thereon fully prepaid, addressed to the party to be so served as follows:

To Valley:	Valley Reclamation Co. c/o Waste Management of North America, Inc. 3003 Butterfield Road Oak Brook, Illinois 60521 Attn: Michael K. Slattery, Esq.
with a copy to:	Wyman, Bautzer, Christensen, Kuchel & Silbert 2049 Century Park East 14th Floor Los Angeles, California 90067 Attn: Peter M. Weil, Esq.
To CalMat:	CalMat Co. 3200 San Fernando Road P.O. Box 2950 Los Angeles, California 90051 Attn: Legal Counsel

Any such communication shall be deemed to have been delivered at the time of such personal delivery or seventy-two (72) hours after the mailing thereof as hereinabove provided. Any party may change the address at which it is to receive notices by so notifying the other party to this Agreement in writing.

5. TIME OF ESSENCE.

Time is of the essence of each of the obligations of each party hereunder.

6. ATTORNEYS' FEES.

If either party hereto commences an action against the other to enforce any of the terms hereof, the losing party shall pay to the prevailing party the prevailing party's reasonable attorneys' fees and costs incurred in connection with the prosecution of such action (and upon any appeal).

7. RECORDING.

Valley shall have the right to record a copy of this Agreement or a memorandum of this Agreement in the Recorder's Office of the County of Los Angeles.

8. ENTIRE AGREEMENT.

This Agreement contains the entire agreement between the parties hereto, and no addition or modification of any term or provision hereof shall be effective unless set forth in writing and signed by both Valley and CalMat. All previous offers, counteroffers and agreements entered into between the parties pertaining to the Property are hereby superseded in their entirety by the terms and conditions of this Agreement.

9. COUNTERPARTS.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

10. INVALIDITY OF PROVISIONS.

If any provision of this Agreement is found to be invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such provision

shall not affect the validity and enforceability of the remaining provisions hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and it is effective as of the day and year first above written.

"VALLEY"

VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

By: _____

Its: _____

"CALMAT"

CALMAT CO.,
a Delaware corporation

By: _____

Its: Sr. Vice President

By: _____

Its: _____

CERTIFICATE

The undersigned certifies that he is the duly qualified and acting Secretary of Valley Reclamation Co., a California corporation ("Company"), and that attached hereto are true and correct copies of the Company's Articles of Incorporation, By-laws, minute book and stock transfer book.

Dated: December 31, 1986

Scott J. Wilcott

RECIPROCAL EASEMENT AGREEMENT

THIS RECIPROCAL EASEMENT AGREEMENT ("Agreement") is made and entered into as of this 31st day of December, 1986, by and between CALMAT CO., a Delaware corporation ("CalMat"), and VALLEY RECLAMATION CO., a California corporation ("Valley"), with reference to the following facts:

A. Concurrently herewith, CalMat is selling all of the capital stock of Valley to David A. Pearre, as trustee under that certain Declaration of Trust for Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986 (the "Valley Reclamation Charitable Trust").

B. CalMat is the owner of that certain real property (the "Property") which is the subject of those certain Agreements of Purchase and Sale and Joint Escrow Instructions of even date herewith by and between CalMat and Valley (the "Purchase Agreements").

C. CalMat is also the owner of certain real properties located adjacent to the Property (the "Adjacent Property"), upon which are located certain wells used for the purpose of monitoring groundwater quality.

D. Concurrently with the consummation of the purchase and sale as contemplated in the Purchase Agreements, CalMat desires to obtain from Valley certain easements on, over and under the Property.

E. Valley desires to obtain from CalMat certain nonexclusive access easements and rights on and over the Adjacent Property.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the mutual agreements herein set forth, and other valuable consideration, receipt of which is hereby acknowledged, CalMat and Valley agree as follows:

1. Concurrently with the consummation of the purchase and sale as contemplated in the Purchase Agreements, Valley agrees to grant to CalMat certain easements in recordable form on, over and under portions of the Property (the "CalMat Easements"). Such easements are as follows:

(a) an exclusive easement for the operation, repair and maintenance of the existing conveyor belt system located on the Property. In acknowledgment of the fact that said conveyor system may interfere with certain of Valley's operational activities with respect to the underlying landfill, CalMat agrees to permit Valley

for such wells, and CalMat shall grant to Valley such Future Well Easements as Valley may from time to time reasonably require, in recordable form. Notwithstanding anything to the contrary contained herein, the parties hereto agree that CalMat shall have no obligation to grant any Future Well Easement to Valley sooner than sixty (60) days after the date of this Agreement.

4. The parties hereto acknowledge that, as of the date of this Agreement, the exact locations and dimensions of the easements referred to herein are not known and no legal descriptions exist with respect to any of said easements. The parties hereto agree to cooperate in good faith to determine the exact locations of such easements as expeditiously as possible.

5. Within one hundred twenty (120) days after the date of this Agreement, CalMat shall obtain legal descriptions for the existing wells located on the Adjacent Property and shall grant to Valley the easements referred to in Paragraph 2 above, in recordable form, it being understood that CalMat shall license and permit Valley to use and operate such existing wells for the aforesaid purposes until such easements have been recorded against the Adjacent Property.

6. In the event of a rescission, termination or cancellation of the Stock Purchase Agreement of even date herewith by and between CalMat and the Valley Reclamation Charitable Trust, this Agreement shall be of no further force or effect and the respective parties shall have no liabilities or obligations to each other hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made and entered into as of the 31st day of December, 1986 by and between CalMat Co., a Delaware corporation ("CalMat") and Waste Management, Inc., a Delaware corporation ("WMI").

A. Concurrently with the execution and delivery of this Agreement, CalMat and David A. Pearre, as trustee under that certain Declaration of Trust for Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986 (the "Trustee"), are entering into a Stock Purchase Agreement dated as of December 31, 1986 for the purchase of the capital stock of Valley Reclamation Co., a California corporation (the "Company") (the "Phase I Agreement"), which Agreement is hereby incorporated by reference herein.

B. Concurrently with the execution and delivery of this Agreement, Waste Management of North America, Inc., an Illinois corporation, and the Trustee are entering into a Stock Purchase Agreement dated as of December 31, 1986 (the "Phase II Agreement"), which Agreement is hereby incorporated by reference herein.

C. As a material inducement to entering into the Phase I Agreement, CalMat has required WMI to indemnify, save and hold harmless CalMat from certain environmental matters.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, CalMat and WMI hereby agree as follows:

1. Indemnification. Except for acts and for conditions covered by CalMat's representation to Trustee pursuant to Section 3.5 of the Phase I Agreement, WMI shall indemnify, save and hold harmless CalMat, its present and future affiliates and subsidiaries, and their respective employees, representatives, officers, directors and agents from and against any and all costs, losses (including, without limitation, diminutions in value), liabilities, damages, lawsuits, deficiencies, claims and expenses (whether or not arising out of third-party claims or the indemnified person's negligence), including, without limitation, interest, costs of remedial action, penalties, reasonable attorneys' fees and all amounts paid in investigation, defense or settlement of any of the foregoing (hereafter collectively referred to as "Claim(s)"), incurred in connection with, arising out of or resulting from (a) the production, use, generation, transportation, storage, treatment, disposal or other handling or disposition of any kind (collectively "Handling") before or after the Time of Closing (as such term is defined in the Stock Purchase Agreement) of any wastes or substances of any kind (collectively "Wastes") at the real property described

in Exhibit G of the Phase I Agreement (commonly known as the Bradley East and West Landfill), including without limitation the direct or indirect effects of such Handling of Wastes on natural resources, persons or property within or outside the boundaries of said real property, (b) the failure at any time before or after the Time of Closing of the real property described in Exhibit G of the Phase I Agreement to be in compliance with any federal, state or local law, regulation or ordinance applicable to the Handling of Wastes, (c) the transportation, storage, treatment or disposal of Wastes, for which the Company was or is responsible, to or at any off-site location designated for remedial action pursuant to any state or federal Superfund law or regulation, or (d) any other applicable legal requirements relating to the closure of any Waste Handling site on the real property described in Exhibit G of the Phase I Agreement.

2. Defense of Claim(s). If any Claim(s) is brought or asserted against CalMat, written notice thereof shall be given to WMI as promptly as practicable; provided that the failure of CalMat to give timely notice hereunder shall not affect CalMat's rights to indemnification hereunder except to the extent WMI demonstrates actual damage caused by such failure. After receiving such notice, WMI shall assume and control the defense of such Claim(s), including the disposition (including by compromise, settlement or other resolution) of such Claim(s) and the employment of counsel reasonably acceptable to CalMat, at the cost and expense of

WMI. CalMat shall cooperate in all reasonable respects with WMI in the defense of such Claim(s). CalMat shall have the right to employ separate counsel in the defense of any such Claim(s). The fees and expenses of such counsel shall be paid by CalMat unless WMI shall have failed to assume the defense of such Claim(s) and/or to employ counsel in such Claim(s). WMI shall not be liable for any settlement of any such Claim(s) effected without its written consent, unless it shall have failed to assume the defense of such Claim(s). CalMat and/or its legal counsel shall have the right to be fully informed as to all matters and participate in all meetings, hearings and decisions. WMI shall have the right of final decisions as to the conduct of the litigation.

3. Authority. WMI has the capacity and power to execute, deliver and perform this Agreement. This Agreement has been duly and validly executed and delivered by WMI and constitutes a valid and binding agreement of WMI, enforceable against WMI in accordance with its terms.

4. Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of delivery if delivered personally to the party to whom the notice, request, demand or other communication is to be given, or on the fifth day after mailing if mailed by United States mail to the party to whom the notice, request, demand or other communication is to be given, by first-class mail, registered or certified, return receipt requested,

postage prepaid, and properly addressed as follows:

TO CALMAT:	CALMAT CO. 3200 San Fernando Road Los Angeles, CA 90068 Attention: Scott Wilcott, Esq.
TO WMI:	Waste Management, Inc. 3003 Butterfield Road Oak Brook, Illinois 60521 Attention: Richard Houpt, Esq.
WITH A COPY TO:	Wyman, Bautzer, Christensen, Kuchel & Silbert Suite 1400 2049 Century Park East Los Angeles, California 90067 Attention: Peter M. Weil, Esq.

or such other address as any of the parties may designate by written notice to the other parties in the manner provided in this Section 4.

5. Governing Law. This Agreement is executed and intended to be performed in the State of California and the laws of the State of California shall govern its interpretation and effect.

6. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the respective successors, permitted assigns and personal representatives of the parties.

7. Entire Agreement. This Agreement contains the entire agreement between the parties relating to the rights granted and the obligations undertaken herein.

8. Amendment; Waiver. No modification, amendment or waiver of any provisions of this Agreement shall be effective unless the same shall be in writing and signed by each

of the parties hereto and then such modification, amendment or waiver shall be effective only in the specific instance and for the purpose for which given.

9. Attorney's Fees. In any proceeding brought in connection with the enforcement of this Agreement, the court in such proceeding shall award a reasonable sum as attorneys' fees and costs to the party in whose favor judgment is rendered.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CALMAT CO., a Delaware corporation

By: _____

Its: Sr. Vice President

WASTE MANAGEMENT, INC., a Delaware corporation

By: _____

Its: _____

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT is made as of the 31st day of December, 1986 between CalMat Co., a Delaware corporation, 3200 San Fernando Road, Los Angeles, California, 90065, hereinafter referred to as "Manager"), and David A. Pearre, as trustee under that certain Declaration of Trust for Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986 (herein referred to as either "Owner" or "Valley Reclamation Charitable Trust").

WHEREAS, Owner has purchased all of the outstanding stock of Valley Reclamation Co., a California corporation ("Valley"), which operates a sanitary landfill facility at 9227 Tujunga Avenue, Sun Valley, California 91532 (the "Facility").

WHEREAS, by a Stock Purchase Agreement (the "Stock Purchase Agreement") between Owner and Waste Management of North America, Inc., an Illinois corporation ("WMNA") dated as of December 31, 1986, a copy of which is attached hereto (the "Stock Purchase Agreement"), the Owner has agreed to sell Valley to WMNA.

WHEREAS, in anticipation of such a transfer of ownership from Owner to WMNA, the Owner has requested the Manager to assist Owner in managing Valley and operating the Facility on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Management. The Manager hereby agrees to use its best efforts to maintain the accuracy of the representations and warranties of the agreement of even date between Owner and Manager by which Owner acquired the stock of Valley, subject to the limitations set forth therein to operate the Facility and manage Valley for the account of Owner so as to permit the Owner to comply with its fiduciary responsibilities pursuant to the Stock Purchase Agreement, and to provide Owner with such reasonable inhouse professional services as it has historically provided to Valley.

2. Term and Termination. This Management Agreement shall commence on December 31, 1986 (herein the "Management Date") and shall terminate upon the occurrence of one of the following:

(a) The Closing Date (as defined in the Stock Purchase Agreement);

(b) The sale of the Facility by Owner to a person or entity other than WMNA;

(c) By mutual agreement of the parties; provided that in no event shall this Management Agreement extend beyond June 30, 1987.

Said termination date is herein referred to as the "Termination Date."

3. Compensation. The Manager shall be paid a fee for its services of $5,000 per month during the term hereof plus

the out of pocket expenses incurred by Manager pursuant to paragraph 7(b) below.

4. Insurance, Employee Benefits. Manager and Owner agree that: (i) Manager is managing the Facility as the agent of Owner and that the employees at the Facility shall be employees of Valley and not Manager during the term of this Management Agreement; and (ii) Manager shall use its best efforts to assist Owner in maintaining all policies of insurance, including fire and extended coverage insurance on the Facility, worker's compensation, and comprehensive liability coverage at current levels, and in obtaining coverage for Owner and the trustee of Owner as additional insureds under such policies.

5. Licenses. Owner hereby authorizes Manager, as of the Management Date, to operate the Facility under all permits and licenses, and similar consents from any governmental authority (the "Agencies") having jurisdiction over the Facility. Owner retains full responsibility under said permits and licenses.

6. Indemnity. Manager assumes no responsibility under this Agreement except to use its best efforts to render the services called for hereunder in a manner reasonably satisfactory to Owner, and Manager shall not be liable or held accountable for any mistakes of fact or of law or for any loss or damage to Owner arising or resulting therefrom, except for gross negligence or wilfull misconduct of Manager.

7. Expenses.

(a) Legal Fees. If any legal action or any arbitration or other proceeding is brought to the enforcement of this Management Agreement, or because of an alleged or actual dispute, breach, default or misrepresentation in connection with any of the provisions of this Management Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

(b) Expenses. Owner shall reimburse Manager for all reasonable out of pocket expenses incurred or to be incurred by it in carrying out the services contemplated hereby. Owner shall be responsible for fees and expenses of any other person, whether or not retained by Manager on behalf of Valley in connection with the services to be provided by Manager hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Management Agreement to be executed as of the day and year first above written.

CALMAT CO., a Delaware corporation

By: [illegible]
Its Sr. Vice President

VALLEY RECLAMATION CHARITABLE TRUST

By: [illegible]
Its Trustee

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

VALLEY RECLAMATION CO.
c/o Waste Management of
California, Inc.
9200 Glen Oaks Boulevard
Sun Valley, California 91352
Attn: Mr. Robert Coyle

MEMORANDUM OF OPERATING LICENSE AGREEMENT

THIS MEMORANDUM OF OPERATING LICENSE AGREEMENT ("Memorandum") is made and entered into as of this 31st day of December, 1986, by and between CALMAT CO., a Delaware corporation ("Owner"), and VALLEY RECLAMATION CO., a California corporation ("Operator"), with reference to the following facts.

A. Owner is the owner of that certain real property (the "Property") more particularly described in Exhibit A, which is attached hereto and incorporated by reference herein.

B. The Property, together with the operations currently engaged in thereon, are hereinafter referred to as the "Project."

C. Owner desires to retain Operator to operate the Project as the sole and exclusive operator for the Project and Operator desires to perform such services for Owner upon the terms and conditions set forth in that certain Operating License Agreement ("Operating Agreement") of even date herewith, by and between Owner and Operator.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the mutual agreements herein set forth, and other valuable consideration, receipt of which is hereby acknowledged, Owner and Operator agree as follows:

1. Owner hereby irrevocably grants to Purchaser the exclusive right to operate the Project in accordance with the terms and conditions set forth in the Operating Agreement. This right to operate shall expire on December 30, 2006, unless earlier terminated.

2. The Operating Agreement is incorporated by reference herein, and, in the event of any conflicts or inconsistencies between the terms and provisions of this

Memorandum and the terms and provisions of the Operating Agreement, the Operating Agreement shall control, it being understood and agreed by Owner and Operator that the sole purpose of this Memorandum is to provide notice of the Operating Agreement and that this Memorandum shall not alter, modify, restrict, limit or otherwise affect any of the terms and provisions of the Operating Agreement or any of the rights or obligations.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first above written.

Owner: CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

Operator: VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

EXHIBIT B

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

VALLEY RECLAMATION CO.
c/o Waste Management of
California, Inc.
9200 Glen Oaks Boulevard
Sun Valley, California 91352
Attn: Mr. Robert Coyle

MEMORANDUM OF OPERATING LICENSE AGREEMENT

THIS MEMORANDUM OF OPERATING LICENSE AGREEMENT ("Memorandum") is made and entered into as of this 31st day of December, 1986, by and between CALMAT CO., a Delaware corporation ("Owner"), and VALLEY RECLAMATION CO., a California corporation ("Operator"), with reference to the following facts.

A. Owner is the owner of that certain real property (the "Property") more particularly described in Exhibit A, which is attached hereto and incorporated by reference herein.

B. The Property, together with the operations currently engaged in thereon, are hereinafter referred to as the "Project."

C. Owner desires to retain Operator to operate the Project as the sole and exclusive operator for the Project and Operator desires to perform such services for Owner upon the terms and conditions set forth in that certain Operating License Agreement ("Operating Agreement") of even date herewith, by and between Owner and Operator.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the mutual agreements herein set forth, and other valuable consideration, receipt of which is hereby acknowledged, Owner and Operator agree as follows:

1. Owner hereby irrevocably grants to Purchaser the exclusive right to operate the Project in accordance with the terms and conditions set forth in the Operating Agreement. This right to operate shall expire on December 30, 2006, unless earlier terminated.

2. The Operating Agreement is incorporated by reference herein, and, in the event of any conflicts or inconsistencies between the terms and provisions of this

Memorandum and the terms and provisions of the Operating Agreement, the Operating Agreement shall control, it being understood and agreed by Owner and Operator that the sole purpose of this Memorandum is to provide notice of the Operating Agreement and that this Memorandum shall not alter, modify, restrict, limit or otherwise affect any of the terms and provisions of the Operating Agreement or any of the rights or obligations.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first above written.

Owner: CALMAT CO.,
a Delaware corporation

By: _____

Its: Sr. Vice President

Operator: VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: Pres

OPERATING LICENSE AGREEMENT

THIS OPERATING LICENSE AGREEMENT (the "Agreement") is made and entered into as of December 31, 1986, by and between CALMAT CO., a Delaware corporation ("Owner"), and VALLEY RECLAMATION CO., a California corporation ("Operator"), with reference to the following facts:

A. Owner is the owner of that certain parcel of real property located in the City of Los Angeles, County of Los Angeles, State of California as more particularly described in Exhibit A hereto (the "Real Property").

B. The Real Property, together with the operations currently engaged in thereon, are hereinafter referred to as the "Project."

C. Operator is and has been in the business of operating the Project as a Class II Sanitary Landfill.

D. All of the outstanding shares of stock of Operator, a wholly owned subsidiary of Owner, are being purchased concurrently herewith by David A. Pearre, as trustee under that certain Declaration of Trust for Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986 (the "Trustee") pursuant to that certain Stock Purchase Agreement of even date herewith by and between Owner, as Seller, and the Trustee, as Purchaser (the "Stock Purchase Agreement").

E. The intent of this Agreement is to provide Operator with the right to continue to operate the Project as the sole and exclusive operator for the Project until such time as Owner conveys fee simple title to the Real Property to Operator pursuant to those certain Agreements of Purchase and Sale and Joint Escrow Instructions dated December 31, 1986 by and between Owner, as Seller, and Operator, as Purchaser (collectively, the "Purchase Agreements").

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the mutual agreements herein set forth, and other valuable consideration, receipt of which is hereby acknowledged, Owner and Operator agree as follows:

ARTICLE I
LICENSE, TERM AND TERMINATION

1.1 Grant of License. Owner hereby grants to Operator an irrevocable license to manage, supervise and otherwise

operate the Project upon the terms and conditions set forth herein. The particular obligations of Operator are set forth in Article II hereof, and Operator's compensation for such obligations is set forth in Article III hereof. Operator hereby accepts the grant of such license on the terms and conditions set forth herein, and agrees to furnish the services of its organization in connection with the operation of the Project.

1.2 Term and Termination.

(a) This Agreement shall be effective as of December 31, 1986 and, unless sooner terminated pursuant to the provisions hereof, shall continue in full force and effect until December 30, 2006 and shall thereafter be automatically renewed for successive one-year periods until closure of the Project.

(b) Notwithstanding anything to the contrary contained herein, upon the consummation of the purchase and sale of the Real Property as contemplated in the Purchase Agreement, this Agreement shall terminate and the obligations of the respective parties shall be governed by Section 1.3 hereof.

1.3 Obligations Upon Termination. Upon termination of this Agreement, each party shall continue to be fully liable for their respective obligations which have accrued up to and including the termination date and shall promptly pay to the other all amounts due the other party under the terms of this Agreement. Such payment shall be made as soon after the effective date of the termination as such amounts are determinable. Upon such payment, neither party shall have any further claim or right against the other, except as expressly provided herein.

ARTICLE II
OPERATION RIGHTS AND DUTIES OF OPERATOR

2.1 Performance of Duties. Operator, in fulfilling its obligations under this Article II, shall perform the duties itemized below, which duties shall be performed in consideration of Operator's right to the compensation described in Section 3.1, and otherwise at the sole cost and expense of Operator and at no cost or expense to Owner, except as otherwise expressly provided in this Agreement.

2.2 Obligations. Operator shall operate the Project as a Class II Sanitary Landfill (as currently defined in the Code of Federal Regulations) (the "Landfill") pursuant to

all Permits (as defined below) and all applicable local, state and federal laws and regulations.

2.3 Expenditures by Operator. Operator shall have the right, without the approval of Owner, to make expenditures and incur obligations as Operator which Operator, in its sole discretion, deems necessary or proper in connection with the operation of the Project.

2.4 Permits. Operator agrees to maintain and keep in full force and effect throughout the term of this Agreement all necessary permits, licenses, approvals, authorizations, applications and certificates from any and all applicable federal, state and municipal governental or quasi-governmental agencies (collectively, the "Permits") in connection with Operator's use and operation of the Project.

2.5 Compliance with Laws. Operator shall operate the Project in compliance with all federal, state and municipal laws and regulations.

2.6 Contracts for Utilities and Other Services. Operator shall have the right, without the approval of Owner, to enter into contracts for electricity, gas, fuel, telephone, vermin extermination, water, sewer and any other similar utilities and operating services, or such of them as Operator shall reasonably deem necessary or advisable for the operation of the Project.

2.7 Contracts with Third Parties. Operator shall have the right, without the approval of Owner, to enter into contracts with third parties in connection with the operation of the Project.

2.8 Payment of Taxes and Assessments. Owner shall pay before delinquency and prior to the addition thereto of interest or penalties, all taxes, assessments and other impositions ("Taxes") applicable to the Project, subject to reimbursement by Operator as provided hereinbelow. Any deliquency which results from Owner's failure to pay any such Taxes when due shall be paid by Owner at its own expense. The parties hereto acknowledge that the Taxes attributable to a portion of the Project are not separately assessed. To the extent any portion of the Real Property is part of a tax assessor parcel which incorporates real property outside the boundaries of the Real Property ("Tax Parcel"), Operator agrees to reimburse Owner for that portion of the Taxes attributable to the Tax Parcel equal to the product of (a) all Taxes assessed on the Tax Parcel and (b) a fraction, the numerator of which is the number of square feet of Real Property contained within the Tax Parcel

and the denominator of which is the total number of square feet contained within the Tax Parcel. Owner shall deliver to Operator a copy of the current tax bill relating to the Real Property, together with evidence of Owner's payment thereof, and Operator shall promptly reimburse Owner for Operator's share of the Taxes paid by Owner.

2.9 Contests. Prior to the payments made pursuant to Section 2.8, Operator shall advise and recommend to Owner whether the amount of any such Taxes should be challenged as inequitable or improper under law and Operator, at Operator's expense, shall undertake any action or proceedings seeking to reduce such Taxes. Any such action or proceeding shall be undertaken by appropriate legal proceedings in the name of Owner. Owner shall deliver to Operator such documents as are necessary or proper to permit Operator in its prosecution of such contest (including, without limitation, any documents necessary for Operator's execution and delivery).

2.10 Alterations, Reconfigurations. Operator may, with the consent of Owner, which consent shall not be unreasonably withheld, (a) remove, alter or modify any existing improvements located on the Real Property, (b) construct any additional improvements on the Real Property and (c) change the composition or configuration of the Project, provided that any and all such actions shall be at Operator's sole cost and expense.

2.11 Payment of Maintenance Expenses. Operator shall pay all costs and expenses which Operator deems necessary or desirable in order to maintain the Project in good operating condition and repair.

2.12 Signage. Operator shall have the right, without the approval of Owner, to erect such signs on the Real Property as Operator deems appropriate in its sole discretion.

2.13 General Duties. In addition to the duties more particularly described in this Article, Operator shall:

(a) Have the right to initiate and take such actions in the operation of the Project as are necessary or desirable for achieving the maximum efficiency and success of the Project.

(b) Have the right to directly supervise, manage and be responsible for other matters coming within the terms of this Agreement. Without limiting the foregoing, Operator shall have the right to negotiate any and all contracts and

agreements relating to the Project, enter into all such contracts and agreements in the name of Operator, and supervise the performance of all such contracts and agreements.

(c) Have the right to prohibit third parties from engaging in any activity on the Project which would adversely affect or threaten the Project.

(d) Have the right to maximize the environmental and financial profile of the Landfill in Operator's sole and absolute discretion, with full right to seek and obtain all such modifications to the Permits as Operator may deem necessary to achieve the aforesaid goals.

(e) Have any and all rights which Operator deems necessary or desirable in connection with the operation of the Project.

ARTICLE III
COMPENSATION

3.1 Operator's Fee. In consideration of Operator's services performed hereunder, Operator shall be entitled to receive any and all revenues generated with respect to the Project, and Operator shall pay to Owner on a monthly basis until December 31, 1988, the sum of Sixty-Seven Thousand Seven Hundred Dollars ($67,700.00) (the "Initial Amount"). Operator shall thereafter pay to Owner on a monthly basis such revised amount (the "Revised Amount") as Operator and Owner shall mutually agree in writing. In the event Operator and Owner shall be unable to agree in writing, on or before June 30, 1988, on the Revised Amount, then such Revised Amount shall be determined in the following manner: on or after July 1, 1988, each party, at its respective cost and by giving notice to the other party, shall appoint an impartial person to act as an appraiser hereunder. The appraisers to specified in such notices shall be M.A.I. appraisers, or members of a comparable appraisal organization, doing business in the City of Los Angeles, California. If a party does not appoint an appraiser within five (5) days after the other party has given notice of the name of its appraiser, the single appraiser appointed shall be the sole appraiser and shall set the Revised Amount. If, within ten (10) days following the appointment of said appraisers, said two appraisers shall be unable to agree upon the Revised Amount, the said appraisers shall appoint, by an instrument in writing, as third appraiser an impartial person, similarly qualified, who shall proceed with the two appraisers first appointed to determine the Revised Amount. The appointment of a third appraiser shall be made within

fifteen (15) days following the appointment of the first two appraisers. In the event the two appraisers first appointed cannot agree upon a third appraiser, said third appraiser shall be chosen by the Presiding Judge of the Superior Court of the County of Los Angeles, State of California. Each of the parties shall bear one-half of the cost of appointing the third appraiser and of paying the third appraiser's fee. The written decision, of any two of the appraisers so appointed, fixing such Revised Amount shall be binding and conclusive on the parties hereto and enforceable as provided by the laws of California. Anything herein to the contrary notwithstanding, in fixing the Revised Amount hereunder, the appraiser or appraisers shall consider the use to which the Real Property is put by Operator, which shall not necessarily be the highest and best use for the Real Property. In no event shall the Revised Amount be less than the Initial Amount, except as adjusted for the sale of a portion of the Real Property as described hereinbelow. The Initial Amount or the Revised Amount for a given month shall be payable in arrears on the first day of each succeeding month, it being understood that if the commencement or the expiration or earlier termination of this Agreement occurs on a day other than the first day of a month, such amounts shall be prorated accordingly. The Initial Amount reflects a six and one-half percent (6-1/2%) annual return on the total aggregate purchase price of the Real Property as set forth in the Purchase Agreements. If any portion of the Real Property is sold by Owner to Operator during the first two (2) years of the term of this Agreement, then the Initial Amount shall be reduced to an amount which reflects a six and one-half percent (6-1/2%) annual return on the purchase price for the remaining portion of the Real Property still owned by Owner. Similarly, the Revised Amount will reflect a certain percentage annual return on the aggregate purchase price of the Real Property then owned by Owner. If any portion of the Real Property is sold by Owner to Operator at any time after the first two (2) years of the term of this Agreement, then the Revised Amount shall be reduced to an amount which reflects the same percentage annual return on the purchase price for the remaining portion of the Real Property still owned by Owner. Operator's obligation to make monthly payments to Owner as provided herein shall terminate upon the cessation of revenue producing landfilling operations prior to the commencement of closure activities, which Operator shall conclude in accordance with the Permits and all applicable laws and regulations.

ARTICLE IV
INSURANCE AND INDEMNIFICATION

4.1 Operator's Liability Insurance. Operator shall carry comprehensive general liability insurance and such other insurance as Operator deems necessary for the protection of Operator's interests. Policies of comprehensive general liability insurance carried by Operator shall include owner as an insured party only in Owner's capacity as owner of the Project. Comprehensive general liability insurance policies shall contain (i) a severability of interest clause, (ii) coverage for contractual liability and personal injury liability and (iii) a waiver by the insurance company of all right of recovery by way of subrogation against Operator in connection with any damage covered by such insurance company's policy. The insurer or insurers and the amounts of coverage shall be determined by Operator in its sole discretion.

4.2 Operator's Property Insurance. Operator shall obtain and keep in force during the term of this Agreement and any extensions thereof, a policy or policies of insurance covering loss or damage to any improvements now or hereafter located on the Real Property in the amount of the full replacement value thereof, against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief and special extended perils ("all risk" as such term is defined in the insurance industry). Said insurance shall provide for payment of loss thereunder to Operator.

4.3 Worker's Compensation Insurance. Operator, at Operator's expense, shall obtain and maintain Workers' Compensation Insurance (including Employer's Liability Insurance) covering all employees of Operator employed in, on or about the Project, so as to provide statutory benefits as required by the laws of the State of California.

4.4 Operator's Insurance Policies. Operator shall furnish or cause to be furnished to Owner certificates of insurance evidencing all bonds and other insurance which Operator is required to maintain pursuant to this Agreement. All insurance policies maintained by Operator shall name Owner and Operator as named insureds, as their respective interests may appear and shall provide that in the event of cancellation of the policy in whole or in part, or a reduction as to coverage or amount thereunder, whether initiated by the insurer or any insured, the insurer shall give not less than thirty (30) days' advance written notice by registered or certified mail to Owner.

4.5 Indemnification. Operator shall indemnify, defend and hold harmless Owner, its employees, agents, representatives and assignees from and against any claim, liability, penalty, fine, forfeiture, demand, cause of action, suits and costs and expenses incidental thereto (including costs of defense, settlement and reasonable attorneys' fees) arising from Operator's operation of the Project, unless occasioned by Owner's willful or negligent actions.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF OWNER

As an inducement to Operator to enter into this Agreement, Owner hereby represents and warrants to and agrees with Operator as follows (it being understood by the parties hereto that there are no representations or warranties made herein by Owner with respect to Handling of Wastes or the condition of the Real Property, other than as set forth in the Stock Purchase Agreement):

5.1 Land-Use Regulation. There are no condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which could detrimentally affect the use or operation of the Real Property for its intended purpose or the value of the Real Property, nor has Owner received notice of any special assessment proceedings affecting the Real Property.

5.2 Agreements Affecting the Real Property. There are no leases (other than the lease between Owner and Livingston-Graham, Inc.), monetary encumbrances or other agreements (other than the Genstar Joint Venture Gas Recovery Agreement) affecting the Real Property, except as otherwise disclosed to Operator by Owner in writing and approved by Operator.

5.3 Utilities. All water, sewer, gas, electric, telephone and all other utilities required by law or by the current use and operation of the Real Property are connected and operating pursuant to valid permits, and are adequate to permit full compliance with all requirements of law and current use of the Real Property by the tenants thereof and their licensees and invitees.

5.4 Use Permits and Other Approvals. To the best of Owner's knowledge, Owner has obtained all easements and rights of way, including proof of dedication, required from all governmental authorities having jurisdiction over the Real Property or from private parties for the current use and operation of the Real Property and to ensure free and unimpeded vehicular and pedestrian ingress to and egress

from the Real Property as required to permit the current use of the Real Property by the tenants thereof, their invitees and customers.

5.5 Authority of Owner. This Agreement is duly authorized, executed and delivered by Owner, is the legal, valid and binding obligation of Owner enforceable in accordance with its terms, and does not violate any provisions of any agreement or judicial order to which Owner is a party or to which Owner or the Real Property is subject.

5.6 Use and Operation of Property. Owner knows of no facts nor has Owner failed to disclose to Operator any fact which would prevent Operator from using and operating the Real Property in the manner in which the Real Property is being operated as of the date hereof.

ARTICLE VI
CASUALTY AND CONDEMNATION

6.1 Casualty. If any portion of the Project is destroyed or materially damaged (as reasonably determined by Operator) as a result of an occurrence covered under Operator's property insurance and Operator receives the proceeds of an insurance award equal to the full replacement value thereof, then Operator shall be obligated to restore the damaged or destroyed portion of the Project in a timely manner.

6.2 Condemnation. If proceedings are commenced by any governmental agency for the condemnation of the Project or any portion thereof pursuant to the power of eminent domain, Operator shall have the right to participate in such proceedings in the name of Owner. Owner shall deliver to Operator such documents as are necessary or proper to permit Operator to so participate. If the Project or any portion thereof is taken under the power of eminent domain or sold under the threat of exercise of said power, Owner shall pay or otherwise assign to Operator the total amount of any such condemnation award less an amount equal to the pro rata portion of the purchase price for the Real Property as set forth in the Purchase Agreements which is attributable to the portion of the Real Property taken under the power of eminent domain or sold under threat of exercise of said power. Upon the taking of such portion of the Real Property or sale under threat of such taking, the Initial Amount or the Revised Amount, as the case may be, shall be reduced pro rata based upon the square footage of the property so taken.

ARTICLE VII
DEFAULTS AND REMEDIES

7.1 Operator's Default. The following occurrences shall be considered "Events of Default" hereunder:

(a) If Operator has not paid Owner the Fixed Amount within five (5) business days after receiving the Late Notice (as hereinafter defined) from Owner. Owner shall be entitled to deliver to Operator a late notice ("Late Notice") if Owner has not received from Operator the Fixed Amount within fifteen (15) days following the date on which the Fixed Amount is due.

(b) If Operator has failed to comply with any of its obligations under this Agreement and has failed to undertake within thirty (30) days after receiving written notice from Owner of such noncompliance, such actions as are necessary to bring itself into compliance with this Agreement.

7.2 Owner's Default. The following occurrences shall be considered "Events of Default" hereunder:

(a) If Owner has failed to comply with any of its obligations under this Agreement and has failed to undertake, within thirty (30) days after receiving written notice from Operator of such noncompliance, such actions as are necessary to bring itself into compliance with this Agreement.

7.3 Remedies. Upon the occurrence of an Event of Default by either party hereto, the nondefaulting party shall be entitled (a) to terminate this Agreement and/or (b) to pursue any remedy now or hereafter available to such party in law or equity. The parties hereto agree that Operator has the right, but not the obligation, to cure any default of Owner hereunder. Upon Operator's default hereunder, Owner shall have the right, but not the obligation, to take possession of the Real Property and operate the Project for the account of Operator.

ARTICLE VIII
OWNERSHIP OF PROJECT; ACCESS

8.1 Right of Entry. Owner hereby grants to Operator the right to enter into and upon the Project at any and all

times during the term of this Agreement for the purpose of performing its obligations under this Agreement with respect to operating the Project; provided, however, that the aforesaid right of Operator is not the grant of an interest or estate in real property (whether fee, leasehold or otherwise), but rather constitutes a mere license only.

ARTICLE IX
ESTOPPEL CERTIFICATES

9.1 Estoppel Certificate. Owner and Operator each agree, at any time and from time to time, to execute, acknowledge and deliver to the other a statement in writing (i) certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that this Agreement is in full force and effect as modified and stating the modificatons), (ii) stating whether or not the provider of the statement is in default in the performance of any covenant, agreement of condition contained in this Agreement, and, if so, specifying each such default of which the provider of the statement may have knowledge and (iii) stating the address to which notices to the provider of the statement shall be sent.

ARTICLE X
MISCELLANEOUS

10.1 Discharge of Water. Owner covenants and agrees that it shall take all steps necessary to prevent any water used in connection with Owner's gravel washing operations currently being conducted on certain real property located adjacent to the Project from being discharged onto any portion of the Real Property.

10.2 Force Majeure. From and after the date of this Agreement, Operator's performance hereunder may be suspended and its obligations hereunder excused in the event and during the period that such performance is prevented by a cause or causes beyond the reasonable control of Operator unless such cause or causes are a result of action or nonaction by Operator. Such causes shall include, but not be limited to, acts of God, acts of war, riot, fire, explosion, accident, flood or sabotage; lack of adequate fuel, power or raw materials; judicial, administrative or governmental laws, regulations, requirements, rules, orders or actions; injunctions or restraining orders; the failure of any governmental body to issue or grant, or the suspension or revocation or modification of any license, permit or other authorization necessary for the construction and/or operation envisioned by this Agreement; national defense

requirements; labor strike, lockout or injunction. Operator shall not be obligated to effect development or perform operations at the Project not indicated in the Permits.

10.3 Memorandum of Agreement. The parties hereto agree to execute, concurrent with the execution of this Agreement, a Memorandum of Operating License Agreement substantially in the form attached hereto as Exhibit B and incorporated herein by reference (the "Memorandum"). The parties hereto agree to cause to be recorded on the date of this Agreement such Memorandum in the office of the County Recorder of the County of Los Angeles.

10.4 Entry on Property. Operator shall also have the right to obtain, with Owner's consent, which consent shall not be unreasonably withheld, any and all final governmental and private approvals ("Final Approvals") to permit Operator's future use and/or development of the Real Property. Final Approvals may include, but are not limited to, final approval of (i) any amendment to any applicable zoning ordinance; (ii) any amendment to any applicable City of Los Angeles or County of Los Angeles General Plan or any applicable City of Los Angeles or County of Los Angeles Specific Plan; (iii) any Environmental Impact Report or environmental review pertaining to the Real Property; (iv) any new parcel, subdivision or tract map pertaining to the Real Property; (v) any rezoning or annexation of the Real Property; and (vi) Operator's design and development plan for the Real Property. Owner agrees to fully cooperate with Operator in obtaining such Final Approvals and agrees to sign all necessary applications and/or documents in connection therewith. In such regard, Owner covenants and agrees, without limitation, that Owner will assist Operator and exercise Owner's best efforts in obtaining such Final Approvals for the Real Property to the appropriate classification or governmental jurisdiction under the applicable ordinances of the necessary governmental agencies, so as to permit the development of the Real Property in accordance with the plans prepared by Operator at Operator's expense. If necessary, Owner shall as soon as reasonably possible after demand by Operator, arrange for the proper execution and filing of an Application for Rezoning or annexation of the Real Property with the proper agencies and officials of said city and/or county and agrees to cooperate with Operator in executing and processing such documents as shall be required to obtain such rezoning or annexation.

ARTICLE XI
GENERAL

11.1 Notices. Any notice required or permitted to be given under this Agreement shall be in writing and sent by

United States mail, registered or certified mail, postage pre-paid, return receipt requested, and addressed as follows, and shall be deemed to have been given upon the date of delivery (or refusal to accept delivery) as indicated on the return receipt):

If to Owner:	CalMat Co. 3200 San Fernando Road Los Angeles, CA 90065 Attn: Thomas M. Linden
With a copy to:	Latham & Watkins 555 S. Flower Street Los Angeles, CA 90071 Attn: Michael Schrocko, Esq.
If to Operator:	c/o Waste Management of California, Inc. 9200 Glen Oaks Boulevard Sun Valley, CA 91352 Attn: Bob Coyle
With a copy to:	Wyman, Bautzer, Christensen, Kuchel & Silbert 2049 Century Park East Suite 1400 Los Angeles, CA 90067 Attn: Peter M. Weil, Esq.

11.2 Covenant of Further Assurances. The parties hereby agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the purposes of this Agreement.

11.3 Assignability of Rights. The rights and obligations of either party hereto shall not be assigned or transferred in any manner, either voluntarily or by operation of law, unless consented to in writing by the nonassigning party, which consent shall not be unreasonably withheld. Either party, however, may assign its interest hereunder to an "Affiliated Company" without the prior written consent of the other. For purposes of this paragraph, "Affiliated Conpany" means any company which is a wholly owned subsidiary of the assigning party or which the assigning party or a subsidiary thereof owns at least fifty-one percent (51%) thereof.

11.4 Successors and Assigns. Subject to the restrictions on transfers and encumbrances set forth herein, this Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. Whenever in this Agreement a reference is made to

any entity or party, such reference shall be deemed to include a reference to the successors and permitted assigns of such entity or party.

11.5 Status of Operator. Owner and Operator each acknowledge and agree that Operator is acting solely as an independent contractor and not as a partner, joint venturer, employee or agent of Owner and shall have no authority to act for, bind or obligate Owner in any manner whatsoever, except solely to the exent specifically set forth herein or as may hereafter be specifically authorized in writing by Owner.

11.6 Waiver. No consent or waiver, express or implied, by any party to or of any breach or default by the other party in the performance by such other party of the obligations thereof under this Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obliations of such other party under this Agreement. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of the rights thereof under this Agreement.

11.7 Additional Remedies. The rights and remedies of the parties under this Agreement shall not be mutually exclusive. The exercise of one or more of the provisions of this Agreement shall not preclude the exercise of any other provisions of this Agreement.

11.8 Attorneys' Fees. Should any action be brought arising out of this Agreement, including without limitation any action for declaratory or injunctive relief, the prevailing party shall be entitled to reasonable attorney's fees and costs and expenses of investigation all as actually incurred and including, without limitation, attorneys' fees, costs and expenses of investigation incurred in appellate proceedings or in any action or participation in, or in connection with, any case or proceeding under Chapters 7, 11 or 13 of the Bankruptcy Code or any successor statutes, and any judgment or decree rendered in any such actions or proceedings shall include an award thereof.

11.9 Entire Agreement. This Agreement represents the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior oral or written agreements, understandings, representations, and covenants, to the extent they are inconsistent with this Agreement.

11.10 Severability. If any provisions of this Agreement or the application thereof to any entity or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to any other entity or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

11.11 Invalidity of Agreement. If all or any portion of this Agreement is determined by a court of competent jurisdiction to be invalid, the parties hereto agree to cooperate in good faith to accomplish the intent of this Agreement by such other valid means as may be necessary or appropriate.

11.12 Property Tax Increases. Operator shall not be liable for any increase in taxes resulting from the change of ownership of the Project.

11.13 Irrevocability of License. The parties hereto acknowledge and agree that the licenses granted by Owner to Operator pursuant to this Agreement are coupled with an interest and are irrevocable.

11.14 Terminology. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural; and the plural shall include the singular. Titles of Articles and Sections in this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement. All references in this Agreement to Articles, Sections or Subsections thereof shall refer to the corresponding Article, Section or Subsection of this Agreement unless specific reference is made to the articles, sections or subsections of another document or instrument.

11.15 Amendment. No change, waiver, discharge or termination of this Agreement or any provision of this Agreement shall be binding upon any party to this Agreement unless it is set forth in a written instrument signed by the party against whom enforcement of the change, waiver, discharge or temination is sought.

11.16 Counterparts. This Agreement may be executed in any numbe of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument.

11.17 Interpretation. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or dictated such provision.

11.18 Governing Law. This Agreement and the obligations of Owner and Operator shall be interpreted, construed and enforced in accordance with the laws of the State of California.

IN WITNESS WHEREOF, Owner and Operator have caused this Agreement to be executed as of the date first written above.

OWNER: CALMAT CO.,
a Delaware corporation

By: _____

Its: Sr. Vice President

OPERATOR: VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: Pres

By: _____

Its: _____

AGREEMENT OF PURCHASE AND SALE OF PARCEL 3

AND JOINT ESCROW INSTRUCTIONS

THIS AGREEMENT OF PURCHASE AND SALE OF PARCEL 3 AND JOINT ESCROW INSTRUCTIONS (the "Agreement") is made and entered into as of this 31st day of December, 1986, by and between CALMAT CO., a Delaware corporation ("Seller"), and VALLEY RECLAMATION CO., a California corporation ("Buyer"), with reference to the following facts:

A. Seller is the owner of the Property, as hereinafter defined.

B. Buyer desires to purchase from Seller and Seller desires to sell to Buyer the Property on the terms and conditions set forth herein.

C. Concurrently herewith, Buyer and Seller have also entered into that certain Reciprocal Easement Agreement (the "Easement Agreement"), even date herewith, relating to the Land (as hereinafter defined), and other real property owned by Seller.

D. Concurrently herewith, Buyer and Seller have also entered into that Certain Agreement of Purchase and Sale of Parcel 1 and Joint Escrow Instructions, of even date herewith, pertaining to the property more particularly described therein.

E. Concurrently herewith, Buyer and Seller have also entered into that Certain Agreement of Purchase and Sale of Parcel 2 and Joint Escrow Instructions, of even date herewith, pertaining to the property more particularly described therein.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the mutual agreements herein set forth, and other valuable consideration, receipt of which is hereby acknowledged, Seller and Buyer agree as follows:

ARTICLE I

PROPERTY

Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following:

1.1 Land. That certain land outlined on Exhibit A hereto (the "Land"); provided, however, that it is understood and agreed that the precise description of the Land is subject to the review and approval of Buyer based upon the items to be provided pursuant to Section 4.1(c) hereof;

1.2 Appurtenances. All rights, privileges and easements appurtenant to the Land, including, without limitation, all minerals, oil, gas and other hydrocarbon

substances on and under the Land (if owned by Seller), as well as all development rights, air rights, water, water rights and water stock (if any) relating to the Land and any other easements, rights-of-way or appurtenances used in connection with the beneficial use and enjoyment of the Land (all of which are collectively referred to as the "Appurtenances");

1.3 Improvements. All improvements and fixtures located on the Land, including, without limitation, all buildings and structures presently located on the Land (all of which are collectively referred to as the "Improvements");

1.4 Personal Property. All personal property of Seller, if any, located on or in or used in connection with the Land and/or the Improvements (except for the conveyor system running across the Land and used by Seller in connection with its operation on real property adjacent to the Land), including without limitation the personal property described in Exhibit B hereto (the "Personal Property"); and

1.5 Intangible Property. All right, title and interest of Seller in and to any and all intangible personal property now or through the Closing Date (as hereinafter defined) owned by Seller, if any, and used in the ownership, use and operation of the Land, Improvements and/or Personal Property, including, without limitation, the right to use any trade name now used in connection with the Land or the Improvements and, to the extent that the same are approved by Buyer pursuant to the provisions of this Agreement, any and all contracts and lease rights, agreements, utility contracts and other rights relating to the ownership, use and operation of all or any part of the Property, including without limitation the intangible personal property described in Exhibit C hereto (all of which are collectively referred to as the "Intangible Property").

The items described in Sections 1.1, 1.2, 1.3, 1.4 and 1.5 above are herein sometimes referred to collectively as the "Property." The items described in Sections 1.1, 1.2, and 1.3 are herein sometimes referred to collectively as the "Real Property."

ARTICLE II

PURCHASE PRICE

2.1 Purchase Price. The total purchase price for the Property shall be FOUR HUNDRED THOUSAND DOLLARS ($400,000) (the "Purchase Price"). The Purchase Price shall be subject to the closing adjustments set forth in Article V.

2.2 Payment of Purchase Price. The Purchase Price shall be deposited by Buyer with Safeco Title Insurance Company ("Escrow Holder"), 13640 Roscoe Boulevard, Panorama City, California 91409, on or before the Closing Date (as hereinafter defined), by wire transfer or cashier's check.

In the event the sale of the Property as contemplated hereunder is consummated, such amounts to be paid

as set forth herein shall be credited towards the Purchase Price. In the event the sale of the Property is not consummated because of the failure of any condition or any other reason, all such amounts shall immediately be returned to Buyer.

ARTICLE III

TITLE TO PROPERTY

3.1 Title. At the Closing (as hereinafter defined), Seller shall convey to Buyer marketable and insurable fee simple title to the Real Property, by duly executed and acknowledged grant deed in the form of Exhibit D hereto (the "Deed"). Evidence of delivery of marketable and insurable fee simple title shall be the issuance by Safeco Title Insurance Company (the "Title Company") of an ALTA Owner's Policy of Title Insurance (Form B, Rev. 10/17/77) in the full amount of the Purchase Price, insuring fee simple title to the Land, the Appurtenances and the Improvements, in Buyer, subject only to such exceptions as Buyer shall approve pursuant to Section 4.1(c), and shall contain such endorsements as Buyer may require.

3.2 Bill of Sale. At the Closing, Seller shall transfer title to the Personal Property, if any, by a bill of sale in the form of Exhibit E hereto (the "Bill of Sale"), free of any liens, encumbrances or interests of third parties.

3.3 Assignment of Intangible Property. At the Closing, Seller shall transfer all of its right, title and interest in and to all (i) Service Contracts (as hereinafter defined); (ii) all Intangible Property; and (iii) any warranties and guarantees, if any, which Buyer elects to assume in its sole and absolute discretion, by an Assignment of Service Contracts, Intangible Property, Warranties and Guarantees, in the form of Exhibit F hereto (the "Assignment of Service Contracts, Intangible Property, Warranties and Guarantees"), free and clear of any liens, encumbrances or interests of third parties.

ARTICLE IV

CONDITIONS TO CLOSING

4.1 Buyer's Conditions. The following conditions are conditions precedent to Buyer's obligation to purchase the Property:

(a) Tenant Estoppel Certificates. Seller obtaining and delivering to Buyer tenant estoppel certificates in form and substance satisfactory to Buyer from any and all tenants occupying any portion of the Property (the "Tenant Estoppel Certificates") not later than twenty (20) days prior to the Closing Date. The Tenant Estoppel Certificates shall be in substantially the form of Exhibit G hereto and shall be dated no earlier than thirty (30) days prior to the Closing Date

(b) Representations and Warranties. All of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct as of the Closing Date, and Seller shall have complied with all of Seller's covenants and agreements contained in or made pursuant to this Agreement, including, without limitation, those set forth in Article X hereof.

(c) Title. Not later than twenty (20) days following the date first above written Seller shall deliver to Buyer, at Seller's sole cost and expense, all of the following:

(1) a current extended coverage preliminary title report on the Real Property, accompanied by copies of all documents referred to in the report;

(2) an "as-built" survey of the Real Property by a licensed surveyor or civil engineer who is reasonably acceptable to Buyer. Said survey shall be acceptable to, and certified to, Buyer and in sufficient detail to provide the basis for an ALTA Owner's Policy of Title Insurance without boundary, encroachment or survey exceptions, and shall show the location of all easements, including that certain easement created of even date herewith and more particularly described in the Easement Agreement, and improvements (including underground improvements), and any and all other pertinent information with respect to the Property. The survey shall also indicate the total acreage and total square footage of the Land and any encroachments of improvements onto easements or onto adjacent properties or certify to their absence and shall indicate the presence of improvements and easements on property adjoining the Land if located within five (5) feet of the boundaries of the Land; and

(3) copies of all existing and proposed easements, covenants, restrictions, agreements or other documents which affect the Property and which are not disclosed by the preliminary title report, or, if no such documents exist, a certification of Seller to that effect. Title to the Real Property shall be subject only to such exceptions as Buyer shall approve in Buyer's sole and absolute discretion. Buyer shall advise Seller within ten (10) days after the later of actual receipt of all of the foregoing or the date first above written, what exceptions to title, if any, will be accepted by Buyer. Seller shall have five (5) business days after receipt of Buyer's objections to give Buyer notice: (i) that Seller will remove any objectionable exceptions from title and provide Buyer with evidence satisfactory to Buyer of such removal, or provide Buyer with evidence satisfactory to Buyer that said exceptions will be removed on or before the Closing; or (ii) that Seller elects not to cause such exceptions to be removed. If Seller gives Buyer notice under clause (ii), Buyer shall have five (5) business days to elect to proceed with the purchase and take the Property subject to such exceptions, or to terminate this Agreement. If Buyer shall fail to give Seller notice of its election within said five (5) business days, Buyer shall be deemed to have elected to terminate

this Agreement, each party shall bear their own costs incurred under this Agreement, and all other sums deposited by Buyer with Escrow Holder shall immediately be returned to Buyer. If Seller shall give notice pursuant to clause (i) and shall fail to remove any such objectionable exceptions from title prior to the Closing Date, and Buyer is unwilling to take title subject thereto, Seller shall be in default hereunder and, without limiting Buyer's rights and remedies against Seller, Buyer may elect to terminate this Agreement and Seller shall be liable for all of Buyer's damages, including, without limitation, Buyer's costs and expenses incurred hereunder, including, without limitation, title and escrow costs and reasonable attorneys' fees and expenses. If for any reason Buyer disapproves of title to the Real Property as herein provided, then, in addition to all of Buyer's other rights and remedies, whether provided for herein or otherwise at law or in equity, it is understood and agreed that Seller shall have the absolute and unconditional obligation to immediately repurchase all of the issued and outstanding shares of capital stock of Buyer from David A. Pearre, as trustee (the "Trustee") under the Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986, or his successor or assignee, for $48,400,000 (less any amounts necessary to compensate Seller for any dimunition in the net worth of Buyer caused by any act or omission of the Trustee or the Buyer since the Time of Closing of the Stock Purchase Agreement; provided that any such reduction in price shall not include any diminution caused by any failure of Seller to use its best efforts under paragraph 1 of the Management Agreement, as hereinafter defined), and the Trustee, or his successor or assignee shall deliver to Seller duly executed certificates in valid form evidencing all of the issued and outstanding shares of the capital stock of Buyer, duly endorsed in blank or accompanied by duly executed stock powers with the requisite stock transfer stamps, if any, attached.

(d) Service Contracts. Not later than twenty (20) days following the date first above written, Seller shall deliver to Buyer, at Seller's sole cost and expense, all design contracts, space planning contracts, construction contracts, subcontracts and purchase orders, utility contracts, water and sewer service contracts, other service contracts of any nature, maintenance contracts, management contracts, mortgage documents, certificates of occupancy, warranties, permits, soils reports, insurance policies, and other contracts or documents, if any, of any nature relating to the Property (the "Service Contracts"). Buyer shall have ten (10) business days after the later of actual receipt of all of the foregoing or the date first above written within which to approve or disapprove, in Buyer's sole and absolute discretion, any of the foregoing.

(e) Leases. Not later than twenty (20) days following the date first above written, Seller shall deliver to Buyer, at Seller's sole cost and expense, any and all leases affecting the Property or any portion thereof executed or proposed to be executed by Seller along with a list of such leases in the form of Exhibit [illegible] hereto. Buyer shall have ten (10) days after the later of actual receipt of all

of the foregoing or the date first above written within which to approve or disapprove, in Buyer's sole and absolute discretion, any of the foregoing.

(f) No Default Under Stock Purchase Agreement. Seller shall not be in default under the terms and conditions of that certain Stock Purchase Agreement (the "Stock Purchase Agreement"), dated as of December 31, 1986, between Seller and Trustee, shall not be in default under the Stock Purchase Agreement dated as of December 31, 1986, between Trustee and Waste Management of North America, Inc., an Illinois corporation.

4.2 Failure of Conditions. The foregoing conditions contained in this Article IV are intended solely for the benefit of Buyer. If any of the foregoing conditions are not satisfied for any reason whatsoever, or if any of the foregoing items to be delivered to and/or inspected and/or reviewed by Buyer are disapproved by Buyer, in Buyer's sole and absolute discretion, Buyer shall have the right at its sole election either to waive the condition and/or item(s) in question (provided that with respect to the condition described in Section 4.1(b) Buyer shall continue to have the remedies available under this Agreement or otherwise at law or in equity) and proceed with the purchase or, in the alternative, to terminate this Agreement.

4.3 Extension of Closing Date and Remedies. The Closing Date may be extended, at Buyer's option, a reasonable period of time if required to allow the conditions set forth in Section 4.1 to be satisfied, subject to Buyer's further right to terminate this Agreemen upon the expiration of the period of any such extension if all said conditions have not been satisfied. In the event Buyer elects to terminate this Agreement pursuant to this Article IV, Seller shall pay any title and escrow charges, and, except as otherwise expressly provided in this Article IV, neither party shall have any further rights or obligations under this Agreement. Notwithstanding the foregoing, in the event of a breach by Seller of any covenant hereunder material to the purchase of the Property by Buyer, Buyer may elect nevertheless to proceed with the purchase of the Property, reserving the right to collect damages for such breach from Seller, or Buyer may elect to terminate this Agreement by written notice to Seller delivered prior to Closing, and upon such termination Buyer shall be relieved of all further obligations hereunder, the Deposit shall be returned to Buyer and Buyer may proceed against Seller for any damages caused Buyer thereby.

4.4 Consummation of Purchase of Stock. Anything in this Article IV or elsewhere in this Agreement to the contrary notwithstanding, a condition precedent to both Buyer and Seller's obligation to consummate the purchase and sale of the Property pursuant to this Agreement shall be the acquisition of all of the issued and outstanding shares of capital stock of Buyer by Waste Management of North America, Inc.

ARTICLE V

CLOSING AND ESCROW

5.1 Deposit with Escrow Holder and Escrow Instructions. This instrument shall serve as the instructions to Escrow Holder for consummation of the purchase and sale contemplated hereby. Seller and Buyer agree to execute such additional and supplementary escrow instructions as may be appropriate to enable Escrow Holder to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the terms and provisions of this Agreement and the terms and provisions of any supplementary escrow instructions, the terms and provisions of this Agreement shall control.

5.2 Closing. The closing hereunder (the "Closing") shall mean the recording of the Deed conveying title to the Real Property from Seller to Buyer and shall be held and delivery of all items to be made at the Closing shall be made at the offices of Escrow Holder on December 31, 1987, or such other date prior thereto (the "Closing Date") and/or at such other location as Buyer and Seller may mutually agree in writing. Such date may not be extended without the written approval of both Seller and Buyer, except as otherwise expressly provided in this Agreement. In the event the Closing does not occur on or before the Closing Date, Escrow Holder shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which may have been deposited hereunder. Any such return shall not, however, relieve either party hereto of any liability it may have for its wrongful failure to close. It is agreed that if either party has complied with the terms and conditions of this Agreement as of the Closing Date and the other party is not in a position to close, the party not in a position to close shall be in material breach of this Agreement and the Agreement may be terminated and the party who has so fully complied may exercise any and all remedies available to it at law or in equity, subject to the provisions for liquidated damages set forth herein.

5.3 Delivery by Seller. Not later than five (5) days prior to the Closing Date, Seller shall deposit with Escrow Holder the following:

(a) The Deed, duly executed and acknowledged by Seller, in recordable form, and ready for recordation on the Closing Date;

(b) The Bill of Sale, duly executed by Seller;

(c) Original counterparts of any leases (and amendments thereto, if any, and all records and correspondence relating thereto) covering any portion of the Property, any security deposits relating thereto, and a duly executed and acknowledged Assignment of Leases in the form of Exhibit H hereto;

(d) Originals or copies of all Service Contracts, if any, to be continued Buyer after the Closing

elected by Buyer, and any warranties or guaranties, if any, received by Seller from any contractors, subcontractors, suppliers or materialmen in connection with any construction, repairs or alterations of the Improvements;

(e) The Assignment of Service Contracts, Intangible Property and Warranties and Guarantees, duly executed by Seller;

(f) Originals or copies of all building permits and certificates of occupancy for the Improvements;

(g) Notices to the tenants at the Property, if applicable, in the form of Exhibit I hereto, duly executed by Seller;

(h) An escrow closing statement in form and content consistent with this Agreement and otherwise reasonably satisfactory to Buyer and Seller;

(i) An affidavit in the form of Exhibit J hereto confirming that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445;

(j) Any other documents, instruments, data, records, correspondence or agreements called for hereunder which have not previously been delivered.

Buyer may waive compliance on Seller's part under any of the foregoing items by an instrument in writing.

5.4 Delivery by Buyer. On or before the Closing Date, Buyer shall deposit the Purchase Price with Escrow Holder for disbursement to Seller in accordance with the provisions hereof, to be held by Escrow Holder pursuant to disbursement instructions mutually acceptable to Buyer and Seller.

5.5 Other Instruments. In addition to the documents and instruments to be delivered as herein provided, each of the parties hereto shall, from time to time at the request of the other party, execute and deliver to the other party such other instruments of transfer, conveyance and assignment and shall take such other action as may be reasonably required to effectively carry out the terms of this Agreement and/or to transfer and assign to and vest in Buyer, and put Buyer in possession of, the Property.

5.6 Prorations. Any rents actually collected (whether such collection occurs prior to, on or after the Closing), all non-delinquent real property taxes and assessments, any bond assessments assumed by Buyer, water, sewer and utility charges, annual permits and/or inspection fees (calculated on the basis of the respective periods covered thereby), insurance premiums (as to those policies, if any, that Buyer determines will be continued after the Closing), and other expenses normal to the operation and maintenance of the Property shall be prorated as of 12:01 a.m. on the date the Deed is recorded. Seller and Buyer hereby agree that if any of the aforesaid prorations cannot be calculated within thirty (30) days after the Closing Date, that either party

owing the other party a sum of money based on such subsequent proration(s) shall promptly pay said sum to the other party, together with interest thereon at the rate of eight percent (8%) per annum from the Closing Date to the date of payment if payment is not made within ten (10) days after delivery of a bill therefor. A statement setting forth such agreed-upon prorations shall be delivered to Escrow Holder. Escrow Holder shall not be required to make any other prorations.

5.7 Costs and Expenses. Buyer and Seller shall each pay one-half (1/2) of Escrow Holder's escrow fee, and Seller shall pay all documentary transfer taxes, transfer or conveyance taxes imposed by the City and/or County in which the Real Property is located, delinquent real property taxes or assessments, and the cost of recording the Grant Deed. Buyer shall bear that portion of the title insurance premium cost, if any, that is in excess of the Title Company's normal and standard premium cost of a CLTA Standard Coverage Owner's Policy of Title Insurance ("CLTA Policy"), with liability in the amount of the Purchase Price, and Seller shall bear that portion of the title insurance premium cost that is equal to the premium cost that would be incurred if such a CLTA Policy were issued.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF SELLER

As an inducement to Buyer to enter into this Agreement, Seller hereby represents and warrants to and agrees with Buyer as follows (it being understood by the parties hereto that there are no representations or warranties made herein by Seller with respect to the Handling of Wastes (as defined in the Stock Purchase Agreement) or the condition of the Real Property, other than as set forth in the Stock Purchase Agreement):

6.1 Condition of Property. Between the date hereof and the date of acquisition of all of the issued and outstanding shares of capital stock of Buyer by Waste Management of North America, Inc., there will be no material change in the condition of the Property or in the level of compliance with all applicable governmental laws, ordinances, regulations and requirements.

6.2 Reports, Contracts and Other Documents. The survey, leases, certificates of occupancy, and all other books and records relating to or affecting the Property, and the Service Contracts, if any, and all other contracts or documents delivered to Buyer pursuant to this Agreement or in connection with the execution hereof are and at the time of Closing will be true and correct copies, are and at the time of Closing will be in full force and effect, without default by (or notice of default to) any party, and contain no inaccuracies or misstatements of fact, and all such contracts, leases and other documents relating to or affecting the Property have been or will be delivered to the Buyer pursuant to this Agreement.

6.3 Land-Use Regulation. There are no condemnation, zoning or other land-use regulation proceedings, either

instituted or planned to be instituted, which could detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property, nor has Seller received notice of any special assessment proceedings affecting the Property.

6.4 Leases. Except as set forth in Exhibit K hereto (to be provided by Seller in accordance with Section 4.1(e) hereof), Seller has not executed or otherwise entered into any leases, tenancies, occupancy agreements or other agreements with respect to rights affecting possession of the Property or any portion thereof and there are no such agreements entered into or executed by any third party, and there is no default on the part of Seller, as lessor, or on the part of any lessee, and there exists no condition that with the passage of time or the giving of notice or both would constitute such a default.

6.5 Service Contracts and Other Agreements. Seller has not entered into and there are no Service Contracts or other agreements affecting the Property, there is no obligation of Seller under the terms of any contract, lease or other instrument relating to or affecting the Property to assume any obligation thereof other than the contracts, leases and other documents required to be disclosed pursuant to this Agreement, and there will be, as of the Closing Date, no obligation of Buyer under the terms of any contract, lease or other instrument affecting the Property other than the contracts, leases or other documents which Buyer has elected to assume pursuant to this Agreement.

6.6 Agreements Affecting the Property. There are no leases, easements, encumbrances or other agreements affecting the Property except as shown in the preliminary title report delivered to Buyer pursuant to Section 4.1(c) hereof, or as otherwise disclosed to Buyer by Seller in writing and approved by Buyer.

6.7 Default in Respect of Appurtenances. There is no default under or in respect of any of the Appurtenances on the part of any party thereto and no condition exists that with the passage of time or giving of notice or both would constitute such a default.

6.8 Litigation. There is no litigation pending or to the best of Seller's knowledge threatened against Seller or to the best of Seller's knowledge any basis therefor that arises out of the ownership of the Property or that might detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property or adversely affect the ability of Seller to perform its obligations under this Agreement.

6.9 Utilities. All water, sewer, gas, electric, telephone, and all other utilities required by law or by the normal use and operation of the Property are, and at the time of Closing will be, connected and operating pursuant to valid permits.

6.10 Use Permits and Other Approvals. To the best of Seller's knowledge, Seller has obtained all easements and

rights of way, including proof of dedication, required from all governmental authorities having jurisdiction over the Property or from private parties for the normal use and operation of the Property and to ensure free and unimpeded vehicular and pedestrian ingress to and egress from the Property as required to permit the normal intended usage of the Property by the tenants thereof, their invitees and customers.

6.11 Authority of Seller. This Agreement and all documents executed by Seller which are to be delivered to Buyer at or prior to the Closing are or at the time of Closing will be duly authorized, executed, and delivered by Seller, are or at the time of Closing will be legal, valid, and binding obligations of Seller enforceable in accordance with their terms, are and at the time of Closing will be sufficient to convey title (if they purport do to so), and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

6.12 Use and Operation of Property. Seller knows of no facts nor has Seller failed to disclose to Buyer any fact which would prevent Buyer from using and operating the Property after Closing in the manner in which the Property is being operated as of the date hereof.

6.13 Other Contracts to Convey Property. Seller has not committed nor obligated itself in any manner whatsoever to sell the Property to any party other than Buyer. Seller has not hypothecated or assigned any rents or income from the Property in any manner. At the Closing Date, Seller will not have hypothecated or assigned any rents or income from the Property in any manner.

6.14 Property Tax Assessment. Notwithstanding any other provision of this Agreement to the contrary, if Buyer shall become liable after the Closing for payment of any property taxes assessed against the Property for any period of time prior to the Closing Date, Seller shall immediately pay to Buyer on demand an amount equal to such tax assessment in accordance with Section 5.6 hereof.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows: This Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing are or at the time of Closing will be duly authorized, executed, and delivered by Buyer, and are or at the Closing will be legal, valid, and binding obligations of Buyer, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

ARTICLE VIII

LOSS BY FIRE OR OTHER CASUALTY; CONDEMNATION

In the event that, prior to Closing, the Property is destroyed or materially damaged (as reasonably determined by Buyer), or if condemnation proceedings are threatened or commenced against the Property, Buyer shall have the right, exercisable by giving notice of such decision to Seller within fifteen (15) business days after receiving written notice from Seller of such damage, destruction or condemnation proceedings, to terminate this Agreement, in which case, neither party shall have any further rights or obligations hereunder and the Deposit shall be returned to Buyer. If Buyer elects to accept the Property in its then condition, all proceeds of insurance or condemnation awards payable to Seller by reason of such damage, destruction or condemnation shall be paid or assigned to Buyer. In the event of non-material damage to the Property, which damage Seller is unwilling to repair or replace at its expense prior to or within a reasonable time after the Closing Date, Buyer shall have the right, exercisable by giving notice within fifteen (15) business days after receiving written notice of such damage, either (a) to terminate this Agreement as hereinabove in this Article VIII provided, or (b) to accept the Property in its then condition and proceed with the purchase, in which case Buyer shall be entitled to a reduction of the Purchase Price to the extent of the cost of repairing or replacing such damage as determined by Buyer based on bids or other advice from one or more qualified contractors, architects or engineers selected by Buyer. For purposes of any repairs or replacements under this Article VIII, the Closing Date may be extended, at Buyer's election, for a reasonable time to allow such repairs or replacements to be made.

ARTICLE IX

DELIVERY OF POSSESSION AND ENTRY ON PROPERTY

9.1 Delivery of Possession. Possession of the Property shall be delivered to Buyer on the Closing Date.

9.2 Entry on Property. Seller shall afford Buyer reasonable access to the Property for the purposes of satisfying Buyer with respect to the representations, warranties, and covenants of Seller contained herein, with respect to satisfaction of any conditions precedent to the Closing contained herein, and with respect to the condition of the Property. Buyer shall have the right to conduct such inspections and tests of the Property as Buyer deems appropriate, including, but not limited to, soils and geological tests, building inspections, reviews of the zoning and other land use controls and restrictions affecting the Property and surrounding land, and reviews of the availability of utilities, rail service and other services necessary or appropriate to the operation of the Property. In this regard, Buyer may obtain, at Buyer's sole option and expense, such written reports and studies as Buyer may deem appropriate, a survey containing sufficient information to

permit the issuance of an ALTA Policy covering the Property, and any permits, authorizations or approvals from governmental agencies having authority over the Property which Buyer deems necessary or appropriate.

ARTICLE X

MAINTENANCE AND OPERATION OF THE PROPERTY

10.1 Maintenance. In addition to Seller's other obligations hereunder, Seller shall, subject to and in accordance with the terms and provisions of that certain Management Agreement (the "Management Agreement"), by and between Buyer and Seller, of even date herewith, maintain the Property in good order, condition and repair, reasonable wear and tear excepted, shall perform all work required to be done by the landlord under the terms of any lease affecting the Property, and, subject to and in accordance with the terms and provisions of the Management Agreement, shall make all repairs, maintenance and replacements of the Improvements and any Personal Property and otherwise operate the Property in the same manner as before the the date first above written, the same as though Seller were retaining the Property.

10.2 Leases and Other Agreements. Seller shall not, after the date of first above written, enter into or terminate any lease, amendment of lease, contract or agreement pertaining to the Property or permit any tenant of the Property to enter into or terminate any sublease, assignment of lease, contract or agreement pertaining to the Property, or modify any lease, contract or agreement pertaining to the Property or waive any rights of Seller thereunder, without in each case obtaining Buyer's prior written consent thereto.

10.3 Encumbrances. Seller shall not, after the date first above written, mortgage, encumber or suffer to be encumbered all or any portion of the Property, without the prior written consent of Buyer.

ARTICLE XI

EXCHANGE

11.1 Exchange. Instead of the sale of the Property by Seller to Buyer, Seller shall have the right to locate other real property or properties ("Exchange Property") for the purpose of effecting a tax-deferred exchange (under IRC Section 1031) of the Property and/or to arrange for the terms of Seller's acquisition of Exchange Property. If Seller does locate such Exchange Property or enter into an exchange agreement with the owner(s) thereof or other third parties ("Exchange Parties") and notifies Buyer in writing of same on or before June 30, 1987, then, at Seller's option (a) Buyer shall enter into a written contract with such Exchange Parties to purchase such Exchange Property and transfer the ownership thereof from Buyer to Seller in consideration of and concurrently with the transfer of the

Property to Buyer; or (b) Seller shall enter into an exchange agreement with such Exchange Parties and, upon Seller's acquisition of such Exchange Property, the Exchange Parties shall concurrently transfer the ownership of the Property to Buyer in accordance with the terms and provisions of sale set forth in this Agreement. Buyer agrees to accept title to the Property from such Exchange Parties. In no event, however, shall Buyer be required to make a total cash payment for the Exchange Property, including all costs and expenses of that purchase, in excess of the sum of the Purchase Price and all costs and expenses Buyer is required to make hereunder, nor shall Buyer be required to assume any secured loan on any Exchange Property to be acquired by Buyer, execute any promissory note or other evidence of indebtedness in connection with any acquisition of Exchange Property which would impose any personal liability on Buyer for its payment, make any representations or warranties beyond those made in the Agreement which would impose any personal liability on Buyer, or actually take title to the Exchange Property. Buyer shall make a good faith diligent effort (but shall not be required to deposit money sooner than required hereunder) to comply with all terms of any and all contracts entered into in connection with such tax-deferred exchange. Seller shall be required to sell the Property directly to Buyer and Buyer shall be required to purchase the Property directly from Seller for the price and on the terms set forth in this Agreement only if (i) Seller is unable to locate Exchange Property and Buyer is unable to acquire it, (ii) Seller is unable to make arrangements for title to the Property to be transferred to Buyer through a third party within the time period provided in this Agreement, or (iii) if Seller shall waive its right to locate Exchange Property for the purpose of effecting a tax-deferred exchange pursuant to this Article XI. In the event an exchange is made in lieu of a purchase hereunder, Seller shall reimburse Buyer for the amount, if any, by which (i) the total cash payment made to the Exchange Parties, including all of Buyer's costs of escrow, title insurance premiums spent to acquire the Exchange Property, documentary transfer taxes and all prorations, reasonable attorneys' fees and real estate brokerage commissions, all of which shall be approved by Seller before Buyer enters into any agreement of purchase with the Exchange Parties, exceeds (ii) the sum of the Purchase Price and all costs and expenses Buyer is required to incur hereunder. In the event that through no fault of or lack of performance by Buyer, the intended exchange is not completed on or before December 31, 1987, Seller agrees to transfer title to the Property to Buyer on that date under the terms and provisions of sale set forth in this Agreement. Seller agrees to hold Buyer harmless from and against any and all liability, loss, cost, damage and/or expense (including, without limitation, attorneys' fees and expenses) that may arise from Buyer's participation in the exchange.

ARTICLE XII

MISCELLANEOUS

12.1 Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and sent by United States mail, registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

If to Seller:	CalMat Co. 3200 San Fernando Road Los Angeles, CA 90051 Attn: S.J. Wilcott
If to Buyer:	Valley Reclamation Co. c/o Waste Management of North America, Inc. 3003 Butterfield Road Oak Brook, Illinois 60521 Attn: Michael Slattery, Esq.
with a copy to:	Wyman, Bautzer, Christensen, Kuchel & Silbert 2049 Century Park East Suite 1400 Los Angeles, CA 90067 Attn: Peter M. Weil, Esq.
If to Escrow Holder:	Chicago Title Insurance Company 3280 East Foothill Blvd. Pasadena, CA 91107 Attn: Escrow Officer

or such other address as either party may from time to time specify in writing to the other in the manner aforesaid. If personally delivered, such notices or other communications shall be deemed delivered upon delivery. If sent by United States mail, registered or certified mail, postage prepaid, return receipt requested, such notices or other communications shall be deemed delivered upon delivery or refusal to accept delivery as indicated on the return receipt. In addition, copies of all notices and other communications required or permitted to be given under this Agreement shall be delivered to David A. Pearre, as Trustee, at 17109 Saint Andrews Drive, Poway, California 92064, in the manner aforesaid.

12.2 Brokers and Finders. In connection with the transactions contemplated by this Agreement (a) Seller hereby represents and warrants to Buyer that Seller has not, and shall not, incur any obligation to any third party for the payment of any broker's fee, finder's fee, commission or other similar compensation, and (b) Buyer hereby represents and warrants to Seller that Buyer has not, and shall not, incur any obligation to any third party for the payment of any broker's fee, finder's fee, commission or other similar compensation. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, hereby agrees to indemnify and hold Seller harmless from and against any

and all liability, loss, cost, damage and/or expense (including, without limitation, reasonable attorneys' fees and expenses) which Seller may sustain or incur by reason of such claim, and Seller, if such claim is based upon any agreement alleged to have been made by Seller, hereby agrees to indemnify and hold Buyer harmless from and against any and all liability, loss, cost, damage and/or expense (including, without limitation, reasonable attorneys' fees and expenses) which Buyer may sustain or incur by reason of such claim. The provisions of this Section 12.2 shall survive the Closing.

12.3 Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns, except that Seller's interest under this Agreement may not be assigned, encumbered or otherwise transferred whether voluntarily, involuntarily, by operation of law or otherwise, without the prior written consent of Buyer. Buyer shall not have the right to assign to any third party or entity all of Buyer's right, title and interest in and to the Property and this Agreement; provided, however, that notwithstanding anything to the contrary contained herein, Buyer shall have the right to assign all of Buyer's right, title and interest in and to the Property and this Agreement to any of its affiliates.

12.4 Amendments. This Agreement may be amended or modified only by a written instrument executed by the party asserted to be bound thereby.

12.5 Continuation and Survival of Representations and Warranties. All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to and shall remain true and correct as of the time of Closing, shall be deemed to be material, and shall survive the execution and delivery of this Agreement, the delivery of the Deed and transfer of title. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Seller in connection with the transaction contemplated hereby shall constitute representations and warranties hereunder.

12.6 Interpretation. Whenever used herein, the term "including" shall be deemed to be followed by the words "without limitation." Words used in the singular number shall include the plural, and vice-versa, and any gender shall be deemed to include each other gender. The captions and headings of the Articles and Sections of this Agreement are for convenience of reference only, and shall not be deemed to define or limit the provisions hereof.

12.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

12.8 Merger of Prior Agreements. This Agreement constitutes the entire agreement between the parties with respect to the purchase and sale of the Property and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

12.9 Attorneys' Fees. In the event either Buyer or Seller brings any suit or other proceeding with respect to the subject matter or enforcement of this Agreement, the prevailing party (as determined by the court, agency or other authority before which such suit or proceeding is commenced) shall, in addition to such other relief as may be awarded, be entitled to recover attorneys' fees, expenses and costs of investigation.

12.10 Time of the Essence. Time is of the essence of this Agreement.

12.11 Specific Performance. The parties understand and agree that the Property is unique and for that reason, among others, Buyer will be irreparably damaged in the event that this Agreement is not specifically enforced. Accordingly, in the event of any breach or default in or of this Agreement or any of the warranties, terms or provisions hereof by Seller, Buyer shall have, in addition to a claim for damages for such breach or default, and in addition and without prejudice to any right or remedy available at law or in equity, the right to demand and have specific performance of this Agreement.

12.12 Authority. The parties signing below represent and warrant that they have the requisite authority to bind the entities on whose behalf they are signing.

12.13 Exhibits. The exhibits attached hereto are hereby incorporated by reference herein.

12.14 Memorandum of Agreement. Concurrently with the execution of this Agreement, Seller shall execute, acknowledge and deliver to Buyer a Memorandum of Agreement in the form of Exhibit L hereto, which Buyer may record in the appropriate records of the County in which the Property is situated.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Buyer: VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

Seller: CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

LIST OF EXHIBITS

A: Description of Land

B: Description of Personal Property

C: Description of Intangible Property

D: Form of Grant Deed

E: Form of Bill of Sale for Personal Property

F: Form of Assignment of Service Contracts, Intangible Property, Warranties and Guarantees

G: Form of Tenant Estoppel Certificate

H: Form of Assignment of Leases

I: Form of Notice to Tenants

J: Form of Affidavit of Non-Foreign Status

K: List of Leases

L: Form of Memorandum of Purchase and Sale Agreement and Escrow Instructions

Description of Land

Description of Personal Property

None.

Description of Intangible Property

None.

Grant Deed

[to follow]

BILL OF SALE

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which is hereby acknowledged CALMAT CO., a Delaware corporation ("Transferor"), hereby sells, transfers, assigns and delivers to VALLEY RECLAMATION CO., a California corporation ("Transferee") and its successors and assigns, all of Transferor's right, title and interest, free and clear of all liens, claims and encumbrances in the properties and assets of every kind and description ("Assets"), whether tangible or intangible, personal or mixed, which are located on, affixed to or used in connection with that certain real property ("Property"), more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Transferor has executed this Bill of Sale this ____ day of December, 1986.

"Transferor"
CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

"Transferee"

VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

ASSIGNMENT OF SERVICE CONTRACTS,
INTANGIBLE PROPERTY, WARRANTIES AND GUARANTEES

This instrument, dated as of December __, 1986, is by and between CALMAT CO., a Delaware corporation ("Assignor") and VALLEY RECLAMATION CO., a California corporation ("Assignee").

RECITALS:

(a) Assignor is the holder of various service contracts, maintenance contracts and other contracts and agreements as well as certain intangible property, warranties and guarantees (collectively the "Intangible Property") all referred to in Section 3.3 of that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of December __, 1986, by and between Assignor and Assignee.

(b) Assignor desires to assign the Intangible Property to Assignee, and Assignee desires to accept such assignment, on the terms and conditions stated below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed:

1. Assignor hereby assigns, transfers and conveys to Assignee all of its right, title and interest in, to and under the Intangible Property as more particularly described on Exhibit A attached hereto.

2. Assignee hereby accepts the foregoing assignment and assumes all obligations of Assignor under the Intangible Property arising subsequent to the date hereof.

3. This instrument shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the date first above written.

"ASSIGNOR"

CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

"ASSIGNEE"

VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

ESTOPPEL CERTIFICATE

The undersigned, as Lessee, under that certain Lease dated _____, by and between Lessee and _____ as Lessor, for premises located at _____ (the "Premises"), hereby certifies as follows:

(1) That Lessee has entered into occupancy of, and occupies, the Premises.

(2) That the Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way, except _____
_____
_____.

(3) That the Lease represents the entire agreement between the parties as to said leasing.

(4) That the commencement date of the Lease is _____.

(5) That the termination date of the Lease is _____.

(6) That monthly rent for the Premises is _____ _____.

(7) That monthly rent and other charges under the Lease are paid to _____, 19__.

(8) That the following deposits have been paid by Lessee to Lessor: (i) Security Deposit $_____; (ii) Advance Rental -- $_____; (iii) Key Deposit $_____; (iv) Sign Deposit $_____; Other (specify) $_____.

(9) That all conditions of the Lease to be performed by Lessor and necessary to the enforceability of the Lease have been satisfied, except (if none, so state) _____
_____
_____.

(10) That there are no defaults by either Lessor or Lessee under the Lease, except (if none, so state) _____
_____
_____.

(11) That there are no options in the Lease (if none, so state) _____
_____.

(12) That on this date there are no existing defenses or offsets which Lessee has against the enforcement of the Lease by Lessor, except (if none, so state) _____
_____.

(13) Lessee hereby waives Lessee's right of first refusal as contained in the Lease (if none, so state)
_____.

EXECUTED THIS _____ DAY OF _____, 19__.

LESSEE: _____

By _____

_____

ASSIGNMENT OF LEASES

THIS ASSIGNMENT OF LEASES, dated as of this ____ day of December, 1986, by and between CALMAT CO., a Delaware corporation ("Assignor") and VALLEY RECLAMATION CO., a California corporation ("Assignee").

Recitals:

(a) Assignor is the lessor pursuant to those certain leases ("Leases") described in Exhibit A attached hereto and made a part hereof.

(b) Assignor desires to assign the Leases to Assignee, and Assignee desires to accept the Leases, on the terms and conditions stated below:

Agreement:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed:

1. Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's right, title and interest in, to and under the Leases.

2. Assignee hereby accepts the foregoing assignment and assumes all of the obligations of Assignor under the Leases arising subsequent to the date hereof.

3. This instrument shall be binding upon, and inure to the benefit of, the parties hereto and their respective succesors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment of Leases on the date first above written.

"Assignor"

CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

"Assignee"

VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

FORM OF NOTICE TO TENANTS

_____, 198_

TO: (Tenant)

RE: Sale of _____ ("Property")

CALMAT CO., a Delaware corporation is pleased to announce the sale of _____ to VALLEY RECLAMATION CO., a California corporation on _____, 198_.

Please note the following important change in rent payment and notice procedure. Rents and all other charges due under your lease should be made payable to _____ and mailed for receipt at the time required by your lease addressed as follows:

_____
_____
_____

All notices from you to the landlord concerning any matter relating to your lease should be sent to _____ at the foregoing address.

Very truly yours,

CALMAT CO., a Delaware corporation

By: _____

Its: _____

AFFIDAVIT OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest located in the City of _____, County of _____, State of California, by CALMAT CO., a Delaware corporation ("CALMAT"), I hereby certify the following on behalf of the transferor:

1. CALMAT is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. CALMAT's U.S. employer identification number is _____;

3. CALMAT's main office address is _____ _____; and

4. I, the undersigned individual, declare that I have authority to sign this document on behalf of CALMAT.

CALMAT understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete.

DATED: December __, 1986

CALMAT CO., a Delaware corporation

By: _____

Its: _____

LIST OF LEASES

Lessee	Address	Lease Term
	[To be provided]	

EXHIBIT K

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

VALLEY RECLAMATION CO.
3200 San Fernando Road
Los Angeles, California 90065
Attention: S.J. Wilcott

MEMORANDUM OF PURCHASE

THIS MEMORANDUM OF PURCHASE is made and entered into as of this ____ day of December, 1986, by and between CALMAT CO., a Delaware corporation, ("Owner"), and VALLEY RECLAMATION CO., a California corporation ("Purchaser"), with reference to the following facts.

A. Owner is the owner of that certain real property (the "Property") more particularly described in Exhibit A, which is attached hereto and incorporated by reference herein.

B. Purchaser desires to purchase from Owner and Owner desires to sell to Purchaser the Property on the terms set forth in that certain Purchase and Sale Agreement and Joint Escrow Instructions (the "Purchase Agreement") of even date herewith, by and between Owner and Purchaser.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the mutual agreements herein set forth, and other valuable consideration, receipt of which is hereby acknowledged, Owner and Purchaser agree as follows:

1. Owner hereby unconditionally and irrevocably grants to Purchaser the exclusive right to purchase the Property in accordance with the terms and conditions set forth in the Purchase Agreement. This right to Purchase shall expire on December 31, 1987, unless extended in accordance with the terms and provisions of the Purchase Agreement.

2. The Purchase Agreement is incorporated by reference herein, and, in the event of any conflicts or inconsistencies between the terms and provisions of this Memorandum of Purchase and terms and provisions of the Purchase Agreement, the terms and provisions of the Purchase Agreement shall control, it being understood and agreed by Owner and Purchaser that the sole purpose of this Memorandum of Purchase is to provide notice of the Purchase Agreement and that this Memorandum of Purchase shall not alter,

modify, restrict, limit or otherwise affect any of the terms and provisions of the Purchase Agreement or any of the rights or obligations created therein.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Purchase as of the date first above written.

Owner: CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

Purchaser: VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

AGREEMENT OF PURCHASE AND SALE OF PARCEL 2

AND JOINT ESCROW INSTRUCTIONS

THIS AGREEMENT OF PURCHASE AND SALE OF PARCEL 2 AND JOINT ESCROW INSTRUCTIONS (the "Agreement") is made and entered into as of this 31st day of December, 1986, by and between CALMAT CO., a Delaware corporation ("Seller"), and VALLEY RECLAMATION CO., a California corporation ("Buyer"), with reference to the following facts:

A. Seller is the owner of the Property, as hereinafter defined.

B. Buyer desires to purchase from Seller and Seller desires to sell to Buyer the Property on the terms and conditions set forth herein.

C. Concurrently herewith, Buyer and Seller have also entered into that certain Reciprocal Easement Agreement (the "Easement Agreement"), even date herewith, relating to the Land (as hereinafter defined), and other real property owned by Seller.

D. Concurrently herewith, Buyer and Seller have also entered into that Certain Agreement of Purchase and Sale of Parcel 1 and Joint Escrow Instructions, of even date herewith, pertaining to the property more particularly described therein (the "Parcel 1 Agreement").

E. Concurrently herewith, Buyer and Seller have also entered into that Certain Agreement of Purchase and Sale of Parcel 3 and Joint Escrow Instructions, of even date herewith, pertaining to the property more particularly described therein.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the mutual agreements herein set forth, and other valuable consideration, receipt of which is hereby acknowledged, Seller and Buyer agree as follows:

ARTICLE I

PROPERTY

Seller hereby agrees to sell and convey to Buyer and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following:

1.1 Land. That certain land outlined on Exhibit A hereto (the "Land"); provided, however, that it is understood and agreed that the precise description of the Land is subject to the review and approval of Buyer based upon the items to be provided pursuant to Section 4.1(c) hereof;

1.2 Appurtenances. All rights, privileges and easements appurtenant to the Land, including, without limitation, all minerals, oil, gas and other hydrocarbon

substances on and under the Land (if owned by Seller), as well as all development rights, air rights, water, water rights and water stock (if any) relating to the Land and any other easements, rights-of-way or appurtenances used in connection with the beneficial use and enjoyment of the Land (all of which are collectively referred to as the "Appurtenances");

1.3 Improvements. All improvements and fixtures located on the Land, including, without limitation, all buildings and structures presently located on the Land (all of which are collectively referred to as the "Improvements");

1.4 Personal Property. All personal property of Seller, if any, located on or in or used in connection with the Land and/or the Improvements (except for the conveyor system running across the Land and used by Seller in connection with its operation on real property adjacent to the Land), including without limitation the personal property described in Exhibit B hereto (the "Personal Property"); and

1.5 Intangible Property. All right, title and interest of Seller in and to any and all intangible personal property now or through the Closing Date (as hereinafter defined) owned by Seller, if any, and used in the ownership, use and operation of the Land, Improvements and/or Personal Property, including, without limitation, the right to use any trade name now used in connection with the Land or the Improvements and, to the extent that the same are approved by Buyer pursuant to the provisions of this Agreement, any and all contracts and lease rights, agreements, utility contracts and other rights relating to the ownership, use and operation of all or any part of the Property, including without limitation the intangible personal property described in Exhibit C hereto (all of which are collectively referred to as the "Intangible Property").

The items described in Sections 1.1, 1.2, 1.3, 1.4 and 1.5 above are herein sometimes referred to collectively as the "Property." The items described in Sections 1.1, 1.2, and 1.3 are herein sometimes referred to collectively as the "Real Property."

ARTICLE II

PURCHASE PRICE

2.1 Purchase Price. The total purchase price for the Property shall be determined by multiplying the sum of $12,500,000 by a fraction, the numerator of which is the total square footage of the Land as set forth on the survey to be provided pursuant to Section 4.1(c)(2) hereof and the denominator of which is the sum of the total square footage of the Land as set forth on the survey to be provided pursuant to Section 4.1(c)(2) hereof and the total square footage of the "Land" as defined in the Parcel 1 Agreement as set forth on the survey to be provided pursuant to Section 4.1(c)(2) of the Parcel 1 Agreement (the "Purchase Price"). The Purchase Price shall be subject to the closing adjustments set forth in Article V.

2.2 Payment of Purchase Price. The Purchase Price shall be deposited by Buyer with Safeco Title Insurance Company ("Escrow Holder"), 13640 Roscoe Boulevard, Panorama City, California 91409, on or before the Closing Date (as hereinafter defined) by wire transfer or cashier's check.

In the event the sale of the Property as contemplated hereunder is consummated, such amounts to be paid as set forth herein shall be credited towards the Purchase Price. In the event the sale of the Property is not consummated because of the failure of any condition or any other reason, all such amounts shall immediately be returned to Buyer.

ARTICLE III

TITLE TO PROPERTY

3.1 Title. At the Closing (as hereinafter defined), Seller shall convey to Buyer marketable and insurable fee simple title to the Real Property, by duly executed and acknowledged grant deed in the form of Exhibit D hereto (the "Deed"). Evidence of delivery of marketable and insurable fee simple title shall be the issuance by Safeco Title Insurance Company (the "Title Company") of an ALTA Owner's Policy of Title Insurance (Form B, Rev. 10/17/77) in the full amount of the Purchase Price, insuring fee simple title to the Land, the Appurtenances and the Improvements, in Buyer, subject only to such exceptions as Buyer shall approve pursuant to Section 4.1(c), and shall contain such endorsements as Buyer may require.

3.2 Bill of Sale. At the Closing, Seller shall transfer title to the Personal Property, if any, by a bill of sale in the form of Exhibit E hereto (the "Bill of Sale"), free of any liens, encumbrances or interests of third parties.

3.3 Assignment of Intangible Property. At the Closing, Seller shall transfer all of its right, title and interest in and to all (i) Service Contracts (as hereinafter defined); (ii) all Intangible Property; and (iii) any warranties and guarantees, if any, which Buyer elects to assume in its sole and absolute discretion, by an Assignment of Service Contracts, Intangible Property, Warranties and Guarantees, in the form of Exhibit F hereto (the "Assignment of Service Contracts, Intangible Property, Warranties and Guarantees"), free and clear of any liens, encumbrances or interests of third parties.

ARTICLE IV

CONDITIONS TO CLOSING

4.1 Buyer's Conditions. The following conditions are conditions precedent to Buyer's obligation to purchase the Property:

(a) Tenant Estoppel Certificates. Seller obtaining and delivering to Buyer tenant estoppel certificates in form and substance satisfactory to Buyer from any and all tenants occupying any portion of the Property (the "Tenant Estoppel Certificates") not later than twenty (20) days prior to the Closing Date. The Tenant Estoppel Certificates shall be in substantially the form of Exhibit G hereto and shall be dated no earlier than thirty (30) days prior to the Closing Date.

(b) Representations and Warranties. All of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct as of the Closing Date, and Seller shall have complied with all of Seller's covenants and agreements contained in or made pursuant to this Agreement, including, without limitation, those set forth in Article X hereof.

(c) Title. Not later than twenty (20) days following the date first above written Seller shall deliver to Buyer, at Seller's sole cost and expense, all of the following:

(1) a current extended coverage preliminary title report on the Real Property, accompanied by copies of all documents referred to in the report;

(2) an "as-built" survey of the Real Property by a licensed surveyor or civil engineer who is reasonably acceptable to Buyer. Said survey shall be acceptable to, and certified to, Buyer and in sufficient detail to provide the basis for an ALTA Owner's Policy of Title Insurance without boundary, encroachment or survey exceptions, and shall show the location of all easements, including that certain easement created of even date herewith and more particularly described in the Easement Agreement, and improvements (including underground improvements), and any and all other pertinent information with respect to the Property. The survey shall also indicate the total acreage and total square footage of the Land and any encroachments of improvements onto easements or onto adjacent properties or certify to their absence and shall indicate the presence of improvements and easements on property adjoining the Land if located within five (5) feet of the boundaries of the Land; and

(3) copies of all existing and proposed easements, covenants, restrictions, agreements or other documents which affect the Property and which are not disclosed by the preliminary title report, or, if no such documents exist, a certification of Seller to that effect. Title to the Real Property shall be subject only to such exceptions as Buyer shall approve in Buyer's sole and absolute discretion. Buyer shall advise Seller within ten (10) days after the later of actual receipt of all of the foregoing or the date first above written, what exceptions to title, if any, will be accepted by Buyer. Seller shall have five (5) business days after receipt of Buyer's objections to give Buyer notice: (i) that Seller will remove any objectionable exceptions from title and provide Buyer with

evidence satisfactory to Buyer of such removal, or provide Buyer with evidence satisfactory to Buyer that said exceptions will be removed on or before the Closing; or (ii) that Seller elects not to cause such exceptions to be removed. If Seller gives Buyer notice under clause (ii), Buyer shall have five (5) business days to elect to proceed with the purchase and take the Property subject to such exceptions, or to terminate this Agreement. If Buyer shall fail to give Seller notice of its election within said five (5) business days, Buyer shall be deemed to have elected to terminate this Agreement, each party shall bear their own costs incurred under this Agreement, and all other sums deposited by Buyer with Escrow Holder shall immediately be returned to Buyer. If Seller shall give notice pursuant to clause (i) and shall fail to remove any such objectionable exceptions from title prior to the Closing Date, and Buyer is unwilling to take title subject thereto, Seller shall be in default hereunder and, without limiting Buyer's rights and remedies against Seller, Buyer may elect to terminate this Agreement and Seller shall be liable for all of Buyer's damages, including, without limitation, Buyer's costs and expenses incurred hereunder, including, without limitation, title and escrow costs and reasonable attorneys' fees and expenses. If for any reason Buyer disapproves of title to the Real Property as herein provided, then, in addition to all of Buyer's other rights and remedies, whether provided for herein or otherwise at law or in equity, it is understood and agreed that Seller shall have the absolute and unconditional obligation to immediately repurchase all of the issued and outstanding shares of capital stock of Buyer from David A. Pearre, as trustee (the "Trustee") under the Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986, or his successor or assignee, for $48,400,000 (less any amounts necessary to compensate Seller for any dimunition in the net worth of Buyer caused by any act or omission of the Trustee or the Buyer since the Time of Closing of the Stock Purchase Agreement; provided that any such reduction in price shall not include any diminution caused by any failure of Seller to use its best efforts under paragraph 1 of the Management Agreement, as hereinafter defined), and the Trustee, or his successor or assignee shall deliver to Seller duly executed certificates in valid form evidencing all of the issued and outstanding shares of the capital stock of Buyer, duly endorsed in blank or accompanied by duly executed stock powers with the requisite stock transfer stamps, if any, attached.

(d) Service Contracts. Not later than twenty (20) days following the date first above written, Seller shall deliver to Buyer, at Seller's sole cost and expense, all design contracts, space planning contracts, construction contracts, subcontracts and purchase orders, utility contracts, water and sewer service contracts, other service contracts of any nature, maintenance contracts, management contracts, mortgage documents, certificates of occupancy, warranties, permits, soils reports, insurance policies, and other contracts or documents, if any, of any nature relating to the Property (the "Service Contracts"). Buyer shall have ten (10) business days after the later of actual receipt of

all of the foregoing or the date first above written within which to approve or disapprove, in Buyer's sole and absolute discretion, any of the foregoing.

(e) Leases. Not later than twenty (20) days following the date first above written, Seller shall deliver to Buyer, at Seller's sole cost and expense, any and all leases affecting the Property or any portion thereof executed or proposed to be executed by Seller along with a list of such leases in the form of Exhibit K hereto. Buyer shall have ten (10) days after the later of actual receipt of all of the foregoing or the date first above written within which to approve or disapprove, in Buyer's sole and absolute discretion, any of the foregoing.

(f) No Default Under Stock Purchase Agreement. Seller shall not be in default under the terms and conditions of that certain Stock Purchase Agreement (the "Stock Purchase Agreement"), dated as of December 31, 1986, between Seller and Trustee, shall not be in default under the Stock Purchase Agreement dated as of December 31, 1986, between Trustee and Waste Management of North America, Inc., an Illinois corporation.

4.2 Failure of Conditions. The foregoing conditions contained in this Article IV are intended solely for the benefit of Buyer. If any of the foregoing conditions are not satisfied for any reason whatsoever, or if any of the foregoing items to be delivered to and/or inspected and/or reviewed by Buyer are disapproved by Buyer, in Buyer's sole and absolute discretion, Buyer shall have the right at its sole election either to waive the condition and/or item(s) in question (provided that with respect to the condition described in Section 4.1(b) Buyer shall continue to have the remedies available under this Agreement or otherwise at law or in equity) and proceed with the purchase or, in the alternative, to terminate this Agreement.

4.3 Extension of Closing Date and Remedies. The Closing Date may be extended, at Buyer's option, a reasonable period of time if required to allow the conditions set forth in Section 4.1 to be satisfied, subject to Buyer's further right to terminate this Agreement upon the expiration of the period of any such extension if all said conditions have not been satisfied. In the event Buyer elects to terminate this Agreement pursuant to this Article IV, Seller shall pay any title and escrow charges, and, except as otherwise expressly provided in this Article IV, neither party shall have any further rights or obligations under this Agreement. Notwithstanding the foregoing, in the event of a breach by Seller of any covenant hereunder material to the purchase of the Property by Buyer, Buyer may elect nevertheless to proceed with the purchase of the Property, reserving the right to collect damages for such breach from Seller, or Buyer may elect to terminate this Agreement by written notice to Seller delivered prior to Closing, and upon such termination Buyer shall be relieved of all further obligations hereunder, the Deposit shall be returned to Buyer and Buyer may proceed against Seller for any damages caused Buyer thereby.

4.4 Consummation of Purchase of Stock. Anything in this Article IV or elsewhere in this Agreement to the contrary notwithstanding, a condition precedent to both Buyer and Seller's obligation to consummate the purchase and sale of the Property pursuant to this Agreement shall be the acquisition of all of the issued and outstanding shares of capital stock of Buyer by Waste Management of North America, Inc.

ARTICLE V

CLOSING AND ESCROW

5.1 Deposit with Escrow Holder and Escrow Instructions. This instrument shall serve as the instructions to Escrow Holder for consummation of the purchase and sale contemplated hereby. Seller and Buyer agree to execute such additional and supplementary escrow instructions as may be appropriate to enable Escrow Holder to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the terms and provisions of this Agreement and the terms and provisions of any supplementary escrow instructions, the terms and provisions of this Agreement shall control.

5.2 Closing. The closing hereunder (the "Closing") shall mean the recording of the Deed conveying title to the Real Property from Seller to Buyer and shall be held and delivery of all items to be made at the Closing shall be made at the offices of Escrow Holder on December 31, 1987, or such other date prior thereto (the "Closing Date") and/or at such other location as Buyer and Seller may mutually agree in writing. Such date may not be extended without the written approval of both Seller and Buyer, except as otherwise expressly provided in this Agreement. In the event the Closing does not occur on or before the Closing Date, Escrow Holder shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which may have been deposited hereunder. Any such return shall not, however, relieve either party hereto of any liability it may have for its wrongful failure to close. It is agreed that if either party has complied with the terms and conditions of this Agreement as of the Closing Date and the other party is not in a position to close, the party not in a position to close shall be in material breach of this Agreement and the Agreement may be terminated and the party who has so fully complied may exercise any and all remedies available to it at law or in equity, subject to the provisions for liquidated damages set forth herein.

5.3 Delivery by Seller. Not later than five (5) days prior to the Closing Date, Seller shall deposit with Escrow Holder the following:

(a) The Deed, duly executed and acknowledged by Seller, in recordable form, and ready for recordation on the Closing Date;

(b) The Bill of Sale, duly executed by Seller;

(c) Original counterparts of any leases (and amendments thereto, if any, and all records and correspondence relating thereto) covering any portion of the Property, any security deposits relating thereto, and a duly executed and acknowledged Assignment of Leases in the form of Exhibit H hereto;

(d) Originals or copies of all Service Contracts, if any, to be continued by Buyer after the Closing as elected by Buyer, and any warranties or guaranties, if any, received by Seller from any contractors, subcontractors, suppliers or materialmen in connection with any construction, repairs or alterations of the Improvements;

(e) The Assignment of Service Contracts, Intangible Property and Warranties and Guarantees, duly executed by Seller;

(f) Originals or copies of all building permits and certificates of occupancy for the Improvements;

(g) Notices to the tenants at the Property, if applicable, in the form of Exhibit I hereto, duly executed by Seller;

(h) An escrow closing statement in form and content consistent with this Agreement and otherwise reasonably satisfactory to Buyer and Seller;

(i) An affidavit in the form of Exhibit J hereto confirming that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445;

(j) Any other documents, instruments, data, records, correspondence or agreements called for hereunder which have not previously been delivered.

Buyer may waive compliance on Seller's part under any of the foregoing items by an instrument in writing.

5.4 Delivery by Buyer. On or before the Closing Date, Buyer shall deposit the Purchase Price with Escrow Holder for disbursement to Seller in accordance with the provisions hereof, to be held by Escrow Holder pursuant to disbursement instructions mutually acceptable to Buyer and Seller.

5.5 Other Instruments. In addition to the documents and instruments to be delivered as herein provided, each of the parties hereto shall, from time to time at the request of the other party, execute and deliver to the other party such other instruments of transfer, conveyance and assignment and shall take such other action as may be reasonably required to effectively carry out the terms of this Agreement and/or to transfer and assign to and vest in Buyer, and put Buyer in possession of, the Property.

5.6 Prorations. Any rents actually collected (whether such collection occurs prior to, on or after the Closing), all non-delinquent real property taxes and assessments, any bond assessments assumed by Buyer, water, sewer and utility charges, annual permits and/or inspection fees

(calculated on the basis of the respective periods covered thereby), insurance premiums (as to those policies, if any, that Buyer determines will be continued after the Closing), and other expenses normal to the operation and maintenance of the Property shall be prorated as of 12:01 a.m. on the date the Deed is recorded. Seller and Buyer hereby agree that if any of the aforesaid prorations cannot be calculated within thirty (30) days after the Closing Date, that either party owing the other party a sum of money based on such subsequent proration(s) shall promptly pay said sum to the other party, together with interest thereon at the rate of eight percent (8%) per annum from the Closing Date to the date of payment if payment is not made within ten (10) days after delivery of a bill therefor. A statement setting forth such agreed-upon prorations shall be delivered to Escrow Holder. Escrow Holder shall not be required to make any other prorations.

5.7 Costs and Expenses. Buyer and Seller shall each pay one-half (1/2) of Escrow Holder's escrow fee, and Seller shall pay all documentary transfer taxes, transfer or conveyance taxes imposed by the City and/or County in which the Real Property is located, delinquent real property taxes or assessments, and the cost of recording the Grant Deed. Buyer shall bear that portion of the title insurance premium cost, if any, that is in excess of the Title Company's normal and standard premium cost of a CLTA Standard Coverage Owner's Policy of Title Insurance ("CLTA Policy"), with liability in the amount of the Purchase Price, and Seller shall bear that portion of the title insurance premium cost that is equal to the premium cost that would be incurred if such a CLTA Policy were issued.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF SELLER

As an inducement to Buyer to enter into this Agreement, Seller hereby represents and warrants to and agrees with Buyer as follows (it being understood by the parties hereto that there are no representations or warranties made herein by Seller with respect to the Handling of Wastes (as defined in the Stock Purchase Agreement) or the condition of the Real Property, other than as set forth in the Stock Purchase Agreement):

6.1 Condition of Property. Between the date hereof and the date of acquisition of all of the issued and outstanding shares of capital stock of Buyer by Waste Management of North America, Inc., there will be no material change in the condition of the Property or in the level of compliance with all applicable governmental laws, ordinances, regulations and requirements.

6.2 Reports, Contracts and Other Documents. The survey, leases, certificates of occupancy, and all other books and records relating to or affecting the Property, and the Service Contracts, if any, and all other contracts or documents delivered to Buyer pursuant to this Agreement or in connection with the execution hereof are and at the time of Closing will be true and correct copies, are and at the time

of Closing will be in full force and effect, without default by (or notice of default to) any party, and contain no inaccuracies or misstatements of fact, and all such contracts, leases and other documents relating to or affecting the Property have been or will be delivered to the Buyer pursuant to this Agreement.

6.3 Land-Use Regulation. There are no condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which could detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property, nor has Seller received notice of any special assessment proceedings affecting the Property.

6.4 Leases. Except as set forth in Exhibit K hereto (to be provided by Seller in accordance with Section 4.1(e) hereof), Seller has not executed or otherwise entered into any leases, tenancies, occupancy agreements or other agreements with respect to rights affecting possession of the Property or any portion thereof and there are no such agreements entered into or executed by any third party, and there is no default on the part of Seller, as lessor, or on the part of any lessee, and there exists no condition that with the passage of time or the giving of notice or both would constitute such a default.

6.5 Service Contracts and Other Agreements. Seller has not entered into and there are no Service Contracts or other agreements affecting the Property, there is no obligation of Seller under the terms of any contract, lease or other instrument relating to or affecting the Property to assume any obligation thereof other than the contracts, leases and other documents required to be disclosed pursuant to this Agreement, and there will be, as of the Closing Date, no obligation of Buyer under the terms of any contract, lease or other instrument affecting the Property other than the contracts, leases or other documents which Buyer has elected to assume pursuant to this Agreement.

6.6 Agreements Affecting the Property. There are no leases, easements, encumbrances or other agreements affecting the Property except as shown in the preliminary title report delivered to Buyer pursuant to Section 4.1(c) hereof, or as otherwise disclosed to Buyer by Seller in writing and approved by Buyer.

6.7 Default in Respect of Appurtenances. There is no default under or in respect of any of the Appurtenances on the part of any party thereto and no condition exists that with the passage of time or giving of notice or both would constitute such a default.

6.8 Litigation. There is no litigation pending or to the best of Seller's knowledge threatened against Seller or to the best of Seller's knowledge any basis therefor that arises out of the ownership of the Property or that might detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property or adversely affect the ability of Seller to perform its obligations under this Agreement.

6.9 Utilities. All water, sewer, gas, electric, telephone, and all other utilities required by law or by the normal use and operation of the Property are, and at the time of Closing will be, connected and operating pursuant to valid permits.

6.10 Use Permits and Other Approvals. To the best of Seller's knowledge, Seller has obtained all easements and rights of way, including proof of dedication, required from all governmental authorities having jurisdiction over the Property or from private parties for the normal use and operation of the Property and to ensure free and unimpeded vehicular and pedestrian ingress to and egress from the Property as required to permit the normal intended usage of the Property by the tenants thereof, their invitees and customers.

6.11 Authority of Seller. This Agreement and all documents executed by Seller which are to be delivered to Buyer at or prior to the Closing are or at the time of Closing will be duly authorized, executed, and delivered by Seller, are or at the time of Closing will be legal, valid, and binding obligations of Seller enforceable in accordance with their terms, are and at the time of Closing will be sufficient to convey title (if they purport do to so), and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

6.12 Use and Operation of Property. Seller knows of no facts nor has Seller failed to disclose to Buyer any fact which would prevent Buyer from using and operating the Property after Closing in the manner in which the Property is being operated as of the date hereof.

6.13 Other Contracts to Convey Property. Seller has not committed nor obligated itself in any manner whatsoever to sell the Property to any party other than Buyer. Seller has not hypothecated or assigned any rents or income from the Property in any manner. At the Closing Date, Seller will not have hypothecated or assigned any rents or income from the Property in any manner.

6.14 Property Tax Assessment. Notwithstanding any other provision of this Agreement to the contrary, if Buyer shall become liable after the Closing for payment of any property taxes assessed against the Property for any period of time prior to the Closing Date, Seller shall immediately pay to Buyer on demand an amount equal to such tax assessment in accordance with Section 5.6 hereof.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows: This Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing are or at the time of Closing will be duly authorized, executed, and delivered by Buyer, and are or at the Closing will be legal,

valid, and binding obligations of Buyer, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

ARTICLE VIII

LOSS BY FIRE OR OTHER CASUALTY; CONDEMNATION

In the event that, prior to Closing, the Property is destroyed or materially damaged (as reasonably determined by Buyer), or if condemnation proceedings are threatened or commenced against the Property, Buyer shall have the right, exercisable by giving notice of such decision to Seller within fifteen (15) business days after receiving written notice from Seller of such damage, destruction or condemnation proceedings, to terminate this Agreement, in which case, neither party shall have any further rights or obligations hereunder and the Deposit shall be returned to Buyer. If Buyer elects to accept the Property in its then condition, all proceeds of insurance or condemnation awards payable to Seller by reason of such damage, destruction or condemnation shall be paid or assigned to Buyer. In the event of non-material damage to the Property, which damage Seller is unwilling to repair or replace at its expense prior to or within a reasonable time after the Closing Date, Buyer shall have the right, exercisable by giving notice within fifteen (15) business days after receiving written notice of such damage, either (a) to terminate this Agreement as hereinabove in this Article VIII provided, or (b) to accept the Property in its then condition and proceed with the purchase, in which case Buyer shall be entitled to a reduction of the Purchase Price to the extent of the cost of repairing or replacing such damage as determined by Buyer based on bids or other advice from one or more qualified contractors, architects or engineers selected by Buyer. For purposes of any repairs or replacements under this Article VIII, the Closing Date may be extended, at Buyer's election, for a reasonable time to allow such repairs or replacements to be made.

ARTICLE IX

DELIVERY OF POSSESSION AND ENTRY ON PROPERTY

9.1 Delivery of Possession. Possession of the Property shall be delivered to Buyer on the Closing Date.

9.2 Entry on Property. Seller shall afford Buyer reasonable access to the Property for the purposes of satisfying Buyer with respect to the representations, warranties, and covenants of Seller contained herein, with respect to satisfaction of any conditions precedent to the Closing contained herein, and with respect to the condition of the Property. Buyer shall have the right to conduct such inspections and tests of the Property as Buyer deems appropriate, including, but not limited to, soils and geological tests, building inspections, reviews of the zoning and other land use controls and restrictions affecting the Property and surrounding land, and reviews of the availability

of utilities, rail service and other services necessary or appropriate to the operation of the Property. In this regard, Buyer may obtain, at Buyer's sole option and expense, such written reports and studies as Buyer may deem appropriate, a survey containing sufficient information to permit the issuance of an ALTA Policy covering the Property, and any permits, authorizations or approvals from governmental agencies having authority over the Property which Buyer deems necessary or appropriate.

ARTICLE X

MAINTENANCE AND OPERATION OF THE PROPERTY

10.1 Maintenance. In addition to Seller's other obligations hereunder, Seller shall, subject to and in accordance with the terms and provisions of that certain Management Agreement (the "Management Agreement"), by and between Buyer and Seller, of even date herewith, maintain the Property in good order, condition and repair, reasonable wear and tear excepted, shall perform all work required to be done by the landlord under the terms of any lease affecting the Property, and, subject to and in accordance with the terms and provisions of the Management Agreement, shall make all repairs, maintenance and replacements of the Improvements and any Personal Property and otherwise operate the Property in the same manner as before the the date first above written, the same as though Seller were retaining the Property.

10.2 Leases and Other Agreements. Seller shall not, after the date of first above written, enter into or terminate any lease, amendment of lease, contract or agreement pertaining to the Property or permit any tenant of the Property to enter into or terminate any sublease, assignment of lease, contract or agreement pertaining to the Property, or modify any lease, contract or agreement pertaining to the Property or waive any rights of Seller thereunder, without in each case obtaining Buyer's prior written consent thereto.

10.3 Encumbrances. Seller shall not, after the date first above written, mortgage, encumber or suffer to be encumbered all or any portion of the Property, without the prior written consent of Buyer.

ARTICLE XI

EXCHANGE AND TWO PHASE CLOSING

11.1 Exchange. Instead of the sale of the Property by Seller to Buyer, Seller shall have the right to locate other real property or properties ("Exchange Property") for the purpose of effecting a tax-deferred exchange (under IRC Section 1031) of the Property and/or to arrange for the terms of Seller's acquisition of Exchange Property. If Seller does locate such Exchange Property or enter into an exchange agreement with the owner(s) thereof or other third parties ("Exchange Parties") and notifies Buyer in writing of same on or before June 30, 1987, then, at Seller's option

(a) Buyer shall enter into a written contract with such Exchange Parties to purchase such Exchange Property and transfer the ownership thereof from Buyer to Seller in consideration of and concurrently with the transfer of the Property to Buyer; or (b) Seller shall enter into an exchange agreement with such Exchange Parties and, upon Seller's acquisition of such Exchange Property, the Exchange Parties shall concurrently transfer the ownership of the Property to Buyer in accordance with the terms and provisions of sale set forth in this Agreement. Buyer agrees to accept title to the Property from such Exchange Parties. In no event, however, shall Buyer be required to make a total cash payment for the Exchange Property, including all costs and expenses of that purchase, in excess of the sum of the Purchase Price and all costs and expenses Buyer is required to make hereunder, nor shall Buyer be required to assume any secured loan on any Exchange Property to be acquired by Buyer, execute any promissory note or other evidence of indebtedness in connection with any acquisition of Exchange Property which would impose any personal liability on Buyer for its payment, make any representations or warranties beyond those made in the Agreement which would impose any personal liability on Buyer, or actually take title to the Exchange Property. Buyer shall make a good faith diligent effort (but shall not be required to deposit money sooner than required hereunder) to comply with all terms of any and all contracts entered into in connection with such tax-deferred exchange. Seller shall be required to sell the Property directly to Buyer and Buyer shall be required to purchase the Property directly from Seller for the price and on the terms set forth in this Agreement only if (i) Seller is unable to locate Exchange Property and Buyer is unable to acquire it, (ii) Seller is unable to make arrangements for title to the Property to be transferred to Buyer through a third party within the time period provided in this Agreement, or (iii) if Seller shall waive its right to locate Exchange Property for the purpose of effecting a tax-deferred exchange pursuant to this Article XI. In the event an exchange is made in lieu of a purchase hereunder, Seller shall reimburse Buyer for the amount, if any, by which (i) the total cash payment made to the Exchange Parties, including all of Buyer's costs of escrow, title insurance premiums spent to acquire the Exchange Property, documentary transfer taxes and all prorations, reasonable attorneys' fees and real estate brokerage commissions, all of which shall be approved by Seller before Buyer enters into any agreement of purchase with the Exchange Parties, exceeds (ii) the sum of the Purchase Price and all costs and expenses Buyer is required to incur hereunder. In the event that through no fault of or lack of performance by Buyer, the intended exchange is not completed on or before December 31, 1987, Seller agrees to transfer title to the Property to Buyer on that date under the terms and provisions of sale set forth in this Agreement. Seller agrees to hold Buyer harmless from and against any and all liability, loss, cost, damage and/or expense (including, without limitation, attorneys' fees and expenses) that may arise from Buyer's participation in the exchange.

11.2 Two Phase Closing In the event that Seller locates Exchange Property in accordance with this Article XI, Seller shall have the right to effect the Closing in two phases ("Phase I" and "Phase II"); provided, that the portion of the Property transferred in Phase I and in Phase II of the Closing shall consist solely of one or more legal lots or parcels. In such event, the total purchase price for the portion of the Property transferred in Phase I (the "Phase I Property") shall be determined by multiplying the Purchase Price by a fraction, the numerator of which is the total square footage of the Phase I Property as set forth on the survey to be provided pursuant to Section 4.1(c)(2) hereof and the denominator of which is of the total square footage of the Land as set forth on the survey to be provided pursuant to Section 4.1(c)(2) hereof (the "Phase I Purchase Price"), and the total purchase price for the portion of the property transferred in Phase II (the "Phase II Property") shall be determined by multiplying the Purchase Price by a fraction, the numerator of which is the total square footage of the Phase II Property as set forth on the survey to be provided pursuant to Section 4.1(c)(2) hereof and the denominator of which is the total square footage of the Land as set forth on the survey to be provided pursuant to Section 4.1(c)(2) hereof (the "Phase II Purchase Price"). In all other respects, the terms and conditions of this Agreement shall apply with equal force with respect to the Closing of the Phase I Property and the Phase II Property.

ARTICLE XII

MISCELLANEOUS

12.1 Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and sent by United States mail, registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

If to Seller:	CalMat Co. 3200 San Fernando Road Los Angeles, CA 90051 Attn: S.J. Wilcott
If to Buyer:	Valley Reclamation Co. c/o Waste Management of North America, Inc. 3003 Butterfield Road Oak Brook, Illinois 60521 Attn: Michael Slattery, Esq.
with a copy to:	Wyman, Bautzer, Christensen, Kuchel & Silbert 2049 Century Park East Suite 1400 Los Angeles, CA 90067 Attn: Peter M. Weil, Esq.
If to Escrow Holder:	Chicago Title Insurance Company 3280 East Foothill Blvd. Pasadena, CA 91107 Attn: Escrow Officer

or such other address as either party may from time to time specify in writing to the other in the manner aforesaid. If

personally delivered, such notices or other communications shall be deemed delivered upon delivery. If sent by United States mail, registered or certified mail, postage prepaid, return receipt requested, such notices or other communications shall be deemed delivered upon delivery or refusal to accept delivery as indicated on the return receipt. In addition, copies of all notices and other communications required or permitted to be given under this Agreement shall be delivered to David A. Pearre, as Trustee, at 17109 Saint Andrew's Drive, Poway, California 92064, in the manner aforesaid.

12.2 Brokers and Finders. In connection with the transactions contemplated by this Agreement (a) Seller hereby represents and warrants to Buyer that Seller has not, and shall not, incur any obligation to any third party for the payment of any broker's fee, finder's fee, commission or other similar compensation, and (b) Buyer hereby represents and warrants to Seller that Buyer has not, and shall not, incur any obligation to any third party for the payment of any broker's fee, finder's fee, commission or other similar compensation. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, hereby agrees to indemnify and hold Seller harmless from and against any and all liability, loss, cost, damage and/or expense (including, without limitation, reasonable attorneys' fees and expenses) which Seller may sustain or incur by reason of such claim, and Seller, if such claim is based upon any agreement alleged to have been made by Seller, hereby agrees to indemnify and hold Buyer harmless from and against any and all liability, loss, cost, damage and/or expense (including, without limitation, reasonable attorneys' fees and expenses) which Buyer may sustain or incur by reason of such claim. The provisions of this Section 12.2 shall survive the Closing.

12.3 Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns, except that Seller's interest under this Agreement may not be assigned, encumbered or otherwise transferred whether voluntarily, involuntarily, by operation of law or otherwise, without the prior written consent of Buyer. Buyer shall not have the right to assign to any third party or entity all of Buyer's right, title and interest in and to the Property and this Agreement; provided, however, that notwithstanding anything to the contrary contained herein, Buyer shall have the right to assign all of Buyer's right, title and interest in and to the Property and this Agreement to any of its affiliates.

12.4 Amendments. This Agreement may be amended or modified only by a written instrument executed by the party asserted to be bound thereby.

12.5 Continuation and Survival of Representations and Warranties. All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to and shall remain

true and correct as of the time of Closing, shall be deemed to be material, and shall survive the execution and delivery of this Agreement, the delivery of the Deed and transfer of title. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Seller in connection with the transaction contemplated hereby shall constitute representations and warranties hereunder.

12.6 Interpretation. Whenever used herein, the term "including" shall be deemed to be followed by the words "without limitation." Words used in the singular number shall include the plural, and vice-versa, and any gender shall be deemed to include each other gender. The captions and headings of the Articles and Sections of this Agreement are for convenience of reference only, and shall not be deemed to define or limit the provisions hereof.

12.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

12.8 Merger of Prior Agreements. This Agreement constitutes the entire agreement between the parties with respect to the purchase and sale of the Property and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

12.9 Attorneys' Fees. In the event either Buyer or Seller brings any suit or other proceeding with respect to the subject matter or enforcement of this Agreement, the prevailing party (as determined by the court, agency or other authority before which such suit or proceeding is commenced) shall, in addition to such other relief as may be awarded, be entitled to recover attorneys' fees, expenses and costs of investigation.

12.10 Time of the Essence. Time is of the essence of this Agreement.

12.11 Specific Performance. The parties understand and agree that the Property is unique and for that reason, among others, Buyer will be irreparably damaged in the event that this Agreement is not specifically enforced. Accordingly, in the event of any breach or default in or of this Agreement or any of the warranties, terms or provisions hereof by Seller, Buyer shall have, in addition to a claim for damages for such breach or default, and in addition and without prejudice to any right or remedy available at law or in equity, the right to demand and have specific performance of this Agreement.

12.12 Authority. The parties signing below represent and warrant that they have the requisite authority to bind the entities on whose behalf they are signing.

12.13 Exhibits. The exhibits attached hereto are hereby incorporated by reference herein.

12.14 Memorandum of Agreement. Concurrently with the execution of this Agreement, Seller shall execute, acknowledge and deliver to Buyer a Memorandum of Agreement in the form of Exhibit L hereto, which Buyer may record in the appropriate records of the County in which the Property is situated.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Buyer: VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

Seller: CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

LIST OF EXHIBITS

A: Description of Land

B: Description of Personal Property

C: Description of Intangible Property

D: Form of Grant Deed

E: Form of Bill of Sale for Personal Property

F: Form of Assignment of Service Contracts, Intangible Property, Warranties and Guarantees

G: Form of Tenant Estoppel Certificate

H: Form of Assignment of Leases

I: Form of Notice to Tenants

J: Form of Affidavit of Non-Foreign Status

K: List of Leases

L: Form of Memorandum of Purchase and Sale Agreement and Escrow Instructions

Description of Land

EXHIBIT A

Description of Personal Property

None.

Description of Intangible Property

None.

Grant Deed

[to follow]

BILL OF SALE

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which is hereby acknowledged CALMAT CO., a Delaware corporation ("Transferor"), hereby sells, transfers, assigns and delivers to VALLEY RECLAMATION CO., a California corporation ("Transferee") and its successors and assigns, all of Transferor's right, title and interest, free and clear of all liens, claims and encumbrances in the properties and assets of every kind and description ("Assets"), whether tangible or intangible, personal or mixed, which are located on, affixed to or used in connection with that certain real property ("Property"), more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Transferor has executed this Bill of Sale this ____ day of December, 1986.

"Transferor"
CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

"Transferee"

VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

ASSIGNMENT OF SERVICE CONTRACTS,
INTANGIBLE PROPERTY, WARRANTIES AND GUARANTEES

This instrument, dated as of December __, 1986, is by and between CALMAT CO., a Delaware corporation ("Assignor") and VALLEY RECLAMATION CO., a California corporation ("Assignee").

RECITALS:

(a) Assignor is the holder of various service contracts, maintenance contracts and other contracts and agreements as well as certain intangible property, warranties and guarantees (collectively the "Intangible Property") all referred to in Section 3.3 of that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of December __, 1986, by and between Assignor and Assignee.

(b) Assignor desires to assign the Intangible Property to Assignee, and Assignee desires to accept such assignment, on the terms and conditions stated below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed:

1. Assignor hereby assigns, transfers and conveys to Assignee all of its right, title and interest in, to and under the Intangible Property as more particularly described on Exhibit A attached hereto.

2. Assignee hereby accepts the foregoing assignment and assumes all obligations of Assignor under the Intangible Property arising subsequent to the date hereof.

3. This instrument shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the date first above written.

"ASSIGNOR"

CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

"ASSIGNEE"

VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

ESTOPPEL CERTIFICATE

The undersigned, as Lessee, under that certain Lease dated _____, by and between Lessee and _____ as Lessor, for premises located at _____ (the "Premises"), hereby certifies as follows:

(1) That Lessee has entered into occupancy of, and occupies, the Premises.

(2) That the Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way, except _____
_____
_____.

(3) That the Lease represents the entire agreement between the parties as to said leasing.

(4) That the commencement date of the Lease is _____.

(5) That the termination date of the Lease is _____.

(6) That monthly rent for the Premises is _____
_____

(7) That monthly rent and other charges under the Lease are paid to _____, 19__.

(8) That the following deposits have been paid by Lessee to Lessor: (i) Security Deposit $_____; (ii) Advance Rental -- $_____; (iii) Key Deposit $_____; (iv) Sign Deposit $_____; Other (specify) $_____.

(9) That all conditions of the Lease to be performed by Lessor and necessary to the enforceability of the Lease have been satisfied, except (if none, so state) _____
_____
_____ _____.

(10) That there are no defaults by either Lessor or Lessee under the Lease, except (if none, so state) _____
_____
_____.

(11) That there are no options in the Lease (if none, so state) _____
_____.

(12) That on this date there are no existing defenses or offsets which Lessee has against the enforcement of the Lease by Lessor, except (if none, so state) _____
_____.

(13) Lessee hereby waives Lessee's right of first refusal as contained in the Lease (if none, so state)
_____.

EXECUTED THIS _____ DAY OF _____, 19__.

LESSEE: _____

By _____

_____

ASSIGNMENT OF LEASES

THIS ASSIGNMENT OF LEASES, dated as of this ____ day of December, 1986, by and between CALMAT CO., a Delaware corporation ("Assignor") and VALLEY RECLAMATION CO., a California corporation ("Assignee").

Recitals:

(a) Assignor is the lessor pursuant to those certain leases ("Leases") described in Exhibit A attached hereto and made a part hereof.

(b) Assignor desires to assign the Leases to Assignee, and Assignee desires to accept the Leases, on the terms and conditions stated below:

Agreement:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed:

1. Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's right, title and interest in, to and under the Leases.

2. Assignee hereby accepts the foregoing assignment and assumes all of the obligations of Assignor under the Leases arising subsequent to the date hereof.

3. This instrument shall be binding upon, and inure to the benefit of, the parties hereto and their respective succesors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment of Leases on the date first above written.

"Assignor"

CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

"Assignee"

VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

FORM OF NOTICE TO TENANTS

_____, 198_

TO: (Tenant)

RE: Sale of _____ ("Property")

CALMAT CO., a Delaware corporation is pleased to announce the sale of _____ to VALLEY RECLAMATION CO., a California corporation on _____, 198_.

Please note the following important change in rent payment and notice procedure. Rents and all other charges due under your lease should be made payable to _____ and mailed for receipt at the time required by your lease addressed as follows:

_____
_____
_____

All notices from you to the landlord concerning any matter relating to your lease should be sent to _____ at the foregoing address.

Very truly yours,

CALMAT CO., a Delaware corporation

By: _____

Its: _____

AFFIDAVIT OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest located in the City of _____, County of _____, State of California, by CALMAT CO., a Delaware corporation ("CALMAT"), I hereby certify the following on behalf of the transferor:

1. CALMAT is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. CALMAT's U.S. employer identification number is _____;

3. CALMAT's main office address is _____ _____; and

4. I, the undersigned individual, declare that I have authority to sign this document on behalf of CALMAT.

CALMAT understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete.

DATED: December __, 1986

CALMAT CO., a Delaware corporation

By: _____

Its: _____

LIST OF LEASES

Lessee	Address	Lease Term
	[To be provided]	

EXHIBIT K

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

VALLEY RECLAMATION CO.
3200 San Fernando Road
Los Angeles, California 90065
Attention: S.J. Wilcott

MEMORANDUM OF PURCHASE

THIS MEMORANDUM OF PURCHASE is made and entered into as of this ____ day of December, 1986, by and between CALMAT CO., a Delaware corporation, ("Owner"), and VALLEY RECLAMATION CO., a California corporation ("Purchaser"), with reference to the following facts.

A. Owner is the owner of that certain real property (the "Property") more particularly described in Exhibit A, which is attached hereto and incorporated by reference herein.

B. Purchaser desires to purchase from Owner and Owner desires to sell to Purchaser the Property on the terms set forth in that certain Purchase and Sale Agreement and Joint Escrow Instructions (the "Purchase Agreement") of even date herewith, by and between Owner and Purchaser.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the mutual agreements herein set forth, and other valuable consideration, receipt of which is hereby acknowledged, Owner and Purchaser agree as follows:

1. Owner hereby unconditionally and irrevocably grants to Purchaser the exclusive right to purchase the Property in accordance with the terms and conditions set forth in the Purchase Agreement. This right to Purchase shall expire on December 31, 1987, unless extended in accordance with the terms and provisions of the Purchase Agreement.

2. The Purchase Agreement is incorporated by reference herein, and, in the event of any conflicts or inconsistencies between the terms and provisions of this Memorandum of Purchase and terms and provisions of the Purchase Agreement, the terms and provisions of the Purchase Agreement shall control, it being understood and agreed by Owner and Purchaser that the sole purpose of this Memorandum of Purchase is to provide notice of the Purchase Agreement and that this Memorandum of Purchase shall not alter,

modify, restrict, limit or otherwise affect any of the terms and provisions of the Purchase Agreement or any of the rights or obligations created therein.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Purchase as of the date first above written.

Owner: CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

Purchaser: VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

AGREEMENT OF PURCHASE AND SALE OF PARCEL 2 AND JOINT ESCROW INSTRUCTIONS

THIS AGREEMENT OF PURCHASE AND SALE OF PARCEL 2 AND JOINT ESCROW INSTRUCTIONS (the "Agreement") is made and entered into as of this 31st day of December, 1986, by and between CALMAT CO., a Delaware corporation ("Seller"), and VALLEY RECLAMATION CO., a California corporation ("Buyer"), with reference to the following facts:

A. Seller is the owner of the Property, as hereinafter defined.

B. Buyer desires to purchase from Seller and Seller desires to sell to Buyer the Property on the terms and conditions set forth herein.

C. Concurrently herewith, Buyer and Seller have also entered into that certain Reciprocal Easement Agreement (the "Easement Agreement"), even date herewith, relating to the Land (as hereinafter defined), and other real property owned by Seller.

D. Concurrently herewith, Buyer and Seller have also entered into that Certain Agreement of Purchase and Sale of Parcel 1 and Joint Escrow Instructions, of even date herewith, pertaining to the property more particularly described therein (the "Parcel 1 Agreement").

E. Concurrently herewith, Buyer and Seller have also entered into that Certain Agreement of Purchase and Sale of Parcel 3 and Joint Escrow Instructions, of even date herewith, pertaining to the property more particularly described therein.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the mutual agreements herein set forth, and other valuable consideration, receipt of which is hereby acknowledged, Seller and Buyer agree as follows:

ARTICLE I

PROPERTY

Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following:

1.1 Land. That certain land outlined on Exhibit A hereto (the "Land"); provided, however, that it is understood and agreed that the precise description of the Land is subject to the review and approval of Buyer based upon the items to be provided pursuant to Section 4.1(c) hereof;

1.2 Appurtenances. All rights, privileges and easements appurtenant to the Land, including, without limitation, all minerals, oil, gas and other hydrocarbon

Price"). The Purchase Price shall be subject to the closing adjustments set forth in Article V.

2.2 Payment of Purchase Price. The Purchase Price shall be deposited by Buyer with Safeco Title Insurance Company ("Escrow Holder"), 13640 Roscoe Boulevard, Panorama City, California 91409, on or before the Closing Date (as hereinafter defined) by wire transfer or cashier's check.

In the event the sale of the Property as contemplated hereunder is consummated, such amounts to be paid as set forth herein shall be credited towards the Purchase Price. In the event the sale of the Property is not consummated because of the failure of any condition or any other reason, all such amounts shall immediately be returned to Buyer.

ARTICLE III

TITLE TO PROPERTY

3.1 Title. At the Closing (as hereinafter defined), Seller shall convey to Buyer marketable and insurable fee simple title to the Real Property, by duly executed and acknowledged grant deed in the form of Exhibit D hereto (the "Deed"). Evidence of delivery of marketable and insurable fee simple title shall be the issuance by Safeco Title Insurance Company (the "Title Company") of an ALTA Owner's Policy of Title Insurance (Form B, Rev. 10/17/77) in the full amount of the Purchase Price, insuring fee simple title to the Land, the Appurtenances and the Improvements, in Buyer, subject only to such exceptions as Buyer shall approve pursuant to Section 4.1(c), and shall contain such endorsements as Buyer may require.

3.2 Bill of Sale. At the Closing, Seller shall transfer title to the Personal Property, if any, by a bill of sale in the form of Exhibit E hereto (the "Bill of Sale"), free of any liens, encumbrances or interests of third parties.

3.3 Assignment of Intangible Property. At the Closing, Seller shall transfer all of its right, title and interest in and to all (i) Service Contracts (as hereinafter defined); (ii) all Intangible Property; and (iii) any warranties and guarantees, if any, which Buyer elects to assume in its sole and absolute discretion, by an Assignment of Service Contracts, Intangible Property, Warranties and Guarantees, in the form of Exhibit F hereto (the "Assignment of Service Contracts, Intangible Property, Warranties and Guarantees"), free and clear of any liens, encumbrances or interests of third parties.

ARTICLE IV

CONDITIONS TO CLOSING

4.1 Buyer's Conditions. The following conditions are conditions precedent to Buyer's obligation to purchase the Property:

AGREEMENT OF PURCHASE AND SALE OF PARCEL 1

AND JOINT ESCROW INSTRUCTIONS

THIS AGREEMENT OF PURCHASE AND SALE OF PARCEL 1 AND JOINT ESCROW INSTRUCTIONS (the "Agreement") is made and entered into as of this 31st day of December, 1986, by and between CALMAT CO., a Delaware corporation ("Seller"), and VALLEY RECLAMATION CO., a California corporation ("Buyer"), with reference to the following facts:

A. Seller is the owner of the Property, as hereinafter defined.

B. Buyer desires to purchase from Seller and Seller desires to sell to Buyer the Property on the terms and conditions set forth herein.

C. Concurrently herewith, Buyer and Seller have also entered into that certain Reciprocal Easement Agreement (the "Easement Agreement"), even date herewith, relating to the Land (as hereinafter defined), and other real property owned by Seller.

D. Concurrently herewith, Buyer and Seller have also entered into that Certain Agreement of Purchase and Sale of Parcel 2 and Joint Escrow Instructions, of even date herewith, pertaining to the property more particularly described therein (the "Parcel 2 Agreement")

E. Concurrently herewith, Buyer and Seller have also entered into that Certain Agreement of Purchase and Sale of Parcel 3 and Joint Escrow Instructions, of even date herewith, pertaining to the property more particularly described therein.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the mutual agreements herein set forth, and other valuable consideration, receipt of which is hereby acknowledged, Seller and Buyer agree as follows:

ARTICLE I

PROPERTY

Seller hereby agrees to sell and convey to Buyer, an Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following:

1.1 Land. That certain land outlined on Exhibit A hereto (the "Land"); provided, however, that it is understood and agreed that the precise description of the Land is subject to the review and approval of Buyer based upon the items to be provided pursuant to Section 4.1(c) hereof;

1.2 Appurtenances. All rights, privileges and easements appurtenant to the Land, including, without limitation, all minerals, oil, gas and other hydrocarbon

substances on and under the Land (if owned by Seller), as well as all development rights, air rights, water, water rights and water stock (if any) relating to the Land and any other easements, rights-of-way or appurtenances used in connection with the beneficial use and enjoyment of the Land (all of which are collectively referred to as the "Appurtenances");

1.3 Improvements. All improvements and fixtures located on the Land, including, without limitation, all buildings and structures presently located on the Land (all of which are collectively referred to as the "Improvements");

1.4 Personal Property. All personal property of Seller, if any, located on or in or used in connection with the Land and/or the Improvements (except for the conveyor system running across the Land and used by Seller in connection with its operation on real property adjacent to the Land), including without limitation the personal property described in Exhibit B hereto (the "Personal Property"); and

1.5 Intangible Property. All right, title and interest of Seller in and to any and all intangible personal property now or through the Closing Date (as hereinafter defined) owned by Seller, if any, and used in the ownership, use and operation of the Land, Improvements and/or Personal Property, including, without limitation, the right to use any trade name now used in connection with the Land or the Improvements and, to the extent that the same are approved by Buyer pursuant to the provisions of this Agreement, any and all contracts and lease rights, agreements, utility contracts and other rights relating to the ownership, use and operation of all or any part of the Property, including without limitation the intangible personal property described in Exhibit C hereto (all of which are collectively referred to as the "Intangible Property").

The items described in Sections 1.1, 1.2, 1.3, 1.4 and 1.5 above are herein sometimes referred to collectively as the "Property." The items described in Sections 1.1, 1.2, and 1.3 are herein sometimes referred to collectively as the "Real Property."

ARTICLE II

PURCHASE PRICE

2.1 Purchase Price. The total purchase price for the Property shall be determined by multiplying the sum of $12,500,000 by a fraction, the numerator of which is the total square footage of the Land as set forth in the survey to be provided pursuant to Section 4.1(c)(2) hereof and the denominator of which is the sum of the total square footage of the Land as set forth in the survey to be provided pursuant to Section 4.1(c)(2) hereof and the total square footage of the "Land" as defined in the Parcel 2 Agreement as set forth in the survey to be provided pursuant to Section 4.1(c)(2) of the Parcel 2 Agreement (the "Purchase

(a) Tenant Estoppel Certificates. Seller obtaining and delivering to Buyer tenant estoppel certificates in form and substance satisfactory to Buyer from any and all tenants occupying any portion of the Property (the "Tenant Estoppel Certificates") not later than twenty (20) days prior to the Closing Date. The Tenant Estoppel Certificates shall be in substantially the form of Exhibit G hereto and shall be dated no earlier than thirty (30) days prior to the Closing Date.

(b) Representations and Warranties. All of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct as of the Closing Date, and Seller shall have complied with all of Seller's covenants and agreements contained in or made pursuant to this Agreement, including, without limitation, those set forth in Article X hereof.

(c) Title. Not later than twenty (20) days following the date first above written Seller shall deliver to Buyer, at Seller's sole cost and expense, all of the following:

(1) a current extended coverage preliminary title report on the Real Property, accompanied by copies of all documents referred to in the report;

(2) an "as-built" survey of the Real Property by a licensed surveyor or civil engineer who is reasonably acceptable to Buyer. Said survey shall be acceptable to, and certified to, Buyer and in sufficient detail to provide the basis for an ALTA Owner's Policy of Title Insurance without boundary, encroachment or survey exceptions, and shall show the location of all easements, including that certain easement created of even date herewith and more particularly described in the Easement Agreement, and improvements (including underground improvements), and any and all other pertinent information with respect to the Property. The survey shall also indicate the total acreage and total square footage of the Land and any encroachments of improvements onto easements or onto adjacent properties or certify to their absence and shall indicate the presence of improvements and easements on property adjoining the Land if located within five (5) feet of the boundaries of the Land; and

(3) copies of all existing and proposed easements, covenants, restrictions, agreements or other documents which affect the Property and which are not disclosed by the preliminary title report, or, if no such documents exist, a certification of Seller to that effect. Title to the Real Property shall be subject only to such exceptions as Buyer shall approve in Buyer's sole and absolute discretion. Buyer shall advise Seller within ten (10) days after the later of actual receipt of all of the foregoing or the date first above written, what exceptions to title, if any, will be accepted by Buyer. Seller shall have five (5) business days after receipt of Buyer's objections to give Buyer notice: (i) that Seller will remove any objectionable exceptions from title and provide Buyer with

evidence satisfactory to Buyer of such removal, or provide Buyer with evidence satisfactory to Buyer that said exceptions will be removed on or before the Closing; or (ii) that Seller elects not to cause such exceptions to be removed. If Seller gives Buyer notice under clause (ii), Buyer shall have five (5) business days to elect to proceed with the purchase and take the Property subject to such exceptions, or to terminate this Agreement. If Buyer shall fail to give Seller notice of its election within said five (5) business days, Buyer shall be deemed to have elected to terminate this Agreement, each party shall bear their own costs incurred under this Agreement, and all other sums deposited by Buyer with Escrow Holder shall immediately be returned to Buyer. If Seller shall give notice pursuant to clause (i) and shall fail to remove any such objectionable exceptions from title prior to the Closing Date, and Buyer is unwilling to take title subject thereto, Seller shall be in default hereunder and, without limiting Buyer's rights and remedies against Seller, Buyer may elect to terminate this Agreement and Seller shall be liable for all of Buyer's damages, including, without limitation, Buyer's costs and expenses incurred hereunder, including, without limitation, title and escrow costs and reasonable attorneys' fees and expenses. If for any reason Buyer disapproves of title to the Real Property as herein provided, then, in addition to all of Buyer's other rights and remedies, whether provided for herein or otherwise at law or in equity, it is understood and agreed that Seller shall have the absolute and unconditional obligation to immediately repurchase all of the issued and outstanding shares of capital stock of Buyer from David A. Pearre, as trustee (the "Trustee") under the Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986, or his successor or assignee, for $48,400,000 (less any amounts necessary to compensate Seller for any dimunition in the net worth of Buyer caused by any act or omission of the Trustee or the Buyer since the Time of Closing of the Stock Purchase Agreement; provided that any such reduction in price shall not include any diminution caused by any failure of Seller to use its best efforts under paragraph 1 of the Management Agreement, as hereinafter defined), and the Trustee, or his successor or assignee shall deliver to Seller duly executed certificates in valid form evidencing all of the issued and outstanding shares of the capital stock of Buyer, duly endorsed in blank or accompanied by duly executed stock powers with the requisite stock transfer stamps, if any, attached.

(d) Service Contracts. Not later than twenty (20) days following the date first above written, Seller shall deliver to Buyer, at Seller's sole cost and expense, all design contracts, space planning contracts, construction contracts, subcontracts and purchase orders, utility contracts, water and sewer service contracts, other service contracts of any nature, maintenance contracts, management contracts, mortgage documents, certificates of occupancy, warranties, permits, soils reports, insurance policies, and other contracts or documents, if any, of any nature relating to the Property (the "Service Contracts"). Buyer shall have ten (10) business days after the later of actual receipt of

all of the foregoing or the date first above written within which to approve or disapprove, in Buyer's sole and absolute discretion, any of the foregoing.

(e) Leases. Not later than twenty (20) days following the date first above written, Seller shall deliver to Buyer, at Seller's sole cost and expense, any and all leases affecting the Property or any portion thereof executed or proposed to be executed by Seller along with a list of such leases in the form of Exhibit K hereto. Buyer shall have ten (10) days after the later of actual receipt of all of the foregoing or the date first above written within which to approve or disapprove, in Buyer's sole and absolute discretion, any of the foregoing.

(f) Compliance with Subdivision Map Act. The recording of a parcel or final map by Seller relating to real property of which the Real Property is a part, such that the Real Property consists of one or more legal lots or parcels as shown or such recorded parcel or final map, on or before October 31, 1987. Seller shall, at Seller's sole cost and expense, proceed expeditiously and with all diligence in causing the recording of such parcel or final map, in full compliance with all laws, rules, regulations and ordinances of all the State of California and of the City or County in which the real property of which the Real Property is a part is located and of all State and Local governmental or quasi-governmental agencies having or claiming jurisdiction over the real property of which the Real Property is a part, including, without limitation, the Subdivision Map Act, Sections 66410, et seq. of the Government Code of the State of California, as amended, and Seller shall, at Seller's sole cost and expense, be solely responsible for causing such parcel or final map to be recorded on or before October 31, 1987. In addition, Seller shall be solely responsible for the cost and performance of any and all conditions and/or obligations imposed in connection with the approval and/or recording of such parcel or final map. Anything herein to the contrary notwithstanding, if the parcel or final map referred to herein is not recorded on or before October 31, 1987, and Buyer determines that Seller has not made significant progress in connection therewith, Buyer shall have the right, but not the obligation, to take whatever steps it deems reasonably necessary, at Seller's sole cost and expense, to cause such parcel or final map to be recorded as soon as possible; provided, however, that if for any reason the parcel or final map referred to herein is not recorded on or before December 31, 1987, whether or not Seller has made significant progress in connection therewith, Buyer shall have the right, but not the obligation, to take whatever steps it deems reasonably necessary, at Seller's sole cost and expense, to cause such parcel or final map to be recorded as soon as possible. Seller agrees to fully cooperate with Buyer in Buyer's efforts to cause the parcel or final map to be recorded as soon as possible, which cooperation shall include, without limitation, Seller's making, executing, acknowledging and filing of all instruments and documents (i) required by all applicable governmental authorities or (ii) deemed reasonably necessary or desirable by Buyer. Seller hereby irrevocably makes, constitutes and appoints Buyer, acting through any of

Buyer's duly authorized officers, as Seller's true and lawful attorney, in its name, place and stead (it being understood that the grant of such power of attorney is coupled with an interest), to make, execute, acknowledge and file all instruments and documents and to take such other actions as may be necessary, after September 30, 1987, to cause the recording of a parcel or final map as contemplated by this Section 4.1(f).

(g) No Default Under Stock Purchase Agreement. Seller shall not be in default under the terms and conditions of that certain Stock Purchase Agreement (the "Stock Purchase Agreement"), dated as of December 31, 1986, between Seller and Trustee, shall not be in default under the Stock Purchase Agreement dated as of December 31, 1986, between Trustee and Waste Management of North America, Inc., an Illinois corporation.

4.2 Failure of Conditions. The foregoing conditions contained in this Article IV are intended solely for the benefit of Buyer. If any of the foregoing conditions are not satisfied for any reason whatsoever, or if any of the foregoing items to be delivered to and/or inspected and/or reviewed by Buyer are disapproved by Buyer, in Buyer's sole and absolute discretion, Buyer shall have the right at its sole election either to waive the condition and/or item(s) in question (provided that with respect to the condition described in Section 4.1(b) Buyer shall continue to have the remedies available under this Agreement or otherwise at law or in equity) and proceed with the purchase or, in the alternative, to terminate this Agreement.

4.3 Extension of Closing Date and Remedies. The Closing Date may be extended, at Buyer's option, a reasonable period of time if required to allow the conditions set forth in Section 4.1 to be satisfied, subject to Buyer's further right to terminate this Agreement upon the expiration of the period of any such extension if all said conditions have not been satisfied. In the event Buyer elects to terminate this Agreement pursuant to this Article IV, Seller shall pay any title and escrow charges, and, except as otherwise expressly provided in this Article IV, neither party shall have any further rights or obligations under this Agreement. Notwithstanding the foregoing, in the event of a breach by Seller of any covenant hereunder material to the purchase of the Property by Buyer, Buyer may elect nevertheless to proceed with the purchase of the Property, reserving the right to collect damages for such breach from Seller, or Buyer may elect to terminate this Agreement by written notice to Seller delivered prior to Closing, and upon such termination Buyer shall be relieved of all further obligations hereunder, the Deposit shall be returned to Buyer and Buyer may proceed against Seller for any damages caused Buyer thereby.

4.4 Consummation of Purchase of Stock. Anything in this Article IV or elsewhere in this Agreement to the contrary notwithstanding, a condition precedent to both Buyer and Seller's obligation to consummate the purchase and sale of the Property pursuant to this Agreement shall be the acquisition of all of the issued and outstanding shares of

capital stock of Buyer by Waste Management of North America, Inc.

ARTICLE V

CLOSING AND ESCROW

5.1 Deposit with Escrow Holder and Escrow Instructions. This instrument shall serve as the instructions to Escrow Holder for consummation of the purchase and sale contemplated hereby. Seller and Buyer agree to execute such additional and supplementary escrow instructions as may be appropriate to enable Escrow Holder to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the terms and provisions of this Agreement and the terms and provisions of any supplementary escrow instructions, the terms and provisions of this Agreement shall control.

5.2 Closing. The closing hereunder (the "Closing") shall mean the recording of the Deed conveying title to the Real Property from Seller to Buyer and shall be held and delivery of all items to be made at the Closing shall be made at the offices of Escrow Holder on December 31, 1987, or such other date prior thereto (the "Closing Date") and/or at such other location as Buyer and Seller may mutually agree in writing. Such date may not be extended without the written approval of both Seller and Buyer, except as otherwise expressly provided in this Agreement. In the event the Closing does not occur on or before the Closing Date, Escrow Holder shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which may have been deposited hereunder. Any such return shall not, however, relieve either party hereto of any liability it may have for its wrongful failure to close. It is agreed that if either party has complied with the terms and conditions of this Agreement as of the Closing Date and the other party is not in a position to close, the party not in a position to close shall be in material breach of this Agreement and the Agreement may be terminated and the party who has so fully complied may exercise any and all remedies available to it at law or in equity, subject to the provisions for liquidated damages set forth herein.

5.3 Delivery by Seller. Not later than five (5) days prior to the Closing Date, Seller shall deposit with Escrow Holder the following:

(a) The Deed, duly executed and acknowledged by Seller, in recordable form, and ready for recordation on the Closing Date;

(b) The Bill of Sale, duly executed by Seller;

(c) Original counterparts of any leases (and amendments thereto, if any, and all records and correspondence relating thereto) covering any portion of the Property, any security deposits relating thereto, and a duly executed and acknowledged Assignment of Leases in the form of Exhibit H hereto;

(d) Originals or copies of all Service Contracts, if any, to be continued by Buyer after the Closing as elected by Buyer, and any warranties or guaranties, if any, received by Seller from any contractors, subcontractors, suppliers or materialmen in connection with any construction, repairs or alterations of the Improvements;

(e) The Assignment of Service Contracts, Intangible Property and Warranties and Guarantees, duly executed by Seller;

(f) Originals or copies of all building permits and certificates of occupancy for the Improvements;

(g) Notices to the tenants at the Property, if applicable, in the form of Exhibit I hereto, duly executed by Seller;

(h) An escrow closing statement in form and content consistent with this Agreement and otherwise reasonably satisfactory to Buyer and Seller;

(i) An affidavit in the form of Exhibit J hereto confirming that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445;

(j) Any other documents, instruments, data, records, correspondence or agreements called for hereunder which have not previously been delivered.

Buyer may waive compliance on Seller's part under any of the foregoing items by an instrument in writing.

5.4 Delivery by Buyer. On or before the Closing Date, Buyer shall deposit the Purchase Price with Escrow Holder for disbursement to Seller in accordance with the provisions hereof, to be held by Escrow Holder pursuant to disbursement instructions mutually acceptable to Buyer and Seller.

5.5 Other Instruments. In addition to the documents and instruments to be delivered as herein provided, each of the parties hereto shall, from time to time at the request of the other party, execute and deliver to the other party such other instruments of transfer, conveyance and assignment and shall take such other action as may be reasonably required to effectively carry out the terms of this Agreement and/or to transfer and assign to and vest in Buyer, and put Buyer in possession of, the Property.

5.6 Prorations. Any rents actually collected (whether such collection occurs prior to, on or after the Closing), all non-delinquent real property taxes and assessments, any bond assessments assumed by Buyer, water, sewer and utility charges, annual permits and/or inspection fees (calculated on the basis of the respective periods covered thereby), insurance premiums (as to those policies, if any, that Buyer determines will be continued after the Closing), and other expenses normal to the operation and maintenance of the Property shall be prorated as of 12:01 a.m. on the date the Deed is recorded. Seller and Buyer hereby agree

that if any of the aforesaid prorations cannot be calculated within thirty (30) days after the Closing Date, that either party owing the other party a sum of money based on such subsequent proration(s) shall promptly pay said sum to the other party, together with interest thereon at the rate of eight percent (8%) per annum from the Closing Date to the date of payment if payment is not made within ten (10) days after delivery of a bill therefor. A statement setting forth such agreed-upon prorations shall be delivered to Escrow Holder. Escrow Holder shall not be required to make any other prorations.

5.7 Costs and Expenses. Buyer and Seller shall each pay one-half (1/2) of Escrow Holder's escrow fee, and Seller shall pay all documentary transfer taxes, transfer or conveyance taxes imposed by the City and/or County in which the Real Property is located, delinquent real property taxes or assessments, and the cost of recording the Grant Deed. Buyer shall bear that portion of the title insurance premium cost, if any, that is in excess of the Title Company's normal and standard premium cost of a CLTA Standard Coverage Owner's Policy of Title Insurance ("CLTA Policy"), with liability in the amount of the Purchase Price, and Seller shall bear that portion of the title insurance premium cost that is equal to the premium cost that would be incurred if such a CLTA Policy were issued.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF SELLER

As an inducement to Buyer to enter into this Agreement, Seller hereby represents and warrants to and agrees with Buyer as follows (it being understood by the parties hereto that there are no representations or warranties made herein by Seller with respect to the Handling of Wastes (as defined in the Stock Purchase Agreement) or the condition of the Real Property, other than as set forth in the Stock Purchase Agreement):

6.1 Condition of Property. Between the date hereof and the date of acquisition of all of the issued and outstanding shares of capital stock of Buyer by Waste Management of North America, Inc., there will be no material change in the condition of the Property or in the level of compliance with all applicable governmental laws, ordinances, regulations and requirements.

6.2 Reports, Contracts and Other Documents. The survey, leases, certificates of occupancy, and all other books and records relating to or affecting the Property, and the Service Contracts, if any, and all other contracts or documents delivered to Buyer pursuant to this Agreement or in connection with the execution hereof are and at the time of Closing will be true and correct copies, are and at the time of Closing will be in full force and effect, without default by (or notice of default to) any party, and contain no inaccuracies or misstatements of fact, and all such contracts, leases and other documents relating to or affecting the Property have been or will be delivered to the Buyer pursuant to this Agreement.

6.3 Land-Use Regulation. There are no condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which could detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property, nor has Seller received notice of any special assessment proceedings affecting the Property.

6.4 Leases. Except as set forth in Exhibit K hereto (to be provided by Seller in accordance with Section 4.1(e) hereof), Seller has not executed or otherwise entered into any leases, tenancies, occupancy agreements or other agreements with respect to rights affecting possession of the Property or any portion thereof and there are no such agreements entered into or executed by any third party, and there is no default on the part of Seller, as lessor, or on the part of any lessee, and there exists no condition that with the passage of time or the giving of notice or both would constitute such a default.

6.5 Service Contracts and Other Agreements. Seller has not entered into and there are no Service Contracts or other agreements affecting the Property, there is no obligation of Seller under the terms of any contract, lease or other instrument relating to or affecting the Property to assume any obligation thereof other than the contracts, leases and other documents required to be disclosed pursuant to this Agreement, and there will be, as of the Closing Date, no obligation of Buyer under the terms of any contract, lease or other instrument affecting the Property other than the contracts, leases or other documents which Buyer has elected to assume pursuant to this Agreement.

6.6 Agreements Affecting the Property. There are no leases, easements, encumbrances or other agreements affecting the Property except as shown in the preliminary title report delivered to Buyer pursuant to Section 4.1(c) hereof, or as otherwise disclosed to Buyer by Seller in writing and approved by Buyer.

6.7 Default in Respect of Appurtenances. There is no default under or in respect of any of the Appurtenances on the part of any party thereto and no condition exists that with the passage of time or giving of notice or both would constitute such a default.

6.8 Litigation. There is no litigation pending or to the best of Seller's knowledge threatened against Seller or to the best of Seller's knowledge any basis therefor that arises out of the ownership of the Property or that might detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property or adversely affect the ability of Seller to perform its obligations under this Agreement.

6.9 Utilities. All water, sewer, gas, electric, telephone, and all other utilities required by law or by the normal use and operation of the Property are, and at the time of Closing will be, connected and operating pursuant to valid permits.

6.10 Use Permits and Other Approvals. To the best of Seller's knowledge, Seller has obtained all easements and rights of way, including proof of dedication, required from all governmental authorities having jurisdiction over the Property or from private parties for the normal use and operation of the Property and to ensure free and unimpeded vehicular and pedestrian ingress to and egress from the Property as required to permit the normal intended usage of the Property by the tenants thereof, their invitees and customers.

6.11 Authority of Seller. This Agreement and all documents executed by Seller which are to be delivered to Buyer at or prior to the Closing are or at the time of Closing will be duly authorized, executed, and delivered by Seller, are or at the time of Closing will be legal, valid, and binding obligations of Seller enforceable in accordance with their terms, are and at the time of Closing will be sufficient to convey title (if they purport do to so), and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

6.12 Use and Operation of Property. Seller knows of no facts nor has Seller failed to disclose to Buyer any fact which would prevent Buyer from using and operating the Property after Closing in the manner in which the Property is being operated as of the date hereof.

6.13 Other Contracts to Convey Property. Seller has not committed nor obligated itself in any manner whatsoever to sell the Property to any party other than Buyer. Seller has not hypothecated or assigned any rents or income from the Property in any manner. At the Closing Date, Seller will not have hypothecated or assigned any rents or income from the Property in any manner.

6.14 Property Tax Assessment. Notwithstanding any other provision of this Agreement to the contrary, if Buyer shall become liable after the Closing for payment of any property taxes assessed against the Property for any period of time prior to the Closing Date, Seller shall immediately pay to Buyer on demand an amount equal to such tax assessment in accordance with Section 5.6 hereof.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows: This Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing are or at the time of Closing will be duly authorized, executed, and delivered by Buyer, and are or at the Closing will be legal, valid, and binding obligations of Buyer, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

ARTICLE VIII

LOSS BY FIRE OR OTHER CASUALTY; CONDEMNATION

In the event that, prior to Closing, the Property is destroyed or materially damaged (as reasonably determined by Buyer), or if condemnation proceedings are threatened or commenced against the Property, Buyer shall have the right, exercisable by giving notice of such decision to Seller within fifteen (15) business days after receiving written notice from Seller of such damage, destruction or condemnation proceedings, to terminate this Agreement, in which case, neither party shall have any further rights or obligations hereunder and the Deposit shall be returned to Buyer. If Buyer elects to accept the Property in its then condition, all proceeds of insurance or condemnation awards payable to Seller by reason of such damage, destruction or condemnation shall be paid or assigned to Buyer. In the event of non-material damage to the Property, which damage Seller is unwilling to repair or replace at its expense prior to or within a reasonable time after the Closing Date, Buyer shall have the right, exercisable by giving notice within fifteen (15) business days after receiving written notice of such damage, either (a) to terminate this Agreement as hereinabove in this Article VIII provided, or (b) to accept the Property in its then condition and proceed with the purchase, in which case Buyer shall be entitled to a reduction of the Purchase Price to the extent of the cost of repairing or replacing such damage as determined by Buyer based on bids or other advice from one or more qualified contractors, architects or engineers selected by Buyer. For purposes of any repairs or replacements under this Article VIII, the Closing Date may be extended, at Buyer's election, for a reasonable time to allow such repairs or replacements to be made.

ARTICLE IX

DELIVERY OF POSSESSION AND ENTRY ON PROPERTY

9.1 Delivery of Possession. Possession of the Property shall be delivered to Buyer on the Closing Date.

9.2 Entry on Property. Seller shall afford Buyer reasonable access to the Property for the purposes of satisfying Buyer with respect to the representations, warranties, and covenants of Seller contained herein, with respect to satisfaction of any conditions precedent to the Closing contained herein, and with respect to the condition of the Property. Buyer shall have the right to conduct such inspections and tests of the Property as Buyer deems appropriate, including, but not limited to, soils and geological tests, building inspections, reviews of the zoning and other land use controls and restrictions affecting the Property and surrounding land, and reviews of the availability of utilities, rail service and other services necessary or appropriate to the operation of the Property. In this regard, Buyer may obtain, at Buyer's sole option and expense, such written reports and studies as Buyer may deem appropriate, a survey containing sufficient information to

permit the issuance of an ALTA Policy covering the Property, and any permits, authorizations or approvals from governmental agencies having authority over the Property which Buyer deems necessary or appropriate.

ARTICLE X

MAINTENANCE AND OPERATION OF THE PROPERTY

10.1 Maintenance. In addition to Seller's other obligations hereunder, Seller shall, subject to and in accordance with the terms and provisions of that certain Management Agreement (the "Management Agreement"), by and between Buyer and Seller, of even date herewith, maintain the Property in good order, condition and repair, reasonable wear and tear excepted, shall perform all work required to be done by the landlord under the terms of any lease affecting the Property, and, subject to and in accordance with the terms and provisions of the Management Agreement, shall make all repairs, maintenance and replacements of the Improvements and any Personal Property and otherwise operate the Property in the same manner as before the the date first above written, the same as though Seller were retaining the Property.

10.2 Leases and Other Agreements. Seller shall not, after the date of first above written, enter into or terminate any lease, amendment of lease, contract or agreement pertaining to the Property or permit any tenant of the Property to enter into or terminate any sublease, assignment of lease, contract or agreement pertaining to the Property, or modify any lease, contract or agreement pertaining to the Property or waive any rights of Seller thereunder, without in each case obtaining Buyer's prior written consent thereto.

10.3 Encumbrances. Seller shall not, after the date first above written, mortgage, encumber or suffer to be encumbered all or any portion of the Property, without the prior written consent of Buyer.

ARTICLE XI

EXCHANGE

11.1 Exchange. Instead of the sale of the Property by Seller to Buyer, Seller shall have the right to locate other real property or properties ("Exchange Property") for the purpose of effecting a tax-deferred exchange (under IRC Section 1031) of the Property and/or to arrange for the terms of Seller's acquisition of Exchange Property. If Seller does locate such Exchange Property or enter into an exchange agreement with the owner(s) thereof or other third parties ("Exchange Parties") and notifies Buyer in writing of same on or before June 30, 1987, then, at Seller's option (a) Buyer shall enter into a written contract with such Exchange Parties to purchase such Exchange Property and transfer the ownership thereof from Buyer to Seller in consideration of and concurrently with the transfer of the

Property to Buyer; or (b) Seller shall enter into an exchange agreement with such Exchange Parties and, upon Seller's acquisition of such Exchange Property, the Exchange Parties shall concurrently transfer the ownership of the Property to Buyer in accordance with the terms and provisions of sale set forth in this Agreement. Buyer agrees to accept title to the Property from such Exchange Parties. In no event, however, shall Buyer be required to make a total cash payment for the Exchange Property, including all costs and expenses of that purchase, in excess of the sum of the Purchase Price and all costs and expenses Buyer is required to make hereunder, nor shall Buyer be required to assume any secured loan on any Exchange Property to be acquired by Buyer, execute any promissory note or other evidence of indebtedness in connection with any acquisition of Exchange Property which would impose any personal liability on Buyer for its payment, make any representations or warranties beyond those made in the Agreement which would impose any personal liability on Buyer, or actually take title to the Exchange Property. Buyer shall make a good faith diligent effort (but shall not be required to deposit money sooner than required hereunder) to comply with all terms of any and all contracts entered into in connection with such tax-deferred exchange. Seller shall be required to sell the Property directly to Buyer and Buyer shall be required to purchase the Property directly from Seller for the price and on the terms set forth in this Agreement only if (i) Seller is unable to locate Exchange Property and Buyer is unable to acquire it, (ii) Seller is unable to make arrangements for title to the Property to be transferred to Buyer through a third party within the time period provided in this Agreement, or (iii) if Seller shall waive its right to locate Exchange Property for the purpose of effecting a tax-deferred exchange pursuant to this Article XI. In the event an exchange is made in lieu of a purchase hereunder, Seller shall reimburse Buyer for the amount, if any, by which (i) the total cash payment made to the Exchange Parties, including all of Buyer's costs of escrow, title insurance premiums spent to acquire the Exchange Property, documentary transfer taxes and all prorations, reasonable attorneys' fees and real estate brokerage commissions, all of which shall be approved by Seller before Buyer enters into any agreement of purchase with the Exchange Parties, exceeds (ii) the sum of the Purchase Price and all costs and expenses Buyer is required to incur hereunder. In the event that through no fault of or lack of performance by Buyer, the intended exchange is not completed on or before December 31, 1987, Seller agrees to transfer title to the Property to Buyer on that date under the terms and provisions of sale set forth in this Agreement. Seller agrees to hold Buyer harmless from and against any and all liability, loss, cost, damage and/or expense (including, without limitation, attorneys' fees and expenses) that may arise from Buyer's participation in the exchange.

ARTICLE XII

MISCELLANEOUS

12.1 Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and sent by United States mail, registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

If to Seller:	CalMat Co. 3200 San Fernando Road Los Angeles, CA 90051 Attn: S.J. Wilcott
If to Buyer:	Valley Reclamation Co. c/o Waste Management of North America, Inc. 3003 Butterfield Road Oak Brook, Illinois 60521 Attn: Michael Slattery, Esq.
with a copy to:	Wyman, Bautzer, Christensen, Kuchel & Silbert 2049 Century Park East Suite 1400 Los Angeles, CA 90067 Attn: Peter M. Weil, Esq.
If to Escrow Holder:	Chicago Title Insurance Company 3280 East Foothill Blvd. Pasadena, CA 91107 Attn: Escrow Officer

or such other address as either party may from time to time specify in writing to the other in the manner aforesaid. If personally delivered, such notices or other communications shall be deemed delivered upon delivery. If sent by United States mail, registered or certified mail, postage prepaid, return receipt requested, such notices or other communications shall be deemed delivered upon delivery or refusal to accept delivery as indicated on the return receipt. In addition, copies of all notices and other communications required or permitted to be given under this Agreement shall be delivered to David A. Pearre, as Trustee, at 17109 Saint Andrews Drive, Poway, California 92064, in the manner aforesaid.

12.2 Brokers and Finde s. In connection with the transactions contemplated by this Agreement (a) Seller hereby represents and warrants to Buyer that Seller has not, and shall not, incur any obligation to any third party for the payment of any broker's fee, finder's fee, commission or other similar compensation, and (b) Buyer hereby represents and warrants to Seller that Buyer has not, and shall not, incur any obligation to any third party for the payment of any broker's fee, finder's fee, commission or other similar compensation. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, hereby agrees to indemnify and hold Seller harmless from and against any

and all liability, loss, cost, damage and/or expense (including, without limitation, reasonable attorneys' fees and expenses) which Seller may sustain or incur by reason of such claim, and Seller, if such claim is based upon any agreement alleged to have been made by Seller, hereby agrees to indemnify and hold Buyer harmless from and against any and all liability, loss, cost, damage and/or expense (including, without limitation, reasonable attorneys' fees and expenses) which Buyer may sustain or incur by reason of such claim. The provisions of this Section 12.2 shall survive the Closing.

12.3 Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns, except that Seller's interest under this Agreement may not be assigned, encumbered or otherwise transferred whether voluntarily, involuntarily, by operation of law or otherwise, without the prior written consent of Buyer. Buyer shall not have the right to assign to any third party or entity all of Buyer's right, title and interest in and to the Property and this Agreement; provided, however, that notwithstanding anything to the contrary contained herein, Buyer shall have the right to assign all of Buyer's right, title and interest in and to the Property and this Agreement to any of its affiliates.

12.4 Amendments. This Agreement may be amended or modified only by a written instrument executed by the party asserted to be bound thereby.

12.5 Continuation and Survival of Representations and Warranties. All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to and shall remain true and correct as of the time of Closing, shall be deemed to be material, and shall survive the execution and delivery of this Agreement, the delivery of the Deed and transfer of title. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Seller in connection with the transaction contemplated hereby shall constitute representations and warranties hereunder.

12.6 Interpretation. Whenever used herein, the term "including" shall be deemed to be followed by the words "without limitation." Words used in the singular number shall include the plural, and vice-versa, and any gender shall be deemed to include each other gender. The captions and headings of the Articles and Sections of this Agreement are for convenience of reference only, and shall not be deemed to define or limit the provisions hereof.

12.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

12.8 Merger of Prior Agreements. This Agreement constitutes the entire agreement between the parties with respect to the purchase and sale of the Property and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

12.9 Attorneys' Fees. In the event either Buyer or Seller brings any suit or other proceeding with respect to the subject matter or enforcement of this Agreement, the prevailing party (as determined by the court, agency or other authority before which such suit or proceeding is commenced) shall, in addition to such other relief as may be awarded, be entitled to recover attorneys' fees, expenses and costs of investigation.

12.10 Time of the Essence. Time is of the essence of this Agreement.

12.11 Specific Performance. The parties understand and agree that the Property is unique and for that reason, among others, Buyer will be irreparably damaged in the event that this Agreement is not specifically enforced. Accordingly, in the event of any breach or default in or of this Agreement or any of the warranties, terms or provisions hereof by Seller, Buyer shall have, in addition to a claim for damages for such breach or default, and in addition and without prejudice to any right or remedy available at law or in equity, the right to demand and have specific performance of this Agreement.

12.12 Authority. The parties signing below represent and warrant that they have the requisite authority to bind the entities on whose behalf they are signing.

12.13 Exhibits. The exhibits attached hereto are hereby incorporated by reference herein.

12.14 Memorandum of Agreement. Concurrently with the execution of this Agreement, Seller shall execute, acknowledge and deliver to Buyer a Memorandum of Agreement in the form of Exhibit L hereto, which Buyer may record in the appropriate records of the County in which the Property is situated.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Buyer: VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

Seller: CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

LIST OF EXHIBITS

A: Description of Land

B: Description of Personal Property

C: Description of Intangible Property

D: Form of Grant Deed

E: Form of Bill of Sale for Personal Property

F: Form of Assignment of Service Contracts, Intangible Property, Warranties and Guarantees

G: Form of Tenant Estoppel Certificate

H: Form of Assignment of Leases

I: Form of Notice to Tenants

J: Form of Affidavit of Non-Foreign Status

K: List of Leases

L: Form of Memorandum of Purchase and Sale Agreement and Escrow Instructions

Description of Land

EXHIBIT A

Description of Personal Property

None.

Description of Intangible Property

None.

Grant Deed

[to follow]

BILL OF SALE

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which is hereby acknowledged CALMAT CO., a Delaware corporation ("Transferor"), hereby sells, transfers, assigns and delivers to VALLEY RECLAMATION CO., a California corporation ("Transferee") and its successors and assigns, all of Transferor's right, title and interest, free and clear of all liens, claims and encumbrances in the properties and assets of every kind and description ("Assets"), whether tangible or intangible, personal or mixed, which are located on, affixed to or used in connection with that certain real property ("Property"), more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Transferor has executed this Bill of Sale this ____ day of December, 1986.

"Transferor"
CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

"Transferee"

VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

ASSIGNMENT OF SERVICE CONTRACTS,
INTANGIBLE PROPERTY, WARRANTIES AND GUARANTEES

This instrument, dated as of December __, 1986, is by and between CALMAT CO., a Delaware corporation ("Assignor") and VALLEY RECLAMATION CO., a California corporation ("Assignee").

RECITALS:

(a) Assignor is the holder of various service contracts, maintenance contracts and other contracts and agreements as well as certain intangible property, warranties and guarantees (collectively the "Intangible Property") all referred to in Section 3.3 of that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of December __, 1986, by and between Assignor and Assignee.

(b) Assignor desires to assign the Intangible Property to Assignee, and Assignee desires to accept such assignment, on the terms and conditions stated below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed:

1. Assignor hereby assigns, transfers and conveys to Assignee all of its right, title and interest in, to and under the Intangible Property as more particularly described on Exhibit A attached hereto.

2. Assignee hereby accepts the foregoing assignment and assumes all obligations of Assignor under the Intangible Property arising subsequent to the date hereof.

3. This instrument shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the date first above written.

"ASSIGNOR"

CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

"ASSIGNEE"

VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

ESTOPPEL CERTIFICATE

The undersigned, as Lessee, under that certain Lease dated _____, by and between Lessee and _____ as Lessor, for premises located at _____ (the "Premises"), hereby certifies as follows:

(1) That Lessee has entered into occupancy of, and occupies, the Premises.

(2) That the Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way, except _____
_____
_____.

(3) That the Lease represents the entire agreement between the parties as to said leasing.

(4) That the commencement date of the Lease is _____.

(5) That the termination date of the Lease is _____.

(6) That monthly rent for the Premises is _____ _____.

(7) That monthly rent and other charges under the Lease are paid to _____, 19__.

(8) That the following deposits have been paid by Lessee to Lessor: (i) Security Deposit $_____; (ii) Advance Rental -- $_____; (iii) Key Deposit $_____; (iv) Sign Deposit $_____; Other (specify) $_____.

(9) That all conditions of the Lease to be performed by Lessor and necessary to the enforceability of the Lease have been satisfied, except (if none, so state) _____
_____
_____.

(10) That there are no defaults by either Lessor or Lessee under the Lease, except (if none, so state) _____
_____
_____.

(11) That there are no options in the Lease (if none, so state) _____
_____.

(12) That on this date there are no existing defenses or offsets which Lessee has against the enforcement of the Lease by Lessor, except (if none, so state) _____
_____.

(13) Lessee hereby waives Lessee's right of first refusal as contained in the Lease (if none, so state)
_____.

EXECUTED THIS _____ DAY OF _____, 19__.

LESSEE: _____

By _____

_____

ASSIGNMENT OF LEASES

THIS ASSIGNMENT OF LEASES, dated as of this ____ day of December, 1986, by and between CALMAT CO., a Delaware corporation ("Assignor") and VALLEY RECLAMATION CO., a California corporation ("Assignee").

Recitals:

(a) Assignor is the lessor pursuant to those certain leases ("Leases") described in Exhibit A attached hereto and made a part hereof.

(b) Assignor desires to assign the Leases to Assignee, and Assignee desires to accept the Leases, on the terms and conditions stated below:

Agreement:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed:

1. Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's right, title and interest in, to and under the Leases.

2. Assignee hereby accepts the foregoing assignment and assumes all of the obligations of Assignor under the Leases arising subsequent to the date hereof.

3. This instrument shall be binding upon, and inure to the benefit of, the parties hereto and their respective succesors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment of Leases on the date first above written.

"Assignor"

CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

"Assignee"

VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

FORM OF NOTICE TO TENANTS

_____, 198_

TO: (Tenant)

RE: Sale of _____ ("Property")

CALMAT CO., a Delaware corporation is pleased to announce the sale of _____ to VALLEY RECLAMATION CO., a California corporation on _____, 198_.

Please note the following important change in rent payment and notice procedure. Rents and all other charges due under your lease should be made payable to _____ and mailed for receipt at the time required by your lease addressed as follows:

_____
_____
_____

All notices from you to the landlord concerning any matter relating to your lease should be sent to _____ at the foregoing address.

Very truly yours,

CALMAT CO., a Delaware corporation

By: _____

Its: _____

AFFIDAVIT OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest located in the City of _____, County of _____, State of California, by CALMAT CO., a Delaware corporation ("CALMAT"), I hereby certify the following on behalf of the transferor:

1. CALMAT is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. CALMAT's U.S. employer identification number is _____;

3. CALMAT's main office address is _____ _____; and

4. I, the undersigned individual, declare that I have authority to sign this document on behalf of CALMAT.

CALMAT understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete.

DATED: December __, 1986

CALMAT CO., a Delaware corporation

By: _____

Its: _____ _____

LIST OF LEASES

Lessee	Address	Lease Term
	[To be provided]	

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

VALLEY RECLAMATION CO.
3200 San Fernando Road
Los Angeles, California 90065
Attention: S.J. Wilcott

MEMORANDUM OF PURCHASE

THIS MEMORANDUM OF PURCHASE is made and entered into as of this ____ day of December, 1986, by and between CALMAT CO., a Delaware corporation, ("Owner"), and VALLEY RECLAMATION CO., a California corporation ("Purchaser"), with reference to the following facts.

A. Owner is the owner of that certain real property (the "Property") more particularly described in Exhibit A, which is attached hereto and incorporated by reference herein.

B. Purchaser desires to purchase from Owner and Owner desires to sell to Purchaser the Property on the terms set forth in that certain Purchase and Sale Agreement and Joint Escrow Instructions (the "Purchase Agreement") of even date herewith, by and between Owner and Purchaser.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the mutual agreements herein set forth, and other valuable consideration, receipt of which is hereby acknowledged, Owner and Purchaser agree as follows:

1. Owner hereby unconditionally and irrevocably grants to Purchaser the exclusive right to purchase the Property in accordance with the terms and conditions set forth in the Purchase Agreement. This right to Purchase shall expire on December 31, 1987, unless extended in accordance with the terms and provisions of the Purchase Agreement.

2. The Purchase Agreement is incorporated by reference herein, and, in the event of any conflicts or inconsistencies between the terms and provisions of this Memorandum of Purchase and terms and provisions of the Purchase Agreement, the terms and provisions of the Purchase Agreement shall control, it being understood and agreed by Owner and Purchaser that the sole purpose of this Memorandum of Purchase is to provide notice of the Purchase Agreement and that this Memorandum of Purchase shall not alter,

modify, restrict, limit or otherwise affect any of the terms and provisions of the Purchase Agreement or any of the rights or obligations created therein.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Purchase as of the date first above written.

Owner: CALMAT CO.,
a Delaware corporation

By: _____

Its: _____

Purchaser: VALLEY RECLAMATION CO.,
a California corporation

By: _____

Its: _____

PROMISSORY NOTE

$48,400,000.00

December 30, 1986
Los Angeles, California

FOR VALUE RECEIVED, DAVID A. PEARRE, AS TRUSTEE UNDER THE DECLARATION OF TRUST FOR PURCHASE OF STOCK OF VALLEY RECLAMATION CO. AND DISTRIBUTION OF REMAINING FUNDS TO CHARITY, dated December 30, 1986 ("Maker"), promises to pay to the order of WASTE MANAGEMENT OF NORTH AMERICA, INC., an Illinois corporation ("Payee"), at 3003 Butterfield Road, Oak Brook, Illinois 60521, or at such other place as may be designated by Payee, the principal sum of FORTY-EIGHT MILLION FOUR HUNDRED THOUSAND DOLLARS ($48,400,000.00), together with interest on unpaid principal balance hereof from time to time outstanding at a rate of interest equal to four percent (4%) per annum, in lawful money of the United States.

The outstanding principal balance hereof, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier to occur of the following:

(i) The failure of Maker to acquire all of the issued and outstanding shares of capital stock of Valley Reclamation Co., a California corporation ("VRC"), from CALMAT Co., a Delaware corporation ("CMC"), on December 31, 1986, pursuant to the Stock Purchase Agreement dated as of

December 31, 1986 ("Phase I Stock Purchase Agreement"), a copy of which is set forth as Exhibit A attached hereto and made a part hereof;

(ii) The failure of Maker to transfer and deliver all of the issued and outstanding shares of capital stock of VRC to Payee, pursuant to the Stock Purchase Agreement dated as of December 31, 1986 ("Phase II Stock Purchase Agreement"), a copy of which is set forth as Exhibit B attached hereto and made a part hereof;

(iii) The failure or non-fulfillment of the Condition Subsequent set forth in Article IX of the Phase I Stock Purchase Agreement;

(iv) A default by Maker under the Phase II Stock Purchase Agreement; or

(v) June 30, 1987.

Unless expressly indicated to the contrary herein, all payments received on account of this Note shall be applied first to accrued interest, then to charges or fees payable hereunder and then to the unpaid principal balance hereof.

Maker and any guarantors or endorsers hereof hereby waive diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of nonpayment of this Note, and specifically consent to and waive notice of any renewals or extensions of this Note. Maker expressly waives the pleading of any statute of limitations as a defense to any demand hereunder against Maker.

Notwithstanding anything in this Note to the contrary, the obligations of Maker under this Note shall be absolute and Maker expressly and unconditionally waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

If Maker shall fail to pay in full any payment required hereunder when such payment is due, such failure shall constitute an event of default under this Note.

This Note may be prepaid in whole or in part at the option of Maker.

If Maker shall fail to make any payment when due hereunder, whether by maturity, acceleration or otherwise, the amount of such payment shall thereafter bear interest, which shall be payable on demand, at a rate that is five percent (5%) per annum in excess of the rate of interest otherwise applicable under this Note.

Notwithstanding anything to the contrary contained in this Note, no interest shall accrue hereunder which is in excess of the maximum amount permitted under the applicable law relating to usury. Any interest payment made hereunder representing accrued interest that is in excess of the maximum amount permitted under the applicable law relating to usury shall be applied to reduce the outstanding principal balance hereof and shall be deemed to represent a prepayment of principal hereunder.

The acceptance by any holder of this Note of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of such holder's rights or remedies at that time or at any subsequent time, without the express written consent of such holder, except as and to the extent otherwise provided by law.

If this Note or any part of the indebtedness represented hereby shall not be paid as aforesaid, then the holder hereof may place this Note or any part of the indebtedness represented hereby in the hands of an attorney for collection, and Maker agrees to pay, in addition to all other amounts due hereunder, all costs of collection, including, without limitation, attorneys' fees, whether or not suit be brought.

This Note may be waived, changed, modified or discharged only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

This Note shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

The times for the performance of any obligation hereunder shall be strictly construed, time being of the essence. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, the payment shall be made on the next succeeding Business Day

and such extension of time shall be included in the computation of the payment of interest hereunder. As used herein, the term "Business Day" means any day excluding Saturday, Sunday and any day that is a legal holiday under the laws of the State of California or is a day on which banking institutions located in California are authorized by law or other governmental action to close.

If any provision of this Note, or the application of such provision to any circumstance, is found by a court of law to be in violation of any local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court should declare such provision or application to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of Maker that such provision or application shall be given force to the fullest possible extent that it is legal, valid and enforceable, that the remainder of this Note shall be construed as if such illegal, invalid, unlawful, void or unenforceable provision or application were not contained herein, and that the obligations of Maker under the

remainder of this Note shall continue in full force and effect.

The times for performance of any obligation under this Note shall be strictly construed, time being of the essence.

DAVID A. PEARRE, AS TRUSTEE UNDER
DECLARATION OF TRUST FOR PURCHASE
OF STOCK OF VALLEY RECLAMATION CO.
AND DISTRIBUTION OF REMAINING FUNDS
TO CHARITY DATED DECEMBER 30, 1986

By David A. Pearre

CANCELLED AND PAID

EXHIBIT A

STOCK PURCHASE AGREEMENT

December 31, 1986

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "Agreement") is made and entered into as of this 31st day of December, 1986, by and between the CALMAT CO., a Delaware corporation ("CalMat") and DAVID A. PEARRE, as trustee under that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986 (the "Trustee").

RECITALS

WHEREAS, CalMat owns all of the outstanding shares of stock (the "VRC Shares") of Valley Reclamation Co., a California corporation, including all predecessors, businesses acquired thereby or merged therein (the "Company"); and

WHEREAS, the Trustee desires to purchase and acquire the VRC Shares, and CalMat desires to sell and convey the VRC Shares;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENTS

ARTICLE I

Sale and Purchase

Section 1.1 On the basis of the representations and warranties and subject to the terms and conditions set forth in this Agreement, CalMat agrees to sell, transfer and deliver to the Trustee, and the Trustee agrees to purchase, acquire and accept from CalMat, the VRC Shares in consideration for the payment of the purchase price of Forty-Eight Million Four Hundred Thousand Dollars ($48,400,000) (the "Price").

Section 1.2 The execution and delivery of the documents and consideration necessary to effectuate the transactions contemplated by this Agreement will take place at such time on December 31, 1986, or such earlier date as the parties hereto may agree upon (the "Closing" or "Time of Closing"), at the office of Wyman, Bautzer, Christensen, Kuchel & Silbert, 2049 Century Park East, Suite 1400, Los Angeles, California 90067, or at such other time or place as the parties hereto may agree upon.

Section 1.3 Subject to the terms and conditions set forth in this Agreement, the following steps will be taken by the parties, respectively, at the Time of Closing:

(a) CalMat will deliver to the Trustee duly executed certificates in valid form evidencing all of the VRC Shares,

duly endorsed in blank or accompanied by duly executed stock powers with the requisite stock transfer stamps, if any, attached and with signatures guaranteed by a bank located in or having a correspondent in Chicago, Illinois, or by a member firm of the New York or Midwest Stock Exchange; and

(b) The Trustee will deliver to CalMat the Price in the form of a cashier's check payable to CalMat Co.

ARTICLE II

Non-Environmental Representations and Warranties Of CalMat

It is understood that the representations and warranties contained in this Article II exclude any representations and warranties relating to the Handling of Wastes (as those terms are defined in Article III hereof), that CalMat is making no representations or warranties with respect to the Handling of Wastes except those contained in Article III, and that none of the representations or warranties contained in this Article II shall be deemed to be violated or breached as a result of Losses (as such term is defined in Section 5.3) incurred in connection with, arising out of or resulting from the Handling of Wastes. Subject to such understanding, CalMat represents and warrants to the

Trustee on the date hereof, and at the Time of Closing, that:

Section 2.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of California, with full corporate power and authority to own or to hold under lease the properties it purports to own or to hold under lease, to operate its properties and to conduct its business as now being conducted. The business carried on by the Company and the assets owned by the Company are not such as to require that it be qualified to transact business as a foreign corporation in any other jurisdiction, and the Company is not so qualified.

Section 2.2 Capitalization. The authorized capital stock of the Company consists of two hundred fifty (250) shares of common stock. The only shares of common stock of the Company that are issued and outstanding are the VRC Shares which consist of two hundred and fifty (250) shares held beneficially and of record by CalMat. The VRC Shares have been duly authorized, and are validly issued, fully paid and nonassessable and free and clear of all preemptive rights, liens, claims, charges, security interests, encumbrances and equities.

Section 2.3 Subsidiaries. The Company has no subsidiary corporation and does not own any equity security, and does not have any investment in, loans or advances to,

or other interest in, directly or indirectly, any partnership, firm, corporation or other business organization and has no right or obligation to acquire such an interest.

Section 2.4 Agreements with Respect to VRC Shares. Except for the "restrictive legend" on the VRC shares, there are no existing options, subscriptions, calls, warrants, rights, contracts, commitments, understandings, arrangements, or agreements of any nature to which the Company or CalMat are parties or by which they are bound, relating to the issuance, sale, delivery or transfer by the Company or CalMat of any VRC Shares or of any shares of capital stock of the Company or any other equity interest in the Company or any security representing the right to purchase or otherwise receive such shares or equity interest.

Section 2.5 Authority. CalMat has the capacity and power to execute, deliver and perform this Agreement. This Agreement has been duly and validly executed and delivered by CalMat and constitutes a valid and binding agreement of CalMat, enforceable against CalMat in accordance with its terms. Except for the "restrictive legend" on the VRC Shares, the VRC Shares are and as of the Time of Closing will be free and clear of all liens, claims, pledges, encumbrances, security interests or other rights or restrictions.

Section 2.6 Approvals and Consents. No approvals or consents of any nature of any party or entity are necessary

in connection with the transactions contemplated hereby. The parties acknowledge, however, that as a matter of protocol, it is desirable in due course to seek the approval of the Bureau of Sanitation of the City of Los Angeles for such transactions.

Section 2.7 Accounts, Contracts, Etc. Set forth in Exhibit A, attached hereto, is a description of all of the Company's:

(a) Customer account lists (including therewith a copy of the Company's standard form service agreement and all customer agreements not in conformity therewith);

(b) Contracts which are not terminable on less than six months notice or which involve the sum of at least $10,000;

(c) Leases of real or personal property;

(d) Permits, licenses, franchises, authorizations, approvals and certificates, including any documents relating to any proposed amendments to any of the foregoing;

(e) Promissory notes, indentures, guarantees, letters of credit, installment obligations, bonds, mortgages, liens, pledges, security agreements, or other instruments relating to the borrowing of money or the guarantee of any obligation for the borrowing of money or the creation of any security interests;

(f) Collective bargaining or union agreements;

(g) Patents, trademarks, trade names, copyrights;

(h) Employment or consulting agreements;

(i) Agreements, contracts or other commitments that would limit the ability of the Company to compete in any line of business or with any person or in any geographical area or otherwise to conduct its business as presently conducted or to use or disclose any information in its possession;

(j) Pension, retirement, bonus, deferred compensation, stock purchase, profit sharing or similar plan; and

(k) Any other agreements and instruments which are binding on the Company or any of its property and pursuant to which it derives any material benefit.

Neither the Company nor any party thereto or bound thereby is in default under any of said instruments, and no act or event has occurred which with notice or lapse of time, or both, would constitute such a default. The Company is not a party to, nor is it or any of its property bound by, any other agreement or instrument which is material to the continued conduct of its business as now being conducted or with respect to which a default might materially and adversely affect its properties, business or financial condition. The instruments comprising Exhibit A confer on the Company all rights necessary to enable it to conduct its business as now being conducted.

With respect to all agreements, accounts and contracts comprising Exhibit A:

(i) Each is in full force and effect and legally binding upon the parties thereto;

(ii) The Company has not released any of its rights thereunder nor will any other party bound thereby be released from its obligations; and

(iii) A true, correct and complete copy has been supplied to the Trustee.

Section 2.8 Employee Benefit Plans. Except as otherwise disclosed on Exhibit B attached hereto, the employees of the Company do not participate in any employee benefit plan, as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), nor in any other retirement, profit-sharing, deferred compensation, bonus, stock option, stock purchase or employee benefit plan or arrangement; the Company is not a member of a controlled group of corporations of which any member has terminated, or will terminate before the Closing Date, any plan subject to Title IV of ERISA; and the Company does not contribute to any "multiemployer plan," as defined in section 414(f) of the Internal Revenue Code or section 3(37) of ERISA, and has not made a complete or partial withdrawal from any multiemployer plan so as to incur withdrawal liability under section 4201 of ERISA (without regard to subsequent reduction or waiver of such liability under section 4207 or 4208 of ERISA).

Section 2.9 Financial Statements. The balance sheet of the Company dated November 30, 1986 (the "11/30/86 Balance Sheet"), the statement of income, profit and loss of the Company for the eleven (11) month period ended November 30, 1986 (the "11/30/86 Income Statement"), and the pro forma balance sheet of the Company dated December 31, 1986 (the "Pro Forma Balance Sheet"), which are attached hereto as Exhibit C:

(a) Are in accordance with the books of account and records of the Company;

(b) Fairly present the Company's financial condition and the results of its operations as at and for the period therein specified;

(c) Have been prepared in accordance with generally accepted accounting principles consistently applied;

(d) Do not include or omit to state any fact which renders such financial statements misleading; and

(e) Have been restated for purposes of the transaction to eliminate from the Pro Forma Balance Sheet the cash account and all intercompany balances (including current tax liabilities) that may have existed between the Company and the CalMat or any of its other subsidiaries and/or affiliates.

Except as and to the extent shown or provided for in the Pro Forma Balance Sheet or as disclosed in this Agreement, to the best of CalMat's knowledge, the Company has and will

have at the Time of Closing no liabilities or obligations (whether accrued, absolute, contingent, whether due or to become due or otherwise) which might be or become a charge against the assets and properties of the Company, including any "loss contingencies" considered "probable" or "reasonably possible" within the meaning of the Financial Accounting Standard Board's Statement of Financial Accounting Standards No. 5. To the best of CalMat's knowledge all reserves and allowances included in the 11/30/86 Balance Sheet and Pro Forma Balance Sheet are fully adequate, appropriate and reasonable.

Section 2.10 Liabilities and Accounts Receivable.

(a) To the best of CalMat's knowledge, the Company does not have any liabilities, fixed or contingent, secured or unsecured, other than liabilities fully reflected in the Pro Forma Balance Sheet; and

(b) Except to the extent of the related reserves reflected in the 11/30/86 Balance Sheet and the Pro Forma Balance Sheet, all accounts receivable of the Company reflected in the Pro Forma Balance Sheet are, to the best of CalMat's knowledge, valid accounts receivable and are fully collectible in the ordinary course of business and are subject to no refunds or other adjustments and to no defenses, rights of set off, assignments, restrictions or other conditions enforceable by third parties.

Section 2.11 Tax Returns. The Company has filed all federal and other tax returns required to be filed for all periods on or before the due dates of such returns (as extended by any valid extensions of time) and has paid all taxes shown to be due by said returns. Such returns reflect all taxes due and payable with respect to the periods covered thereby and there are no liabilities, claims, interest or penalties that have been assessed, asserted or threatened against the Company in connection with any such taxes, and to the best knowledge of CalMat there is no basis therefor. CalMat will file the Company's federal and other tax returns required to be filed for the period ending with the date of Closing, and will pay all taxes shown to be due by said returns. Such returns will reflect all taxes due and payable to and including the Time of Closing and there are no liabilities, claims, interest or penalties that have been assessed, asserted or threatened against the Company in connection with the taxes through the Time of Closing, nor is there any basis therefor to the best knowledge of CalMat. The reserves for taxes (federal, state and local) reflected in the Pro Forma Balance Sheet are adequate to cover any and all taxes, including deferred taxes, which may be assessed with respect to the property, business and operations of the Company for the period ended on December 31, 1986 and all prior periods. The federal income tax and state income or franchise tax returns of the Company have been examined and

closed for all years up to and including the 1983 taxable year, and the returns for the years thereafter have not been audited. The Company has not given or been requested to give waivers of any statutes of limitations relating to the payment of taxes for any taxable period which has not been examined and closed. Furthermore, to the best of CalMat's knowledge, no fact exists which would constitute grounds for assessment of any further tax liability. Set forth in Exhibit D hereto is a description of all elections made prior to the Time of Closing which may affect any future tax liability of the Company, and all documents pursuant thereto or in connection therewith have been made available to the Trustee.

Section 2.12 Insurance. Set forth in Exhibit E hereto is a list of all policies of liability, property damage, fire, workers' compensation/employer's liability, title or other forms of insurance owned or carried at any time by the Company and insurance agents and/or brokers providing such insurance coverage, including performance bonds. There are no letters of credit securing any obligations of the Company. The Company has at all times carried insurance and has complied with all applicable terms and conditions, including payment of premiums, with respect to such insurance policies. The Company has received no notification from any insurance carrier denying or disputing any claim made by the Company, denying or disputing any coverage

for any such claim, denying or disputing the amount of any claim, or regarding the possible cancellation of or premium increases with respect to any policies. The Company has no claim against any of the insurance carriers under any of such policies pending or anticipated and there has been no actual or alleged occurrence of any kind which may give rise to any such claim.

Section 2.13 Personal Property Owned or Leased. Set forth in Exhibit F hereto is a schedule which states as to the Company:

(a) The number and description of any equipment owned or leased;

(b) The number of vehicles used in its business together with information as to the make, description of body and chassis, model number, serial number, and year of each such vehicle; and

(c) The name and address of each customer it serves which provides more than 1% of its revenues.

There are no material assets used by the Company for the conduct of its business which are not either owned or leased by it.

Section 2.14 Real Property Owned or Leased. Exhibit G is a complete and accurate list or description of all real property which the Company leases. True and complete copies of all leases covering the real property described in Exhibit G have been delivered or made available

to the Trustee. The leases covering the real property described in Exhibit G are in full force and effect and there are no defaults thereunder. All real property and improvements thereon, whether leased or owned, are in sound structural condition and free of any material defects. There are no underground storage tanks on any real property leased by the Company. The Company does not own any real property.

Section 2.15 Ownership of Property. The Company has good and marketable title to or a valid leasehold interest in all of the properties and assets reflected in Exhibit F and Exhibit G.

Section 2.16 Legal Compliance. In regard to the property of the Company or the business operations of the Company:

(a) The Company is not in default under any law or ordinance, under any order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located (other than as may be described elsewhere herein); and there are no actual or threatened claims, actions, suits, proceedings, or notices against or affecting the Company or CalMat, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or arbitration tribunal, wherever located, which may result in

any material adverse change in the financial condition, results of operations, or business of the Company or which may question the validity or propriety of this Agreement or of any action taken or to be taken in accordance with or in connection with this Agreement. All pending or threatened litigation and administrative or judicial proceedings of any nature involving the Company, its assets, liabilities or the VRC Shares are described on Exhibit I.

(b) The Company has operated from its inception, and will continue to operate through Closing, legally and in compliance with all conditions and requirements of all applicable zoning laws, federal, state and local permits, statutes, rules, regulations, policies, guidelines, orders, franchises, and consents.

(c) The Company is not subject to any judgement, writ, injunction, decree or other judicial order.

(d) No refuse disposal agreement, permit, consent or license between the Company and any governmental body shall be impaired or limited in any way by the transactions contemplated by this Agreement.

Section 2.17 Employee Matters. Set forth in Exhibit J attached hereto is the name, residence address and social security number and current rate of compensation of each of the Company's present employees and the capacity in which each person is employed. There is no pending or threatened dispute between the Company and any of its employees which

might materially and adversely affect the continuance of its business, and, other than as disclosed in Exhibit A, no collective bargaining or union agreement is in effect or is currently being negotiated by the Company. Except as designated on Exhibit J by asterisk, CalMat is not aware that any of such employees will not be available for employment by the Company after the Time of Closing on substantially the same terms as described in Exhibit J.

Section 2.18 Absence of Conflicts with Other Agreements. The execution and performance of this Agreement will not result in a breach of or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in the loss of any material right or benefit or result in the creation of any lien, encumbrance or charge under:

(a) Any charter, by-law, agreement (oral or written), commitment, covenant, franchise, garbage and refuse collection or disposal agreement, or other document to which the Company or CalMat is a party or by which the Company or any of its property or CalMat is bound (including, without limitation, any instrument referred to in Exhibit A); or

(b) Any decree, order or rule of any court or governmental authority, or statute, rule or regulation which is binding on the Company or CalMat or on any property of the Company or CalMat.

Section 2.19 Absence of Broker. No agent or broker or other person acting pursuant to authority of the Company or of CalMat is entitled to any commission or finder's fee in connection with the transactions contemplated by this Agreement.

Section 2.20 Absence of Infringement. The Company has not infringed and is not now infringing, on any trade name, trademark, service mark, or copyright belonging to any person, firm or corporation.

Section 2.21 Absence of Conflict of Interests. Neither the Company nor CalMat nor any officer, director or employee of the Company or CalMat, nor any spouse, child, or other relative of any of them, has any direct or indirect interest in any competitor of the Company (other than CalMat) within the geographical area in which it currently conducts business, or in any supplier or customer of the Company (other than CalMat) or in any person from whom or to whom the Company leases any real or personal property (other than CalMat), or in any other person with whom the Company is doing business (other than CalMat); provided, however, that this Section shall not apply to an ownership interest in 5% on less of the outstanding shares of any corporation if such shares are available to the general public.

Section 2.22 No Untrue Statement. No representation or warranty by CalMat in this Agreement, nor any statement, certificate, exhibit or list furnished or to be furnished to

the Trustee pursuant hereto or in connection with the transactions contemplated hereby and referred to in this Agreement, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading or necessary in order to provide the Trustee with the proper information as to the Company and its officers. CalMat acknowledges that the Trustee is entering into this Agreement in reliance upon CalMat's representations and warranties in this Agreement.

Section 2.23 Net Worth. All obligations of the Company have been incurred in the ordinary course of business. As of the Time of Closing the net worth of the Company will not be less than $7,300,000.

Section 2.24 Books and Records. All books and records of the Company have been delivered or made available to the Trustee and his representatives for review and have been maintained in accordance with good business practice.

ARTICLE III

Environmental Representations and Warranties of Cal Mat

Section 3.1 Certification of Off-Site Waste Storage, Treatment or Disposal Locations and On-Site Waste Storage, Treatment or Disposal Activities. Set forth on Exhibit K hereto is a complete and accurate list of (i) locations (identified by address, owner/operator, type of facility,

type of waste, and period of time the facility was used) to which the Company has ever transported, or ever caused to be transported, allowed or arranged for any third party to transport, any type of waste material, generated by the Company's customers or the Company, for storage, treatment, burning, recycling or disposal, and (ii) storage, treatment, burning, recycling or disposal activities which the Company has undertaken, at any time, at locations then or presently owned or occupied by the Company (such list to include property address, nature of the Company's interest in property, current owner of the property, nature of the activity conducted at such location, type and form of waste, volume of waste disposal on or in ground, and period of time the activity was conducted).

Section 3.2 Road Oiling Activities. Except with respect to the application of Weslig, a dust control agent, at the Company's real property described in Exhibit G, the Company has not engaged in any manner or respect in any application of oil or hazardous substances on roads, or in any application of oil or hazardous substance for dust control or paving purposes.

Section 3.3 Remedial Action Claim Notices Received. The Company has not received any notification (including written requests for information directed to the Company) from any governmental agency asserting that Company is or may be a "potentially responsible person" or otherwise

liable with respect to a remedial action or the payment of response costs at a waste storage, treatment or disposal facility, pursuant to the provisions of the Comprehensive Environmental Response, Compensation and Liability Act, as from time to time amended, or any similar Federal or State statute assigning responsibility for the costs of investigating or remediating releases of contaminants into the environment.

Section 3.4 PCBs and Hazardous Wastes. The Company does not (i) have pending or on file any application to treat, incinerate or dispose of polychlorinated biphenyls ("PCBs"), (ii) hold any permit, license or right to incinerate PCBs or to landfill Hazardous Wastes (as hereinafter defined), (iii) engage (and has not engaged) in the landfilling of Hazardous Wastes or the incineration of PCBs, or (iv) engage (and has not engaged) in any road oiling activities nor has it applied or used oil or hazardous substances for dust control or paving purposes (except with respect to the application of Weslig). For purposes of this Section 3.4, the term "Hazardous Waste" means those waste products which exhibit the characteristics identified in 40 C.F.R. §§ 261.21, 261.22, 261.23, 261.24 or which are listed in 40 C.F.R. §§ 261.31, 261,32, 261.33, and revisions thereof, and those waste products which contain PCBs.

Section 3.5 No Known Violations. Except as disclosed or referred to in Exhibit H to this Agreement, to

the best of the knowledge of the current officers and directors of CalMat and George Cosby, general manager of the Company's Valley Reclamation Operations, (1) the Company has not been responsible for any violation of any applicable federal, state or local law, regulation or ordinance relating to the production, use, generation, transportation, storage, treatment, disposal or other handling or disposition of any kind (collectively "Handling") of wastes or substances of any kind (collectively "Wastes"), including without limitation the direct or indirect effects of such Handling of Wastes on natural resources, persons or property within or outside the boundaries of any real property at any time owned, leased or operated by the Company; (2) no real property at any time owned, leased or operated by the Company has been in violation of any such law, regulation or ordinance; (3) the Company has not been responsible for the transportation, storage, treatment or disposal of Wastes to or at any location designated for remedial action pursuant to any state or federal Superfund law or regulation; and (4) the Company has not been responsible for any violation of any other applicable legal requirements relating to the closure of any Waste Handling site on any real property at any time owned, leased or operated by the Company. There is no duty to investigate or otherwise inquire that is imposed by this representation and warranty.

ARTICLE IV

Representations and Warranties of the Trustee

Section 4.1 The Trustee has the requisite power and authority, as trustee under and pursuant to that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity dated December 30, 1986, to enter into this Agreement and to purchase and own the VRC Shares.

Section 4.2 All actions required to be taken by the Trustee necessary for the execution and delivery of this Agreement and the performance by the Trustee of all of his respective obligations under this Agreement have been duly and validly taken.

ARTICLE V

Additional Agreements of CalMat

CalMat covenants and agrees with the Trustee as follows:

Section 5.1 Except as hereinafter provided, CalMat will deliver or cause to be delivered to the Trustee at the Time of Closing:

(a) Except as may be otherwise requested by the Trustee, the written resignations of all officers and directors of the Company as of the Time of Closing;

(b) A certificate of good standing for the Company from the California Secretary of State within fifteen (15) days after Closing;

(c) Certified copies of the Company's Articles of Incorporation, as amended from time to time, certified as true and correct by the Secretary of the Company at the Time of Closing and by the Secretary of State of California, within fifteen (15) days after Closing;

(d) Certified copies of the by-laws of the Company, in force and effect at the Time of Closing, certified as true and correct by the Secretary of the Company;

(e) The Complete minute books of the Company, containing all records required to be set forth of all proceedings, consents, actions and shareholder and board of director meetings, certified as true and correct by the Secretary of the Company;

(f) The complete stock issuance and transfer books of the Company setting forth the issuance and all transfers of any capital stock of the Company, certified as true and correct by the Secretary of the Company;

(g) Uniform Commercial Code and Judgment searches covering CalMat and the Company, dated within fifteen (15) days after Closing;

(h) A General Release of CalMat and of each officer and director of the Company releasing all claims of any kind each has or may have against the Company;

(i) An Authorization of Inspection authorizing the Trustee and its authorized representatives to collect, from

whatever source, any and all documents pertaining to the creation, operation or maintenance of the Company;

Section 5.2 CalMat will pay all expenses incurred by CalMat and the Company, in connection with the negotiation, execution and performance of this Agreement, whether or not the transactions contemplated hereby are consummated, including the fees and expenses of agents, representatives, accountants and counsel for CalMat and for the Company.

Section 5.3 From and after the Time of Closing, CalMat will indemnify and hold the Trustee, the Company and their respective subsidiaries, divisions, affiliates, officers, directors, agents, employees, successors and assigns harmless from and against any costs, losses (including, without limitation, diminutions in value), liabilities, damages, lawsuits, deficiencies, claims and expenses (whether or not arising out of third-party claims), including without limitation, interest, costs of remedial action, penalties, reasonable attorneys' fees and all amounts paid in investigation, defense or settlement of any of the foregoing (hereafter collectively referred to as "Losses") incurred in connection with, arising out of or resulting from:

(a) the breach of any of the CalMat's representations, warranties, agreements or obligations contained in this Agreement.

(b) (i) the production, use, generation, transportation, storage, treatment, disposal or other handling or disposition of any kind (collectively "Handling") before or after the Time of Closing of any wastes or substances of any kind (collectively "Wastes") at any real property at any time owned, leased or operated by the Company, other than the real property described in Exhibit G or the real property described in the Right of First Refusal Agreement attached as Exhibit N (the real property described in Exhibit G and Exhibit N are collectively referred to as the "Excluded Sites"), including without limitation the direct or indirect effects of such Handling of Wastes on natural resources, persons or property within or outside the boundaries of such real property other than the Excluded Sites, or (ii) the failure at any time before or after the Time of Closing of any of the facilities or real property at any time owned, leased or operated by the Company, other than the Excluded Sites, to be in compliance with any federal, state or local law, regulation or ordinance applicable to the Handling of Wastes, or (iii) the failure at any time before or after the Time of Closing of any of the facilities or real property at any time owned, leased or operated by the Company, other than the Excluded Sites, to be in compliance with any other applicable legal requirements relating to the closure of any Waste Handling site.

CalMat will give the Trustee notice of each time that CalMat becomes aware of any fact or circumstance which may give rise to an indemnity by CalMat under this Section and a copy of any claim made which may result in an indemnity by CalMat pursuant to this Section. Anything in this Section 5.3 to the contrary notwithstanding, CalMat shall have no obligation to indemnify the Trustee until Trustee asserts a claim or claims for indemnity by CalMat which either individually or in the aggregate exceed $100,000 and such indemnity shall cover only the portion of such claims in excess of $100,000 in the aggregate. For purposes of the above indemnity, indemnificable claims (including such claims which shall apply against the $100,000 deductible) shall only include such claims or portion thereof which are not reimbursed by insurance. Reimbursement shall not be deemed to have occurred as to any policy of insurance having a retrospective adjustment feature.

Section 5.4 CalMat agrees that with respect to any liabilities or obligations of the Company which are covered by CalMat's insurance, CalMat shall retain responsibility for such liabilities and obligations.

Section 5.5 CalMat agrees that for a period of five (5) years after the Time of Closing, CalMat will not engage (as an individual or as a stockholder, trustee, partner, financier, agent, employee or representative of any person, firm, corporation or association), or have any interest,

direct or indirect, in any business in competition with the business of the Company as that business is constituted at the Time of Closing (whether or not such business is subsequently carried on by the Company, by any successor or successors to such business or by an assignee of the Trustee) in any area east of the west boundary of the City of Los Angeles, south of the north boundary of the City of Los Angeles, south and west of the south and west boundaries of the Angeles National Forest, west of California Route 19 and imaginary lines that extend straight north and straight south from the respective northerly and southerly ends of Route 19 to the Angeles National Forest and to the Pacific Ocean, and north of the Pacific Ocean (such area is depicted on Exhibit O attached hereto); provided that this Section shall not prevent CalMat from owning or operating CalMat's existing inert debris and/or incinerator ash disposal facility located east of Glenoaks Boulevard, north of Peoria Street and south of Sheldon Avenue, the Sheldon Pit located east of Glenoaks Boulevard, north of Sheldon Avenue and south of Hanson Dam, or the filling of CalMat's property known as the "Boulevard Property" by the City of Los Angeles; and further provided that this Section shall not prevent CalMat from acquiring and holding not to exceed 5% of the outstanding shares of any corporation engaged in such a competitive business if such shares are available to the general public.

CalMat's above-described covenant not to compete with the Company may be renewed and extended for up to three (3) successive five (5) year periods by the Company notifying CalMat of its election to extend such covenant not to compete for an additional five (5) year period at any time within sixty (60) days prior to the end of a five (5) year period together with the tender of payment of One Thousand Dollars ($1,000.00) with such notice. The original covenant not to compete and each successive renewal thereof shall be treated as separate covenant. In the event that any such covenant shall be declared by a court of competent jurisdiction to be unenforceable, such declaration shall not affect the covenant with respect to any other period, as such other covenants shall be construed to be severable and independant. To the extent that any elements of a covenant should be found unreasonable, the parties agree that a lesser restriction, found to be reasonable, may be enforced against CalMat.

In the event of a breach of any covenant contained in this Section, the Trustee shall be entitled to an injunction restraining such breach in addition to any other remedies provided by law or equity.

Section 5.6 CalMat shall use its best efforts and reasonably cooperate with the Trustee after the Time of Closing in the investigation and defense of any claim or action against the Trustee or any of its successors or

assigns predicated in whole or in part upon the acts or omissions of the Company prior to the Time of Closing.

Section 5.7 CalMat shall use its best efforts to operate the real property described in the Right of First Refusal Agreement attached hereto as Exhibit N in compliance with any and all federal, state or local law, regulation or ordinance relating to the Handling of Wastes. CalMat further acknowledges and agrees that at no time on or before the Time of Closing was the above described real property operated by the Company while the Company was owned or otherwise controlled by Waste Management of North America, Inc. or any of its subsidiaries or affiliates.

ARTICLE VI

Additional Agreements of the Trustee

Section 6.1 The Trustee will pay all expenses incurred by it in connection with the negotiation, execution and performance of this Agreement, whether or not the transaction contemplated hereby is consummated, including the fees and expenses of its counsel and auditors.

Section 6.2 In connection with the obligations of CalMat to indemnify the Trustee in accordance with the provisions of Section 5.3 of this Agreement, the Trustee agrees that it will advise CalMat of any claim made by others which might result in the breach of any representation, warranty or obligation contained in this Agreement and CalMat shall

have the right, by written notice delivered to the Trustee within ten days after CalMat has been advised of such claim as herein provided, to undertake the defense of such claim at the expense of CalMat.

Section 6.3 The Trustee acknowledges that the Company will file its tax returns for all periods following the date of Closing and will pay all taxes shown to be due by such returns.

ARTICLE VII

Conditions Precedent to Obligations of the Trustee

The obligations of the Trustee to effect the transaction contemplated by this Agreement shall be subject to the fulfillment at or prior to the Time of Closing of each of the following conditions:

Section 7.1 The Trustee shall have received a favorable opinion from counsel for CalMat, dated the day of the Closing, in substantially the form attached hereto as Exhibit P.

Section 7.2 The Trustee and CalMat shall have entered into a Management Agreement substantially in the form of Exhibit L hereto, pursuant to which CalMat will manage the operations of the Company.

Section 7.3 The Company and CalMat shall have entered into an Operating Agreement substantially in the form of Exhibit M hereto.

Section 7.4 The Company and CalMat shall have entered into a Right of First Refusal Agreement substantially in the form of Exhibit N hereto.

Section 7.5 The Company and CalMat shall have entered into a Mutual Easement Agreement in the form of Exhibit Q hereto.

ARTICLE VIII

Conditions Precedent to Obligations of CalMat

The obligations of CalMat to exchange VRC Shares in accordance with this Agreement shall be subject to the payment of the Price in accordance with Section 1.1.

ARTICLE IX

Conditions Subsequent

It is the intention of the Trustee to assign all of its right, title and interest in and pursuant to this Agreement and to transfer and deliver the VRC Shares transferred and delivered hereunder to Waste Management of North America, Inc., or its nominee ("Waste Management"), provided that Waste Management assumes all of the Trustee's obligations under this Agreement. This assignment and transfer will be subject to the prior fulfillment of the condition identified below which is hereby designated by the parties to this Agreement to be a condition subsequent to this Agreement, the non-occurrence or non-fulfillment of which shall afford

the Trustee the right to rescind this transaction in its entirety.

The condition subsequent is as follows: The parties shall have caused to be submitted to the Federal Trade Commission (the "FTC") and the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice all premerger notification filings required to comply with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") and the Final Judgment entered in United States v. Waste Management, Inc., et al., Civil No. 84-2832 (D.D.C.) (the "Final Judgment"); the prescribed notice waiting periods under the HSR Act and the Final Judgment with respect to the transactions contemplated by this Agreement shall have expired or have been terminated; and there shall be no pending or threatened governmental or private action or proceeding to, and no injunction which does, restrain or prohibit the transactions contemplated by this Agreement. The parties do not anticipate any such action or proceeding and will take all steps which may be necessary to satisfy any inquiry which may result from the filings contemplated hereby.

If the Condition Subsequent does not occur or is not fulfilled, the Trustee or its assignee shall have the unconditional and absolute right to require CalMat to repurchase the VRC Shares from the Trustee for an amount equal to the Price less any amounts necessary to compensate CalMat for any

dimunition in the net worth of the Company caused by any act or omission of the Trustee or the Company since the Time of Closing, provided that any such reduction in the Price shall not include any diminution caused by any failure of CalMat to use its best efforts as required under paragraph 1 of the Management Agreement between CalMat and the Trustee dated December 31, 1986. Such right shall be exercised on or before March 1, 1987, by written notice from the Trustee or its assignee to CalMat certifying that the Condition Subsequent did not occur or was not fulfilled. Within forty-eight hours of the date such notice is given, CalMat shall deliver to the Trustee or its assignee, by wire transfer to a bank account designated in writing by the Trustee or its assignee, an amount equal to the Price, and the Trustee shall deliver to CalMat duly executed certificates in valid form evidencing all of the VRC Shares, duly endorsed in blank or accompanied by duly executed stock powers with the requisite stock transfer stamps, if any, attached.

ARTICLE X

Other Provisions

Section 10.1 All of the respective representations and warranties of the parties to this Agreement shall survive the Time of Closing, and the consummation of the transactions contemplated by this Agreement.

Section 10.2 The parties to this Agreement agree to act in good faith and to mutually cooperate with each order in order to effectuate the purposes of this Agreement. Each party agrees to undertake such further acts and to execute and deliver to the other such additional assignments, agreements, and instruments as the other may reasonably require or deem advisable to carry into effect the purposes of this Agreement.

Section 10.3 For purposes of this Agreement, whenever the term "material" or the concept of "materiality" is used, it shall be deemed by the parties to refer to a matter which involves a sum of at least Ten Thousand Dollars ($10,000.00).

Section 10.4 Either CalMat or the Trustee may extend the time for or waive the performance of any of the obligations of the other, waive any inaccuracies in the representations or warranties by the other, or waive compliance by the other with any of the convenants or conditions contained in this Agreement. Any such extension or waiver shall be in writing and signed by CalMat or by the Trustee. No such waiver shall operate or be construed as a waiver of any subsequent act or omission of the parties hereto.

Section 10.5 Any notice to a party hereto pursuant to this Agreement shall be given by certified or registered mail, or by private courier service requesting evidence of receipt as a part of its service, addressed, to each

respective party at its respective address appearing on the signature page hereof.

Section 10.6 This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable in the case of contracts made and to be performed in such state.

Section 10.7 This Agreement shall inure to the benefit of, and be binding on and enforceable against the heirs, legal representatives and assigns of CalMat and the successors and assigns of the Trustee.

Section 10.8 This Agreement (including the exhibits hereto) and the documents and schedules delivered pursuant hereto constitute the entire Agreement and understanding between the parties, and supersedes any prior agreement and understandings relating to the subject matter hereof. This Agreement may be modified or amended by a written instrument executed by all parties hereto.

Section 10.9 If at any time subsequent to the date hereof, any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

Section 10.10 This Agreement may be executed simultaneously in two or more counterparts, each of which shall be

deemed an original and all of which together shall constitute but one and the same instrument.

Section 10.11 If any legal action or any other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

Section 10.12 The subject headings of the paragraphs and sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 10.13 Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors, legal representatives and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provisions given any third persons any rights of subrogation or action over or against any party to this Agreement.

Section 10.14 As used in this Agreement, the term CalMat refers to the undersigned identified as "CalMat," jointly and severally, unless the context otherwise requires

[This page is intentionally left blank.]

and as used in this Agreement, the term "Company" shall include all predecessors to the Company or businesses acquired by or merged into the Company.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

CALMAT:	THE TRUSTEE:
CAL. MAT. CO.	
By [signature]	By [signature]
Sr. Vice President	DAVID A. PEARRE
(Name) SCOTT S WISCOTT	(Name) FX-6: Personal Privacy
(Address) 200 San Fernando Rd	(Address) FX-6: Personal Privacy
Los Angeles CA 90065	[redacted]

EXHIBIT B

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "Agreement") is made and entered into as of this 31st day of December, 1986, by and between WASTE MANAGEMENT OF NORTH AMERICA, INC., a Illinois corporation ("WMNA") and DAVID A. PEARRE, as trustee under that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986 (the "Trustee").

RECITALS

WHEREAS, the Trustee owns all of the outstanding shares of stock (the "VRC Shares") of Valley Reclamation Co., a California corporation, including all predecessors, businesses acquired thereby or merged therein (the "Company") which he acquired pursuant to a Stock Purchase Agreement between the Trustee and CalMat Co., dated December 31, 1986 (the "CalMat Agreement"); and

WHEREAS, WMNA desires to purchase and acquire the VRC Shares and all of the Trustee's rights under the CalMat Agreement (the "Trustee's Rights"), and the Trustee desires to sell and convey the VRC Shares and all of the Trustee's Rights;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good

and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENTS

ARTICLE I

Sale and Purchase

Section 1.1 On the basis of the representations and warranties and subject to the terms and conditions set forth in this Agreement, the Trustee agrees to sell, transfer and deliver to WMNA, and WMNA agrees to purchase, acquire and accept the VRC Shares and all the Trustee's Rights, including the benefit of all representations and warranties made by CalMat Co. pursuant to the CalMat Agreement, from the Trustee in consideration of the payment of the purchase price of Forty-Eight Million Four Hundred Thousand Dollars ($48,400,000) (the "Price").

Section 1.2 The execution and delivery of the documents and consideration necessary to effectuate the transactions contemplated by this Agreement will take place as soon as possible after the prescribed notice waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") and the Final Judgment entered in United States v. Waste Management, Inc., et al., Civil No. 84-2832 (D.D.C.) with respect to the transactions contemplated by this Agreement have expired or have been terminated (the "Closing" or "Time of Closing"), at the office of Wyman, Bautzer, Christensen, Kuchel & Silbert, 2049

Century Park East, Suite 1400, Los Angeles, California 90067, or at such later time or place as the parties hereto may agree upon.

Section 1.3 Subject to the terms and conditions set forth in this Agreement, the following steps will be taken by the parties, respectively, at the Time of Closing:

(a) The Trustee will deliver to WMNA duly executed certificates in valid form evidencing all of the VRC Shares, powers with the requisite stock transfer stamps, if any, attached and with signatures guaranteed by a bank located in or having a correspondent in Chicago, Illinois, or by a member firm of the New York or Midwest Stock Exchange and a duly executed Assignment of Rights, in such form as shall be acceptable to WMNA, assigning all of the Trustee's right, title and interest in the Trustee's Rights to WMNA; and

(b) WMNA will deliver to the Trustee, the Trustee's Promissory Note in favor of WMNA, dated December 31, 1986, in the original principal amount of $48,400,000.00 marked "cancelled and paid."

ARTICLE II

Representations and Warranties Of WMNA

WMNA represents and warrants to the Trustee on the date hereof, and at the Time of Closing, that:

Section 2.1 Organization. WMNA is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois.

Section 2.2 Authority. WMNA has the capacity and power to execute, deliver and perform this Agreement. This Agreement has been duly and validly executed and delivered by WMNA and constitutes a valid and binding agreement of WMNA, enforceable against WMNA in accordance with its terms.

ARTICLE III

Representations and Warranties of the Trustee

Section 3.1 The Trustee has sole and complete ownership of the VRC Shares and the Trustee's Rights and has the requisite power and authority, as trustee under and pursuant to that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity dated December 30, 1986, to enter into this Agreement and to sell the VRC Shares and the Trustee's Rights.

Section 3.2 All actions required to be taken by the Trustee necessary for the execution and delivery of this Agreement and the performance by the Trustee of all of his respective obligations under this Agreement have been duly and validly taken.

ARTICLE IV

Other Provisions

Section 4.1 All of the respective representations and warranties of the parties to this Agreement shall survive the Time of Closing, and the consummation of the transactions contemplated by this Agreement.

Section 4.2 The parties to this Agreement agree to act in good faith and to mutually cooperate with each order in order to effectuate the purposes of this Agreement. Each party agrees to undertake such further acts and to execute and deliver to the other such additional assignments, agreements, and instruments as the other may reasonably require or deem advisable to carry into effect the purposes of this Agreement.

Section 4.3 Either WMNA or the Trustee may extend the time for or waive the performance of any of the obligations of the other, waive any inaccuracies in the representations or warranties by the other, or waive compliance by the other with any of the convenants or conditions contained in this Agreement. Any such extension or waiver shall be in writing and signed by WMNA or by the Trustee. No such waiver shall operate or be construed as a waiver of any subsequent act or omission of the parties hereto.

Section 4.4 Any notice to a party hereto pursuant to this Agreement shall be given by certified or registered mail, or by private courier service requesting evidence of

receipt as a part of its service, addressed, to each respective party at its respective address appearing on the signature page hereof.

Section 4.5 This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable in the case of contracts made and to be performed in such state.

Section 4.6 This Agreement shall inure to the benefit of, and be binding on and enforceable against the heirs, legal representatives and assigns of WMNA and the successors and assigns of the Trustee.

Section 4.7 This Agreement constitutes the entire Agreement and understanding between the parties, and supersedes any prior agreement and understandings relating to the subject matter hereof. This Agreement may be modified or amended by a written instrument executed by all parties hereto.

Section 4.8 If at any time subsequent to the date hereof, any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

Section 4.9 This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Section 4.10 If any legal action or any other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in

addition to any other relief to which it or they may be entitled.

Section 4.11 The subject headings of the paragraphs and sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 4.12 Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors, legal representatives and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provisions given any third persons any rights of subrogation or action over or against any party to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

WMNA:	THE TRUSTEE:
WASTE MANAGEMENT OF NORTH AMERICA, INC.	
By David L. Kelly	By David A. Pearce
(Name) DAVID L. KELLY	(Name) DAVID A. PEARCE
(Address) 3003 Butterfield Oak Brook, IL 60521	(Address) FX-6: Personal Privacy FX-6: Personal Privacy

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "Agreement") is made and entered into as of this 31st day of December, 1986, by and between WASTE MANAGEMENT OF NORTH AMERICA, INC., a Illinois corporation ("WMNA") and DAVID A. PEARRE, as trustee under that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986 (the "Trustee").

RECITALS

WHEREAS, the Trustee owns all of the outstanding shares of stock (the "VRC Shares") of Valley Reclamation Co., a California corporation, including all predecessors, businesses acquired thereby or merged therein (the "Company") which he acquired pursuant to a Stock Purchase Agreement between the Trustee and CalMat Co., dated December 31, 1986 (the "CalMat Agreement"); and

WHEREAS, WMNA desires to purchase and acquire the VRC Shares and all of the Trustee's rights under the CalMat Agreement (the "Trustee's Rights"), and the Trustee desires to sell and convey the VRC Shares and all of the Trustee's Rights;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good

and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENTS

ARTICLE I

Sale and Purchase

Section 1.1 On the basis of the representations and warranties and subject to the terms and conditions set forth in this Agreement, the Trustee agrees to sell, transfer and deliver to WMNA, and WMNA agrees to purchase, acquire and accept the VRC Shares and all the Trustee's Rights, including the benefit of all representations and warranties made by CalMat Co. pursuant to the CalMat Agreement, from the Trustee in consideration of the payment of the purchase price of Forty-Eight Million Four Hundred Thousand Dollars ($48,400,000) (the "Price").

Section 1.2 The execution and delivery of the documents and consideration necessary to effectuate the transactions contemplated by this Agreement will take place as soon as possible after the prescribed notice waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") and the Final Judgment entered in United States v. Waste Management, Inc., et al., Civil No. 84-2832 (D.D.C.) with respect to the transactions contemplated by this Agreement have expired or have been terminated (the "Closing" or "Time of Closing"), at the office of Wyman, Bautzer, Christensen, Kuchel & Silbert, 2049

Century Park East, Suite 1400, Los Angeles, California 90067, or at such later time or place as the parties hereto may agree upon.

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(a) The Trustee will deliver to WMNA duly executed certificates in valid form evidencing all of the VRC Shares, powers with the requisite stock transfer stamps, if any, attached and with signatures guaranteed by a bank located in or having a correspondent in Chicago, Illinois, or by a member firm of the New York or Midwest Stock Exchange and a duly executed Assignment of Rights, in such form as shall be acceptable to WMNA, assigning all of the Trustee's right, title and interest in the Trustee's Rights to WMNA; and

(b) WMNA will deliver to the Trustee, the Trustee's Promissory Note in favor of WMNA, dated December 31, 1986, in the original principal amount of $48,400,000.00 marked "cancelled and paid."

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Representations and Warranties Of WMNA

WMNA represents and warrants to the Trustee on the date hereof, and at the Time of Closing, that:

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Section 2.2 Authority. WMNA has the capacity and power to execute, deliver and perform this Agreement. This Agreement has been duly and validly executed and delivered by WMNA and constitutes a valid and binding agreement of WMNA, enforceable against WMNA in accordance with its terms.

ARTICLE III

Representations and Warranties of the Trustee

Section 3.1 The Trustee has sole and complete ownership of the VRC Shares and the Trustee's Rights and has the requisite power and authority, as trustee under and pursuant to that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity dated December 30, 1986, to enter into this Agreement and to sell the VRC Shares and the Trustee's Rights.

Section 3.2 All actions required to be taken by the Trustee necessary for the execution and delivery of this Agreement and the performance by the Trustee of all of his respective obligations under this Agreement have been duly and validly taken.

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Other Provisions

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Section 4.4 Any notice to a party hereto pursuant to this Agreement shall be given by certified or registered mail, or by private courier service requesting evidence of

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Section 4.6 This Agreement shall inure to the benefit of, and be binding on and enforceable against the heirs, legal representatives and assigns of WMNA and the successors and assigns of the Trustee.

Section 4.7 This Agreement constitutes the entire Agreement and understanding between the parties, and supersedes any prior agreement and understandings relating to the subject matter hereof. This Agreement may be modified or amended by a written instrument executed by all parties hereto.

Section 4.8 If at any time subsequent to the date hereof, any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

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addition to any other relief to which it or they may be entitled.

Section 4.11 The subject headings of the paragraphs and sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

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IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

WMNA:	THE TRUSTEE:
WASTE MANAGEMENT OF NORTH AMERICA, INC.	
By David L. Kelly	By David A. Pearre
(Name) DAVID L. KELLY	(Name) DAVID A. PEARRE
(Address) 3003 Butterfield Rd	(Address) FX-6: Personal Privacy
Oak Brook, IL 60521	FX-6: Personal Privacy

STOCK PURCHASE AGREEMENT

December 31, 1986

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Exhibit Q:	Mutual Easement Agreement

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "Agreement") is made and entered into as of this 31st day of December, 1986, by and between the CALMAT CO., a Delaware corporation ("CalMat") and DAVID A. PEARRE, as trustee under that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986 (the "Trustee").

RECITALS

WHEREAS, CalMat owns all of the outstanding shares of stock (the "VRC Shares") of Valley Reclamation Co., a California corporation, including all predecessors, businesses acquired thereby or merged therein (the "Company"); and

WHEREAS, the Trustee desires to purchase and acquire the VRC Shares, and CalMat desires to sell and convey the VRC Shares;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENTS

ARTICLE I

Sale and Purchase

Section 1.1 On the basis of the representations and warranties and subject to the terms and conditions set forth in this Agreement, CalMat agrees to sell, transfer and deliver to the Trustee, and the Trustee agrees to purchase, acquire and accept from CalMat, the VRC Shares in consideration for the payment of the purchase price of Forty-Eight Million Four Hundred Thousand Dollars ($48,400,000) (the "Price").

Section 1.2 The execution and delivery of the documents and consideration necessary to effectuate the transactions contemplated by this Agreement will take place at such time on December 31, 1986, or such earlier date as the parties hereto may agree upon (the "Closing" or "Time of Closing"), at the office of Wyman, Bautzer, Christensen, Kuchel & Silbert, 2049 Century Park East, Suite 1400, Los Angeles, California 90067, or at such other time or place as the parties hereto may agree upon.

Section 1.3 Subject to the terms and conditions set forth in this Agreement, the following steps will be taken by the parties, respectively, at the Time of Closing:

(a) CalMat will deliver to the Trustee duly executed certificates in valid form evidencing all of the VRC Shares,

duly endorsed in blank or accompanied by duly executed stock powers with the requisite stock transfer stamps, if any, attached and with signatures guaranteed by a bank located in or having a correspondent in Chicago, Illinois, or by a member firm of the New York or Midwest Stock Exchange; and

(b) The Trustee will deliver to CalMat the Price in the form of a cashier's check payable to CalMat Co.

ARTICLE II

Non-Environmental Representations and Warranties Of CalMat

It is understood that the representations and warranties contained in this Article II exclude any representations and warranties relating to the Handling of Wastes (as those terms are defined in Article III hereof), that CalMat is making no representations or warranties with respect to the Handling of Wastes except those contained in Article III, and that none of the representations or warranties contained in this Article II shall be deemed to be violated or breached as a result of Losses (as such term is defined in Section 5.3) incurred in connection with, arising out of or resulting from the Handling of Wastes. Subject to such understanding, CalMat represents and warrants to the

Trustee on the date hereof, and at the Time of Closing, that:

Section 2.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of California, with full corporate power and authority to own or to hold under lease the properties it purports to own or to hold under lease, to operate its properties and to conduct its business as now being conducted. The business carried on by the Company and the assets owned by the Company are not such as to require that it be qualified to transact business as a foreign corporation in any other jurisdiction, and the Company is not so qualified.

Section 2.2 Capitalization. The authorized capital stock of the Company consists of two hundred fifty (250) shares of common stock. The only shares of common stock of the Company that are issued and outstanding are the VRC Shares which consist of two hundred and fifty (250) shares held beneficially and of record by CalMat. The VRC Shares have been duly authorized, and are validly issued, fully paid and nonassessable and free and clear of all preemptive rights, liens, claims, charges, security interests, encumbrances and equities.

Section 2.3 Subsidiaries. The Company has no subsidiary corporation and does not own any equity security, and does not have any investment in, loans or advances to,

or other interest in, directly or indirectly, any partnership, firm, corporation or other business organization and has no right or obligation to acquire such an interest.

Section 2.4 Agreements with Respect to VRC Shares. Except for the "restrictive legend" on the VRC shares, there are no existing options, subscriptions, calls, warrants, rights, contracts, commitments, understandings, arrangements, or agreements of any nature to which the Company or CalMat are parties or by which they are bound, relating to the issuance, sale, delivery or transfer by the Company or CalMat of any VRC Shares or of any shares of capital stock of the Company or any other equity interest in the Company or any security representing the right to purchase or otherwise receive such shares or equity interest.

Section 2.5 Authority. CalMat has the capacity and power to execute, deliver and perform this Agreement. This Agreement has been duly and validly executed and delivered by CalMat and constitutes a valid and binding agreement of CalMat, enforceable against CalMat in accordance with its terms. Except for the "restrictive legend" on the VRC Shares, the VRC Shares are and as of the Time of Closing will be free and clear of all liens, claims, pledges, encumbrances, security interests or other rights or restrictions.

Section 2.6 Approvals and Consents. No approvals or consents of any nature of any party or entity are necessary

in connection with the transactions contemplated hereby. The parties acknowledge, however, that as a matter of protocol, it is desirable in due course to seek the approval of the Bureau of Sanitation of the City of Los Angeles for such transactions.

Section 2.7 Accounts, Contracts, Etc. Set forth in Exhibit A, attached hereto, is a description of all of the Company's:

(a) Customer account lists (including therewith a copy of the Company's standard form service agreement and all customer agreements not in conformity therewith);

(b) Contracts which are not terminable on less than six months notice or which involve the sum of at least $10,000;

(c) Leases of real or personal property;

(d) Permits, licenses, franchises, authorizations, approvals and certificates, including any documents relating to any proposed amendments to any of the foregoing;

(e) Promissory notes, indentures, guarantees, letters of credit, installment obligations, bonds, mortgages, liens, pledges, security agreements, or other instruments relating to the borrowing of money or the guarantee of any obligation for the borrowing of money or the creation of any security interests;

(f) Collective bargaining or union agreements;

(g) Patents, trademarks, trade names, copyrights;

(h) Employment or consulting agreements;

(i) Agreements, contracts or other commitments that would limit the ability of the Company to compete in any line of business or with any person or in any geographical area or otherwise to conduct its business as presently conducted or to use or disclose any information in its possession;

(j) Pension, retirement, bonus, deferred compensation, stock purchase, profit sharing or similar plan; and

(k) Any other agreements and instruments which are binding on the Company or any of its property and pursuant to which it derives any material benefit.

Neither the Company nor any party thereto or bound thereby is in default under any of said instruments, and no act or event has occurred which with notice or lapse of time, or both, would constitute such a default. The Company is not a party to, nor is it or any of its property bound by, any other agreement or instrument which is material to the continued conduct of its business as now being conducted or with respect to which a default might materially and adversely affect its properties, business or financial condition. The instruments comprising Exhibit A confer on the Company all rights necessary to enable it to conduct its business as now being conducted.

With respect to all agreements, accounts and contracts comprising Exhibit A:

(i) Each is in full force and effect and legally binding upon the parties thereto;

(ii) The Company has not released any of its rights thereunder nor will any other party bound thereby be released from its obligations; and

(iii) A true, correct and complete copy has been supplied to the Trustee.

Section 2.8 Employee Benefit Plans. Except as otherwise disclosed on Exhibit B attached hereto, the employees of the Company do not participate in any employee benefit plan, as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), nor in any other retirement, profit-sharing, deferred compensation, bonus, stock option, stock purchase or employee benefit plan or arrangement; the Company is not a member of a controlled group of corporations of which any member has terminated, or will terminate before the Closing Date, any plan subject to Title IV of ERISA; and the Company does not contribute to any "multiemployer plan," as defined in section 414(f) of the Internal Revenue Code or section 3(37) of ERISA, and has not made a complete or partial withdrawal from any multiemployer plan so as to incur withdrawal liability under section 4201 of ERISA (without regard to subsequent reduction or waiver of such liability under section 4207 or 4208 of ERISA).

Section 2.9 Financial Statements. The balance sheet of the Company dated November 30, 1986 (the "11/30/86 Balance Sheet"), the statement of income, profit and loss of the Company for the eleven (11) month period ended November 30, 1986 (the "11/30/86 Income Statement"), and the pro forma balance sheet of the Company dated December 31, 1986 (the "Pro Forma Balance Sheet"), which are attached hereto as Exhibit C:

(a) Are in accordance with the books of account and records of the Company;

(b) Fairly present the Company's financial condition and the results of its operations as at and for the period therein specified;

(c) Have been prepared in accordance with generally accepted accounting principles consistently applied;

(d) Do not include or omit to state any fact which renders such financial statements misleading; and

(e) Have been restated for purposes of the transaction to eliminate from the Pro Forma Balance Sheet the cash account and all intercompany balances (including current tax liabilities) that may have existed between the Company and the CalMat or any of its other subsidiaries and/or affiliates.

Except as and to the extent shown or provided for in the Pro Forma Balance Sheet or as disclosed in this Agreement, to the best of CalMat's knowledge, the Company has and will

have at the Time of Closing no liabilities or obligations (whether accrued, absolute, contingent, whether due or to become due or otherwise) which might be or become a charge against the assets and properties of the Company, including any "loss contingencies" considered "probable" or "reasonably possible" within the meaning of the Financial Accounting Standard Board's Statement of Financial Accounting Standards No. 5. To the best of CalMat's knowledge all reserves and allowances included in the 11/30/86 Balance Sheet and Pro Forma Balance Sheet are fully adequate, appropriate and reasonable.

Section 2.10 Liabilities and Accounts Receivable.

(a) To the best of CalMat's knowledge, the Company does not have any liabilities, fixed or contingent, secured or unsecured, other than liabilities fully reflected in the Pro Forma Balance Sheet; and

(b) Except to the extent of the related reserves reflected in the 11/30/86 Balance Sheet and the Pro Forma Balance Sheet, all accounts receivable of the Company reflected in the Pro Forma Balance Sheet are, to the best of CalMat's knowledge, valid accounts receivable and are fully collectible in the ordinary course of business and are subject to no refunds or other adjustments and to no defenses, rights of set off, assignments, restrictions or other conditions enforceable by third parties.

Section 2.11 Tax Returns. The Company has filed all federal and other tax returns required to be filed for all periods on or before the due dates of such returns (as extended by any valid extensions of time) and has paid all taxes shown to be due by said returns. Such returns reflect all taxes due and payable with respect to the periods covered thereby and there are no liabilities, claims, interest or penalties that have been assessed, asserted or threatened against the Company in connection with any such taxes, and to the best knowledge of CalMat there is no basis therefor. CalMat will file the Company's federal and other tax returns required to be filed for the period ending with the date of Closing, and will pay all taxes shown to be due by said returns. Such returns will reflect all taxes due and payable to and including the Time of Closing and there are no liabilities, claims, interest or penalties that have been assessed, asserted or threatened against the Company in connection with the taxes through the Time of Closing, nor is there any basis therefor to the best knowledge of CalMat. The reserves for taxes (federal, state and local) reflected in the Pro Forma Balance Sheet are adequate to cover any and all taxes, including deferred taxes, which may be assessed with respect to the property, business and operations of the Company for the period ended on December 31, 1986 and all prior periods. The federal income tax and state income or franchise tax returns of the Company have been examined and

closed for all years up to and including the 1983 taxable year, and the returns for the years thereafter have not been audited. The Company has not given or been requested to give waivers of any statutes of limitations relating to the payment of taxes for any taxable period which has not been examined and closed. Furthermore, to the best of CalMat's knowledge, no fact exists which would constitute grounds for assessment of any further tax liability. Set forth in Exhibit D hereto is a description of all elections made prior to the Time of Closing which may affect any future tax liability of the Company, and all documents pursuant thereto or in connection therewith have been made available to the Trustee.

Section 2.12 Insurance. Set forth in Exhibit E hereto is a list of all policies of liability, property damage, fire, workers' compensation/employer's liability, title or other forms of insurance owned or carried at any time by the Company and insurance agents and/or brokers providing such insurance coverage, including performance bonds. There are no letters of credit securing any obligations of the Company. The Company has at all times carried insurance and has complied with all applicable terms and conditions, including payment of premiums, with respect to such insurance policies. The Company has received no notification from any insurance carrier denying or disputing any claim made by the Company, denying or disputing any coverage

for any such claim, denying or disputing the amount of any claim, or regarding the possible cancellation of or premium increases with respect to any policies. The Company has no claim against any of the insurance carriers under any of such policies pending or anticipated and there has been no actual or alleged occurrence of any kind which may give rise to any such claim.

Section 2.13 Personal Property Owned or Leased. Set forth in Exhibit F hereto is a schedule which states as to the Company:

(a) The number and description of any equipment owned or leased;

(b) The number of vehicles used in its business together with information as to the make, description of body and chassis, model number, serial number, and year of each such vehicle; and

(c) The name and address of each customer it serves which provides more than 1% of its revenues.

There are no material assets used by the Company for the conduct of its business which are not either owned or leased by it.

Section 2.14 Real Property Owned or Leased. Exhibit G is a complete and accurate list or description of all real property which the Company leases. True and complete copies of all leases covering the real property described in Exhibit G have been delivered or made available

to the Trustee. The leases covering the real property described in Exhibit G are in full force and effect and there are no defaults thereunder. All real property and improvements thereon, whether leased or owned, are in sound structural condition and free of any material defects. There are no underground storage tanks on any real property leased by the Company. The Company does not own any real property.

Section 2.15 Ownership of Property. The Company has good and marketable title to or a valid leasehold interest in all of the properties and assets reflected in Exhibit F and Exhibit G.

Section 2.16 Legal Compliance. In regard to the property of the Company or the business operations of the Company:

(a) The Company is not in default under any law or ordinance, under any order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located (other than as may be described elsewhere herein); and there are no actual or threatened claims, actions, suits, proceedings, or notices against or affecting the Company or CalMat, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or arbitration tribunal, wherever located, which may result in

any material adverse change in the financial condition, results of operations, or business of the Company or which may question the validity or propriety of this Agreement or of any action taken or to be taken in accordance with or in connection with this Agreement. All pending or threatened litigation and administrative or judicial proceedings of any nature involving the Company, its assets, liabilities or the VRC Shares are described on Exhibit I.

(b) The Company has operated from its inception, and will continue to operate through Closing, legally and in compliance with all conditions and requirements of all applicable zoning laws, federal, state and local permits, statutes, rules, regulations, policies, guidelines, orders, franchises, and consents.

(c) The Company is not subject to any judgement, writ, injunction, decree or other judicial order.

(d) No refuse disposal agreement, permit, consent or license between the Company and any governmental body shall be impaired or limited in any way by the transactions contemplated by this Agreement.

Section 2.17 Employee Matters. Set forth in Exhibit J attached hereto is the name, residence address and social security number and current rate of compensation of each of the Company's present employees and the capacity in which each person is employed. There is no pending or threatened dispute between the Company and any of its employees which

might materially and adversely affect the continuance of its business, and, other than as disclosed in Exhibit A, no collective bargaining or union agreement is in effect or is currently being negotiated by the Company. Except as designated on Exhibit J by asterisk, CalMat is not aware that any of such employees will not be available for employment by the Company after the Time of Closing on substantially the same terms as described in Exhibit J.

Section 2.18 Absence of Conflicts with Other Agreements. The execution and performance of this Agreement will not result in a breach of or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in the loss of any material right or benefit or result in the creation of any lien, encumbrance or charge under:

(a) Any charter, by-law, agreement (oral or written), commitment, covenant, franchise, garbage and refuse collection or disposal agreement, or other document to which the Company or CalMat is a party or by which the Company or any of its property or CalMat is bound (including, without limitation, any instrument referred to in Exhibit A); or

(b) Any decree, order or rule of any court or governmental authority, or statute, rule or regulation which is binding on the Company or CalMat or on any property of the Company or CalMat.

Section 2.19 Absence of Broker. No agent or broker or other person acting pursuant to authority of the Company or of CalMat is entitled to any commission or finder's fee in connection with the transactions contemplated by this Agreement.

Section 2.20 Absence of Infringement. The Company has not infringed and is not now infringing, on any trade name, trademark, service mark, or copyright belonging to any person, firm or corporation.

Section 2.21 Absence of Conflict of Interests. Neither the Company nor CalMat nor any officer, director or employee of the Company or CalMat, nor any spouse, child, or other relative of any of them, has any direct or indirect interest in any competitor of the Company (other than CalMat) within the geographical area in which it currently conducts business, or in any supplier or customer of the Company (other than CalMat) or in any person from whom or to whom the Company leases any real or personal property (other than CalMat), or in any other person with whom the Company is doing business (other than CalMat); provided, however, that this Section shall not apply to an ownership interest in 5% on less of the outstanding shares of any corporation if such shares are available to the general public.

Section 2.22 No Untrue Statement. No representation or warranty by CalMat in this Agreement, nor any statement, certificate, exhibit or list furnished or to be furnished to

the Trustee pursuant hereto or in connection with the transactions contemplated hereby and referred to in this Agreement, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading or necessary in order to provide the Trustee with the proper information as to the Company and its officers. CalMat acknowledges that the Trustee is entering into this Agreement in reliance upon CalMat's representations and warranties in this Agreement.

Section 2.23 Net Worth. All obligations of the Company have been incurred in the ordinary course of business. As of the Time of Closing the net worth of the Company will not be less than $7,300,000.

Section 2.24 Books and Records. All books and records of the Company have been delivered or made available to the Trustee and his representatives for review and have been maintained in accordance with good business practice.

ARTICLE III

Environmental Representations and Warranties of Cal Mat

Section 3.1 Certification of Off-Site Waste Storage, Treatment or Disposal Locations and On-Site Waste Storage, Treatment or Disposal Activities. Set forth on Exhibit K hereto is a complete and accurate list of (i) locations (identified by address, owner/operator, type of facility,

type of waste, and period of time the facility was used) to which the Company has ever transported, or ever caused to be transported, allowed or arranged for any third party to transport, any type of waste material, generated by the Company's customers or the Company, for storage, treatment, burning, recycling or disposal, and (ii) storage, treatment, burning, recycling or disposal activities which the Company has undertaken, at any time, at locations then or presently owned or occupied by the Company (such list to include property address, nature of the Company's interest in property, current owner of the property, nature of the activity conducted at such location, type and form of waste, volume of waste disposal on or in ground, and period of time the activity was conducted).

Section 3.2 Road Oiling Activities. Except with respect to the application of Weslig, a dust control agent, at the Company's real property described in Exhibit G, the Company has not engaged in any manner or respect in any application of oil or hazardous substances on roads, or in any application of oil or hazardous substance for dust control or paving purposes.

Section 3.3 Remedial Action Claim Notices Received. The Company has not received any notification (including written requests for information directed to the Company) from any governmental agency asserting that Company is or may be a "potentially responsible person" or otherwise

liable with respect to a remedial action or the payment of response costs at a waste storage, treatment or disposal facility, pursuant to the provisions of the Comprehensive Environmental Response, Compensation and Liability Act, as from time to time amended, or any similar Federal or State statute assigning responsibility for the costs of investigating or remediating releases of contaminants into the environment.

Section 3.4 PCBs and Hazardous Wastes. The Company does not (i) have pending or on file any application to treat, incinerate or dispose of polychlorinated biphenyls ("PCBs"), (ii) hold any permit, license or right to incinerate PCBs or to landfill Hazardous Wastes (as hereinafter defined), (iii) engage (and has not engaged) in the landfilling of Hazardous Wastes or the incineration of PCBs, or (iv) engage (and has not engaged) in any road oiling activities nor has it applied or used oil or hazardous substances for dust control or paving purposes (except with respect to the application of Weslig). For purposes of this Section 3.4, the term "Hazardous Waste" means those waste products which exhibit the characteristics identi ied in 40 C.F.R. §§ 261.21, 261.22, 261.23, 261.24 or which are listed in 40 C.F.R. §§ 261.31, 261,32, 261.33, and revisions thereof, and those waste products which contain PCBs.

Section 3.5 No Known Violations. Except as disclosed or referred to in Exhibit H to this Agreement, to

the best of the knowledge of the current officers and directors of CalMat and George Cosby, general manager of the Company's Valley Reclamation Operations, (1) the Company has not been responsible for any violation of any applicable federal, state or local law, regulation or ordinance relating to the production, use, generation, transportation, storage, treatment, disposal or other handling or disposition of any kind (collectively "Handling") of wastes or substances of any kind (collectively "Wastes"), including without limitation the direct or indirect effects of such Handling of Wastes on natural resources, persons or property within or outside the boundaries of any real property at any time owned, leased or operated by the Company; (2) no real property at any time owned, leased or operated by the Company has been in violation of any such law, regulation or ordinance; (3) the Company has not been responsible for the transportation, storage, treatment or disposal of Wastes to or at any location designated for remedial action pursuant to any state or federal Superfund law or regulation; and (4) the Company has not been responsible for any violation of any other applicable legal requirements relating to the closure of any Waste Handling site on any real property at any time owned, leased or operated by the Company. There is no duty to investigate or otherwise inquire that is imposed by this representation and warranty.

ARTICLE IV

Representations and Warranties of the Trustee

Section 4.1 The Trustee has the requisite power and authority, as trustee under and pursuant to that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity dated December 30, 1986, to enter into this Agreement and to purchase and own the VRC Shares.

Section 4.2 All actions required to be taken by the Trustee necessary for the execution and delivery of this Agreement and the performance by the Trustee of all of his respective obligations under this Agreement have been duly and validly taken.

ARTICLE V

Additional Agreements of CalMat

CalMat covenants and agrees with the Trustee as follows:

Section 5.1 Except as hereinafter provided, CalMat will deliver or cause to be delivered to the Trustee at the Time of Closing:

(a) Exce t as may be otherwise requested by the Trustee, the written resignations of all officers and directors of the Company as of the Time of Closing;

(b) A certificate of good standing for the Company from the California Secretary of State within fifteen (15) days after Closing;

(c) Certified copies of the Company's Articles of Incorporation, as amended from time to time, certified as true and correct by the Secretary of the Company at the Time of Closing and by the Secretary of State of California, within fifteen (15) days after Closing;

(d) Certified copies of the by-laws of the Company, in force and effect at the Time of Closing, certified as true and correct by the Secretary of the Company;

(e) The Complete minute books of the Company, containing all records required to be set forth of all proceedings, consents, actions and shareholder and board of director meetings, certified as true and correct by the Secretary of the Company;

(f) The complete stock issuance and transfer books of the Company setting forth the issuance and all transfers of any capital stock of the Company, certified as true and correct by the Secretary of the Company;

(g) Uniform Commercial Code and Judgment searches covering CalMat and the Company, dated within fifteen (15) days after Closing;

(h) A General Release of CalMat and of each officer and director of the Company releasing all claims of any kind each has or may have against the Company;

(i) An Authorization of Inspection authorizing the Trustee and its authorized representatives to collect, from

whatever source, any and all documents pertaining to the creation, operation or maintenance of the Company;

Section 5.2 CalMat will pay all expenses incurred by CalMat and the Company, in connection with the negotiation, execution and performance of this Agreement, whether or not the transactions contemplated hereby are consummated, including the fees and expenses of agents, representatives, accountants and counsel for CalMat and for the Company.

Section 5.3 From and after the Time of Closing, CalMat will indemnify and hold the Trustee, the Company and their respective subsidiaries, divisions, affiliates, officers, directors, agents, employees, successors and assigns harmless from and against any costs, losses (including, without limitation, diminutions in value), liabilities, damages, lawsuits, deficiencies, claims and expenses (whether or not arising out of third-party claims), including without limitation, interest, costs of remedial action, penalties, reasonable attorneys' fees and all amounts paid in investigation, defense or settlement of any of the foregoing (hereafter collectively referred to as "Losses") incurred in connection with, arising out of or resulting from:

(a) the breach of any of the CalMat's representations, warranties, agreements or obligations contained in this Agreement.

(b) (i) the production, use, generation, transportation, storage, treatment, disposal or other handling or disposition of any kind (collectively "Handling") before or after the Time of Closing of any wastes or substances of any kind (collectively "Wastes") at any real property at any time owned, leased or operated by the Company, other than the real property described in Exhibit G or the real property described in the Right of First Refusal Agreement attached as Exhibit N (the real property described in Exhibit G and Exhibit N are collectively referred to as the "Excluded Sites"), including without limitation the direct or indirect effects of such Handling of Wastes on natural resources, persons or property within or outside the boundaries of such real property other than the Excluded Sites, or (ii) the failure at any time before or after the Time of Closing of any of the facilities or real property at any time owned, leased or operated by the Company, other than the Excluded Sites, to be in compliance with any federal, state or local law, regulation or ordinance applicable to the Handling of Wastes, or (iii) the fa lure at any time before or after the Time of Closing of any of the facilities or real property at any time owned, leased or operated by the Company, other than the Excluded Sites, to be in compliance with any other applicable legal requirements relating to the closure of any Waste Handling site.

CalMat will give the Trustee notice of each time that CalMat becomes aware of any fact or circumstance which may give rise to an indemnity by CalMat under this Section and a copy of any claim made which may result in an indemnity by CalMat pursuant to this Section. Anything in this Section 5.3 to the contrary notwithstanding, CalMat shall have no obligation to indemnify the Trustee until Trustee asserts a claim or claims for indemnity by CalMat which either individually or in the aggregate exceed $100,000 and such indemnity shall cover only the portion of such claims in excess of $100,000 in the aggregate. For purposes of the above indemnity, indemnificable claims (including such claims which shall apply against the $100,000 deductible) shall only include such claims or portion thereof which are not reimbursed by insurance. Reimbursement shall not be deemed to have occurred as to any policy of insurance having a retrospective adjustment feature.

Section 5.4 CalMat agrees that with respect to any liabilities or obligations of the Company which are covered by CalMat's insurance, CalMat shall retain responsibility for such liabilitie: and obligations.

Section 5.5 CalMat agrees that for a period of five (5) years after the Time of Closing, CalMat will not engage (as an individual or as a stockholder, trustee, partner, financier, agent, employee or representative of any person, firm, corporation or association), or have any interest,

direct or indirect, in any business in competition with the business of the Company as that business is constituted at the Time of Closing (whether or not such business is subsequently carried on by the Company, by any successor or successors to such business or by an assignee of the Trustee) in any area east of the west boundary of the City of Los Angeles, south of the north boundary of the City of Los Angeles, south and west of the south and west boundaries of the Angeles National Forest, west of California Route 19 and imaginary lines that extend straight north and straight south from the respective northerly and southerly ends of Route 19 to the Angeles National Forest and to the Pacific Ocean, and north of the Pacific Ocean (such area is depicted on Exhibit O attached hereto); provided that this Section shall not prevent CalMat from owning or operating CalMat's existing inert debris and/or incinerator ash disposal facility located east of Glenoaks Boulevard, north of Peoria Street and south of Sheldon Avenue, the Sheldon Pit located east of Glenoaks Boulevard, north of Sheldon Avenue and south of Hanson Dam, or the filling of CalMat's property known as the "Boulevard Property" by the City of Los Angeles; and further provided that this Section shall not prevent CalMat from acquiring and holding not to exceed 5% of the outstanding shares of any corporation engaged in such a competitive business if such shares are available to the general public.

CalMat's above-described covenant not to compete with the Company may be renewed and extended for up to three (3) successive five (5) year periods by the Company notifying CalMat of its election to extend such covenant not to compete for an additional five (5) year period at any time within sixty (60) days prior to the end of a five (5) year period together with the tender of payment of One Thousand Dollars ($1,000.00) with such notice. The original covenant not to compete and each successive renewal thereof shall be treated as separate covenant. In the event that any such covenant shall be declared by a court of competent jurisdiction to be unenforceable, such declaration shall not affect the covenant with respect to any other period, as such other covenants shall be construed to be severable and independant. To the extent that any elements of a covenant should be found unreasonable, the parties agree that a lesser restriction, found to be reasonable, may be enforced against CalMat.

In the event of a breach of any covenant contained in this Section, the Trustee shall be entitled to an injunction restraining such breach in addition to any other remedies provided by law or equity.

Section 5.6 CalMat shall use its best efforts and reasonably cooperate with the Trustee after the Time of Closing in the investigation and defense of any claim or action against the Trustee or any of its successors or

assigns predicated in whole or in part upon the acts or omissions of the Company prior to the Time of Closing.

Section 5.7 CalMat shall use its best efforts to operate the real property described in the Right of First Refusal Agreement attached hereto as Exhibit N in compliance with any and all federal, state or local law, regulation or ordinance relating to the Handling of Wastes. CalMat further acknowledges and agrees that at no time on or before the Time of Closing was the above described real property operated by the Company while the Company was owned or otherwise controlled by Waste Management of North America, Inc. or any of its subsidiaries or affiliates.

ARTICLE VI

Additional Agreements of the Trustee

Section 6.1 The Trustee will pay all expenses incurred by it in connection with the negotiation, execution and performance of this Agreement, whether or not the transaction contemplated hereby is consummated, including the fees and expenses of its counsel and auditors.

Section 6.2 In connection with the obligations of CalMat to indemnify the Trustee in accordance with the provisions of Section 5.3 of this Agreement, the Trustee agrees that it will advise CalMat of any claim made by others which might result in the breach of any representation, warranty or obligation contained in this Agreement and CalMat shall

have the right, by written notice delivered to the Trustee within ten days after CalMat has been advised of such claim as herein provided, to undertake the defense of such claim at the expense of CalMat.

Section 6.3 The Trustee acknowledges that the Company will file its tax returns for all periods following the date of Closing and will pay all taxes shown to be due by such returns.

ARTICLE VII

Conditions Precedent to Obligations of the Trustee

The obligations of the Trustee to effect the transaction contemplated by this Agreement shall be subject to the fulfillment at or prior to the Time of Closing of each of the following conditions:

Section 7.1 The Trustee shall have received a favorable opinion from counsel for CalMat, dated the day of the Closing, in substantially the form attached hereto as Exhibit P.

Section 7.2 The Trustee and CalMat shall have entered into a Management Agreement substantially in the form of Exhibit L hereto, pursuant to which CalMat will manage the operations of the Company.

Section 7.3 The Company and CalMat shall have entered into an Operating Agreement substantially in the form of Exhibit M hereto.

Section 7.4 The Company and CalMat shall have entered into a Right of First Refusal Agreement substantially in the form of Exhibit N hereto.

Section 7.5 The Company and CalMat shall have entered into a Mutual Easement Agreement in the form of Exhibit Q hereto.

ARTICLE VIII

Conditions Precedent to Obligations of CalMat

The obligations of CalMat to exchange VRC Shares in accordance with this Agreement shall be subject to the payment of the Price in accordance with Section 1.1.

ARTICLE IX

Conditions Subsequent

It is the intention of the Trustee to assign all of its right, title and interest in and pursuant to this Agreement and to transfer and deliver the VRC Shares transferred and delivered hereunder to Waste Management of North America, Inc., or its nominee ("Waste Management"), provided that Waste Management assumes all of the Trustee's obligations under this Agreement. This assignment and transfer will be subject to the prior fulfillment of the condition identified below which is hereby designated by the parties to this Agreement to be a condition subsequent to this Agreement, the non-occurrence or non-fulfillment of which shall afford

the Trustee the right to rescind this transaction in its entirety.

The condition subsequent is as follows: The parties shall have caused to be submitted to the Federal Trade Commission (the "FTC") and the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice all premerger notification filings required to comply with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") and the Final Judgment entered in United States v. Waste Management, Inc., et al., Civil No. 84-2832 (D.D.C.) (the "Final Judgment"); the prescribed notice waiting periods under the HSR Act and the Final Judgment with respect to the transactions contemplated by this Agreement shall have expired or have been terminated; and there shall be no pending or threatened governmental or private action or proceeding to, and no injunction which does, restrain or prohibit the transactions contemplated by this Agreement. The parties do not anticipate any such action or proceeding and will take all steps which may be necessary to satisfy any inquiry which may result from the filings contemplated hereby.

If the Condition Subsequent does not occur or is not fulfilled, the Trustee or its assignee shall have the unconditional and absolute right to require CalMat to repurchase the VRC Shares from the Trustee for an amount equal to the Price less any amounts necessary to compensate CalMat for any

dimunition in the net worth of the Company caused by any act or omission of the Trustee or the Company since the Time of Closing, provided that any such reduction in the Price shall not include any diminution caused by any failure of CalMat to use its best efforts as required under paragraph 1 of the Management Agreement between CalMat and the Trustee dated December 31, 1986. Such right shall be exercised on or before March 1, 1987, by written notice from the Trustee or its assignee to CalMat certifying that the Condition Subsequent did not occur or was not fulfilled. Within forty-eight hours of the date such notice is given, CalMat shall deliver to the Trustee or its assignee, by wire transfer to a bank account designated in writing by the Trustee or its assignee, an amount equal to the Price, and the Trustee shall deliver to CalMat duly executed certificates in valid form evidencing all of the VRC Shares, duly endorsed in blank or accompanied by duly executed stock powers with the requisite stock transfer stamps, if any, attached.

ARTICLE X

Other Provisions

Section 10.1 All of the respective representations and warranties of the parties to this Agreement shall survive the Time of Closing, and the consummation of the transactions contemplated by this Agreement.

Section 10.2 The parties to this Agreement agree to act in good faith and to mutually cooperate with each order in order to effectuate the purposes of this Agreement. Each party agrees to undertake such further acts and to execute and deliver to the other such additional assignments, agreements, and instruments as the other may reasonably require or deem advisable to carry into effect the purposes of this Agreement.

Section 10.3 For purposes of this Agreement, whenever the term "material" or the concept of "materiality" is used, it shall be deemed by the parties to refer to a matter which involves a sum of at least Ten Thousand Dollars ($10,000.00).

Section 10.4 Either CalMat or the Trustee may extend the time for or waive the performance of any of the obligations of the other, waive any inaccuracies in the representations or warranties by the other, or waive compliance by the other with any of the convenants or conditions contained in this Agreement. Any such extension or waiver shall be in writing and signed by CalMat or by the Trustee. No such waiver shall operate or be construed as a waiver of any subsequent act or omission of the parties hereto.

Section 10.5 Any notice to a party hereto pursuant to this Agreement shall be given by certified or registered mail, or by private courier service requesting evidence of receipt as a part of its service, addressed, to each

respective party at its respective address appearing on the signature page hereof.

Section 10.6 This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable in the case of contracts made and to be performed in such state.

Section 10.7 This Agreement shall inure to the benefit of, and be binding on and enforceable against the heirs, legal representatives and assigns of CalMat and the successors and assigns of the Trustee.

Section 10.8 This Agreement (including the exhibits hereto) and the documents and schedules delivered pursuant hereto constitute the entire Agreement and understanding between the parties, and supersedes any prior agreement and understandings relating to the subject matter hereof. This Agreement may be modified or amended by a written instrument executed by all parties hereto.

Section 10.9 If at any time subsequent to the date hereof, any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

Section 10.10 This Agreement may be executed simultaneously in two or more counterparts, each of which shall be

deemed an original and all of which together shall constitute but one and the same instrument.

Section 10.11 If any legal action or any other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

Section 10.12 The subject headings of the paragraphs and sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 10.13 Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors, legal representatives and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provisions given any third persons any rights of subrogation or action over or against any party to this Agreement.

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and as used in this Agreement, the term "Company" shall include all predecessors to the Company or businesses acquired by or merged into the Company.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

CALMAT:	THE TRUSTEE:
CAL. MAT. CO.	
By _____ Sr. Vice President	By _____
(Name) Scott J Wilcox	(Name) David A Pearce
(Address) 3200 San Fernando Rd	(Address) FX-6: Personal Privacy
Los Angeles CA 90065	FX-6: Personal Privacy

DECLARATION OF TRUST

FOR PURCHASE OF STOCK

OF

VALLEY RECLAMATION CO.

AND

DISTRIBUTION OF REMAINING FUNDS TO CHARITY

David A. Pearre, who together with the successors and alternates named herein shall be hereafter referred to as "trustees" does hereby acknowledge and declare that CalMat Co., a Delaware corporation ("CMC"), hereinafter referred to as "Settlor" has transferred and delivered without consideration the sum of $10,000 to the Trustees, in trust on the following terms and conditions.

SECTION I

TRUST IRREVOCABLE

This trust is irrevocable and may not be altered or amended; provided, however, that any administrative duties or powers which do not enlarge or reduce the rights of the Settlor hereunder or the beneficiaries under this trust, in order to effectuate the provisions hereof may be altered or amended with the written approval of the Settlor. Settlor shall have no residuary or reversionary rights hereunder.

SECTION II

TRANSFER OF STOCK AND PAYMENT OF PURCHASE PRICE

A. Upon the establishment of this trust, the Settlor shall transfer and deliver to the trustees hereunder 250 shares (the "stock") of Valley Reclamation Co., a California corporation ("VRC"), which constitutes all of the issued and outstanding capital stock of VRC, which stock is wholly owned by the Settlor and upon such transfer and delivery, the trustee shall concurrently therewith transfer and deliver the sum of $48,400,000 to the Settlor in full satisfaction of the purchase price of all of said outstanding capital stock of VRC, and upon the transfer of said shares and the payment of the sum of $48,400,000, the Settlor shall have no further interest in this trust whatsoever. The Shares shall be transferred and the purchase made by the trustees in accordance with the terms and the provisions of the Stock Purchase Agreement attached hereto as Exhibit "A."

B. Upon the establishment of this trust, it is intended that the trustees will receive a loan in the amount of $48,400,000 from Waste Management of North America, Inc. ("WMNA") and that the trustees will deliver to WMNA a promissory note in the form attached hereto as Exhibit "B," the borrowings of which will be used to pay the purchase price for the stock of VRC.

C. Upon the establishment of this trust, it is intended that WMNA will enter into a Stock Purchase

Agreement with the trustees in the form attached hereto as Exhibit "C" to purchase the stock of VRC from the trust, and shall file a Notification and Report Form in connection therewith as required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act"). Pursuant to the terms of that Agreement, the trustees shall transfer and deliver to WMNA all of the stock of VRC purchased from CMC as set forth in paragraph A above, and upon such transfer, the promissory note issued by the trustees hereunder to WMNA in the principal amount of $48,400,000 shall be automatically cancelled and deemed paid in full.

D. Upon such transfer of the stock of VRC to WMNA, this trust shall terminate and be of no further force or effect and any and all remaining assets in this trust shall be distributed to charity pursuant to the provisions of Section II G hereof.

E. In the event, prior to the expiration of the waiting period as provided in the Act, an injunction is issued to the trustees or any of the parties hereto which prohibits or restricts the transfer to WMNA of the stock of VRC purchased from CMC, the trustees shall continue to hold the stock until such time as such injunction, if any, is removed by judicial process or otherwise. In the event the injunction is not removed and becomes part of a final judgment of a court of competent jurisdiction, then the trustees shall continue to hold and manage the stock and

take such action as may be appropriate to sell or otherwise transfer the stock in a manner consistent with the directions, if any, contained in such judgment, the cash and other assets received by the trustees in exchange for selling or transferring all or a portion of the stock of VRC shall be used to repay the loan to WMNA, plus interest thereon, and the excess, if any, shall be distributed pursuant to Section II G, below.

F. Following the transfer of the stock of VRC to the trustees, the trust shall be the beneficial owner of such stock, and shall enjoy the right to any increase in value in the stock in the event it is sold or otherwise disposed of pursuant to Section II E above, the right to any dividends which may be declared during the period in which the trust holds the stock, the right to vote the stock or to determine who may vote the stock, and the power to dispose of the stock consistent with any obligations it may enter into pursuant hereto. Likewise, in the event the stock is disposed of pursuant to the terms of Section II E, above, the trust bears the risk of loss on such disposition.

G. Upon the disposition of the stock pursuant to the provisions of Section II C or II E hereof, any and all remaining assets in this trust shall be distributed to Childrens Hospital.

H. The trustees shall have no liability to any of the parties hereto in acting in their capacity as trustees.

I. The purchase of the stock of VRC by the trustees hereunder from CMC shall be deemed a completed transaction upon the delivery of the stock to the trustees and the payment to CMC of the sum of $48,400,000.

J. In the event the transfer and purchase of the stock from CMC is not effected prior to 11:30 P.M. on December 31, 1986, then the provisions of this trust shall be deemed entirely of no force and effect.

SECTION III

LAW TO GOVERN TRUST

This trust is made in California and shall be governed, construed and administered according to California domestic laws even though administered elsewhere. The California laws applied shall not include any principles or laws relating to conflicts or choice of laws.

SECTION IV

REGULATION OF TRUSTEES

A. David A. Pearre is hereby designated as original trustee of the trust hereunder, and in the event of his death, inability or refusal to act as trustee, Louis F. Fickbohm is hereby designated the successor trustee with all the same rights, privileges and duties of original trustee hereunder. While the original trustee is acting, that

trustee shall have the power to appoint or designate additional current or successor trustees, individual or corporate, to act with the original trustee as co-trustees, or to act as sole trustee then or in the future, and to remove any such trustee so appointed or alter any such designation. The original trustee may also resign and thereafter appoint, designate or remove trustees or co-trustees and reinstate the original trustee as sole trustee or a co-trustee. There shall be no limit on the number of times the original trustee may exercise the foregoing powers.

If there is a vacancy in the position of trustee which is not filled under the foregoing provisions, then a court of competent jurisdiction shall appoint a successor trustee upon the application of CMC.

B. The trustees and successor trustees and co-trustees, and successors thereof, may resign by giving written notice to CMC or by filing the appropriate petition with the court having jurisdiction over the trust. In the event of such resignation the resigning trustees shall convey the trust estate to the successor trustees.

C. No bond or other security shall be required of any trustees or alternate or successor trustees, whether acting jointly or alone and whether named herein or not.

D. No successor trustees shall be obligated to examine the accounts, records or acts of any previous trustees, or any allocation of the trust estate and the

income thereof, made by any previous trustees, and such successor trustees shall in no way or manner be responsible for any act or omission to act on the part of any previous trustees. Trustees shall be responsible only for their own acts or omissions in bad faith.

E. No one dealing with the trustees need inquire concerning the validity of anything they purport to do, or need see to the application of any money paid or property transferred to or upon the order of one or more trustees.

F. Trustees may receive reasonable compensation and reimbursement for expenses. Such compensation and reimbursement for expenses shall be paid from and be a proper expense of the trust.

SECTION V

POWERS OF THE TRUSTEES

With regard to the trust created or referred to herein, or subject to the express provisions herein set forth the trustees shall have all of the rights, powers and privileges an absolute owner would possess, subject always to the trustees' fiduciary duties. Without in any way, implicitly or explicitly, limiting the broad power hereby given, the trustees shall have all the power of trustee as set forth in Section 1120.2 of the California Probate Code. Trustees' power to cause VRC to declare dividends shall be limited to amounts necessary to pay interest on the promissory note, reasonable expenses and trustee's fees.

SECTION VI

JURISDICTION

The Probate Court shall have jurisdiction to consider petitions concerning the trust created by this instrument, and the provisions of Article 2.5 of Chapter 19 of Division 3 of California Probate Code shall be applicable.

SECTION VII

COUNTERPARTS

To the same effect as if it were the original, anyone may rely upon a copy certified by a trustee or by a notary public to be a counterpart of this instrument or of any document required to be filed with or to be kept at the office of the trustees. Anyone may rely upon any statements of fact concerning the trust certified by anyone who appears from the original document or a certified copy to be a trustee or an alternate or successor thereto then acting hereunder.

EXECUTED this 30th day of December, 1986.

_____

_____

Trustees

The Settlor, by its duly authorized agent, hereby certifies that the Settlor has read the foregoing Declaration

of Trust and that it correctly sets forth the terms and provisions of the trust and requests the trustees to execute it.

CALMAT CO.

By: _____

Its: _____

Settlor

EXHIBIT A

STOCK PURCHASE AGREEMENT

December 31, 1986

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "Agreement") is made and entered into as of this 31st day of December, 1986, by and between the CALMAT CO., a Delaware corporation ("CalMat") and DAVID A. PEARRE, as trustee under that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986 (the "Trustee").

RECITALS

WHEREAS, CalMat owns all of the outstanding shares of stock (the "VRC Shares") of Valley Reclamation Co., a California corporation, including all predecessors, businesses acquired thereby or merged therein (the "Company"); and

WHEREAS, the Trustee desires to purchase and acquire the VRC Shares, and CalMat desires to sell and convey the VRC Shares;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENTS

ARTICLE I

Sale and Purchase

Section 1.1 On the basis of the representations and warranties and subject to the terms and conditions set forth in this Agreement, CalMat agrees to sell, transfer and deliver to the Trustee, and the Trustee agrees to purchase, acquire and accept from CalMat, the VRC Shares in consideration for the payment of the purchase price of Forty-Eight Million Four Hundred Thousand Dollars ($48,400,000) (the "Price").

Section 1.2 The execution and delivery of the documents and consideration necessary to effectuate the transactions contemplated by this Agreement will take place at such time on December 31, 1986, or such earlier date as the parties hereto may agree upon (the "Closing" or "Time of Closing"), at the office of Wyman, Bautzer, Christensen, Kuchel & Silbert, 2049 Century Park East, Suite 1400, Los Angeles, California 90067, or at such other time or place as the parties hereto may agree upon.

Section 1.3 Subject to the terms and conditions set forth in this Agreement, the following steps will be taken by the parties, respectively, at the Time of Closing:

(a) CalMat will deliver to the Trustee duly executed certificates in valid form evidencing all of the VRC Shares,

duly endorsed in blank or accompanied by duly executed stock powers with the requisite stock transfer stamps, if any, attached and with signatures guaranteed by a bank located in or having a correspondent in Chicago, Illinois, or by a member firm of the New York or Midwest Stock Exchange; and

(b) The Trustee will deliver to CalMat the Price in the form of a cashier's check payable to CalMat Co.

ARTICLE II

Non-Environmental Representations and Warranties Of CalMat

It is understood that the representations and warranties contained in this Article II exclude any representations and warranties relating to the Handling of Wastes (as those terms are defined in Article III hereof), that CalMat is making no representations or warranties with respect to the Handling of Wastes except those contained in Article III, and that none of the representations or warranties contained in this Article II shall be deemed to be violated or breached as a result of Losses (as such term is defined in Section 5.3) incurred in connection with, arising out of or resulting from the Handling of Wastes. Subject to such understanding, CalMat represents and warrants to the

Trustee on the date hereof, and at the Time of Closing, that:

Section 2.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of California, with full corporate power and authority to own or to hold under lease the properties it purports to own or to hold under lease, to operate its properties and to conduct its business as now being conducted. The business carried on by the Company and the assets owned by the Company are not such as to require that it be qualified to transact business as a foreign corporation in any other jurisdiction, and the Company is not so qualified.

Section 2.2 Capitalization. The authorized capital stock of the Company consists of two hundred fifty (250) shares of common stock. The only shares of common stock of the Company that are issued and outstanding are the VRC Shares which consist of two hundred and fifty (250) shares held beneficially and of record by CalMat. The VRC Shares have been duly authorized, and are validly issued, fully paid and nonassessable and free and clear of all preemptive rights, liens, claims, charges, security interests, encumbrances and equities.

Section 2.3 Subsidiaries. The Company has no subsidiary corporation and does not own any equity security, and does not have any investment in, loans or advances to,

or other interest in, directly or indirectly, any partnership, firm, corporation or other business organization and has no right or obligation to acquire such an interest.

Section 2.4 Agreements with Respect to VRC Shares. Except for the "restrictive legend" on the VRC shares, there are no existing options, subscriptions, calls, warrants, rights, contracts, commitments, understandings, arrangements, or agreements of any nature to which the Company or CalMat are parties or by which they are bound, relating to the issuance, sale, delivery or transfer by the Company or CalMat of any VRC Shares or of any shares of capital stock of the Company or any other equity interest in the Company or any security representing the right to purchase or otherwise receive such shares or equity interest.

Section 2.5 Authority. CalMat has the capacity and power to execute, deliver and perform this Agreement. This Agreement has been duly and validly executed and delivered by CalMat and constitutes a valid and binding agreement of CalMat, enforceable against CalMat in accordance with its terms. Except for the "restrictive legend" on the VRC Shares, the VRC Shares are and as of the Time of Closing will be free and clear of all liens, claims, pledges, encumbrances, security interests or other rights or restrictions.

Section 2.6 Approvals and Consents. No approvals or consents of any nature of any party or entity are necessary

in connection with the transactions contemplated hereby. The parties acknowledge, however, that as a matter of protocol, it is desirable in due course to seek the approval of the Bureau of Sanitation of the City of Los Angeles for such transactions.

Section 2.7 Accounts, Contracts, Etc. Set forth in Exhibit A, attached hereto, is a description of all of the Company's:

(a) Customer account lists (including therewith a copy of the Company's standard form service agreement and all customer agreements not in conformity therewith);

(b) Contracts which are not terminable on less than six months notice or which involve the sum of at least $10,000;

(c) Leases of real or personal property;

(d) Permits, licenses, franchises, authorizations, approvals and certificates, including any documents relating to any proposed amendments to any of the foregoing;

(e) Promissory notes, indentures, guarantees, letters of credit, installment obligations, bonds, mortgages, liens, pledges, security agreements, or other instruments relating to the borrowing of money or the guarantee of any obligation for the borrowing of money or the creation of any security interests;

(f) Collective bargaining or union agreements;

(g) Patents, trademarks, trade names, copyrights;

(h) Employment or consulting agreements;

(i) Agreements, contracts or other commitments that would limit the ability of the Company to compete in any line of business or with any person or in any geographical area or otherwise to conduct its business as presently conducted or to use or disclose any information in its possession;

(j) Pension, retirement, bonus, deferred compensation, stock purchase, profit sharing or similar plan; and

(k) Any other agreements and instruments which are binding on the Company or any of its property and pursuant to which it derives any material benefit.

Neither the Company nor any party thereto or bound thereby is in default under any of said instruments, and no act or event has occurred which with notice or lapse of time, or both, would constitute such a default. The Company is not a party to, nor is it or any of its property bound by, any other agreement or instrument which is material to the continued conduct of its business as now being conducted or with respect to which a default might materially and adversely affect its properties, business or financial condition. The instruments comprising Exhibit A confer on the Company all rights necessary to enable it to conduct its business as now being conducted.

With respect to all agreements, accounts and contracts comprising Exhibit A:

(i) Each is in full force and effect and legally binding upon the parties thereto;

(ii) The Company has not released any of its rights thereunder nor will any other party bound thereby be released from its obligations; and

(iii) A true, correct and complete copy has been supplied to the Trustee.

Section 2.8 Employee Benefit Plans. Except as otherwise disclosed on Exhibit B attached hereto, the employees of the Company do not participate in any employee benefit plan, as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), nor in any other retirement, profit-sharing, deferred compensation, bonus, stock option, stock purchase or employee benefit plan or arrangement; the Company is not a member of a controlled group of corporations of which any member has terminated, or will terminate before the Closing Date, any plan subject to Title IV of ERISA; and the Company does not contribute to any "multiemployer plan," as defined in section 414(f) of the Internal Revenue Code or section 3(37) of ERISA, and has not made a complete or partial withdrawal from any multiemployer plan so as to incur withdrawal liability under section 4201 of ERISA (without regard to subsequent reduction or waiver of such liability under section 4207 or 4208 of ERISA).

Section 2.9 Financial Statements. The balance sheet of the Company dated November 30, 1986 (the "11/30/86 Balance Sheet"), the statement of income, profit and loss of the Company for the eleven (11) month period ended November 30, 1986 (the "11/30/86 Income Statement"), and the pro forma balance sheet of the Company dated December 31, 1986 (the "Pro Forma Balance Sheet"), which are attached hereto as Exhibit C:

(a) Are in accordance with the books of account and records of the Company;

(b) Fairly present the Company's financial condition and the results of its operations as at and for the period therein specified;

(c) Have been prepared in accordance with generally accepted accounting principles consistently applied;

(d) Do not include or omit to state any fact which renders such financial statements misleading; and

(e) Have been restated for purposes of the transaction to eliminate from the Pro Forma Balance Sheet the cash account and all intercompany balances (including current tax liabilities) that may have existed between the Company and the CalMat or any of its other subsidiaries and/or affiliates.

Except as and to the extent shown or provided for in the Pro Forma Balance Sheet or as disclosed in this Agreement, to the best of CalMat's knowledge, the Company has and will

have at the Time of Closing no liabilities or obligations (whether accrued, absolute, contingent, whether due or to become due or otherwise) which might be or become a charge against the assets and properties of the Company, including any "loss contingencies" considered "probable" or "reasonably possible" within the meaning of the Financial Accounting Standard Board's Statement of Financial Accounting Standards No. 5. To the best of CalMat's knowledge all reserves and allowances included in the 11/30/86 Balance Sheet and Pro Forma Balance Sheet are fully adequate, appropriate and reasonable.

Section 2.10 Liabilities and Accounts Receivable.

(a) To the best of CalMat's knowledge, the Company does not have any liabilities, fixed or contingent, secured or unsecured, other than liabilities fully reflected in the Pro Forma Balance Sheet; and

(b) Except to the extent of the related reserves reflected in the 11/30/86 Balance Sheet and the Pro Forma Balance Sheet, all accounts receivable of the Company reflected in the Pro Forma Balance Sheet are, to the best of CalMat's knowledge, valid accounts receivable and are fully collectible in the ordinary course of business and are subject to no refunds or other adjustments and to no defenses, rights of set off, assignments, restrictions or other conditions enforceable by third parties.

Section 2.11 Tax Returns. The Company has filed all federal and other tax returns required to be filed for all periods on or before the due dates of such returns (as extended by any valid extensions of time) and has paid all taxes shown to be due by said returns. Such returns reflect all taxes due and payable with respect to the periods covered thereby and there are no liabilities, claims, interest or penalties that have been assessed, asserted or threatened against the Company in connection with any such taxes, and to the best knowledge of CalMat there is no basis therefor. CalMat will file the Company's federal and other tax returns required to be filed for the period ending with the date of Closing, and will pay all taxes shown to be due by said returns. Such returns will reflect all taxes due and payable to and including the Time of Closing and there are no liabilities, claims, interest or penalties that have been assessed, asserted or threatened against the Company in connection with the taxes through the Time of Closing, nor is there any basis therefor to the best knowledge of CalMat. The reserves for taxes (federal, state and local) reflected in the Pro Forma Balance Sheet are adequate to cover any and all taxes, including deferred taxes, which may be assessed with respect to the property, business and operations of the Company for the period ended on December 31, 1986 and all prior periods. The federal income tax and state income or franchise tax returns of the Company have been examined and

closed for all years up to and including the 1983 taxable year, and the returns for the years thereafter have not been audited. The Company has not given or been requested to give waivers of any statutes of limitations relating to the payment of taxes for any taxable period which has not been examined and closed. Furthermore, to the best of CalMat's knowledge, no fact exists which would constitute grounds for assessment of any further tax liability. Set forth in Exhibit D hereto is a description of all elections made prior to the Time of Closing which may affect any future tax liability of the Company, and all documents pursuant thereto or in connection therewith have been made available to the Trustee.

Section 2.12 Insurance. Set forth in Exhibit E hereto is a list of all policies of liability, property damage, fire, workers' compensation/employer's liability, title or other forms of insurance owned or carried at any time by the Company and insurance agents and/or brokers providing such insurance coverage, including performance bonds. There are no letters of credit securing any obligations of the Company. The Company has at all times carried insurance and has complied with all applicable terms and conditions, including payment of premiums, with respect to such insurance policies. The Company has received no notification from any insurance carrier denying or disputing any claim made by the Company, denying or disputing any coverage

for any such claim, denying or disputing the amount of any claim, or regarding the possible cancellation of or premium increases with respect to any policies. The Company has no claim against any of the insurance carriers under any of such policies pending or anticipated and there has been no actual or alleged occurrence of any kind which may give rise to any such claim.

Section 2.13 Personal Property Owned or Leased. Set forth in Exhibit F hereto is a schedule which states as to the Company:

(a) The number and description of any equipment owned or leased;

(b) The number of vehicles used in its business together with information as to the make, description of body and chassis, model number, serial number, and year of each such vehicle; and

(c) The name and address of each customer it serves which provides more than 1% of its revenues.

There are no material assets used by the Company for the conduct of its business which are not either owned or leased by it.

Section 2.14 Real Property Owned or Leased. Exhibit G is a complete and accurate list or description of all real property which the Company leases. True and complete copies of all leases covering the real property described in Exhibit G have been delivered or made available

to the Trustee. The leases covering the real property described in Exhibit G are in full force and effect and there are no defaults thereunder. All real property and improvements thereon, whether leased or owned, are in sound structural condition and free of any material defects. There are no underground storage tanks on any real property leased by the Company. The Company does not own any real property.

Section 2.15 Ownership of Property. The Company has good and marketable title to or a valid leasehold interest in all of the properties and assets reflected in Exhibit F and Exhibit G.

Section 2.16 Legal Compliance. In regard to the property of the Company or the business operations of the Company:

(a) The Company is not in default under any law or ordinance, under any order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located (other than as may be described elsewhere herein); and there are no actual or threatened claims, actions, suits, proceedings, or notices against or affecting the Company or CalMat, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or arbitration tribunal, wherever located, which may result in

any material adverse change in the financial condition, results of operations, or business of the Company or which may question the validity or propriety of this Agreement or of any action taken or to be taken in accordance with or in connection with this Agreement. All pending or threatened litigation and administrative or judicial proceedings of any nature involving the Company, its assets, liabilities or the VRC Shares are described on Exhibit I.

(b) The Company has operated from its inception, and will continue to operate through Closing, legally and in compliance with all conditions and requirements of all applicable zoning laws, federal, state and local permits, statutes, rules, regulations, policies, guidelines, orders, franchises, and consents.

(c) The Company is not subject to any judgement, writ, injunction, decree or other judicial order.

(d) No refuse disposal agreement, permit, consent or license between the Company and any governmental body shall be impaired or limited in any way by the transactions contemplated by this Agreement.

Section 2.17 Employee Matters. Set forth in Exhibit J attached hereto is the name, residence address and social security number and current rate of compensation of each of the Company's present employees and the capacity in which each person is employed. There is no pending or threatened dispute between the Company and any of its employees which

might materially and adversely affect the continuance of its business, and, other than as disclosed in Exhibit A, no collective bargaining or union agreement is in effect or is currently being negotiated by the Company. Except as designated on Exhibit J by asterisk, CalMat is not aware that any of such employees will not be available for employment by the Company after the Time of Closing on substantially the same terms as described in Exhibit J.

Section 2.18 Absence of Conflicts with Other Agreements. The execution and performance of this Agreement will not result in a breach of or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in the loss of any material right or benefit or result in the creation of any lien, encumbrance or charge under:

(a) Any charter, by-law, agreement (oral or written), commitment, covenant, franchise, garbage and refuse collection or disposal agreement, or other document to which the Company or CalMat is a party or by which the Company or any of its property or CalMat is bound (including, without limitation, any instrument referred to in Exhibit A); or

(b) Any decree, order or rule of any court or governmental authority, or statute, rule or regulation which is binding on the Company or CalMat or on any property of the Company or CalMat.

Section 2.19 Absence of Broker. No agent or broker or other person acting pursuant to authority of the Company or of CalMat is entitled to any commission or finder's fee in connection with the transactions contemplated by this Agreement.

Section 2.20 Absence of Infringement. The Company has not infringed and is not now infringing, on any trade name, trademark, service mark, or copyright belonging to any person, firm or corporation.

Section 2.21 Absence of Conflict of Interests. Neither the Company nor CalMat nor any officer, director or employee of the Company or CalMat, nor any spouse, child, or other relative of any of them, has any direct or indirect interest in any competitor of the Company (other than CalMat) within the geographical area in which it currently conducts business, or in any supplier or customer of the Company (other than CalMat) or in any person from whom or to whom the Company leases any real or personal property (other than CalMat), or in any other person with whom the Company is doing business (other than CalMat); provided, however, that this Section shall not apply to an ownership interest in 5% on less of the outstanding shares of any corporation if such shares are available to the general public.

Section 2.22 No Untrue Statement. No representation or warranty by CalMat in this Agreement, nor any statement, certificate, exhibit or list furnished or to be furnished to

the Trustee pursuant hereto or in connection with the transactions contemplated hereby and referred to in this Agreement, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading or necessary in order to provide the Trustee with the proper information as to the Company and its officers. CalMat acknowledges that the Trustee is entering into this Agreement in reliance upon CalMat's representations and warranties in this Agreement.

Section 2.23 Net Worth. All obligations of the Company have been incurred in the ordinary course of business. As of the Time of Closing the net worth of the Company will not be less than $7,300,000.

Section 2.24 Books and Records. All books and records of the Company have been delivered or made available to the Trustee and his representatives for review and have been maintained in accordance with good business practice.

ARTICLE III

Environmental Representations and Warranties of Cal Mat

Section 3.1 Certification of Off-Site Waste Storage, Treatment or Disposal Locations and On-Site Waste Storage, Treatment or Disposal Activities. Set forth on Exhibit K hereto is a complete and accurate list of (i) locations (identified by address, owner/operator, type of facility,

type of waste, and period of time the facility was used) to which the Company has ever transported, or ever caused to be transported, allowed or arranged for any third party to transport, any type of waste material, generated by the Company's customers or the Company, for storage, treatment, burning, recycling or disposal, and (ii) storage, treatment, burning, recycling or disposal activities which the Company has undertaken, at any time, at locations then or presently owned or occupied by the Company (such list to include property address, nature of the Company's interest in property, current owner of the property, nature of the activity conducted at such location, type and form of waste, volume of waste disposal on or in ground, and period of time the activity was conducted).

Section 3.2 Road Oiling Activities. Except with respect to the application of Weslig, a dust control agent, at the Company's real property described in Exhibit G, the Company has not engaged in any manner or respect in any application of oil or hazardous substances on roads, or in any application of oil or hazardous substance for dust control or paving purposes.

Section 3.3 Remedial Action Claim Notices Received. The Company has not received any notification (including written requests for information directed to the Company) from any governmental agency asserting that Company is or may be a "potentially responsible person" or otherwise

liable with respect to a remedial action or the payment of response costs at a waste storage, treatment or disposal facility, pursuant to the provisions of the Comprehensive Environmental Response, Compensation and Liability Act, as from time to time amended, or any similar Federal or State statute assigning responsibility for the costs of investigating or remediating releases of contaminants into the environment.

Section 3.4 PCBs and Hazardous Wastes. The Company does not (i) have pending or on file any application to treat, incinerate or dispose of polychlorinated biphenyls ("PCBs"), (ii) hold any permit, license or right to incinerate PCBs or to landfill Hazardous Wastes (as hereinafter defined), (iii) engage (and has not engaged) in the landfilling of Hazardous Wastes or the incineration of PCBs, or (iv) engage (and has not engaged) in any road oiling activities nor has it applied or used oil or hazardous substances for dust control or paving purposes (except with respect to the application of Weslig). For purposes of this Section 3.4, the term "Hazardous Waste" means those waste products which exhibit the characteristics identified in 40 C.F.R. §§ 261.21, 261.22, 261.23, 261.24 or which are listed in 40 C.F.R. §§ 261.31, 261,32, 261.33, and revisions thereof, and those waste products which contain PCBs.

Section 3.5 No Known Violations. Except as disclosed or referred to in Exhibit H to this Agreement, to

the best of the knowledge of the current officers and directors of CalMat and George Cosby, general manager of the Company's Valley Reclamation Operations, (1) the Company has not been responsible for any violation of any applicable federal, state or local law, regulation or ordinance relating to the production, use, generation, transportation, storage, treatment, disposal or other handling or disposition of any kind (collectively "Handling") of wastes or substances of any kind (collectively "Wastes"), including without limitation the direct or indirect effects of such Handling of Wastes on natural resources, persons or property within or outside the boundaries of any real property at any time owned, leased or operated by the Company; (2) no real property at any time owned, leased or operated by the Company has been in violation of any such law, regulation or ordinance; (3) the Company has not been responsible for the transportation, storage, treatment or disposal of Wastes to or at any location designated for remedial action pursuant to any state or federal Superfund law or regulation; and (4) the Company has not been responsible for any violation of any other applicable legal requirements relating to the closure of any Waste Handling site on any real property at any time owned, leased or operated by the Company. There is no duty to investigate or otherwise inquire that is imposed by this representation and warranty.

assigns predicated in whole or in part upon the acts or omissions of the Company prior to the Time of Closing.

Section 5.7 CalMat shall use its best efforts to operate the real property described in the Right of First Refusal Agreement attached hereto as Exhibit N in compliance with any and all federal, state or local law, regulation or ordinance relating to the Handling of Wastes. CalMat further acknowledges and agrees that at no time on or before the Time of Closing was the above described real property operated by the Company while the Company was owned or otherwise controlled by Waste Management of North America, Inc. or any of its subsidiaries or affiliates.

ARTICLE VI

Additional Agreements of the Trustee

Section 6.1 The Trustee will pay all expenses incurred by it in connection with the negotiation, execution and performance of this Agreement, whether or not the transaction contemplated hereby is consummated, including the fees and expenses of its counsel and auditors.

Section 6.2 In connection with the obligations of CalMat to indemnify the Trustee in accordance with the provisions of Section 5.3 of this Agreement, the Trustee agrees that it will advise CalMat of any claim made by others which might result in the breach of any representation, warranty or obligation contained in this Agreement and CalMat shall

CalMat's above-described covenant not to compete with the Company may be renewed and extended for up to three (3) successive five (5) year periods by the Company notifying CalMat of its election to extend such covenant not to compete for an additional five (5) year period at any time within sixty (60) days prior to the end of a five (5) year period together with the tender of payment of One Thousand Dollars ($1,000.00) with such notice. The original covenant not to compete and each successive renewal thereof shall be treated as separate covenant. In the event that any such covenant shall be declared by a court of competent jurisdiction to be unenforceable, such declaration shall not affect the covenant with respect to any other period, as such other covenants shall be construed to be severable and independant. To the extent that any elements of a covenant should be found unreasonable, the parties agree that a lesser restriction, found to be reasonable, may be enforced against CalMat.

In the event of a breach of any covenant contained in this Section, the Trustee shall be entitled to an injunction restraining such breach in addition to any other remedies provided by law or equity.

Section 5.6 CalMat shall use its best efforts and reasonably cooperate with the Trustee after the Time of Closing in the investigation and defense of any claim or action against the Trustee or any of its successors or

ARTICLE IV

Representations and Warranties of the Trustee

Section 4.1 The Trustee has the requisite power and authority, as trustee under and pursuant to that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity dated December 30, 1986, to enter into this Agreement and to purchase and own the VRC Shares.

Section 4.2 All actions required to be taken by the Trustee necessary for the execution and delivery of this Agreement and the performance by the Trustee of all of his respective obligations under this Agreement have been duly and validly taken.

ARTICLE V

Additional Agreements of CalMat

CalMat covenants and agrees with the Trustee as follows:

Section 5.1 Except as hereinafter provided, CalMat will deliver or cause to be delivered to the Trustee at the Time of Closing:

(a) Except as may be otherwise requested by the Trustee, the written resignations of all officers and directors of the Company as of the Time of Closing;

(b) A certificate of good standing for the Company from the California Secretary of State within fifteen (15) days after Closing;

(c) Certified copies of the Company's Articles of Incorporation, as amended from time to time, certified as true and correct by the Secretary of the Company at the Time of Closing and by the Secretary of State of California, within fifteen (15) days after Closing;

(d) Certified copies of the by-laws of the Company, in force and effect at the Time of Closing, certified as true and correct by the Secretary of the Company;

(e) The Complete minute books of the Company, containing all records required to be set forth of all proceedings, consents, actions and shareholder and board of director meetings, certified as true and correct by the Secretary of the Company;

(f) The complete stock issuance and transfer books of the Company setting forth the issuance and all transfers of any capital stock of the Company, certified as true and correct by the Secretary of the Company;

(g) Uniform Commercial Code and Judgment searches covering CalMat and the Company, dated within fifteen (15) days after Closing;

(h) A General Release of CalMat and of each officer and director of the Company releasing all claims of any kind each has or may have against the Company;

(i) An Authorization of Inspection authorizing the Trustee and its authorized representatives to collect, from

whatever source, any and all documents pertaining to the creation, operation or maintenance of the Company;

Section 5.2 CalMat will pay all expenses incurred by CalMat and the Company, in connection with the negotiation, execution and performance of this Agreement, whether or not the transactions contemplated hereby are consummated, including the fees and expenses of agents, representatives, accountants and counsel for CalMat and for the Company.

Section 5.3 From and after the Time of Closing, CalMat will indemnify and hold the Trustee, the Company and their respective subsidiaries, divisions, affiliates, officers, directors, agents, employees, successors and assigns harmless from and against any costs, losses (including, without limitation, diminutions in value), liabilities, damages, lawsuits, deficiencies, claims and expenses (whether or not arising out of third-party claims), including without limitation, interest, costs of remedial action, penalties, reasonable attorneys' fees and all amounts paid in investigation, defense or settlement of any of the foregoing (hereafter collectively referred to as "Losses") incurred in connection with, arising out of or resulting from:

(a) the breach of any of the CalMat's representations, warranties, agreements or obligations contained in this Agreement.

(b) (i) the production, use, generation, transportation, storage, treatment, disposal or other handling or disposition of any kind (collectively "Handling") before or after the Time of Closing of any wastes or substances of any kind (collectively "Wastes") at any real property at any time owned, leased or operated by the Company, other than the real property described in Exhibit G or the real property described in the Right of First Refusal Agreement attached as Exhibit N (the real property described in Exhibit G and Exhibit N are collectively referred to as the "Excluded Sites"), including without limitation the direct or indirect effects of such Handling of Wastes on natural resources, persons or property within or outside the boundaries of such real property other than the Excluded Sites, or (ii) the failure at any time before or after the Time of Closing of any of the facilities or real property at any time owned, leased or operated by the Company, other than the Excluded Sites, to be in compliance with any federal, state or local law, regulation or ordinance applicable to the Handling of Wastes, or (iii) the failure at any time before or after the Time of Closing of any of the facilities or real property at any time owned, leased or operated by the Company, other than the Excluded Sites, to be in compliance with any other applicable legal requirements relating to the closure of any Waste Handling site.

CalMat will give the Trustee notice of each time that CalMat becomes aware of any fact or circumstance which may give rise to an indemnity by CalMat under this Section and a copy of any claim made which may result in an indemnity by CalMat pursuant to this Section. Anything in this Section 5.3 to the contrary notwithstanding, CalMat shall have no obligation to indemnify the Trustee until Trustee asserts a claim or claims for indemnity by CalMat which either individually or in the aggregate exceed $100,000 and such indemnity shall cover only the portion of such claims in excess of $100,000 in the aggregate. For purposes of the above indemnity, indemnificable claims (including such claims which shall apply against the $100,000 deductible) shall only include such claims or portion thereof which are not reimbursed by insurance. Reimbursement shall not be deemed to have occurred as to any policy of insurance having a retrospective adjustment feature.

Section 5.4 CalMat agrees that with respect to any liabilities or obligations of the Company which are covered by CalMat's insurance, CalMat shall retain responsibility for such liabilities and obligations.

Section 5.5 CalMat agrees that for a period of five (5) years after the Time of Closing, CalMat will not engage (as an individual or as a stockholder, trustee, partner, financier, agent, employee or representative of any person, firm, corporation or association), or have any interest,

direct or indirect, in any business in competition with the business of the Company as that business is constituted at the Time of Closing (whether or not such business is subsequently carried on by the Company, by any successor or successors to such business or by an assignee of the Trustee) in any area east of the west boundary of the City of Los Angeles, south of the north boundary of the City of Los Angeles, south and west of the south and west boundaries of the Angeles National Forest, west of California Route 19 and imaginary lines that extend straight north and straight south from the respective northerly and southerly ends of Route 19 to the Angeles National Forest and to the Pacific Ocean, and north of the Pacific Ocean (such area is depicted on Exhibit O attached hereto); provided that this Section shall not prevent CalMat from owning or operating CalMat's existing inert debris and/or incinerator ash disposal facility located east of Glenoaks Boulevard, north of Peoria Street and south of Sheldon Avenue, the Sheldon Pit located east of Glenoaks Boulevard, north of Sheldon Avenue and south of Hanson Dam, or the filling of CalMat's property known as the "Boulevard Property" by the City of Los Angeles; and further provided that this Section shall not prevent CalMat from acquiring and holding not to exceed 5% of the outstanding shares of any corporation engaged in such a competitive business if such shares are available to the general public.

CalMat's above-described covenant not to compete with the Company may be renewed and extended for up to three (3) successive five (5) year periods by the Company notifying CalMat of its election to extend such covenant not to compete for an additional five (5) year period at any time within sixty (60) days prior to the end of a five (5) year period together with the tender of payment of One Thousand Dollars ($1,000.00) with such notice. The original covenant not to compete and each successive renewal thereof shall be treated as separate covenant. In the event that any such covenant shall be declared by a court of competent jurisdiction to be unenforceable, such declaration shall not affect the covenant with respect to any other period, as such other covenants shall be construed to be severable and independant. To the extent that any elements of a covenant should be found unreasonable, the parties agree that a lesser restriction, found to be reasonable, may be enforced against CalMat.

In the event of a breach of any covenant contained in this Section, the Trustee shall be entitled to an injunction restraining such breach in addition to any other remedies provided by law or equity.

Section 5.6 CalMat shall use its best efforts and reasonably cooperate with the Trustee after the Time of Closing in the investigation and defense of any claim or action against the Trustee or any of its successors or

assigns predicated in whole or in part upon the acts or omissions of the Company prior to the Time of Closing.

Section 5.7 CalMat shall use its best efforts to operate the real property described in the Right of First Refusal Agreement attached hereto as Exhibit N in compliance with any and all federal, state or local law, regulation or ordinance relating to the Handling of Wastes. CalMat further acknowledges and agrees that at no time on or before the Time of Closing was the above described real property operated by the Company while the Company was owned or otherwise controlled by Waste Management of North America, Inc. or any of its subsidiaries or affiliates.

ARTICLE VI

Additional Agreements of the Trustee

Section 6.1 The Trustee will pay all expenses incurred by it in connection with the negotiation, execution and performance of this Agreement, whether or not the transaction contemplated hereby is consummated, including the fees and expenses of its counsel and auditors.

Section 6.2 In connection with the obligations of CalMat to indemnify the Trustee in accordance with the provisions of Section 5.3 of this Agreement, the Trustee agrees that it will advise CalMat of any claim made by others which might result in the breach of any representation, warranty or obligation contained in this Agreement and CalMat shall

have the right, by written notice delivered to the Trustee within ten days after CalMat has been advised of such claim as herein provided, to undertake the defense of such claim at the expense of CalMat.

Section 6.3 The Trustee acknowledges that the Company will file its tax returns for all periods following the date of Closing and will pay all taxes shown to be due by such returns.

ARTICLE VII

Conditions Precedent to Obligations of the Trustee

The obligations of the Trustee to effect the transaction contemplated by this Agreement shall be subject to the fulfillment at or prior to the Time of Closing of each of the following conditions:

Section 7.1 The Trustee shall have received a favorable opinion from counsel for CalMat, dated the day of the Closing, in substantially the form attached hereto as Exhibit P.

Section 7.2 The Trustee and CalMat shall have entered into a Management Agreement substantially in the form of Exhibit L hereto, pursuant to which CalMat will manage the operations of the Company.

Section 7.3 The Company and CalMat shall have entered into an Operating Agreement substantially in the form of Exhibit M hereto.

Section 7.4 The Company and CalMat shall have entered into a Right of First Refusal Agreement substantially in the form of Exhibit N hereto.

Section 7.5 The Company and CalMat shall have entered into a Mutual Easement Agreement in the form of Exhibit O hereto.

ARTICLE VIII

Conditions Precedent to Obligations of CalMat

The obligations of CalMat to exchange VRC Shares in accordance with this Agreement shall be subject to the payment of the Price in accordance with Section 1.1.

ARTICLE IX

Conditions Subsequent

It is the intention of the Trustee to assign all of its right, title and interest in and pursuant to this Agreement and to transfer and deliver the VRC Shares transferred and delivered hereunder to Waste Management of North America, Inc., or its nominee ("Waste Management"), provided that Waste Management assumes all of the Trustee's obligations under this Agreement. This assignment and transfer will be subject to the prior fulfillment of the condition identified below which is hereby designated by the parties to this Agreement to be a condition subsequent to this Agreement, the non-occurrence or non-fulfillment of which shall afford

the Trustee the right to rescind this transaction in its entirety.

The condition subsequent is as follows: The parties shall have caused to be submitted to the Federal Trade Commission (the "FTC") and the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice all premerger notification filings required to comply with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") and the Final Judgment entered in United States v. Waste Management, Inc., et al., Civil No. 84-2832 (D.D.C.) (the "Final Judgment"); the prescribed notice waiting periods under the HSR Act and the Final Judgment with respect to the transactions contemplated by this Agreement shall have expired or have been terminated; and there shall be no pending or threatened governmental or private action or proceeding to, and no injunction which does, restrain or prohibit the transactions contemplated by this Agreement. The parties do not anticipate any such action or proceeding and will take all steps which may be necessary to satisfy any inquiry which may result from the filings contemplated hereby.

If the Condition Subsequent does not occur or is not fulfilled, the Trustee or its assignee shall have the unconditional and absolute right to require CalMat to repurchase the VRC Shares from the Trustee for an amount equal to the Price less any amounts necessary to compensate CalMat for any

dimunition in the net worth of the Company caused by any act or omission of the Trustee or the Company since the Time of Closing, provided that any such reduction in the Price shall not include any diminution caused by any failure of CalMat to use its best efforts as required under paragraph 1 of the Management Agreement between CalMat and the Trustee dated December 31, 1986. Such right shall be exercised on or before March 1, 1987, by written notice from the Trustee or its assignee to CalMat certifying that the Condition Subsequent did not occur or was not fulfilled. Within forty-eight hours of the date such notice is given, CalMat shall deliver to the Trustee or its assignee, by wire transfer to a bank account designated in writing by the Trustee or its assignee, an amount equal to the Price, and the Trustee shall deliver to CalMat duly executed certificates in valid form evidencing all of the VRC Shares, duly endorsed in blank or accompanied by duly executed stock powers with the requisite stock transfer stamps, if any, attached.

ARTICLE X

Other Provisions

Section 10.1 All of the respective representations and warranties of the parties to this Agreement shall survive the Time of Closing, and the consummation of the transactions contemplated by this Agreement.

Section 10.2 The parties to this Agreement agree to act in good faith and to mutually cooperate with each order in order to effectuate the purposes of this Agreement. Each party agrees to undertake such further acts and to execute and deliver to the other such additional assignments, agreements, and instruments as the other may reasonably require or deem advisable to carry into effect the purposes of this Agreement.

Section 10.3 For purposes of this Agreement, whenever the term "material" or the concept of "materiality" is used, it shall be deemed by the parties to refer to a matter which involves a sum of at least Ten Thousand Dollars ($10,000.00).

Section 10.4 Either CalMat or the Trustee may extend the time for or waive the performance of any of the obligations of the other, waive any inaccuracies in the representations or warranties by the other, or waive compliance by the other with any of the convenants or conditions contained in this Agreement. Any such extension or waiver shall be in writing and signed by CalMat or by the Trustee. No such waiver shall operate or be construed as a waiver of any subsequent act or omission of the parties hereto.

Section 10.5 Any notice to a party hereto pursuant to this Agreement shall be given by certified or registered mail, or by private courier service requesting evidence of receipt as a part of its service, addressed, to each

respective party at its respective address appearing on the signature page hereof.

Section 10.6 This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable in the case of contracts made and to be performed in such state.

Section 10.7 This Agreement shall inure to the benefit of, and be binding on and enforceable against the heirs, legal representatives and assigns of CalMat and the successors and assigns of the Trustee.

Section 10.8 This Agreement (including the exhibits hereto) and the documents and schedules delivered pursuant hereto constitute the entire Agreement and understanding between the parties, and supersedes any prior agreement and understandings relating to the subject matter hereof. This Agreement may be modified or amended by a written instrument executed by all parties hereto.

Section 10.9 If at any time subsequent to the date hereof, any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

Section 10.10 This Agreement may be executed simultaneously in two or more counterparts, each of which shall be

deemed an original and all of which together shall constitute but one and the same instrument.

Section 10.11 If any legal action or any other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

Section 10.12 The subject headings of the paragraphs and sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 10.13 Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors, legal representatives and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provisions given any third persons any rights of subrogation or action over or against any party to this Agreement.

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and as used in this Agreement, the term "Company" shall include all predecessors to the Company or businesses acquired by or merged into the Company.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

CALMAT:

CAL. MAT. CO.

By [signature]
Jr. Vice President

(Name) Scott J Wilcox

(Address) 3200 San Fernando Rd
Los Angeles CA 90065

THE TRUSTEE:

By [signature]

(Name) David A Peatree

(Address) [redacted]

EXHIBIT B

PROMISSORY NOTE

$48,400,000.00

December 30, 1986
Los Angeles, California

FOR VALUE RECEIVED, DAVID A. PEARRE, AS TRUSTEE UNDER THE DECLARATION OF TRUST FOR PURCHASE OF STOCK OF VALLEY RECLAMATION CO. AND DISTRIBUTION OF REMAINING FUNDS TO CHARITY, dated December 30, 1986 ("Maker"), promises to pay to the order of WASTE MANAGEMENT OF NORTH AMERICA, INC., an Illinois corporation ("Payee"), at 3003 Butterfield Road, Oak Brook, Illinois 60521, or at such other place as may be designated by Payee, the principal sum of FORTY-EIGHT MILLION FOUR HUNDRED THOUSAND DOLLARS ($48,400,000.00), together with interest on unpaid principal balance hereof from time to time outstanding at a rate of interest equal to four percent (4%) per annum, in lawful money of the United States.

The outstanding principal balance hereof, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier to occur of the following:

(i) The failure of Maker to acquire all of the issued and outstanding shares of capital stock of Valley Reclamation Co., a California corporation ("VRC"), from CALMAT Co., a Delaware corporation ("CMC"), on December 31, 1986, pursuant to the Stock Purchase Agreement dated as of

December 31, 1986 ("Phase I Stock Purchase Agreement"), a copy of which is set forth as Exhibit A attached hereto and made a part hereof;

(ii) The failure of Maker to transfer and deliver all of the issued and outstanding shares of capital stock of VRC to Payee, pursuant to the Stock Purchase Agreement dated as of December 31, 1986 ("Phase II Stock Purchase Agreement"), a copy of which is set forth as Exhibit B attached hereto and made a part hereof;

(iii) The failure or non-fulfillment of the Condition Subsequent set forth in Article IX of the Phase I Stock Purchase Agreement;

(iv) A default by Maker under the Phase II Stock Purchase Agreement; or

(v) June 30, 1987.

Unless expressly indicated to the contrary herein, all payments received on account of this Note shall be applied first to accrued interest, then to charges or fees payable hereunder and then to the unpaid principal balance hereof.

Maker and any guarantors or endorsers hereof hereby waive diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of nonpayment of this Note, and specifically consent to and waive notice of any renewals or extensions of this Note. Maker expressly waives the pleading of any statute of limitations as a defense to any demand hereunder against Maker.

Notwithstanding anything in this Note to the contrary, the obligations of Maker under this Note shall be absolute and Maker expressly and unconditionally waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

If Maker shall fail to pay in full any payment required hereunder when such payment is due, such failure shall constitute an event of default under this Note.

This Note may be prepaid in whole or in part at the option of Maker.

If Maker shall fail to make any payment when due hereunder, whether by maturity, acceleration or otherwise, the amount of such payment shall thereafter bear interest, which shall be payable on demand, at a rate that is five percent (5%) per annum in excess of the rate of interest otherwise applicable under this Note.

Notwithstanding anything to the contrary contained in this Note, no interest shall accrue hereunder which is in excess of the maximum amount permitted under the applicable law relating to usury. Any interest payment made hereunder representing accrued interest that is in excess of the maximum amount permitted under the applicable law relating to usury shall be applied to reduce the outstanding principal balance hereof and shall be deemed to represent a prepayment of principal hereunder.

EXHIBIT C

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "Agreement") is made and entered into as of this 31st day of December, 1986, by and between WASTE MANAGEMENT OF NORTH AMERICA, INC., a Illinois corporation ("WMNA") and DAVID A. PEARRE, as trustee under that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity, dated December 30, 1986 (the "Trustee").

RECITALS

WHEREAS, the Trustee owns all of the outstanding shares of stock (the "VRC Shares") of Valley Reclamation Co., a California corporation, including all predecessors, businesses acquired thereby or merged therein (the "Company") which he acquired pursuant to a Stock Purchase Agreement between the Trustee and CalMat Co., dated December 31, 1986 (the "CalMat Agreement"); and

WHEREAS, WMNA desires to purchase and acquire the VRC Shares and all of the Trustee's rights under the CalMat Agreement (the "Trustee's Rights"), and the Trustee desires to sell and convey the VRC Shares and all of the Trustee's Rights;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good

and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENTS

ARTICLE I

Sale and Purchase

Section 1.1 On the basis of the representations and warranties and subject to the terms and conditions set forth in this Agreement, the Trustee agrees to sell, transfer and deliver to WMNA, and WMNA agrees to purchase, acquire and accept the VRC Shares and all the Trustee's Rights, including the benefit of all representations and warranties made by CalMat Co. pursuant to the CalMat Agreement, from the Trustee in consideration of the payment of the purchase price of Forty-Eight Million Four Hundred Thousand Dollars ($48,400,000) (the "Price").

Section 1.2 The execution and delivery of the documents and consideration necessary to effectuate the transactions contemplated by this Agreement will take place as soon as possible after the prescribed notice waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") and the Final Judgment entered in United States v. Waste Management, Inc., et al., Civil No. 84-2832 (D.D.C.) with respect to the transactions contemplated by this Agreement have expired or have been terminated (the "Closing" or "Time of Closing"), at the office of Wyman, Bautzer, Christensen, Kuchel & Silbert, 2049

Century Park East, Suite 1400, Los Angeles, California 90067, or at such later time or place as the parties hereto may agree upon.

Section 1.3 Subject to the terms and conditions set forth in this Agreement, the following steps will be taken by the parties, respectively, at the Time of Closing:

(a) The Trustee will deliver to WMNA duly executed certificates in valid form evidencing all of the VRC Shares, powers with the requisite stock transfer stamps, if any, attached and with signatures guaranteed by a bank located in or having a correspondent in Chicago, Illinois, or by a member firm of the New York or Midwest Stock Exchange and a duly executed Assignment of Rights, in such form as shall be acceptable to WMNA, assigning all of the Trustee's right, title and interest in the Trustee's Rights to WMNA; and

(b) WMNA will deliver to the Trustee, the Trustee's Promissory Note in favor of WMNA, dated December 31, 1986, in the original principal amount of $48,400,000.00 marked "cancelled and paid."

ARTICLE II

Representations a' ' Warranties Of WMNA

WMNA represents and warrants to the Trustee on the date hereof, and at the Time of Closing, that:

Section 2.1 Organization. WMNA is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois.

Section 2.2 Authority. WMNA has the capacity and power to execute, deliver and perform this Agreement. This Agreement has been duly and validly executed and delivered by WMNA and constitutes a valid and binding agreement of WMNA, enforceable against WMNA in accordance with its terms.

ARTICLE III

Representations and Warranties of the Trustee

Section 3.1 The Trustee has sole and complete ownership of the VRC Shares and the Trustee's Rights and has the requisite power and authority, as trustee under and pursuant to that certain Declaration of Trust For Purchase of Stock of Valley Reclamation Co. and Distribution of Remaining Funds to Charity dated December 30, 1986, to enter into this Agreement and to sell the VRC Shares and the Trustee's Rights.

Section 3.2 All actions required to be taken by the Trustee necessary for the execution and delivery of this Agreement and the performance by the Trustee of all of his respective obligations under this Agreement have been duly and validly taken.

Section 4.9 This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Section 4.10 If any legal action or any other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in

The acceptance by any holder of this Note of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of such holder's rights or remedies at that time or at any subsequent time, without the express written consent of such holder, except as and to the extent otherwise provided by law.

If this Note or any part of the indebtedness represented hereby shall not be paid as aforesaid, then the holder hereof may place this Note or any part of the indebtedness represented hereby in the hands of an attorney for collection, and Maker agrees to pay, in addition to all other amounts due hereunder, all costs of collection, including, without limitation, attorneys' fees, whether or not suit be brought.

This Note may be waived, changed, modified or discharged only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

This Note shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

The times for the performance of any obligation hereunder shall be strictly construed, time being of the essence. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, the payment shall be made on the next succeeding Business Day

and such extension of time shall be included in the computation of the payment of interest hereunder. As used herein, the term "Business Day" means any day excluding Saturday, Sunday and any day that is a legal holiday under the laws of the State of California or is a day on which banking institutions located in California are authorized by law or other governmental action to close.

If any provision of this Note, or the application of such provision to any circumstance, is found by a court of law to be in violation of any local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court should declare such provision or application to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of Maker that such provision or application shall be given force to the fullest possible extent that it is legal, valid and enforceable, that the remainder of this Note shall be construed as if such illegal, invalid, unlawful, void or unenforceable provision or application were not contained herein, and that the obligations of Maker under the

remainder of this Note shall continue in full force and effect.

The times for performance of any obligation under this Note shall be strictly construed, time being of the essence.

DAVID A. PEARRE, AS TRUSTEE UNDER
DECLARATION OF TRUST FOR PURCHASE
OF STOCK OF VALLEY RECLAMATION CO.
AND DISTRIBUTION OF REMAINING FUNDS
TO CHARITY DATED DECEMBER 30, 1986

By David A. Pearre

addition to any other relief to which it or they may be entitled.

Section 4.11 The subject headings of the paragraphs and sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 4.12 Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors, legal representatives and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provisions given any third persons any rights of subrogation or action over or against any party to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

WMNA:	THE TRUSTEE:
WASTE MANAGEMENT OF NORTH AMERICA, INC.	
By [signature]	By [signature]
(Name) DAVID L. KELLY	(Name) DAVID A. PEARRE
(Address) 3003 Butterfield Oak Brook, IL 60521	(Address) FX-6: Personal Privacy FX-6: Personal Privacy

PRIVATE SEWAGE DISPOSAL SYSTEMS

QUESTIONS AND ANSWERS ABOUT CITY ORDINANCE NO. 160388

Note: These answers are intended for the information and guidance of PSDS owners. For specific information or legal wording, refer to the ordinance. A copy may be obtained by calling the City Clerk Telephone Number (213) 485-5705.

1. What is City Ordinance No. 160388? What is its purpose?
   It is an ordinance amending the Los Angeles Municipal Code to require the abandonment of Private Sewage Disposal Systems (PSDS) employed by industrial, commercial, and multiple (5 or more) residential units in the San Fernando Valley. Its purpose is to prevent the contamination of groundwater located generally in the San Fernando Valley by toxic discharges coming from PSDS.

2. What is a PSDS?
   Private sewage disposal system (PSDS) means any septic tank, cesspool, seepage pit, leach field, or any receptacle, or any combination thereof, which receives any wastewater not discharged into a public sewer.

3. What section of the City does this ordinance apply?
   San Fernando Valley and certain adjacent areas.

4. What is a "Notice to Connect"?
   It means a notice to connect to a public sewer and to abandon a PSDS.

5. Who issues a "Notice to Connect"?
   The Director, Bureau of Sanitation, City of Los Angeles.

6. To whom is a "Notice to Connect" issued?
   The legal owner of the property. The Director may, in addition, issue a copy of a "Notice to Connect" to any person using or maintaining the PSDS.

7. Who is exempt from this ordinance?
   A PSDS located on a lot occupied by four or fewer units which are used solely for residential purposes.

8. What is the time for compliance for a Notice to Connect?
The Notice to Connect shall be fully complied with no later than one year from the date of issuance of the Notice to Connect.

9. Are there any other notices within this one year?
Yes. A Reminder Notice will be issued four months prior to the date of compliance if full compliance with the requirements has not been achieved. A Final Notice will be issued one month prior to the date of compliance if full compliance with the requirements has not been achieved.

10. Who is required to comply with the Notice to Connect and what steps should he take to comply?
Every owner of a lot upon which a PSDS is located and every person using or maintaining a PSDS shall comply with the requirements of a Notice to Connect. The steps he should take are: (a) Obtain a house connection permit and plumbing permit: (b) Have the work done. (c) Request a City plumbing inspector to certify that the work has been satisfactorily completed.

11. Who can apply for a variance from the requirements of the ordinance?
Any person who owns, uses or maintains a PSDS and has received a Notice to Connect.

12. On what basis can a variance be granted by the Director of the Bureau of Sanitation? Proof by the applicant that:

(a) Connection to the nearest available sewer will result in extreme hardships; and
(b) The continued use of the subject PSDS will not have any significant adverse effect upon water quality in the groundwater basin of concern.

13. What should I do to apply for a variance?
(a) Must be the owner, user or maintainer of a PSDS and has received a Notice to Connect.
(b) Must pay a fee of $100.00.

(c) Must file the application within 90 days of the date of issuance of the Notice to Connect.

Note: Refer to attachment for requirements of a request for variance

14. To whom is an application for variance submitted?
To the Director, Bureau of Sanitation, Room 1410 City Hall East, 200 North Main Street, Los Angeles, CA 90012.

15. What is the effective period of a variance?
Two years.

16. Can the decision of the Director of the Bureau of Sanitation be appealed?
Yes, it can be appealed to the Board of Public Works in the manner prescribed by the ordinance. The Board's decision or its failure to act within 90 days of the filing of an appeal may be appealed to the City Council in the manner prescribed by the ordinance. There is a $100 fee to appeal to the Board and an additional $100 fee to appeal the Board's decision to the Council.

17. If a PSDS owner fails to comply with the Notice to Connect within one year from the date of its issuance, what enforcement action (s) may be brought against him?
The Director of the Bureau of Sanitation shall do all of the following:

(1) Issue a Notice of Violation;
(2) Refer the matter to the City Attorney for appropriate criminal and/or civil action;
(3) Provide the Department of Water and Power (DWP) with a copy of the Notice of Violation. The Director of the Bureau of Sanitation may request DWP to discontinue water service at the affected property.
(4) Provide the Superintendent of Building a copy of the Notice of Violation. The Director may request the Superintendent of Building to order the vacation of subject building.

18. Who can I contact to obtain more information?
(a) Public P. Aliwalas, Bureau of Sanitation
Telephone Number (213) 485-7580.

(b) Robert J. Van Ark, Bureau of Engineering
Valley District, Telephone Number (818) 989-8428.

(c) For plumbing permit and inspection:
Bob Martin, Department of Building and Safety
Telephone Number (213) 485-2311.

RMA PPA 66/pj

LOS ANGELES CITY ORDINANCE NO. 160388
PRIVATE SEWAGE DISPOSAL SYSTEM (PSDS)
REQUIREMENTS FOR A REQUEST FOR VARIANCE
FOR CONNECTING TO THE PUBLIC SEWER

1.- Letter of request for variance from the legal owner or user of the PSDS.

2.- Payment of application fee of $100.00
Make Check Payable to:
Department of Public Works, City of Los Angeles.

3.- A written estimate of the cost of connecting to the public sewer prepared by a licensed plumbing contractor.

4.- Submit documentation that connection to the nearest available public sewer would result in an extreme hardship.

5.- Submit a chemical analysis of the waste material in your PSDS to show it contains no pollutants that may contaminate the groundwater basin. The laboratory performing the analysis must be state licensed or otherwise found acceptable to the City.

6.- Submit documentation that no chemical storage nor manufacturing or industrial process is being conducted that may be a potential source of contamination to the groundwater basin.

7.- All above requirements must be submitted <u>within 90 days of the date of issuance of a Notice to Connect</u>. No request for variance will be accepted after this period.

8.- Request for variance and other correspondences must be mailed to the following address:

Delwin A. Biagi, Director
Bureau of Sanitation
Room 1410 City Hall East
200 N. Main Street
Los Angeles, CA 90012
Attn: Public Affairs

G. BLOCK

PS Form 3811, July 1983 447-845

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☒ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery

3. Article Addressed to:

Mr. Harry F. Smith
Livingston-Graham
16080 E. Arrow Hwy
Irwindale, CA 91706-0943

4. Type of Service:

☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Article Number

228239

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee

X

6. Signature — Agent

X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

4230 Maine
B.D. Ca 91706
12-1-86

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete Items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

U.S. MAIL

PENALTY FOR PRIVATE USE, $300

RETURN TO

CalMat Co

(Name of Sender)

3200 San Fernando RD.

(No. and Street, Apt., Suite, P.O. Box or R.D. No.)

Los Angeles, CA 90065

(City, State, and ZIP Code)

Livingston-Graham

16080 Arrow Highway, Irwindale, California 91706-0943
Telephones (213) 681-7101 • (818) 960-5471

October 20, 1986

Mr. Gene Block, Vice President
CalMat Company
Post Office Box 2950, Terminal Annex
Los Angeles, California 90051

Dear Gene:

Let this letter serve to officially notify CalMat Company that the address of record for communiques regarding the Livingston-Graham Sun Valley Batch Plant Lease is Harry F. Smith, Property Manager, in care of Livingston-Graham, 16080 East Arrow Highway, vis-a-vis Symons Corporation, Pasadena, or G+W Industries, New York.

Very truly yours,

Harry F. Smith
Director of Property
and Risk Management

HFS:amp

cc: G. Tompkins

1st INSTALLMENT

2nd INSTALLMENT

JOINT CONSOLIDATED TAX BILL

CITIES, COUNTY, SCHOOLS AND ALL OTHER TAXING AGENCIES IN LOS ANGELES COUNTY

SECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 1984 TO JUNE 30, 1985

RICHARD D. DIXON, TREASURER-TAX COLLECTOR
225 N. Hill Street, Los Angeles, California
P.O. Box 2102 Term. Annex Los Angeles, CA 90051

TELEPHONE INFORMATION SEE PARAGRAPH 1 ON REVERSE SIDE

SOLD TO STATE IN YEAR 1983 FOR UNPAID TAXES. SEE PARAGRAPH NO. 16 ON BACK OF THIS BILL FOR INSTRUCTIONS TO REDEEM

	1st INSTALLMENT 10% Penalty After Dec 10, 1984	2nd INSTALLMENT 10% Penalty + $10.00 Cost After Apr 10, 1985	TOTAL Penalty & Cost After Dec
TAX	17823.32	17106.60	34939

Owner of Record as of March 1, 1984

SAME AS BELOW

Assessor's No.

2538 007 019

CONROCK CO
P O BOX 2950 TERMINAL ANNEX
LOS ANGELES CA 90051

3195	23260	30	000AFF	2538 007 019	0013	

LOCAL ASSESSED VALUES IN THIS COUNTY ARE DETERMINED BY THE LOS ANGELES COUNTY ASSESSOR AT FULL VALUE (EXCEPT AS OTHERWISE PROVIDED BY LAW)

	Assessed Value	Exempt Type	Exemption Value	Net Assessed Value
1 LAND	2490000			
2 IMPROVEMENTS	286330			
3 PERSONAL				
4	2776330			
5 FIXTURES PERS PROP	68810			
6				
7				

ASSESSED VALUE OF REAL PROPERTY
HOMEOWNERS EXEMPTION
TOTAL APPLICABLE TAX RATE
GROSS TAXES BEFORE APPLICATION OF HOMEOWNERS EXEMPTION
TAX REDUCTION ATTRIBUTABLE TO STATE ENACTED HOMEOWNERS TAX RELIEF PROGRAM
TOTAL TAX AFTER ALLOWANCE FOR HOMEOWNERS EXEMPTION
REVENUE PROPERTY DIRECT ASSESSMENT OR SPECIAL TAXES LEVY
TOTAL TAXES DUE

PROPERTY LOCATION AND/OR PROPERTY DESCRIPTION
EX OF MINING RIGHTS
SEE 8-00-762914 FOR OTHER LIENS
BLOT COM AT INTERSECTION OF SE LINE OF
COMPLETE DESCRIPTION IN ASSESSOR RECORDS
CPO AND LOTS 1 THRU 3 TR NO 13080

ADDRESS CHANGE FORM
IF YOUR MAILING ADDRESS IS DIFFERENT FROM THAT ABOVE FILL IN THE BOXES ON THIS FORM, DETACH AND RETURN WITH YOUR PAYMENT
2538 007 019 CONROCK

NAME CONROCK CO

HOUSE NUMBER, STREET NAME AND UNIT NUMBER

CITY | STATE | ZIP CODE

CHANGE DATE

YOUR CANCELLED CHECK IS YOUR RECEIPT
KEEP THIS UPPER PORTION OF THE BILL FOR YOUR RECORDS

SEE REVERSE SIDE FOR IMPORTANT INFORMATION

GENERAL TAX LEVY VOTED INDEBTEDNESS AND DIRECT ASSESSMENTS

	Rate	Amount
GENERAL TAX LEVY		
ALL AGENCIES	1.000000	28451
VOTED INDEBTEDNESS		
CITY-LOS ANGELES	013795	392
COUNTY	000578	16
UNIFIED SCHOOLS	025175	716
COMMNTY COLLEGE	000972	27
FLOOD CONTROL	015467	440
METRO WATER DIST	015600	443
TOTAL VOTED INDEBTEDNESS		2037
DIRECT ASSESSMENTS		
FLOOD CONTROL	**	4451
TOTAL DIRECT ASSMTS		4451
TOTAL TAX	1.071987	34939

FOR EXPLANATION OF CHARGES AND REMARKS SEE PARAGRAPH NO. 7 ON REVERSE

Subject
Livingston Graham

According to the Agreement of Sale dated June 1, 1983

(1) L.G. Agreed to Clean off the Property At this time 1/11/83 Large Underground Bunkers are Still in Place, Barrels, Scrap metal Still on Property

(2) Large material Storage Bunkers ~~were~~
I gave Jim Lomonacco permission to Store Material Bunkers on Property They Asked for Six months time So they wouldn't have to transport them ~~a~~ The time has expired as of 12/31/83

(3) Washout mixer water is allowed to run off their leased property into the old pit area. This practice must cease immediately.

Livingston-Graham

16060 Arrow Highway, Irwindale, California 91706
Telephones 681-7101 • 960-5471

November 15, 1983

Mr. Gene Block
Conrock Company
3200 San Fernando Road
Los Angeles, California 90065

Re: Sun Valley Batch Plant Lease

Dear Gene:

Please be apprised of our intent to make electrical improvements in the pumping control system at water well #4916C that will allow the system to automatically recharge the holding tanks as needed. This well is being used to support our batching operation in accordance with Paragraph 6 of the Lease.

We will continue to insure that at least 10 percent of our total water use is of city water as required.

Request your acknowledgement.

Very truly yours,

James S. Wall
Property Manager

JSW:amd

cc: Tom Reilly

Acknowledged by: Gene R. Block
Gene R. Block
CONROCK CO.

Dated: Nov 28, 1983

Effective Date		Change Notice No.
6-1, 1983	CONROCK	1088

CONROCK CO.

1

Name of Property: ~~(Seller)~~ (Lessor) CONROCK CO.

Site Location Name	SUN VALLEY	Property File No.	022-00-16
City	Los Angeles	County	Los Angeles

Permanent Site No.	Assigned Operating No.	CRP/CONROCK Parcel No.(s)	Tax Parcel No.(s) Affected
0022	002		19% of parcel 2539-07-17

2

Nature of Change: New Lease Agreement

Gross Acres: 7.2 ±

Net Ac. (Avail) N/A

Calc By: RCD

3

Description of Change: Effective 6-1-83 CONROCK CO. entered into a new lease agreement with Livingston-Graham, Inc. allowing them to locate and operate a concrete batch plant on CONROCK CO's Sun Valley property.

4

Brief Property Description (if applicable): (See map att'd)

Map Attached Prepared by: Richard C Drumm

Property Manager: [signature]

Distribution

- H.L. Harger
- Wm. Jenkins
- M.J. Kerstetter
- P. Poulsen
- D. Roberts
- W.A. Sleeper
- Area Supv.
- [illegible]

Special Distribution

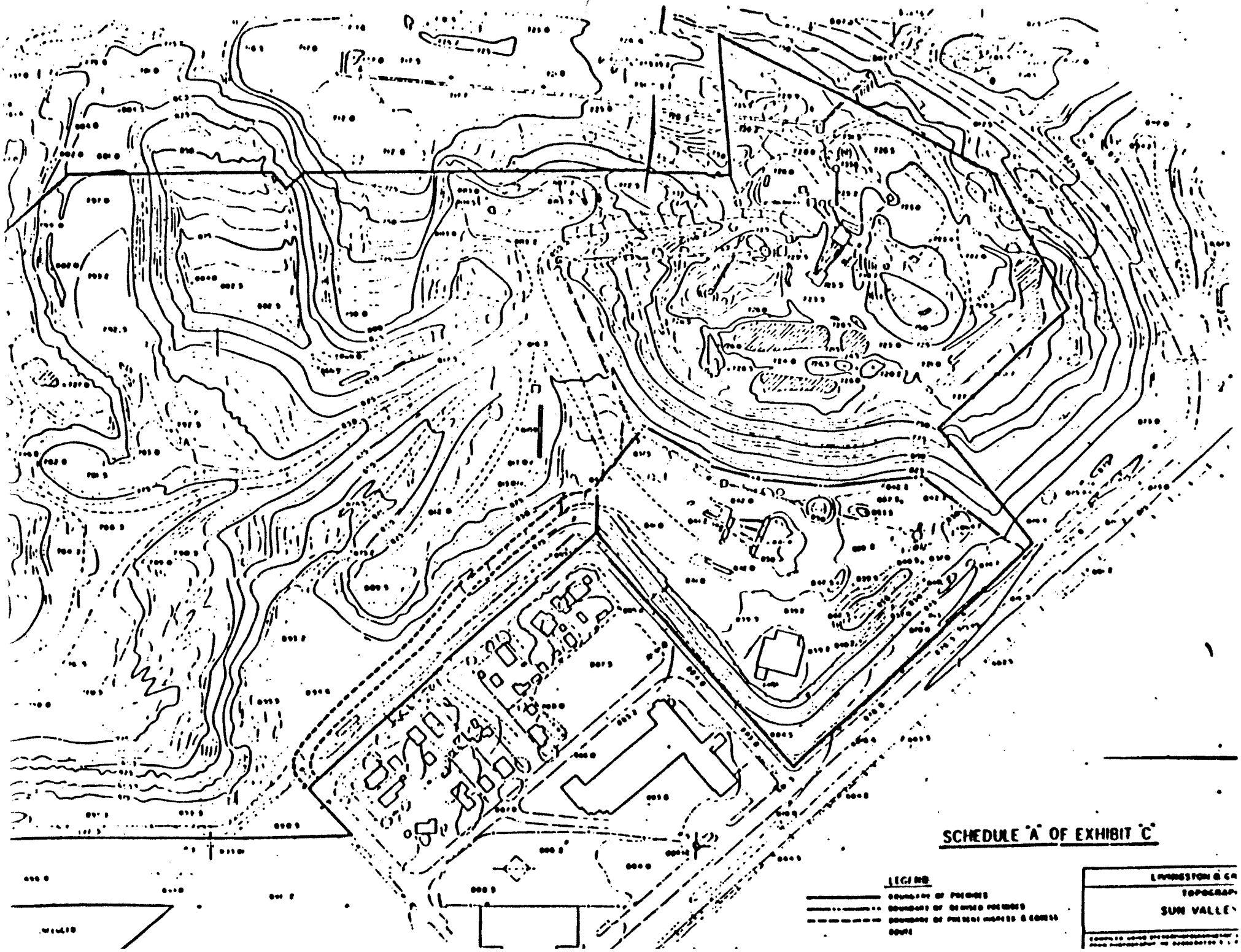
- S. Wilcott

For N.E. Homey Use Only

Tickler File Updated	Insurance Req. In Order

Original Documents Attached For File

Notice Date 7-19, 1983


SCHEDULE "A" OF EXHIBIT "C"
LEGEND
SUN VALLEY

CONROCK

LEASE DATA SHEET

Site Location Name	
SUN VALLEY	
X	Lease To
	Lease From
	Operating Permit

Name (Tenant) (Owner)	LIVINGSTON GRAHAM, INC.
Address	16080 East Arrow Highway
City	Irwindale, CA
Phone	(213) 681-7101
CRP/CONROCK No.	

Property Description:
(see attached)

Use: Concrete Batch Plant

Term	Begin	Ending	Rent	Due Date	Deposit
Min 8 yrs Max 15 yrs	See below		100.00/mo. *See Below	1st of month	none

Taxes: Tenant pays all personal property taxes

Tax Parcel Number(s): 2538-07- 19% OF PARCEL #, ,17,

Option: None

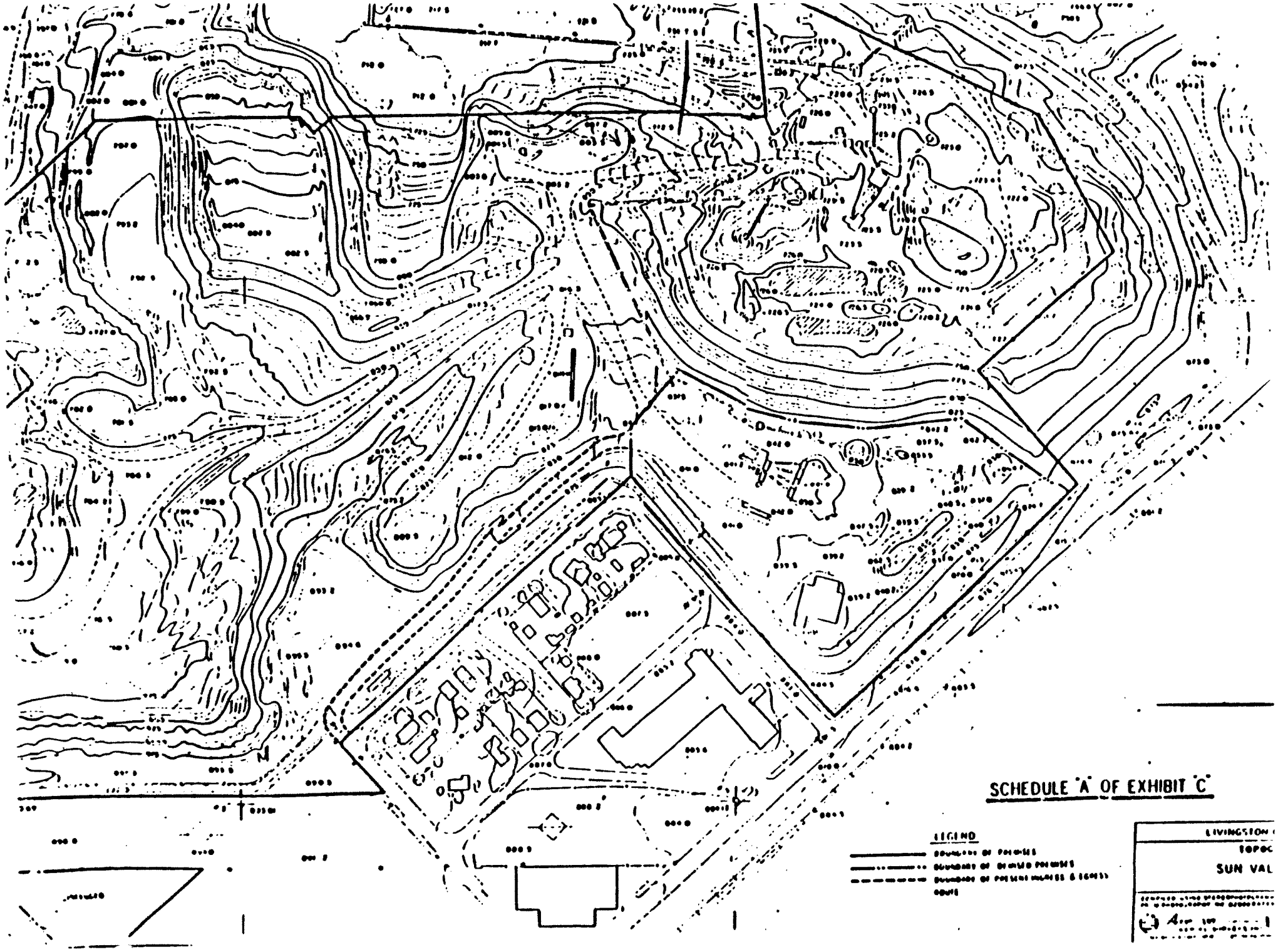
Insurance

5,000,000 PL, PD Workers Comp.

Special Ins. Provisions or Requirements:
None

Special Conditions and/or Considerations: Lease starts 6-1-83 and continues for a period of not less than 8 yrs, but not longer than 15 yrs.

Date	Prepared by:	Property Manager	Change Notice#
7-14-83	Richard C Drum	[illegible]	1088


SCHEDULE "A" OF EXHIBIT "C"
LEGEND
LIVINGSTON
SUN VAL

Livingston-Graham, Inc.
A SUBSIDIARY OF GULF & WESTERN INDUSTRIES, INC.
16080 EAST ARROW HIGHWAY, IRWINDALE, CALIFORNIA 91706
(213) 960-6471 (213) 681-7101

JUN 1 1983 50-937/213

№ 001448

PAY EXACTLY PAY 100 AND 00 CTS

PAY TO THE ORDER OF Ron Rock Co.

$ 100.00

Livingston-Graham, Inc.
GENERAL ACCOUNT

CHASE MANHATTAN BANK
CARRIER TOWER BRANCH

FX-4: CBI/Trade Secret

Enclosed are answers to basic questions about this ordinance. Please call Mr. Aliwalas at (213) 485-7580 for more information.

Very truly yours,

Delwin A. Biagi

Delwin A. Biagi,
Director

Enclosure

cc: California Regional Water Quality
Control Board - Los Angeles Region
107 S. Broadway, Room 4027
Los Angeles, CA 90012

CalMat Co

3200 SAN FERNANDO ROAD/P.O. BOX 2950/LOS ANGELES, CALIFORNIA 90051/(213) 258 2777

CalMat

November 26, 1986

By Certified Mail

Mr. Harry F. Smith, Property Manager
Livingston-Graham
16080 East Arrow Highway
Irwindale, CA 91706-0943

Dear Harry:

Enclosed please find a letter from the City of Los Angeles dated August 22, 1986 relative to Ordinance No. 160388 which requires private sewage disposal systems be abandoned and connected to the public sewer system.

Paragraph No. 8 of the Lease for your Sun Valley batch plant, dated June 1, 1983, provides that the leasee shall comply with all laws, ordinances, and regulations affecting the lease property.

I would appreciate your attention to this matter.

Sincerely,

Gene R. Block

Gene R. Block
Vice President, Planning
and Land Management

GRB:md
Enclosure

CITY OF LOS ANGELES

CALIFORNIA

BOARD OF
PUBLIC WORKS
COMMISSIONERS
MAUREEN A. KINDEL
PRESIDENT
HOMER F. BROOME, JR.
VICE PRESIDENT
EDWARD J. AVILA
STEVE HARRINGTON
ROYAL O. SCHWENDINGER

TOM BRADLEY
MAYOR

RECEIVED
AUG 25 1986
LEGAL DEPT.
CALMAT CO.

DEPARTMENT OF
PUBLIC WORKS
BUREAU OF SANITATION
DELWIN A. BIAGI
DIRECTOR
STERLING C. BUESCH
HARRY M. SIZEMORE
ASSISTANT DIRECTORS
Room 1410, City Hall East
200 North Main Street
Los Angeles, CA 90012
(213) 485-5112

11726

August 22, 1986

CONROCK CO. ATTN SCOTT WILCOTT
3200 SAN FERNANDO RD
LOS ANGELES, CALIF 90065

NOTICE TO CONNECT TO A PUBLIC SEWER AND ABANDON YOUR PRIVATE SEWAGE DISPOSAL SYSTEM (PSDS)

Date of Issuance: August 22, 1986
Date of Compliance: Not later than August 22, 1987
Site Address: 11720 WICKS ST

Los Angeles City Ordinance No. 163388, enacted on September 17, 1985, requires that certain private sewage disposal systems (PSDS) in the San Fernando Valley and adjacent areas be abandoned and connected to the public sewer system. This ordinance seeks to prevent the further contamination of San Fernando Valley groundwater supply by toxic waste overflows from PSDS. All industrial, commercial and multiple (five units or more) residential properties using PSDS are required to comply with this ordinance. Multiple residential properties with four or less units are exempt.

Our records indicate that:

1. You are the legal owner of an industrial, commercial or multiple (five units or more) residential property at the above site address.

2. This property is not connected to a public sewer and uses a PSDS to discharge liquid waste.

3. A public sewer is available in a public street or easement abutting said property.

4. This property is subject to the requirements of the ordinance.

Consequently, you are hereby issued a "Notice to Connect to the Public Sewer and Abandon your PSDS".

To comply with the notice, you are required to:

1. Obtain a Los Angeles City House Connection Permit. For information contact:
   Los Angeles Bureau of Engineering
   Valley District Office
   14410 Sylvan St., Van Nuys, CA 91401
   Telephone (818) 989-8421

2. Obtain a Los Angeles City Plumbing Permit. For information contact:
   Los Angeles Department of Building and Safety
   Valley District Office
   14425 Erwin St., Van Nuys, CA 91401
   Telephone (818) 989-8461

Note: Payment of fees is required for both permits.

3. Have required plumbing work completed. A licensed plumbing contractor is recommended.

4. Have completed work inspected by an official Los Angeles City plumbing Inspector. For information call the Los Angeles Department of Building and Safety at (818) 989-8461.

Failure to comply with the notice by the date of compliance may result in enforcement action(s) against you. These actions may be any or all of the following:

1. Discontinuance of water service by the Department of Water and Power.

2. Vacation of the premises as ordered by the Superintendent of Buildings.

3. Referral to the City Attorney for appropriate criminal and/or civil action.

Under the following conditions the Director of the Bureau of Sanitation may grant a time-limited variance from the requirements of the ordinance if you can prove:

1. Connection to the nearest available sewer will result in extreme hardship to the owner, and

2. The continued use of the PSDS will not have any significant adverse effect upon water quality in the groundwater basin of concern.

LEASE

LEASE, dated the 1st day of June, 1983, by and between CONROCK CO., a Delaware corporation, having offices located at 3200 San Fernando Road, Los Angeles, California 90051, hereinafter referred to as "Lessor" and Livingston-Graham, Inc., a Delaware corporation, having offices located at 251 South Lake Street, Pasadena, California 91101, hereinafter referred to as "Lessee".

STATEMENT OF FACTS

WHEREAS, Lessor and Lessee are desirous of entering into a Lease for the Sun Valley batch plant site, being more particularly described on the topographical map attached hereto as Schedule "A" and made a part hereof (hereinafter referred to as "Demised Premises").

NOW, THEREFORE, in consideration of TEN AND 00/100 ($10.00) DOLLARS and other good and valuable consideration, receipt of which is hereby acknowledged, and the mutual covenants herein contained it is mutually agreed as follows:

1. (a) Lessor hereby leases to Lessee the Demised Premises for the purpose of operating and conducting a concrete batch plant business and uses incidental thereto, including, but

not limited to, equipment storage and vehicle washout and repairs.

(b) The term of said Lease and possession of the Demised Premises shall commence as of (date of closing) and shall continue for a period not less than eight (8) years but no longer than fifteen (15) years from the commencement of this Lease.

(c) Lessee shall pay to Lessor a monthly rental of One Hundred and 00/100 ($100.00) Dollars. In the event the lease term commences on a date other than the first day of the month, the first month's rental of One Hundred and 00/100 ($100.00) Dollars shall be prorated, and thereafter on the first day of each month Lessee shall forward to Lessor the monthly rental as hereinabove provided.

2. Lessor has obtained, or is in the process of obtaining a permit for a Class II disposal site as defined in 23 Cal. Adm. Code §2511 to fill certain property of which the Demised Premises are a part. Lessor has agreed that the Demised Premises will be the last phase of Lessor's fill operation. Under the terms of this Lease, Lessee shall be permitted to continue operating the existing batch plant and related equipment located at the Demised Premises for the period set forth above in Paragraph 1(b).

In the event Lessee is required to vacate the Demised Premises prior to fifteen (15) years from the date hereof due to Lessor's proposed fill operation, Lessor agrees to provide Lessee with a comparable site suitable for a ready mixed concrete batch plant. The new site shall be in the general proximity of the Demised Premises, shall be not less than two and one-half (2½) acres in area, shall have suitable ingress and egress and shall be zoned for a ready mixed concrete batch plant business. Lessor shall not be responsible for any cost or expense incurred by Lessee in relocating its ready mixed concrete batch plant.

Lessor and Lessee hereby agree that upon Lessee's relocation to a new site, they shall enter into an amendment to this Lease reflecting the new location; otherwise, all other terms and conditions shall remain as set forth herein.

3. This Lease may be assigned or sublet by either party without the prior written consent of the other, provided the assignee agrees, in writing, to assume all the obligations of the assigning party of this Lease.

4. Except as hereinafter provided, the Lessee agrees to take the Demised Premises in its "as is" condition. Lessee shall maintain, repair the Demised Premises at Lessee's sole cost and expense and Lessee may make any alterations to the Demised Premises. At the termination of this Lease, Lessee shall, at its sole cost and expense, remove the batch plant, repair shops, washout

material and all equipment installed or located upon the Demised Premises within ninety (90) days after termination.

5. All notices provided for hereunder shall be in writing and sent by registered or certified mail, return receipt requested to the Lessor and Lessee at the addresses set forth above, with a copy to the Lessee at Gulf & Western Industries, Inc., 1 Gulf & Western Plaza, New York, New York 10023, Attn: Resident Counsel, or any other office upon written notice by either party.

6. The Lessor, at its sole cost and expense, shall be responsible for all real estate taxes. The Lessee, at its sole cost and expense, shall be responsible for personal property taxes and shall be responsible for its use of all utilities servicing the Demised Premises, except as herein provided. Lessee agrees to maintain fire insurance and public liability insurance in the amount of $5,000,000 combined single limit for the Demised Premises. To the extent it is able to do so, Lessor shall permit Lessee to utilize wells or other water supplies located upon or available to the Demised Premises or Lessor's property to supply water to operate Lessee's batch plant. Notwithstanding the foregoing, Lessor shall not be obligated to incur any cost or expense in connection with furnishing water to Lessee's batch plant. Lessee agrees to purchase surface water from the City of Los Angeles in amounts at

least equal to ten percent (10%) of Lessee's consumptive use of water in its business.

7. Lessee shall not use the Demised Premises for any purpose which could or would be hazardous or in violation of local codes and ordinances or state laws. Lessee shall be permitted to wash out concrete from Lessee's vehicles on the Demised Premises with the understanding that the Lessee will frequently and regularly remove washout material from the Demised Premises to an approved dump site. Lessee shall use the Demised Premises for a concrete batch plant only.

8. Lessee shall take good and ordinary care of the Demised Premises and shall promptly comply with all laws, ordinances and regulations affecting the Demised Premises and the cleanliness, safety, occupation and use of the same.

9. Lessee will, at the termination of this Lease, peacefully quit, surrender and deliver the Demised Premises to Lessor, its successors and assigns.

10. In the event any clause or provision of this Lease shall be invalid or void for any reason, such invalid or void clause shall not effect the whole of this instrument, but the balance of the provisions herein shall remain in full force and effect.

11. Lessee and Lessor shall each indemnify and save the other harmless from and against any and all claims,

actions, damages, liability and expenses in connection with loss of life, personal injury or damage to property arising from or out of any occurrence in, upon or at the Demised Premises or the improvements, or occupancy or use by Lessee of the Premises or the improvements, or any part thereof, occasioned wholly or in part by any action or omission of Lessor or Lessee, their respective agents, contractors, employees or servants. Lessee shall hold Lessor harmless and accept all responsibility for any adverse settlement of its ready mixed concrete batch plant due to its location on uncertified fill.

12. Time is of the essence of this Lease. The giving of any consent, or the waiver of any requirement of its consent hereunder by Lessor or the breach by Lessee of any provisions requiring such consent of Lessor, shall not annul or render inoperative any provisions hereunder requiring such consent. Further, no consent given by Lessor to any act or omission of Lessee shall be construed as a consent to any other or further or different act or omission. Nor shall the acquiescence or forgiveness by Lessor of any failure by Lessee to perform any term or condition of this Lease shall be deemed or construed to be a waiver by Lessor of the right at all times thereafter, to insist upon the full and complete performance by Lessee of the terms and conditions of this Lease.

13. In the event that all or such a portion of the Demised Premises as to leave the remainder unuseable by Lessee for its intended use hereunder, in Lessee's reasonable judgment, shall be appropriated or taken by any governmental authority under eminent domain proceedings or otherwise (which taking shall include a sale by Lessor to any governmental authority, either after an action is filed or while under the threat of its taking), this Lease shall not terminate, but Lessor and Lessee shall thereupon be released from all liability thereafter accrued under the Lease to each other and shall pursue such remedies and seek any damage incurred directly against such governmental authority. In the event that any portion of the Demised Premises is so taken and the remaining portion is still usable to Lessee for its intended use hereunder, in Lessee's reasonable judgment, than this Lease shall remain in full force and effect as to such remaining portion. In the event of either of any such taking, Lessee and Lessor shall be entitled to sue for and to receive any amount awarded or agreed to be paid by such governmental authority as compensation for taking of fixtures, equipment, relocation expenses and any other amounts permitted by law, including the value of the leasehold.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seal the day and year first above written.

ATTEST:

By: _____
Vice President - Secretary

ATTEST:

By: _____
Assistant Secretary

LESSOR:

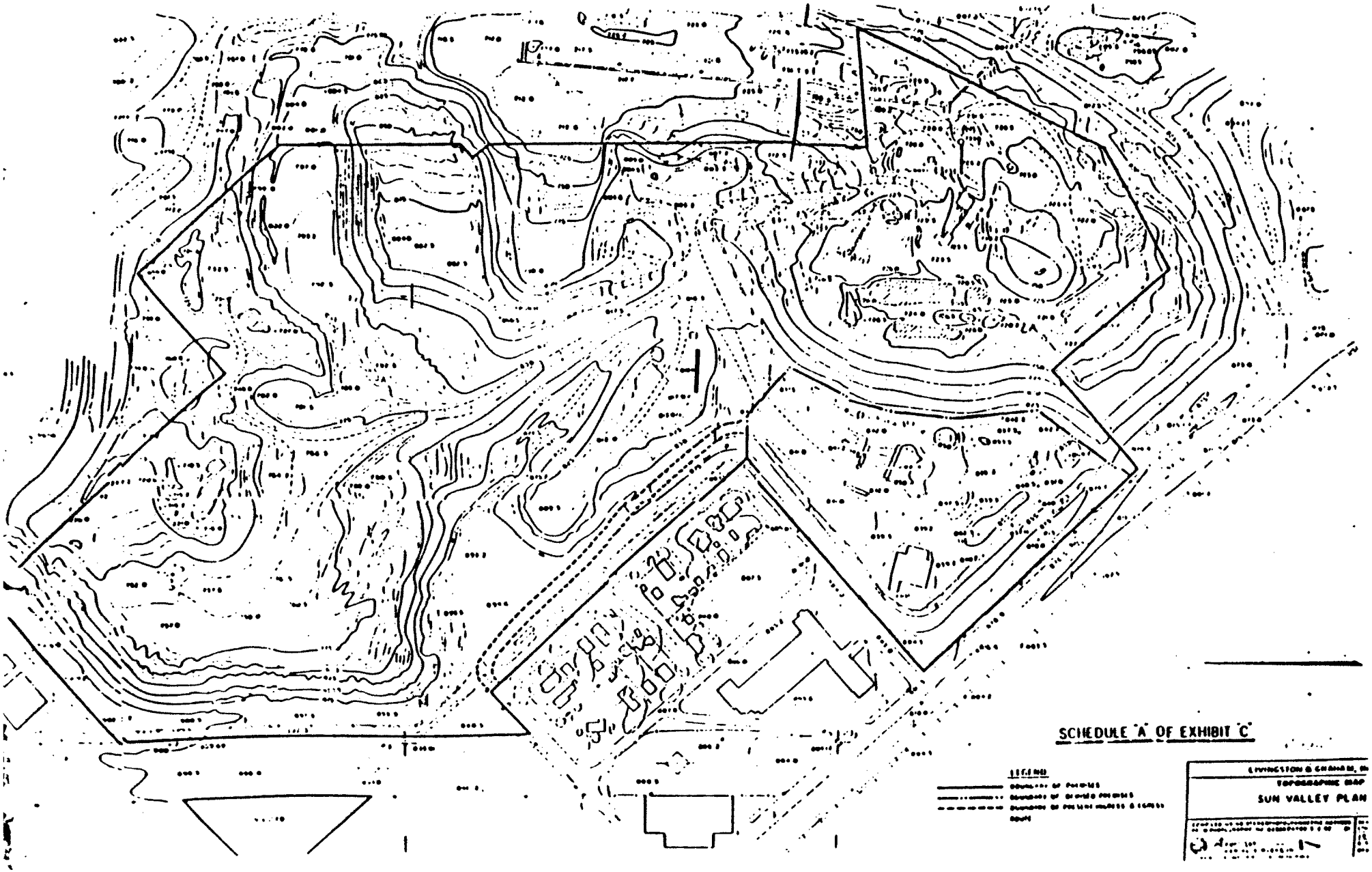
CONROCK CO.

By: _____
Herbert L. Harger, Executive Vice President

LESSEE:

LIVINGSTON-GRAHAM, INC.

By: _____
Vice President


SCHEDULE "A" OF EXHIBIT "C"
LEGEND
TOPOGRAPHIC MAP
SUN VALLEY PLAN

STATE OF CALIFORNIA)
) ss.
COUNTY OF Los Angeles)

On this 27 day of April, 1980, before me, [illegible], a Notary Public of said State, duly commissioned and sworn, personally appeared [illegible], known to me to be the President of VALLEY RECLAMATION CO., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

JOANNA J. PIERCE
NOTARY PUBLIC
STATE OF CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires May 17, 1982

Notary Public in and for said State

2166-05415

ATTACHMENT 3

Livingston-Graham,Inc. Lease Agreement

LIVINGSTON - GRAHAM

AGREEMENT SUMMARY

DATE: 3/20/84

LOCATION:	AGREEMENT NO.	SUBJECT AREA USE:
Sun Valley	10	Batch Plant

ADDRESS: 11720 Wicks Street, Sun Valley, CA 91352

LESSOR: ☒ Conrock Co.
LESSEE: ☐ 3200 San Fernando Road
Los Angeles, California 90065

ACREAGE: 5.35

ADDRESS:

NOTICES TO: Gene Block
Property Manager

TERM:

ORIGINAL: June 1, 1983 - June 1, 1998

OPTION(S): Conrock must provide suitable alternate site should this site be needed for Conrock landfill after 6/1/91.

ROYALTY:

RENT: $100/month for full term

COMMENTS:

ZONE: M-2-1G/M-3-1G

Conrock must provide 750,000 tons of concrete aggregates at $1.00/ton discount.

LEASE

LEASE, dated the 1st day of June, 1983, by and between CONROCK CO., a Delaware corporation, having offices located at 3200 San Fernando Road, Los Angeles, California 90051, hereinafter referred to as "Lessor" and Livingston-Graham, Inc., a Delaware corporation, having offices located at 251 South Lake Street, Pasadena, California 91101, hereinafter referred to as "Lessee".

STATEMENT OF FACTS

WHEREAS, Lessor and Lessee are desirous of entering into a Lease for the Sun Valley batch plant site, being more particularly described on the topographical map attached hereto as Schedule "A" and made a part hereof (hereinafter referred to as "Demised Premises").

NOW, THEREFORE, in consideration of TEN AND 00/100 ($10.00) DOLLARS and other good and valuable consideration, receipt of which is hereby acknowledged, and the mutual covenants herein contained it is mutually agreed as follows:

1. (a) Lessor hereby leases to Lessee the Demised Premises for the purpose of operating and conducting a concrete batch plant business and uses incidental thereto, including, but

not limited to, equipment storage and vehicle washout and repairs.

(b) The term of said Lease and possession of the Demised Premises shall commence as of (date of closing) and shall continue for a period not less than eight (8) years but no longer than fifteen (15) years from the commencement of this Lease.

(c) Lessee shall pay to Lessor a monthly rental of One Hundred and 00/100 ($100.00) Dollars. In the event the lease term commences on a date other than the first day of the month, the first month's rental of One Hundred and 00/100 ($100.00) Dollars shall be prorated, and thereafter on the first day of each month Lessee shall forward to Lessor the monthly rental as hereinabove provided.

2. Lessor has obtained, or is in the process of obtaining a permit for a Class II disposal site as defined in 23 Cal. Adm. Code §2511 to fill certain property of which the Demised Premises are a part. Lessor has agreed that the Demised Premises will be the last phase of Lessor's fill operation. Under the terms of this Lease, Lessee shall be permitted to continue operating the existing batch plant and related equipment located at the Demised Premises for the period set forth above in Paragraph 1(b).

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Lessor and Lessee hereby agree that upon Lessee's relocation to a new site, they shall enter into an amendment to this Lease reflecting the new location; otherwise, all other terms and conditions shall remain as set forth herein.

3. This Lease may be assigned or sublet by either party without the prior written consent of the other, provided the assignee agrees, in writing, to assume all the obligations of the assigning party of this Lease.

4. Except as hereinafter provided, the Lessee agrees to take the Demised Premises in its "as is" condition. Lessee shall maintain, repair the Demised Premises at Lessee's sole cost and expense and Lessee may make any alterations to the Demised Premises. At the termination of this Lease, Lessee shall, at its sole cost and expense, remove the batch plant, repair shops, washout

material and all equipment installed or located upon the Demised Premises within ninety (90) days after termination.

5. All notices provided for hereunder shall be in writing and sent by registered or certified mail, return receipt requested to the Lessor and Lessee at the addresses set forth above, with a copy to the Lessee at Gulf & Western Industries, Inc., 1 Gulf & Western Plaza, New York, New York 10023, Attn: Resident Counsel, or any other office upon written notice by either party.

6. The Lessor, at its sole cost and expense, shall be responsible for all real estate taxes. The Lessee, at its sole cost and expense, shall be responsible for personal property taxes and shall be responsible for its use of all utilities servicing the Demised Premises, except as herein provided. Lessee agrees to maintain fire insurance and public liability insurance in the amount of $5,000,000 combined single limit for the Demised Premises. To the extent it is able to do so, Lessor shall permit Lessee to utilize wells or other water supplies located upon or available to the Demised Premises or Lessor's property to supply water to operate Lessee's batch plant. Notwithstanding the foregoing, Lessor shall not be obligated to incur any cost or expense in connection with furnishing water to Lessee's batch plant. Lessee agrees to purchase surface water from the City of Los Angeles in amounts at

least equal to ten percent (10%) of Lessee's consumptive use of water in its business.

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actions, damages, liability and expenses in connection with loss of life, personal injury or damage to property arising from or out of any occurrence in, upon or at the Demised Premises or the improvements, or occupancy or use by Lessee of the Premises or the improvements, or any part thereof, occasioned wholly or in part by any action or omission of Lessor or Lessee, their respective agents, contractors, employees or servants. Lessee shall hold Lessor harmless and accept all responsibility for any adverse settlement of its ready mixed concrete batch plant due to its location on uncertified fill.

12. Time is of the essence of this Lease. The giving of any consent, or the waiver of any requirement of its consent hereunder by Lessor or the breach by Lessee of any provisions requiring such consent of Lessor, shall not annul or render inoperative any provisions hereunder requiring such consent. Further, no consent given by Lessor to any act or omission of Lessee shall be construed as a consent to any other or further or different act or omission. Nor shall the acquiescence or forgiveness by Lessor of any failure by Lessee to perform any term or condition of this Lease shall be deemed or construed to be a waiver by Lessor of the right at all times thereafter, to insist upon the full and complete performance by Lessee of the terms and conditions of this Lease.

13. In the event that all or such a portion of the Demised Premises as to leave the remainder unuseable by Lessee for its intended use hereunder, in Lessee's reasonable judgment, shall be appropriated or taken by any governmental authority under eminent domain proceedings or otherwise (which taking shall include a sale by Lessor to any governmental authority, either after an action is filed or while under the threat of its taking), this Lease shall not terminate, but Lessor and Lessee shall thereupon be released from all liability thereafter accrued under the Lease to each other and shall pursue such remedies and seek any damage incurred directly against such governmental authority. In the event that any portion of the Demised Premises is so taken and the remaining portion is still usable to Lessee for its intended use hereunder, in Lessee's reasonable judgment, than this Lease shall remain in full force and effect as to such remaining portion. In the event of either of any such taking, Lessee and Lessor shall be entitled to sue for and to receive any amount awarded or agreed to be paid by such governmental authority as compensation for taking of fixtures, equipment, relocation expenses and any other amounts permitted by law, including the value of the leasehold.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seal the day and year first above written.

ATTEST:

By: _____
Vice President - Secretary

ATTEST:

By: _____
Assistant Secretary

LESSOR:

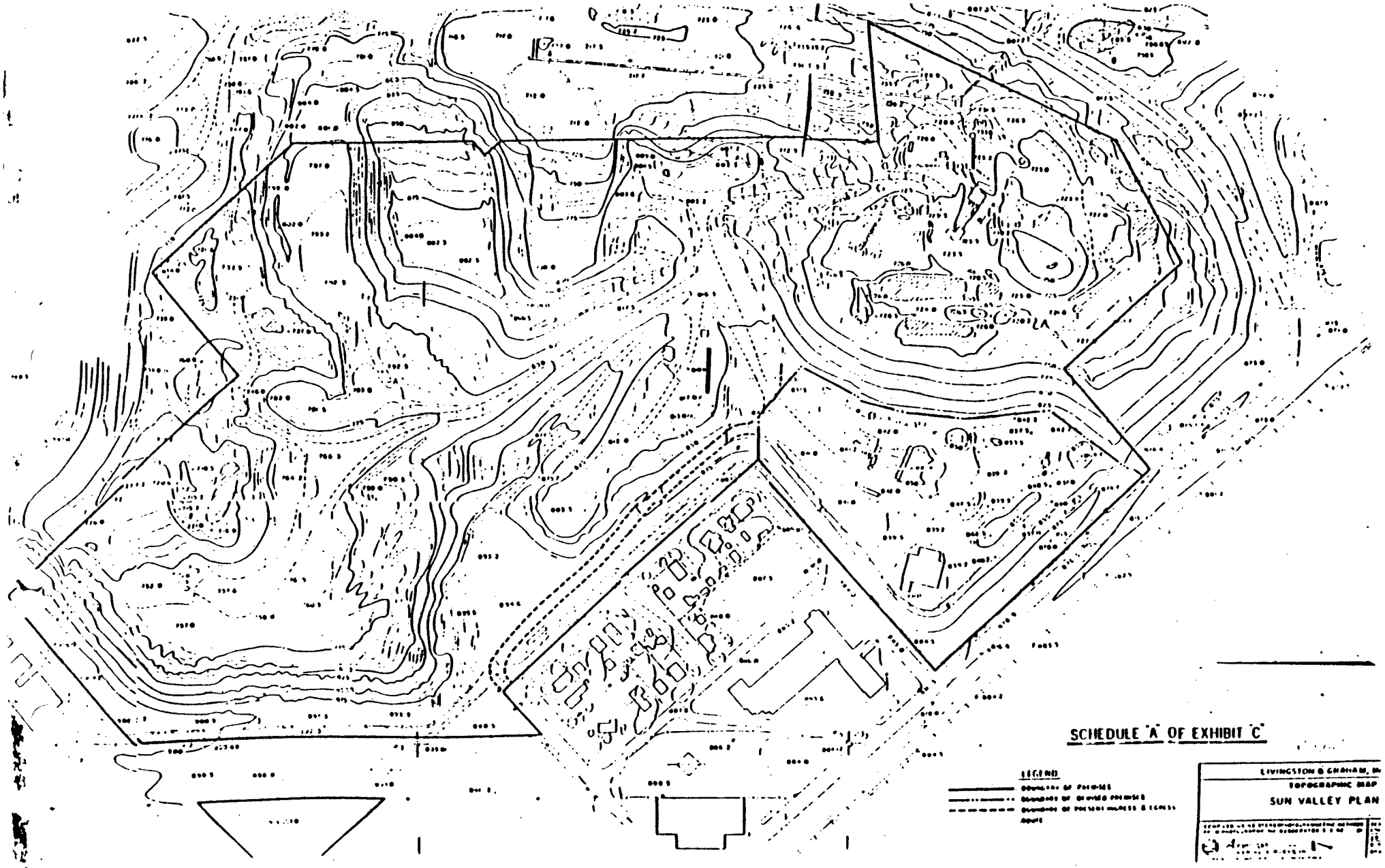
CONROCK CO.

By: _____
Herbert L. Harger Executive Vice President

LESSEE:

LIVINGSTON-GRAHAM, INC.

By: _____
Vice President


SCHEDULE "A" OF EXHIBIT "C"
LEGEND
TOPOGRAPHIC MAP
SUN VALLEY PLAN

Valley Reclamation Co.
P.O. Box 39
9227 Tujunga
Sun Valley, California 91353
818/767-6180

FILE COPY

A Waste Management Company

April 10, 1989

Christensen, White, Miller, Fink & Jacobs
2121 Avenue of the Stars
18th Floor
Los Angeles, California 90067

Attn: Carolyn J. Comparet, Esq.

Dear Carolyn:

Enclosed please find a copy of Valley Reclamation Company's "Livingston-Graham" file.

If you have any questions please call.

Sincerely,

Eric L. Davies /lm

Eric L. Davies
General Manager

ELD/lm

Enclosure

81- 715158 (38) #31

Recorded at the request of and mail to:
Mr. Jay Watkins
Livingston-Graham, Inc.
(Name)
16080 East Arrow Highway
(Address)
Irwindale, California 91706

RECORDED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
1 MIN. PAST 10 AM JUL 17 1981

FEE $6 38

Space above this line for Recorder's use

TRANSPORTATION CONTROL PLAN

GENERAL COVENANT AND AGREEMENT

The undersigned hereby certify [redacted] it is the owner of the hereinafter legally described real property located in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

Tentative Tract Number 38698, Lot(s) -;

Job Address 9100 Ralston Avenue, Sun Valley, California 91352;

That in consideration of the approval of Tentative Tract No. 38698 by the Advisory Agency, I (we) do hereby promise, covenant and agree to and with the City of Los Angeles and the Advisory Agency of said City that to the extent of our interest, I (we) agree to provide a Transportation Control Plan to the Department of City Planning, said plan to be prepared in accordance with U. S. Environmental Protection Agency guidelines. We also do hereby covenant and agree with the City to provide such a plan, completed and approved by the Department of City Planning. In the event a parking management plan is submitted to and approved by the Environmental Protection Agency, this plan shall be deemed satisfactory to the City Planning Department as the transportation control plan required herein. We also do hereby covenant and agree with the City to submit said Transportation Control Plan to the Department of City Planning for approval prior to the issuance of building permits.

This covenant and agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors, heirs or assigns and shall continue in effect until the Advisory Agency of the City of Los Angeles approves its termination.

Dated this 7th day of July 19 81

Name of Owner Gulf & Western Industries, Inc.

Signature [signature] Signature [signature]

Robert L. Jones, Senior Vice President

Stuart H. Steinbrink, Assistant Secretary

CP-6770

37

#30

Recorded at the request of and mail to:
Mr. Jay Watkins
Livingston-Graham, Inc.
(Name)
16080 East Arrow Highway
(Address)
Irwindale, California 91706

81- 711026

RECORDED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
31 MIN. PAST 2 P.M. JUL 16 1981

Space above this line for Recorder's use

LANDSCAPE PLAN
GENERAL COVENANT AND AGREEMENT

The undersigned hereby certify [redacted] it is the owner of the hereinafter legally described real property located in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

Tentative Tract Number 38698, Lot(s) -;

Job Address 9100 Kalston Avenue, Sun Valley, California 91352;

That in consideration of the approval of Tentative Tract No. 38698 by the Advisory Agency, I (we) do hereby promise, covenant and agree to and with the City of Los Angeles and the Advisory Agency of said City that to the extent of our interest, I (we) agree to provide a Landscape Plan prepared by a Licensed Landscape Architect and submitted to and approved by the Department of City Planning, prior to obtaining any building or grading permits.

This covenant and agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors, heirs or assigns and shall continue in effect until the Advisory Agency of the City of Los Angeles approves its termination.

Dated this 7th day of July 19 81

Name of Owner Gulf & Western Industries, Inc.

Signature Robert L. Jones, Senior Vice President

Signature Stuart H. Grunbrink, Assistant Secretary

CP-6770

CalMat Co

3200 SAN FERNANDO ROAD/P.O. BOX 2950/LOS ANGELES, CALIFORNIA 90051/(213) 258 2777

CalMat

November 26, 1986

By Certified Mail

Mr. Harry F. Smith, Property Manager
Livingston-Graham
16080 East Arrow Highway
Irwindale, CA 91706-0943

Dear Harry:

Enclosed please find a letter from the City of Los Angeles dated August 22, 1986 relative to Ordinance No. 160388 which requires private sewage disposal systems be abandoned and connected to the public sewer system.

Paragraph No. 8 of the Lease for your Sun Valley batch plant, dated June 1, 1983, provides that the leasee shall comply with all laws, ordinances, and regulations affecting the lease property.

I would appreciate your attention to this matter.

Sincerely,

Gene R. Block

Gene R. Block
Vice President, Planning
and Land Management

GRB:md
Enclosure

CITY OF LOS ANGELES

CALIFORNIA

BOARD OF
PUBLIC WORKS
COMMISSIONERS
MAUREEN A. KINDEL
PRESIDENT
HOMER F. BROOME, JR.
VICE-PRESIDENT
EDWARD J. AVILA
STEVE HARRINGTON
ROYAL O. SCHWENDINGER

TOM BRADLEY
MAYOR

RECEIVED
AUG 25 1986
LEGAL DEPT.
CALMAT CO.

DEPARTMENT OF
PUBLIC WORKS
BUREAU OF SANITATION
DELWIN A. BIAGI
DIRECTOR
STERLING C. BUESCH
HARRY M. SIZEMORE
ASSISTANT DIRECTORS
ROOM 1410, CITY HALL EAST
200 NORTH MAIN STREET
LOS ANGELES, CA 90012
(213) 485-5112

11726

August 22, 1986

CONROCK CO. ATTN SCOTT WILCOTT
3200 SAN FERNANDO RD
LOS ANGELES, CALIF 90065

NOTICE TO CONNECT TO A PUBLIC SEWER AND ABANDON YOUR PRIVATE SEWAGE DISPOSAL SYSTEM (PSDS)

Date of Issuance: August 22, 1986
Date of Compliance: Not later than August 22, 1987
Site Address: 11720 WICKS ST

Los Angeles City Ordinance No. 160388, enacted on September 17, 1985, requires that certain private sewage disposal systems (PSDS) in the San Fernando Valley and adjacent areas be abandoned and connected to the public sewer system. This ordinance seeks to prevent the further contamination of San Fernando Valley groundwater supply by toxic waste overflows from PSDS. All industrial, commercial and multiple (five units or more) residential properties using PSDS are required to comply with this ordinance. Multiple residential properties with four or less units are exempt.

Our records indicate that:

1. You are the legal owner of an industrial, commercial or multiple (five units or more) residential property at the above site address.

2. This property is not connected to a public sewer and uses a PSDS to discharge liquid waste.

3. A public sewer is available in a public street or easement abutting said property.

4. This property is subject to the requirements of the ordinance.

Consequently, you are hereby issued a "Notice to Connect to the Publi Sewer and Abandon your PSDS".

To comply with the notice, you are required to:

1. Obtain a Los Angeles City House Connection Permit. For information contact:
   Los Angeles Bureau of Engineering
   Valley District Office
   14410 Sylvan St., Van Nuys, CA 91401
   Telephone (818) 989-8421

2. Obtain a Los Angeles City Plumbing Permit. For information contact:
   Los Angeles Department of Building and Safety
   Valley District Office
   14425 Erwin St., Van Nuys, CA 91401
   Telephone (818) 989-8461

Note: Payment of fees is required for both permits.

3. Have required plumbing work completed. A licensed plumbing contractor is recommended.

4. Have completed work inspected by an official Los Angeles City plumbing Inspector. For information call the Los Angeles Department of Building and Safety at (818) 989-8461.

Failure to comply with the notice by the date of compliance may resul in enforcement action(s) against you. These actions may be any or al of the following:

1. Discontinuance of water service by the Department of Water and Power.

2. Vacation of the premises as ordered by the Superintendent of Buildings.

3. Referral to the City Attorney for appropriate criminal and/or civil action.

Under the following conditions the Director of the Bureau of Sanitati may grant a time-limited variance from the requirements of the ordina if you can prove:

1. Connection to the nearest available sewer will result in extre hardship to the owner, and

2. The continued use of the PSDS will not have any significant adverse effect upon water quality in the groundwater basin of concern.

Enclosed are answers to basic questions about this ordinance. Please call Mr. Aliwalas at (213) 485-7580 for more information.

Very truly yours,

Delwin A. Siagi

Delwin A. Siagi,
Director

Enclosure

cc: California Regional Water Quality
Control Board - Los Angeles Region
107 S. Broadway, Room 4027
Los Angeles, CA 90012

PRIVATE SEWAGE DISPOSAL SYSTEMS

QUESTIONS AND ANSWERS ABOUT CITY ORDINANCE NO. 160388

Note: These answers are intended for the information and guidance of PSDS owners. For specific information or legal wording, refer to the ordinance. A copy may be obtained by calling the City Clerk Telephone Number (213) 485-5705.

1. What is City Ordinance No. 160388? What is its purpose?
   It is an ordinance amending the Los Angeles Municipal Code to require the abandonment of Private Sewage Disposal Systems (PSDS) employed by industrial, commercial, and multiple (5 or more) residential units in the San Fernando Valley. Its purpose is to prevent the contamination of groundwater located generally in the San Fernando Valley by toxic discharges coming from PSDS.

2. What is a PSDS?
   Private sewage disposal system (PSDS) means any septic tank, cesspool, seepage pit, leach field, or any receptacle, or any combination thereof, which receives any wastewater not discharged into a public sewer.

3. What section of the City does this ordinance apply?
   San Fernando Valley and certain adjacent areas.

4. What is a "Notice to Connect"?
   It means a notice to connect to a public sewer and to abandon a PSDS.

5. Who issues a "Notice to Connect"?
   The Director, Bureau of Sanitation, City of Los Angeles.

6. To whom is a "Notice to Connect" issued?
   The legal owner of the property. The Director may, in addition, issue a copy of a "Notice to Connect" to any person using or maintaining the PSDS.

7. Who is exempt from this ordinance?
   A PSDS located on a lot occupied by four or fewer units which are used solely for residential purposes.

8. What is the time for compliance for a Notice to Connect?
The Notice to Connect shall be fully complied with no later than one year from the date of issuance of the Notice to Connect.

9. Are there any other notices within this one year?
Yes. A Reminder Notice will be issued four months prior to the date of compliance if full compliance with the requirements has not been achieved. A Final Notice will be issued one month prior to the date of compliance if full compliance with the requirements has not been achieved.

10. Who is required to comply with the Notice to Connect and what steps should he take to comply?
Every owner of a lot upon which a PSDS is located and every person using or maintaining a PSDS shall comply with the requirements of a Notice to Connect. The steps he should take are: (a) Obtain a house connection permit and plumbing permit: (b) Have the work done. (c) Request a City plumbing inspector to certify that the work has been satisfactorily completed.

11. Who can apply for a variance from the requirements of the ordinance?
Any person who owns, uses or maintains a PSDS and has received a Notice to Connect.

12. On what basis can a variance be granted by the Director of the Bureau of Sanitation? Proof by the applicant that:

(a) Connection to the nearest available sewer will result in extreme hardships; and
(b) The continued use of the subject PSDS will not have any significant adverse effect upon water quality in the groundwater basin of concern.

13. What should I do to apply for a variance?
(a) Must be the owner, user or maintainer of a PSDS and has received a Notice to Connect.
(b) Must pay a fee of $100.00.

(c) Must file the application within 90 days of the date of issuance of the Notice to Connect.

Note: Refer to attachment for requirements of a request for varian

14. To whom is an application for variance submitted?
To the Director, Bureau of Sanitation, Room 1410 City Hall East, 200 North Main Street, Los Angeles, CA 90012.

15. What is the effective period of a variance?
Two years.

16. Can the decision of the Director of the Bureau of Sanitation be appealed?
Yes, it can be appealed to the Board of Public Works in the manner prescribed by the ordinance. The Board's decision or its failure to act within 90 days of the filing of an appeal may be appealed to the City Council in the manner prescribed by the ordinance. There is a $100 fee to appeal to the Board and an additional $100 fee to appeal the Board's decision to the Council.

17. If a PSDS owner fails to comply with the Notice to Connect within one year from the date of its issuance, what enforcement action (s) may be brought against him?
The Director of the Bureau of Sanitation shall do all of the following:

(1) Issue a Notice of Violation;
(2) Refer the matter to the City Attorney for appropriate criminal and/or civil action;
(3) Provide the Department of Water and Power (DWP) with a copy of the Notice of Violation. The Director of the Bureau of Sanitation may request DWP to discontinue water service at the affected property.
(4) Provide the Superintendent of Building a copy of the Notice of Violation. The Director may request the Superintendent of Building to order the vacation of subject building.

18. Who can I contact to obtain more information?
(a) Publio P. Aliwalas, Bureau of Sanitation
Telephone Number (213) 485-7580.

(b) Robert J. Van Ark, Bureau of Engineering
Valley District, Telephone Number (818) 989-8428.

(c) For plumbing permit and inspection:
Bob Martin, Department of Building and Safety
Telephone Number (213) 485-2311.

RMA PPA 66/pj

LOS ANGELES CITY ORDINANCE NO. 160388
PRIVATE SEWAGE DISPOSAL SYSTEM (PSDS)
REQUIREMENTS FOR A REQUEST FOR VARIANCE
FOR CONNECTING TO THE PUBLIC SEWER

1.- Letter of request for variance from the legal owner or user of the PSDS.

2.- Payment of application fee of $100.00
Make Check Payable to:
Department of Public Works, City of Los Angeles.

3.- A written estimate of the cost of connecting to the public sewer prepared by a licensed plumbing contractor.

4.- Submit documentation that connection to the nearest available public sewer would result in an extreme hardship.

5.- Submit a chemical analysis of the waste material in your PSDS to show it contains no pollutants that may contaminate the groundwater basin. The laboratory performing the analysis must be state licensed or otherwise found acceptable to the City.

6.- Submit documentation that no chemical storage nor manufacturing or industrial process is being conducted that may be a potential source of contamination to the groundwater basin.

7.- All above requirements must be submitted <u>within 90 days of the date of issuance of a Notice to Connect</u>. No request for variance will be accepted after this period.

8.- Request for variance and other correspondences must be mailed to the following address:

Delwin A. Biagi, Director
Bureau of Sanitation
Room 1410 City Hall East
200 N. Main Street
Los Angeles, CA 90012
Attn: Public Alivales

G. BLOCK

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.

Write your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☒ Show to whom, date and address of delivery.
2. ☐ Restricted Delivery

3. Article Addressed to:

Mr. Harry F. Smith
Livingston-Graham
16080 E. Arrow Hwy
Irwindale, CA 91706-0943

4. Type of Service:

☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Article Number: 228239

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature – Addressee
X

6. Signature – Agent
X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)
4230 Maine
B.P. CA 91706
12-1-86

DOMESTIC RETURN RECEIPT

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete Items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

U.S. MAIL

PENALTY FOR PRIVATE USE, $300

RETURN TO

CalMat Co

(Name of Sender)

3200 San Fernando RD.

(No. and Street, Apt., Suite, P.O. Box or R.D. No.)

Los Angeles, CA 90065

(City, State, and ZIP Code)

Livingston-Graham

16080 Arrow Highway, Irwindale, California 91706-0943
Telephones (213) 681-7101 • (818) 960-5471

October 20, 1986

Mr. Gene Block, Vice President
CalMat Company
Post Office Box 2950, Terminal Annex
Los Angeles, California 90051

Dear Gene:

Let this letter serve to officially notify CalMat Company that the address of record for communiques regarding the Livingston-Graham Sun Valley Batch Plant Lease is Harry F. Smith, Property Manager, in care of Livingston-Graham, 16080 East Arrow Highway, vis-a-vis Symons Corporation, Pasadena, or G+W Industries, New York.

Very truly yours,

Harry F. Smith
Director of Property
and Risk Management

HFS:amp

cc: G. Tompkins

1st INSTALLMENT

2nd INSTALLMENT

JOINT CONSOLIDATED TAX BILL

CITIES, COUNTY, SCHOOLS AND ALL OTHER TAXING AGENCIES IN LOS ANGELES COUNTY

SECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 1984 TO JUNE 30, 1985

RICHARD D. DIXON, TREASURER-TAX COLLECTOR
225 N. Hill Street, Los Angeles, California
P.O. Box 2102 Term. Annex Los Angeles, CA 90051

TELEPHONE INFORMATION
SEE PARAGRAPH 1 ON
REVERSE SIDE

SOLD TO STATE IN YEAR 1983
FOR UNPAID TAXES. SEE PARAGRAPH NO. 16 ON BACK
OF THIS BILL FOR INSTRUCTIONS TO REDEEM

	1ST INSTALLMENT 10% Penalty After Dec 10, 1984	2ND INSTALLMENT 10% Penalty + $10.00 Cost After Apr 10, 1985	TOTAL Penalties & Costs After Dec
TAX	17833.32	17106.60	34939

OWNER OF RECORD AS OF MARCH 1, 1984

SAME AS BELOW

ASSESSOR'S ID NO.
2538 007 019

CONROCK CO
P O BOX 2950 TERMINAL ANNEX
LOS ANGELES CA 90051

				ASSESSOR'S ID NO.		
3195	23260	30	000AFF	2538 007 019		0013

LOCALLY ASSESSED VALUES IN THIS COUNTY ARE DETERMINED BY THE LOS ANGELES COUNTY ASSESSOR AT FULL VALUE EXCEPT AS OTHERWISE PROVIDED BY LAW

	ASSESSED VALUE	EXEMPT TYPE	EXEMPTION VALUE	NET ASSESSED VALUE
1 LAND	2490000			
2 IMPROVEMENTS				
3 FIXTURES	286330			
4				
5 TOTAL REAL PROPERTY	2776330			
6 PERS PROP	68810			
7				

ASSESSED VALUE OF REAL PROPERTY
HOMEOWNERS EXEMPTION
TOTAL APPLICABLE TAX RATE
GROSS TAXES BEFORE APPLICATION OF HOMEOWNERS EXEMPTION
TAX REDUCTION ATTRIBUTABLE TO STATE FINANCED HOMEOWNERS TAX RELIEF PROGRAM
TOTAL TAX AFTER ALLOWANCE FOR HOMEOWNERS EXEMPTION
REAL PROPERTY DIRECT ASSESSMENT OR SPECIFIC FUND LEVY
TOTAL TAXES DUE

PROPERTY LOCATION AND/OR PROPERTY DESCRIPTION
EX OF MINING RIGHTS
SEE 8-00-762914 FOR OTHER LIENS
*LOT COM AT INTERSECTION OF SE LINE OF
COMPLETE DESCRIPTION IN ASSESSOR RECORDS
CPO AND LOTS 1 THRU 3 TR NO 13080

DETACH — ADDRESS CHANGE FORM — DETACH

IF YOUR MAILING ADDRESS IS DIFFERENT FROM THAT ABOVE FILL IN THE BOXES ON THIS FORM, DETACH AND RETURN WITH YOUR PAYMENT

2538 | 007 | 019 | CONROCK

NAME CONROCK CO

HOUSE NUMBER, STREET NAME AND UNIT NUMBER

CITY | STATE | ZIP CODE

CHANGE DATE

YOUR CANCELLED CHECK IS YOUR RECEIPT

KEEP THIS UPPER PORTION OF THE BILL FOR YOUR RECORDS

SEE REVERSE SIDE FOR IMPORTANT INFORMATION

GENERAL TAX LEVY VOTED INDEBTEDNESS AND DIRECT ASSESSMENTS

	RATE	AMOUNT
GENERAL TAX LEVY		
ALL AGENCIES	1.000000	28451
VOTED INDEBTEDNESS		
CITY-LOS ANGELES	013795	392
COUNTY	000578	16
UNIFIED SCHOOLS	025175	716
COMMNTY COLLEGE	000972	27
FLOOD CONTROL	015867	440
METRO WATER DIST	015600	443
TOTAL VOTED INDEBTEDNESS		2037
DIRECT ASSESSMENTS		
FLOOD CONTROL	**	4451
TOTAL DIRECT ASSMTS		4451
TOTAL TAX	1.071987	34939

FOR EXPLANATION OF CHARGES AND REBATES SEE PARAGRAPH NO. 7 ON REVERSE

Subject
Livingston Graham

According to the Agreement of Sale dated June 1, 1983

(1) L.G. Agreed to Clean off the Property At this time 1/11/83 Large Underground Bunkers are Still in Place, Barrels, Scrap metal Still on Property

(2) Large material Storage Bunkers ~~[illegible]~~
I gave Jim Lomonacco permission to Store Material Bunkers on Proper They Asked for Six months time So they wouldn't have to transport them ~~[illegible]~~ The time has expired as of 12/31/83

(3) Washout mixer water is allowed to run off their leased property into the old pit area. This practice must cease immediately.

Livingston-Graham

16060 Arrow Highway, Irwindale, California 91706
Telephones 681-7101 • 960-5471

November 15, 1983

Mr. Gene Block
Conrock Company
3200 San Fernando Road
Los Angeles, California 90065

Re: Sun Valley Batch Plant Lease

Dear Gene:

Please be apprised of our intent to make electrical improvements in the pumping control system at water well #4916C that will allow the system to automatically recharge the holding tanks as needed. This well is being used to support our batching operation in accordance with Paragraph 6 of the Lease.

We will continue to insure that at least 10 percent of our total water use is of city water as required.

Request your acknowledgement.

Very truly yours,

James S. Wall
Property Manager

JSW:amd

cc: Tom Reilly

Acknowledged by: Gene R. Block
Gene R. Block
CONROCK CO.

Dated: Nov 28, 1983

Effective Date 6-1, 1983

CONROCK

CONROCK CO.

Change Notice No. 1088

(1) Name of Property: ~~(Seller)~~ (Lessor) CONROCK CO.

Site Location Name	SUN VALLEY	Property File No.	022-00-16
City	Los Angeles	County	Los Angeles

Permanent Site No.	Assigned Operating No.	CRP/CONROCK Parcel No.(s)	Tax Parcel No.(s) Affected
0022	002		19% of parcel 2539-07-17

(2) Nature of Change: New Lease Agreement

Gross Acres: 7.2 ± Net Ac. (Avail) N/A

Cal By: RC

(3) Description of Change: Effective 6-1-83 CONROCK CO. entered into a new lease agreement with Livingston-Graham, Inc. allowing them to locate and operate a concrete batch plant on CONROCK CO's Sun Valley property.

(4) Brief Property Description (if applicable): (See map att'd)

Map Attached Prepared by: Richard C Drumm

Property Manager: [signature]

Distribution

- H.L. Harger
- Wm. Jenkins
- M.J. Kerstetter
- P. Poulsen
- D. Roberts
- W.A. Sleeper
- Area Supv.
- [illegible]

Special Distribution

- S. Wilcott

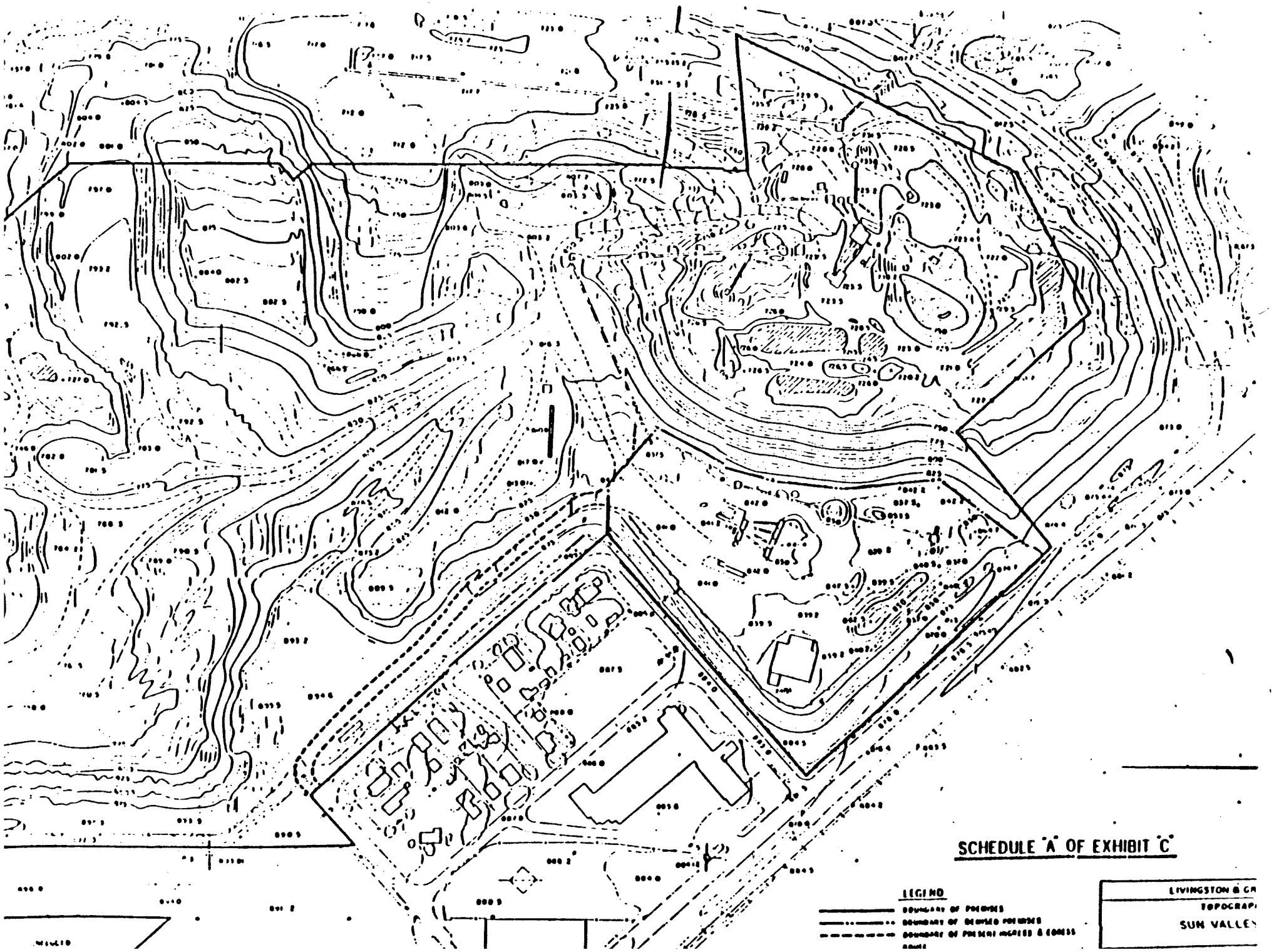
For N.E. Horney Use Only

Tickler File Updated

Insurance Req. In Order

Original Documents Attached For File

Notice Date 7-19, 19


SCHEDULE "A" OF EXHIBIT "C"
LEGEND
LIVINGSTON & GR
TOPOGRAP
SUN VALLE

CONROCK

LEASE DATA SHEET

Site Location Name	
SUN VALLEY	
X	Lease To
	Lease From
	Operating Permit

Name (Tenant) (Owner)	LIVINGSTON GRAHAM, INC.		
Address	16080 East Arrow Highway		
City	Irwindale, CA	Phone	(213) 681-7101
Property Description: (see attached)		CRP/CONROCK No.	

Use: Concrete Batch Plant

Term	Begin	Ending	Rent	Due Date	Deposit
Min 8 yrs Max 15 yrs	See below		100.00/mo. *See Below	1st of month	none

Taxes: Tenant pays all personal property taxes

Tax Parcel Number(s): 2538-07- ,17, 19% OF PARCEL #

Option: None

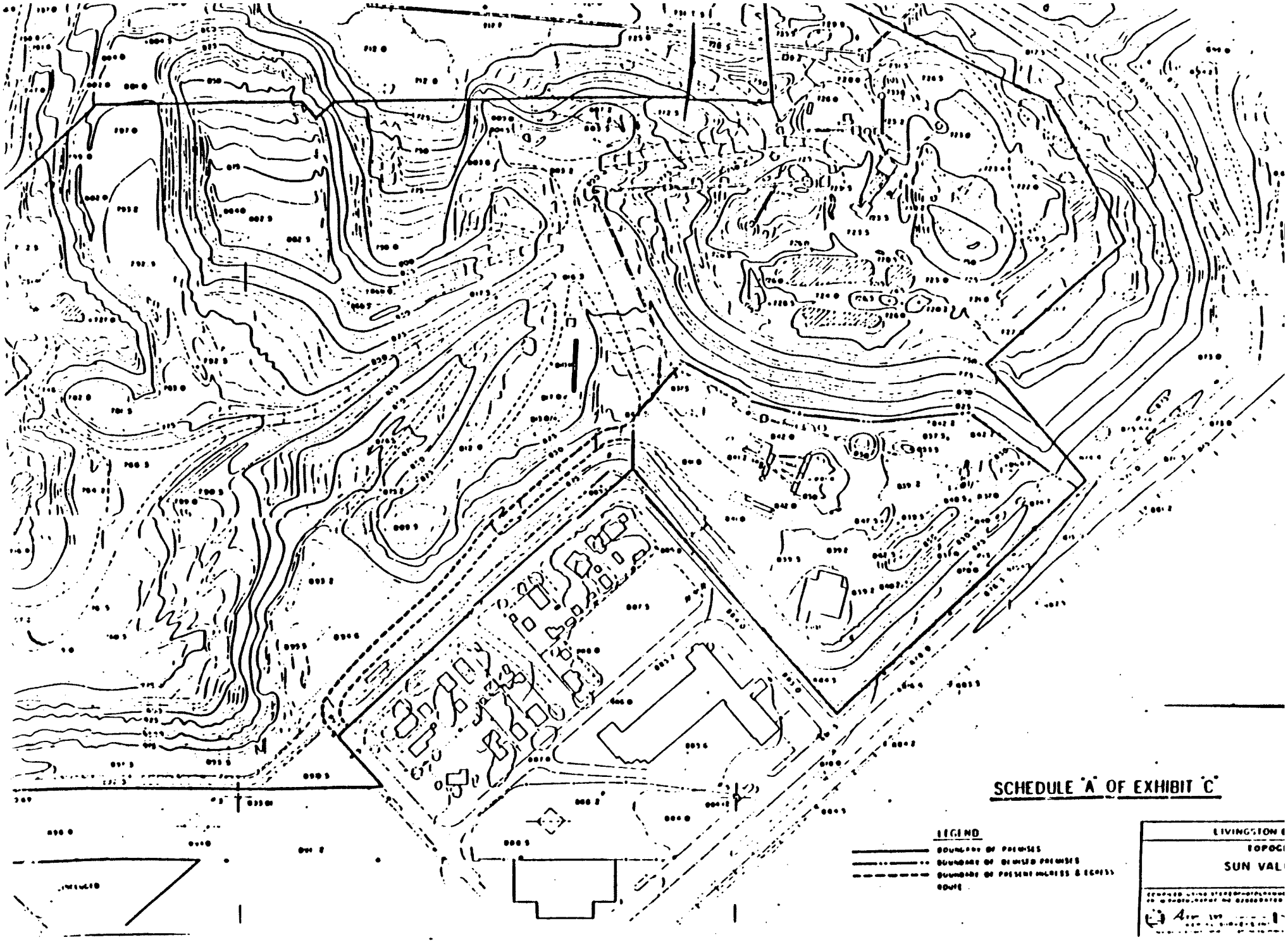
Insurance

5,000,000 PL, PD Workers Comp.

Special Ins. Provisions or Requirements:
None

Special Conditions and/or Considerations: Lease starts 6-1-83 and continues for a period of not less than 8 yrs, but not longer than 15 yrs.

Date	Prepared by:	Property Manager	Change Notic
7-14-83	Richard C Drum	[illegible]	1088


SCHEDULE "A" OF EXHIBIT "C"
LEGEND
BOUNDARY OF PREMISES
BOUNDARY OF DEMISED PREMISES
BOUNDARY OF PRESENT INGRESS & EGRESS ROUTE
LIVINGSTON
TOPOG
SUN VAL

Livingston-Graham, Inc.
A SUBSIDIARY OF GULF + WESTERN INDUSTRIES, INC.
16080 EAST ARROW HIGHWAY, IRWINDALE, CALIFORNIA 91706
(213) 960-6471 (213) 681-7101

JUN 1 1983 50-937 / 213

№ 001448

PAY EXACTLY PAY 100 AND 00 CTS

PAY TO THE ORDER OF Ron Rock Co.

$ 100.00

Livingston-Graham, Inc.
GENERAL ACCOUNT

CHASE MANHATTAN BANK
CARRIER TOWER BRANCH

FX-4: CBI/Trade Secret

FILE

Livingston-Graham

16080 Arrow Highway, Irwindale, California 91706
Telephones 681-7101 • 960-5471

November 15, 1983

Mr. Gene Block
Conrock Company
3200 San Fernando Road
Los Angeles, California 90065

Re: Sun Valley Batch Plant Lease

Dear Gene:

Please be apprised of our intent to make electrical improvements in the pumping control system at water well #4916C that will allow the system to automatically recharge the holding tanks as needed. This well is being used to support our batching operation in accordance with Paragraph 6 of the Lease.

We will continue to insure that at least 10 percent of our total water use is of city water as required.

Request your acknowledgement.

Very truly yours,

James S. Wall
Property Manager

JSW:amd

cc: Tom Reilly

Acknowledged by: Gene R. Block
Gene R. Block
CONROCK CO.

Dated: Nov. 28, 1983

Effective Date 6-1, 1983

CONROCK

Change Notice N 1088

CONROCK CO.

1

Name of Property: ~~(Seller)~~ (Lessor) CONROCK CO.

Site Location Name	SUN VALLEY	Property File No.	022-00-16
City	Los Angeles	County	Los Angeles

Permanent Site No.	Assigned Operating No.	CRP/CONROCK Parcel No.(s)	Tax Parcel No.(s) Affected
0022	002		19% of parcel 2539-07-17

2

Nature of Change: New Lease Agreement

Gross Acres: 7.2 ±

Net Ac. (Avail) N/A

Calc By: RCD

3

Description of Change: Effective 6-1-83 CONROCK CO. entered into a new lease agreement with Livingston-Graham, Inc. allowing them to locate and operate a concrete batch plant on CONROCK CO's Sun Valley property.

4

Brief Property Description (if applicable): (See map att'd)

Map Attached Prepared by: Richard C Drumm

Property Manager: Gene R Black

Distribution

- ✓ H.L. Harger
- ✓ Wm. Jenkins
- ✓ M.J. Kerstetter
- ✓ P. Poulsen
- ✓ D. Roberts
- ✓ W.A. Sleeper
- Area Supv. ✓ C Hauser

Special Distribution

- S. Wilcott

For N.E. Homey Use Only

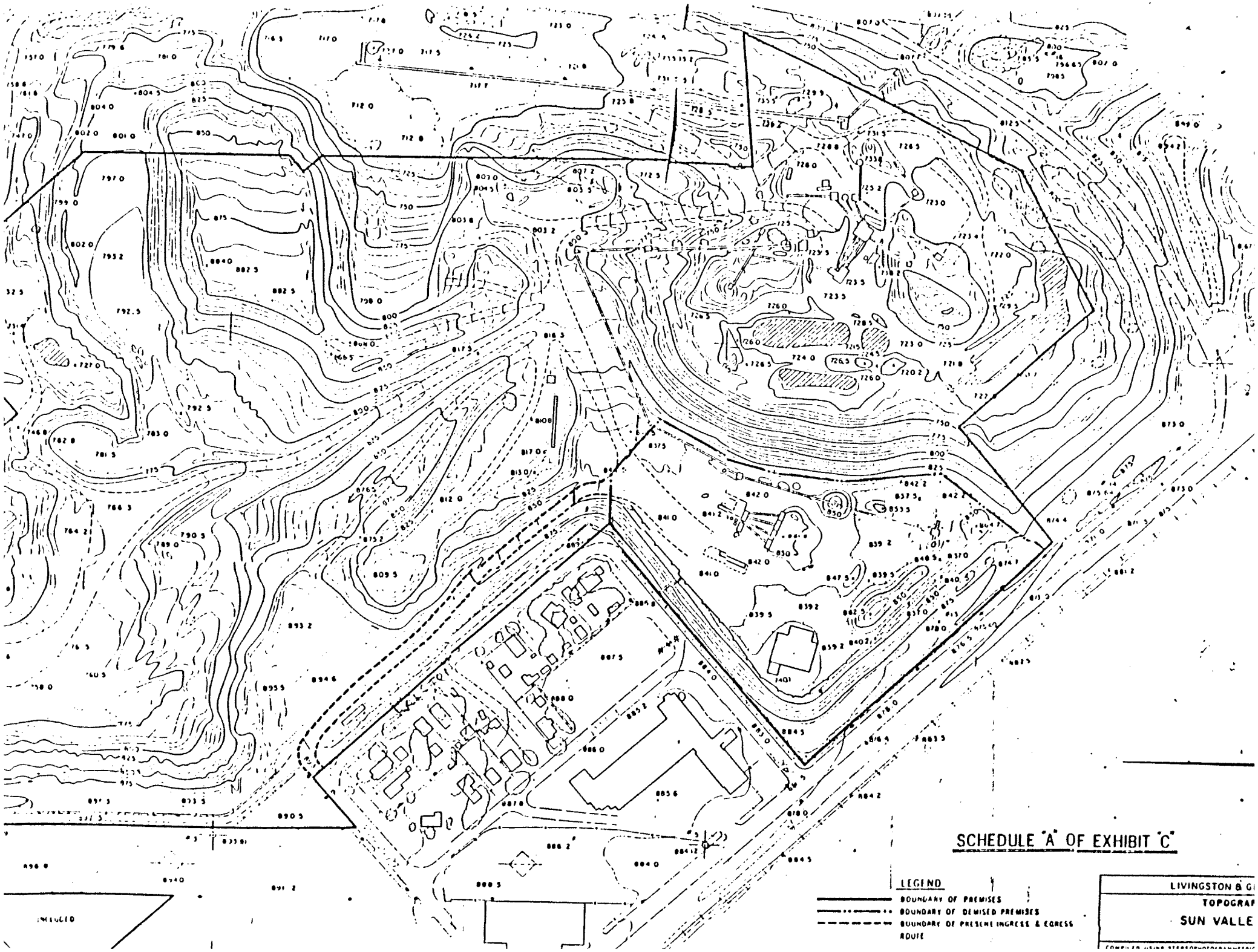
Tickler File Updated

Insurance Req. In Order

Original Documents Attached For File

Notice Date 7-19, 1983

SU-1 S-82R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LIVINGSTON &
TOPOGRAP
SUN VALLE

CONROCK

LEASE DATA SHEET

Site Location Name	
SUN VALLEY	
X	Lease To
	Lease From
	Operating Permit

Name (Tenant) (Owner)	LIVINGSTON GRAHAM, INC.		
Address	16080 East Arrow Highway		
City	Irwindale, CA	Phone	(213) 681-7101
Property Description: (see attached)		CRP/CONROCK No.	

Use: Concrete Batch Plant

Term	Begin	Ending	Rent	Due Date	Deposit
Min 8 yrs Max 15 yrs	See below		100.00/mo. *See Below	1st of month	none

Taxes: Tenant pays all personal property taxes

Tax Parcel Number(s): 19% OF PARCEL # 2538-07- ,17,

Option: None

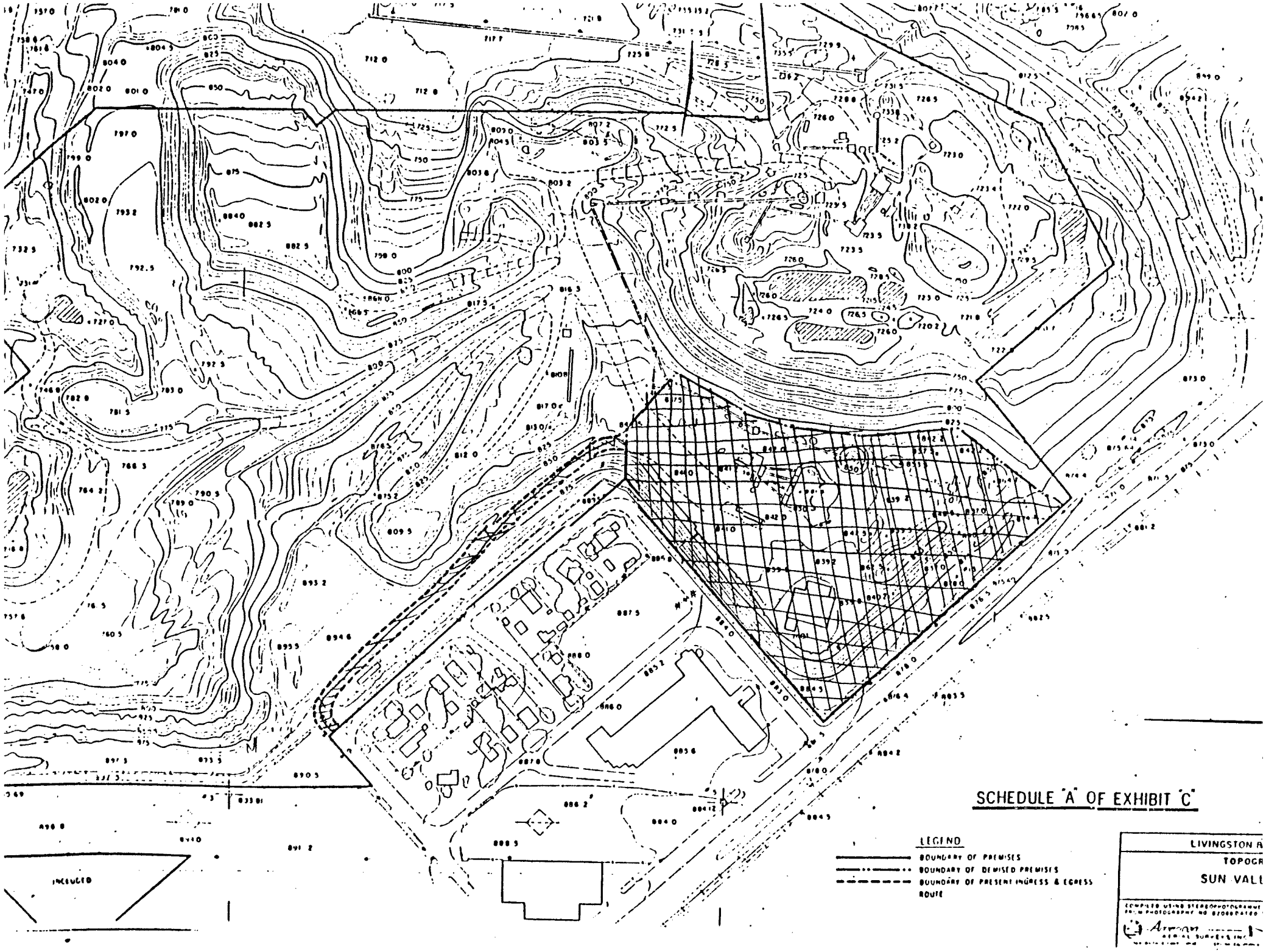
Insurance

5,000,000 PL, PD Workers Comp.

Special Ins. Provisions or Requirements:
None

Special Conditions and/or Considerations: Lease starts 6-1-83 and continues for a period of not less than 8 yrs, but not longer than 15 yrs.

Date	Prepared by:	Property Manager	Change Notice#
7-14-83	Richard C Drum	[illegible]	1088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Livingston-Graham, Inc.
A SUBSIDIARY OF GULF + WESTERN INDUSTRIES, INC.
16080 EAST ARROW HIGHWAY, IRWINDALE, CALIFORNIA 91706
(213) 960-5471 (213) 681-7101

JUN 1 1983

50-937
213

№ 001448

PAY EXACTLY PAY 100 DOLLARS 00 CTS

PAY TO THE ORDER OF Rox Rock Co.

$ 100.00

Livingston-Graham, Inc.
GENERAL ACCOUNT

CHASE MANHATTAN BANK
CARRIER TOWER BRANCH

FX-4: CBI/Trade Secret

LEASE

LEASE, dated the 1st day of June, 1983, by and between CONROCK CO., a Delaware corporation, having offices located at 3200 San Fernando Road, Los Angeles, California 90051, hereinafter referred to as "Lessor" and Livingston-Graham, Inc., a Delaware corporation, having offices located at 251 South Lake Street, Pasadena, California 91101, hereinafter referred to as "Lessee".

STATEMENT OF FACTS

WHEREAS, Lessor and Lessee are desirous of entering into a Lease for the Sun Valley batch plant site, being more particularly described on the topographical map attached hereto as Schedule "A" and made a part hereof (hereinafter referred to as "Demised Premises").

NOW, THEREFORE, in consideration of TEN AND 00/100 ($10.00) DOLLARS and other good and valuable consideration, receipt of which is hereby acknowledged, and the mutual covenants herein contained it is mutually agreed as follows:

1. (a) Lessor hereby leases to Lessee the Demised Premises for the purpose of operating and conducting a concrete batch plant business and uses incidental thereto, including, but

not limited to, equipment storage and vehicle washout and repairs.

(b) The term of said Lease and possession of the Demised Premises shall commence as of (date of closing) and shall continue for a period not less than eight (8) years but no longer than fifteen (15) years from the commencement of this Lease.

(c) Lessee shall pay to Lessor a monthly rental of One Hundred and 00/100 ($100.00) Dollars. In the event the lease term commences on a date other than the first day of the month, the first month's rental of One Hundred and 00/100 ($100.00) Dollars shall be prorated, and thereafter on the first day of each month Lessee shall forward to Lessor the monthly rental as hereinabove provided.

2. Lessor has obtained, or is in the process of obtaining a permit for a Class II disposal site as defined in 23 Cal. Adm. Code §2511 to fill certain property of which the Demised Premises are a part. Lessor has agreed that the Demised Premises will be the last phase of Lessor's fill operation. Under the terms of this Lease, Lessee shall be permitted to continue operating the existing batch plant and related equipment located at the Demised Premises for the period set forth above in Paragraph 1(b).

In the event Lessee is required to vacate the Demised Premises prior to fifteen (15) years from the date hereof due to Lessor's proposed fill operation, Lessor agrees to provide Lessee with a comparable site suitable for a ready mixed concrete batch plant. The new site shall be in the general proximity of the Demised Premises, shall be not less than two and one-half (2½) acres in area, shall have suitable ingress and egress and shall be zoned for a ready mixed concrete batch plant business. Lessor shall not be responsible for any cost or expense incurred by Lessee in relocating its ready mixed concrete batch plant.

Lessor and Lessee hereby agree that upon Lessee's relocation to a new site, they shall enter into an amendment to this Lease reflecting the new location; otherwise, all other terms and conditions shall remain as set forth herein.

3. This Lease may be assigned or sublet by either party without the prior written consent of the other, provided the assignee agrees, in writing, to assume all the obligations of the assigning party of this Lease.

4. Except as hereinafter provided, the Lessee agrees to take the Demised Premises in its "as is" condition. Lessee shall maintain, repair the Demised Premises at Lessee's sole cost and expense and Lessee may make any alterations to the Demised Premises. At the termination of this Lease, Lessee shall, at its sole cost and expense, remove the batch plant, repair shops, washout

material and all equipment installed or located upon the Demised Premises within ninety (90) days after termination.

5. All notices provided for hereunder shall be in writing and sent by registered or certified mail, return receipt requested to the Lessor and Lessee at the addresses set forth above, with a copy to the Lessee at Gulf & Western Industries, Inc., 1 Gulf & Western Plaza, New York, New York 10023, Attn: Resident Counsel, or any other office upon written notice by either party.

6. The Lessor, at its sole cost and expense, shall be responsible for all real estate taxes. The Lessee, at its sole cost and expense, shall be responsible for personal property taxes and shall be responsible for its use of all utilities servicing the Demised Premises, except as herein provided. Lessee agrees to maintain fire insurance and public liability insurance in the amount of $5,000,000 combined single limit for the Demised Premises. To the extent it is able to do so, Lessor shall permit Lessee to utilize wells or other water supplies located upon or available to the Demised Premises or Lessor's property to supply water to operate Lessee's batch plant. Notwithstanding the foregoing, Lessor shall not be obligated to incur any cost or expense in connection with furnishing water to Lessee's batch plant. Lessee agrees to purchase surface water from the City of Los Angeles in amounts at

least equal to ten percent (10%) of Lessee's consumptive use of water in its business.

7. Lessee shall not use the Demised Premises for any purpose which could or would be hazardous or in violation of local codes and ordinances or state laws. Lessee shall be permitted to wash out concrete from Lessee's vehicles on the Demised Premises with the understanding that the Lessee will frequently and regularly remove washout material from the Demised Premises to an approved dump site. Lessee shall use the Demised Premises for a concrete batch plant only.

8. Lessee shall take good and ordinary care of the Demised Premises and shall promptly comply with all laws, ordinances and regulations affecting the Demised Premises and the cleanliness, safety, occupation and use of the same.

9. Lessee will, at the termination of this Lease, peacefully quit, surrender and deliver the Demised Premises to Lessor, its successors and assigns.

10. In the event any clause or provision of this Lease shall be invalid or void for any reason, such invalid or void clause shall not effect the whole of this instrument, but the balance of the provisions herein shall remain in full force and effect.

11. Lessee and Lessor shall each indemnify and save the other harmless from and against any and all claims,

actions, damages, liability and expenses in connection with loss of life, personal injury or damage to property arising from or out of any occurrence in, upon or at the Demised Premises or the improvements, or occupancy or use by Lessee of the Premises or the improvements, or any part thereof, occasioned wholly or in part by any action or omission of Lessor or Lessee, their respective agents, contractors, employees or servants. Lessee shall hold Lessor harmless and accept all responsibility for any adverse settlement of its ready mixed concrete batch plant due to its location on uncertified fill.

12. Time is of the essence of this Lease. The giving of any consent, or the waiver of any requirement of its consent hereunder by Lessor or the breach by Lessee of any provisions requiring such consent of Lessor, shall not annul or render inoperative any provisions hereunder requiring such consent. Further, no consent given by Lessor to any act or omission of Lessee shall be construed as a consent to any other or further or different act or omission. Nor shall the acquiescence or forgiveness by Lessor of any failure by Lessee to perform any term or condition of this Lease shall be deemed or construed to be a waiver by Lessor of the right at all times thereafter, to insist upon the full and complete performance by Lessee of the terms and conditions of this Lease.

13. In the event that all or such a portion of the Demised Premises as to leave the remainder unuseable by Lessee for its intended use hereunder, in Lessee's reasonable judgment, shall be appropriated or taken by any governmental authority under eminent domain proceedings or otherwise (which taking shall include a sale by Lessor to any governmental authority, either after an action is filed or while under the threat of its taking), this Lease shall not terminate, but Lessor and Lessee shall thereupon be released from all liability thereafter accrued under the Lease to each other and shall pursue such remedies and seek any damage incurred directly against such governmental authority. In the event that any portion of the Demised Premises is so taken and the remaining portion is still usable to Lessee for its intended use hereunder, in Lessee's reasonable judgment, than this Lease shall remain in full force and effect as to such remaining portion. In the event of either of any such taking, Lessee and Lessor shall be entitled to sue for and to receive any amount awarded or agreed to be paid by such governmental authority as compensation for taking of fixtures, equipment, relocation expenses and any other amounts permitted by law, including the value of the leasehold.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seal the day and year first above written.

ATTEST:

By: _____
Vice President - Secretary

ATTEST:

By: _____
Assistant Secretary

LESSOR:

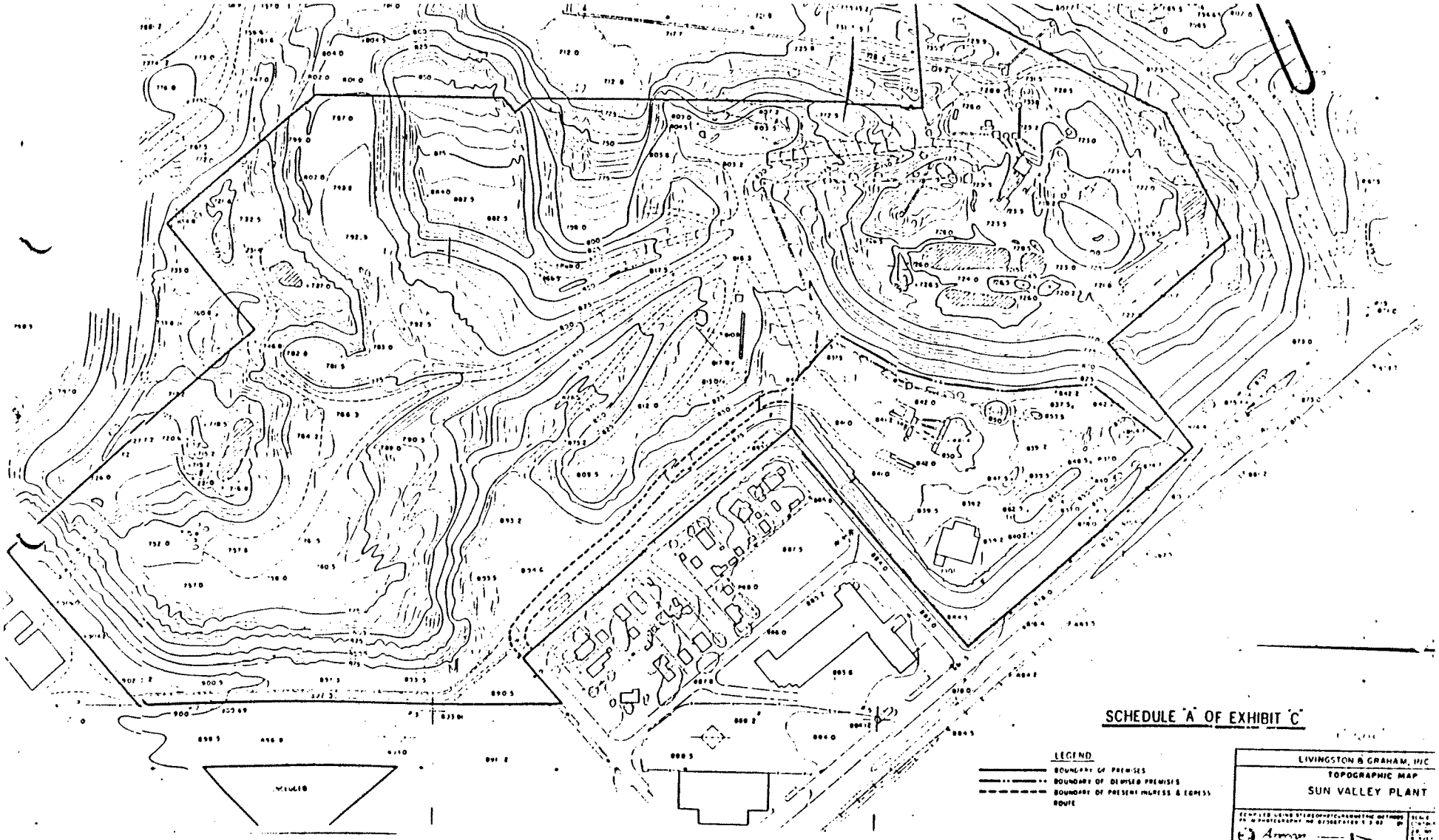
CONROCK CO.

By: _____
Herbert L. Harger
Executive Vice President

LESSEE:

LIVINGSTON-GRAHAM, INC.

By: _____
Vice President


SCHEDULE 'A' OF EXHIBIT 'C'
LEGEND
BOUNDARY OF PREMISES
BOUNDARY OF DEMISED PREMISES
BOUNDARY OF PRESENT INGRESS & EGRESS ROUTE
LIVINGSTON & GRAHAM, INC
TOPOGRAPHIC MAP
SUN VALLEY PLANT

STATE OF CALIFORNIA)
) ss.
COUNTY OF Los Angeles)

On this 27 day of April, 1980, before me, [illegible], a Notary Public of said State, duly commissioned and sworn, personally appeared [illegible], known to me to be the President of VALLEY RECLAMATION CO., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

JOANNA J. PIERCE
NOTARY PUBLIC
STATE OF CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires May 17, 1982

Notary Public in and for said State

FILE - LIVINGSTON GRAHAM CO.

LIZ,

- MOR 1 & 3 FORMS ON NEW FORMAT
- CUSTOMER DEPOSITS STATUS
-

LIVINGSTON-GRAHAM
HARRY SMITH
(818) 960 5471

TALK TO THIS GUY

ANTO ~~DIKE~~ DYCK
VP BRUCE RESNER
2 YRS
LeRoy Crandall & Assoc.
Perry Maljian
818 243-4140

LAW ENV.
FAX # 818 848 1674

Livingston-Graham

16080 Arrow Highway, Irwindale, California 91706-6943
Telephones (213) 681-7101 • (818) 960-5471

RECEIVED JUL 2 1987

JUL. 21, 1987

VALLEY RECLAMATION CO
9200 GLENOAKS BLVD
SUN VALLEY CA 91352

IN RESPONSE TO YOUR INQUIRY RE: LAND & ASSOC CONST CO,R J
7621 HESPERIA AVE
RESEDA CA 91335

ACCOUNT OPENED: 06/21/82

RECENT HIGH PAID CREDIT: $54,028

DATE OF LAST SALE: 07/16/87

TOTAL OWING: $10,368

PAST DUE: $17-

TERMS: NET 10TH PROX. JOB BASIS

MANNER OF PAYMENT:

REMARKS:

LIVINGSTON-GRAHAM

B.A. COOPER
CREDIT MANAGER

VALLEY RECLAMATION CO.
BRADLEY WEST LANDFILL
9200 GLENOAKS BLVD. (MAILING)
9227 TUJUNGA (SITE LOCATION)
SUN VALLEY, CA 91352
(818) 767-6180, (818) 767-6182
A WASTE MANAGEMENT COMPANY

FILE COPY

July 13, 1987

Livingston Graham
16080 E. Arrow Highway
Irwindale, Ca. 91706

RE: Invoice # 298

Please provide more detailed information regarding the above referenced invoice. Back-up information provided with invoice is not adequate to determine proper charges because of duplicating machine overlap. Please submit a copy of each invoice from Department of Water and Power, City of Los Angeles, so cost data can be verified. Calculations made on possible quantities of water lost through break in water line used by Valley Reclamation Co. only justify approximately 32 % of amount shown on invoice.

Your timely submittal of this information will help in resolving this matter.

Respectfully,

Eric L. Davies
General Manager

ELD/df

2166-05415

ATTACHMENT 4

Exhibit H (Environmental Violations)

PRIVILEGED AND CONFIDENTIAL
ATTORNEY/CLIENT COMMUNICATION
ATTORNEY WORK PRODUCT

EXHIBIT H

VIOLATIONS

1. Bradley West Landfill Site ("BWLS") water well number 4915A had a high TCE reading about October 1986 resulting from methane gas in the water. Noncompliance was reported to Regional Water Quality Control Board. Compliance was reestablished about November 1986.

2. Water well 4915D at BWLS has some indications of methane gas. The well had been cleaned and indications are that several gas wells should be drilled to protect the water well.

3. There is some indication that a spill (about 5 feet diameter) occurred on CalMat's property several years ago possibly originating from an adjoining parcel (operated by the Poly Resins Company) not owned by CalMat. The Los Angeles County health officer was notified. Operations on the adjacent property have ceased.

4. From time to time, "red bag waste" (infectious hospital waste) is received at the fill. The bags are ordinarily removed by Security Environmental Systems Incorporated, a licensed hauler of infectious waste, and transported to its facilities for incineration. On occasion, red bags have been buried. The Los Angeles County health

INITIAL HERE TENSKE INITIAL HERE CALMAT

officer was notified.

5. From time to time, drums or barrels of solvents, oils or other liquids have been brought in by unknown haulers. When Valley was aware of these unauthorized hauls, those drums or barrels were manifested and hauled by a licensed hazardous waste hauler out of the fill to the BKK Landfill. Current procedure is to reject such drums or barrels and have the party who brought them haul them away. Drums and barrels are accepted where tops are removed and no liquids or powders are discovered.

6. When paint buckets are discovered, they are opened and set to the side so that any contents may dry. After drying, they are disposed of in the fill.

7. There is a settlement sensor system at BWLS. Numerous sensor system problems developed after construction of the system due to technical and mechanical difficulties.

8. There are leachate sumps on the BWLS site. This leachate resulted from ponding of water during the winter of 1981-82, and since then leachate has been taken out of the sumps and placed in the sewer.

9. Wood waste from the fill has been converted to wood chips, and sold to Louisiana Pacific Company (Antioch, California) and Procter & Gamble (Long Beach, California).

Used

10. Oil products from on-site operating equipment are hauled to the Base Oil Company, a licensed waste oil hauler (Lakewood, California).

INITIAL HERE INITIAL HERE

11. From time to time, dirt has been delivered to the site for cover material, and found to have a high hydrocarbon count. When dumped the Los Angeles City Bureau of Sanitation was notified. If the material was dumped and the hauler could be identified, he was asked to remove the material from the site. Where the hauler could not be identified, those loads were spread to dry to reduce the hydrocarbon count.

12. In 1982 or 1983, a written citation was issued to VRC for high methane gas readings at several probe locations. Several verbal notifications have indicated similar conditions.

13. In 1982 or 1983, VRC was notified that refuse was inadequately covered. Because of operational problems and inclement weather, similar conditions have occurred from time to time.

14. Bulk delivery of tires are not permitted to be dumped. Random tires in small quantities are accepted in the fill. A one-time bulk disposal of approximately 25,000 tires was approved in 1981 by the City of Los Angeles, and such tires were dumped.

15. The Bradley East Landfill had not been adequately covered on the top or sides when Valley Reclamation took it over, nor did adequate drainage exist. Methane gas was leaking out of the sides of this landfill. Erosion control was not adequate. Migration gas probes were not adequate.

Waste Management of North America, Inc.
Western Region
18400 Von Karman Avenue, Suite 650
Irvine, California 92715
714/474-2311

MEMORANDUM

February 16, 1987

TO: Bob Coyle

FROM: Bob Barber

RE: Bradley West Extension Landfill - Bottom Liner

As we discussed by phone February 9th, we have received the attached analysis from Emcon & Associates concerning the bottom liner for Bradley West Extension Landfill. I have reviewed Dick Leach's recommendations and concur that improving the final cover and drainage system to preclude infiltration, and developing a detailed operating plan that minimizes the number of seasons a lift is exposed to precipitation, is the most cost effective means of assuring leachate minimization and exfilitration. We should therefore not add additional liner to that which has been installed and approved in the 24 acre section of Bradley West Extension.

With regard to Dick's comment concerning the reduction in thickness of the two-foot drainage layer, I believe that we should proceed with construction of the two-foot layer as proposed in the approved drawings for a number of reasons. Since the first six-inch layer of sand has been installed over the bulk of the clay liner, the cost of installing the 20,000 yards of sand cannot be saved. On the contrary, it would cost in the order of $40,000 to remove the sand with in-house personnel, and could at the same time damage the approved liner. While the 20,000 cu.yds. of sand represents an additional 20,000 cu.yds. of air space, the added profit from the air space gained would not be realized for 20 years when the site had approached final grade. This would be offset by the cost of installing a geotextile over the 24 acres in lieu of the sand, which would more than eliminate the profit from the additional air space.

In addition, our consultants agree, that as new owners of the facility, it would be inappropriate to approach the regulators with a request to seemingly lessen the effectiveness of the drain plane, even if the proposed alternate was hydraulically superior.
We will however, review alternate designs prior to beginning construction on the next phase of the bottom liner construction.
If you have any further questions, please call.

RDB/jf
cc: Tom Blackman/w.atts
Dave Herold/ "
Don Wallgren/ "
F/VR-Corres./ "

EMCON
ASSOCIATES
Consultants in Wastes
Management and
Environmental Control

FEB - . 1987

February 6, 1987
Project 245-01.01

Robert D. Barber, P.E.
Regional Engineering Manager
Waste Management of North America Inc.
18400 VonKarman, Suite 650
Irvine, California, 92715

Re: Bradley Landfill
Los Angeles, California

Dear Bob:

As you requested we have reviewed the liner and leachate collection and removal system design for the Bradley West Extension prepared by LeRoy Crandall & Associates (LCA) (reference 1 and 2). In addition we have reviewed the potential for leachate production at the site. It is our opinion that the low (<15 inches per year) normal rainfall should not produce significant quantities of leachate, provided (1) the site is operated to maximize storm runoff and minimize the time of exposure of each lift to incident precipitation, and (2) the final cover profile is designed to preclude infiltration.

However, worst case scenarios can be developed that would result in leachate production. An example would be operating procedures that allowed refuse lifts to become saturated. This could occur if one or two lifts of refuse are placed over large areas of the liner and left exposed through a number of high rainfall years. Ponding of water on the landfill surface such as occurred in the winter of 1981-82 on the Bradley West area can, and apparently has, caused a large quantity of water to infiltrate the refuse fill. Risk Science International (reference 3) reports that during the winter of 1981-82 a drainage blockage caused water to pond on the landfill and percolate into the initial refuse lift of Bradley West. LCA reports that approximately half of this quantity has been removed as leachate from Bradley West leachate sumps. Leachate is discharged to the City of Los Angeles sanitary sewer.

The following sections (1) present background information on Bradley Landfill to place in perspective the importance of the liner performance in Bradley West Extension relative to the overall performance of the landfill, (2) review the Bradley West Extension liner design and potential design modifications, and (3) present our recommendations regarding avoidance of leachate production and its control.

Headquarters:
1921 Ringwood Avenue, San Jose, California 95131, (408) 275-1444
Branch office: 445 W. Garfield Avenue, Glendale, California 91204

BACKGROUND

The Bradley Landfill consists of three contiguous landfill areas commonly referred to as Bradley East, Bradley West, and Bradley West Extension with approximate areas of 70, 74.7, and 67.5 acres, respectively (Reference 4).

The Bradley East Landfill (BEL) was operated between 1961 and 1980 and is currently inactive. The site is unlined, consequently any leachate that exits the refuse will readily enter the ground water.

The Bradley West Landfill (BWL) is currently active. The site has an 8-inch-thick clay liner (1×10^{-6} cm/sec, or less), overlain by a 28 inch thickness of sand and gravel designed to transmit leachate to sumps.

The Bradley West Extension Landfill (BWEL) is permitted but no wastes have been disposed of in this area. The BWEL design includes a 12-inch-thick clay liner ($K = 1 \times 10^{-6}$ cm/sec, or less), overlain by a 24-inch-thick sand and gravel layer to collect and transmit leachate to sumps. The sumps that will collect leachate from BWEL will be equipped with leachate detection sumps. All leachate sumps at BWL, BWEL are equipped with 12-inch-diameter riser pipes for monitoring and removing leachate. The BWEL liner and leachate control system conforms to or exceeds the design standards contained in Subchapter 15 of Chapter 13, Title 23 of the California Administrative Code (Subchapter 15).

Little is known about the operating procedures employed or the controls exercised to exclude potentially hazardous materials from the waste stream at BEL. Reasonable control of the waste steam and normal sanitary landfill operating procedures are thought to have been observed at BEL, with the exception of the ponding incident discussed previously.

AVAILABLE LEACHATE CONTROL MEASURES

Leachate can be controlled either by preventing its formation or containing it once formed. Prevention of leachate formation requires (1) careful operating procedures in compliance with a fill construction sequencing plan that minimizes the quantity of precipitation that enters the refuse and (2) a final cover profile that precludes percolation of water into the refuse.

Bradley East Landfill

The BEL which occupies about one-third of the site, presents the greatest environmental concern due to its uncertain history and absence of leachate control facilities. Construction of a final cover profile that precludes percolation of precipitation and irrigation waters into the refuse is the only leachate control measure that can be exercised on this area.

Bradley West Landfill

Refuse has been placed over roughly 75 percent of the BWL. The liner in this area is deficient with respect to current Subchapter 15 standards. If greater control over the potential impacts of leachate is desired, the effort must concentrate on the prevention of leachate production; i.e., operational procedures and prevention of water percolation through the final cover.

Bradley West Extension Landfill

Design drawings for BWEL (Reference 2) show that about one-third of this area contains inert fill and is not planned to be lined. The inert material was not placed as a controlled fill and hence would not provide the proper foundation for a liner (communications with George Cosby, CalMat Co).. We assume that only inert materials will be placed over this area to bring it to final grade.

Considering the above, there remains only about one-third of the entire site pit floor over which additional effort could be made to improve the leachate contaminant capability of the liner system (including the area recently lined).

BRADLEY WEST EXTENSION LEACHATE CONTROL SYSTEM DESIGN

The liner designed by LCA for the BWEL is the minimum 1-foot thickness and maximum hydraulic conductivity (1×10^{-6} cm/sec) allowed by Subchapter 15. Calculations presented in reference 1 show that LCA analyzed the liner and overlying permeable leachate drainage layer in accordance with procedures in EPA SW-869 design publication (Reference 5).

With the exception of calculations completed to determine the efficiency of the liner and the drainage layer (DL), their analysis is very conservative. By using a very high inflow rate to the DL and a high initial head on the liner of 13 inches, LCA calculated an efficiency for the DL in excess of 85 percent, indicating rapid drainage of leachate to the sump. However, if the site is operated to minimize percolation of water into the refuse the potential inflow rate to the drainage layer will be very low. Using more realistic leachate impingement values would significantly lower the calculated efficiency value, possibly to near zero. Zero efficiency would indicate that all of the leachate that contacts the liner would ultimately pass through it.

Although clay liners are often referred to as being "impervious" the term is correctly used only in a relative manner. All soil liners leak at a rate that depends on the hydraulic conductivity (k) of the liner material, the liner thickness, and the total head driving the fluid through the liner. This relationship is shown on the enclosed graph for the condition of a constant head on a liner constructed to the Subchapter 15 standards for a Class III landfill ($K = 1 \times 10^{-6}$ cm/sec). Using a low inflow rate to the DL consistent with a policy of leachate

minimization, a head-over-liner value in the order of magnitude of tenths of a foot would be expected. The graph shows that for low heads the rate of seepage through a clay liner is only marginally reduced for a clay liner thickness greater than 1 foot. Based on test data presented in reference 1, the actual "K" value for the BWEL liner and hence the constant head seepage rate could be an order-of-magnitude lower than shown on the graph.

RECOMMENDATIONS

Based on the expected operating conditions at BWEL that would minimize the potential for leachate production, increasing the thickness of the clay liner would do little to improve the leachate containment capability of this area. However, construction quality control must be emphasized to produce an effective 1-foot-thick clay liner. If improved leachate containment capability is desired, the addition of a synthetic membrane to create a composite liner should be considered. Provided the site is operated in a manner that minimizes leachate production, the high cost to improve leachate containment in the BWEL seems unwarranted considering the much lower level of containment beneath most of the site. In our opinion, any additional effort to improve leachate control would be better spent (1) improving the final cover and drainage system to preclude infiltration of precipitation and irrigation waters into the refuse fill, and (2) developing a detailed operating plan that minimizes the number of seasons a lift is exposed to precipitation.

With respect to the drainage layer design, the LCA analysis (reference 1) indicates that the 2-foot drainage layer could be reduced in thickness. If cost effective, on future construction the lower-6-inch layer of filter sand overlying the clay liner could be replaced with filter fabric. This change would increase the refuse capacity approximately 800 cubic yards per acre.

Please call me if you have any questions or if we can be of further assistance.

Very truly yours,

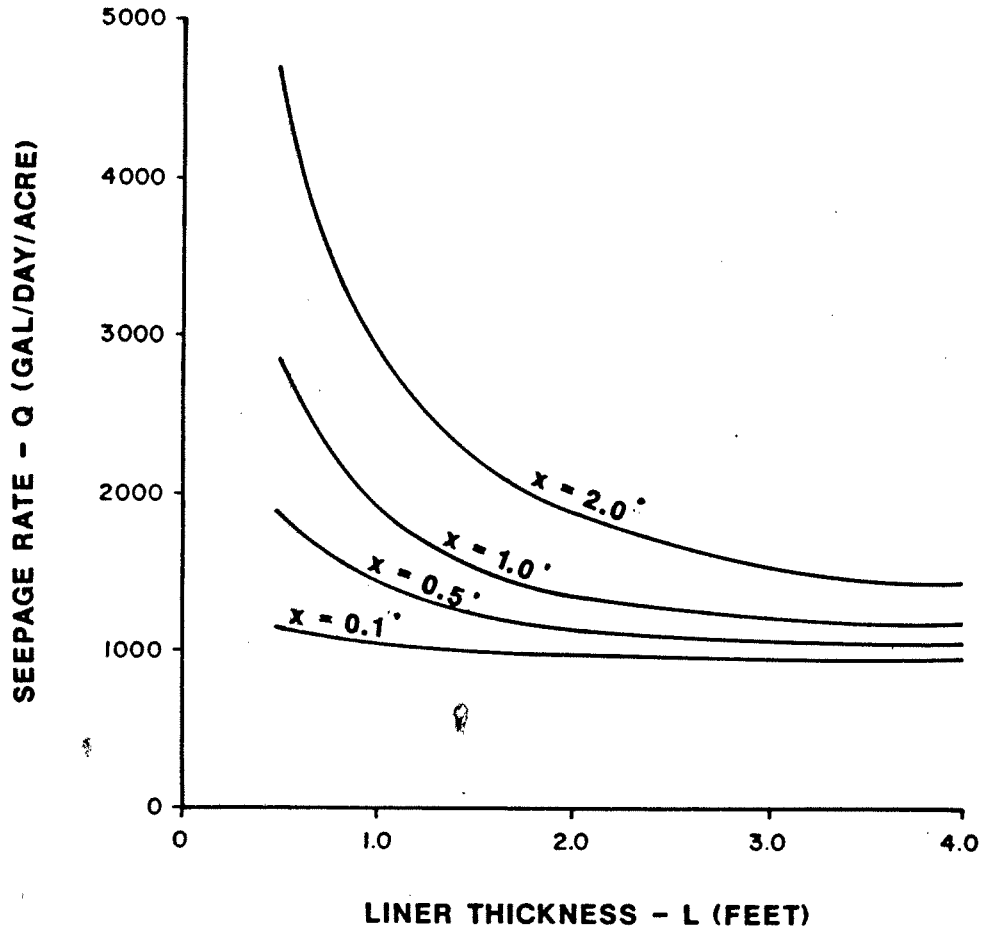
EMCON Associates

Richard Leach

Richard J. Leach
Senior Vice President

RJL:lad

Enclosure



$$Q = \frac{K(L+x)A}{L}(C)$$

Q = Seepage rate through liner
K = 1×10^{-6} cm/sec
L = Liner thickness (Feet)
x = Water depth over liner (Feet)
A = 1 acre
C = Units conversion factor

2/87 dmayon

EMCON Associates

WASTE MANAGEMENT OF CALIFORNIA
ENVIRONMENTAL REVIEW
BRADLEY LANDFILL
LOS ANGELES, CALIFORNIA

AFFECT OF SOIL LINER THICKNESS
ON SEEPAGE THROUGH LINER

FIGURE
1

PROJECT NO.
245-01.01

REFERENCES

1. LeRoy Crandall and Associates, Inc., December 20, 1985, Volume II, Report of Design, Proposed Bradley West Extension, Sun Valley District, Los Angeles, California.

2. LeRoy Crandall and Associates, Inc., December 16, 1985, Bradley West Extension Design Drawings for Valley Reclamation, Inc.

3. Risk Science International, Draft Report, June 6, 1985, Environmental Risk Assessment of the Bradley East and West Landfills of the CalMat Company in Sun Valley, California.

4. California Regional Water Quality Control Board, Los Angeles Region, January 9, 1986, Waste Discharge Requirements for Valley Reclamation Company, Order No. 86-11.

5. Environmental Protection Agency, 1983, Landfill and Surface Impoundment Performance Evaluation, SW-869 revised.

2166-05415

ATTACHMENT 5

Environmental Assessment Review

CC: TOM BLACKMAN CC: STRAUCH, ... HEROLD
DAVE KELLY

2166-05415

NICE JOB! THANKS FOR YOUR HELP + PERSISTANCE.

RECEIVED BE

JAN 0 5 1987

F/VR-CORR

December 30, 1986

TO: Phil Rooney
Bill Hulligan

FROM: Don Wallgren Don

SUBJECT: CAL MAT - VALLEY RECLAMATION ACQUISITION

With reference to your (Phil's) December 29, 1986 memo, we have performed a detailed EMD review of the subject acquisition.

SUMMARY

A summary of key observations and conclusions is as follows:

1. By far, the greatest concern is the potential contamination of groundwater. A permit requirement is 10' separation between base of refuse and seasonal high groundwater. The geology is predominantly sand and gravel and therefore is not "forgiving" if anything migrates from the bottom of the site.

2. There is no evidence of past or present groundwater problems based on monitoring from six wells. One upgradient well did have significant concentrations of TCE in the fourth quarter of 1985 and third quarter of 1986 but after connecting the well to the gas extraction system, the samples were clean.

3. The key to preventing groundwater contamination is ensuring a sound cover over the entire site. Water balance equations show no leachate generation if we have several feet of good cover properly sloped and vegetated. (The climate with precipitation - 15"/year and evaporation - 60"/year is excellent to prevent leachate). Upon acquisition, an immediate study should be undertaken to determine what, if any, additional cover work is needed on closed and finished sections of the site.

4. If groundwater were to become contaminated, it would be a very expensive "fix." The site is in a groundwater recharge zone and large volumes of groundwater are used for multiple purposes including drinking water approximately two miles down gradient from the site.

5. The overall rapport with the several regulatory agencies and City of Los Angeles is excellent. The general impression from the regulatory agencies is that the site is one (if not the best) of the best sites in the Los Angeles area and possibly in the State. The site has an excellent compliance record.

6. There are four outstanding permit/zoning approvals pending:

   (A) A zoning variance from County of Los Angeles is pending for overfill. This is expected to be approved very soon.

   (B) Permit approval is pending for increasing volume from 1,500 to 7,000 tons per day.

      (1) County has essentially approved and permit is a formality.

      (2) State Waste Management Board is scheduled to act on it on January 22, 1987. State staff is of the opinion it will be approved.

   (C) South Coast Air Quality Permit is pending. The application was returned with request that monitoring for entire site be included. Issuance of permit should not be a problem once revised application is properly completed.

   (D) The attorneys should pay particular attention to transferability of permits where they are issued to Valley Reclamation, a wholly owned subsidiary of Cal Mat.

7. There is no evidence of any Superfund investigations, reporting, etc. related to this site.

8. The gas contract with GSX should be reviewed and perhaps terminated. While they are to operate the gas system both for recovery and control, they only have to do so if it is economically viable. On the surface, this does not seem to ensure satisfactory gas control at the site boundaries.

9. The "shingle" design on the sidewalls is highly questionable in terms of effectiveness and should probably be modified.

10. Upon acquisition, the hydrogeology, groundwater monitoring system, gas control monitoring system, cover, bottom liner, and sidewall liner should all be reviewed for possible changes and upgrading.

Conclusion

In conclusion, the acquisition can proceed from an environmental standpoint provided WMNA makes the commitment to take whatever steps are necessary to prevent leachate from being generated and as a precaution to ensure that any leachate that is generated will be collected and removed for proper disposal. More detailed notes and findings on each of the issues discussed herein are being sent to me and will be available later this week.

The review has been directed by Bob Barber in California. He has been assisted by his staff in the Western Region and by Peter Vardy's staff. Bob Barber, along with the other involved EMD staff members, have done an excellent job in handling this review over the holidays. I was unable to reach Peter Vardy in South America, but his staff, including Gary Williams, Ron Poland, Arlene Pradl, Jim Stenborg and Marty Sara did a great job.

DAW/mab

cc: Peter Vardy
Bob Barber

RECEIVED

JAN 05 1987

30 December 1986

TO: Dave Herold

FROM: Jim Stenborg JWS
Ron Poland RJP by JWS

RE: L.A. County Disposal Site
Water Balance Calculations

In response to your request of December 29, we have run water balance calculations for the potential acquisition in Los Angeles County. Copies of calculations are attached.

In conducting the water balance, we used precipitation data provided by you and evapotranspiration data for our Simi Valley facility. You noted that evapotranspiration for the subject site is probably 10 to 20 inches per year higher than for Simi Valley. This would mean that our calculations are conservative and would overestimate the quantity of leachate to be produced.

The attached calculations consider three cases for moisture storage in the cover soil; 2 inches, 4 inches and 6 inches. The soil moisture storage is the difference between field capacity and wilting point.

For a four foot thick cover, with permeability 10^{-5} cm/5 the soil moisture storage should range between 4.1 inches and 6.4 inches. As indicated in the calculations, no leachate would be generated in this case.

In summary, the subject site is not expected to generate leachate based on water balance calculations.

cc: D. Wallgren

RECEIVED

JAN 05 1987

WATER BALANCE

34° N. Latitude
2" moisture Retention.

PROJECT _____ LOCATION L.A County Calif.
BY JWS DATE 12-29-86
CHK _____ DATE _____

MONTH		J	F	M	A	M	J	J	A	S	O	N	D	TOTAL
AN MONTHLY TEMPERATURE	T	50.2	52.1	54.8	58.8	62.6	66.7	73.2	72.8	70.8	64.4	57.7	52.7	
THLY HEATING INDEX	HI	2.91	3.38	4.08	5.22	6.38	7.72	10.01	9.85	9.13	6.95	4.89	3.53	ΣI = 74.05
ADJUSTED DAILY POTENTIAL APOTRANSPIRATION	UPET	0.04	0.04	0.05	0.07	0.08	0.11	0.14	0.14	0.12	0.09	0.06	0.04	
ITUDE ADJUSTMENT	L	26.4	25.8	30.9	32.7	36.0	36.0	36.6	34.8	30.9	29.1	26.1	25.8	
JUSTED MONTHLY POTENTIAL APOTRANSPIRATION	PET	1.06	1.03	1.55	2.29	2.88	3.96	5.12	4.87	3.71	2.62	1.57	1.03	
N MONTHLY PRECIPITATION	P	3.1	3.3	2.2	1.2	0.15	0.05	0.00	0.05	0.25	0.50	1.0	2.65	14.45
FFICIENT OF RUNOFF	C_{RO}	0.30	0.30	0.30	0.25	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.30	
FACE RUNOFF	RO	0.93	0.99	0.66	0.30	0.03	0.01	0	0.01	0.05	0.10	0.25	0.80	
ILTRATION P − RO	I	2.17	2.31	1.54	0.90	0.12	0.04	0	0.04	0.20	0.40	0.75	1.85	
I − PET		1.11	1.28	−0.01	−1.39	−2.76	−3.92	−5.12	−4.83	−3.51	−2.22	−0.82	0.82	Σ = 21.3
UMULATED POTENTIAL ER LOSS Σ NEG (I-PET)		—	—	−0.01	−1.40	−4.16	−8.08	−13.20	−18.03	−21.54	−23.76	−24.58	—	
L MOISTURE STORAGE	ST	1.96	2.00	1.99	0.94	0.22	0.03	0.03	0.03	0.03	0.03	0.03	0.85	
NGE IN SOIL STURE STORAGE	ΔST	+1.11	0.04	−0.01	−1.05	−0.72	−0.19	0	0	0	0	0	+0.82	
UAL EVAPOTRANSPIRATION	AET	1.06	1.03	1.55	1.94	0.84	0.23	0	0	0	0	0	1.03	
COLATION	PERC	0	1.24"	0	0	0	0	0	0	0	0	0	0	

NOTES:
1. PET = UPET x L
2. AET = PET + ((I-PET) − ΔST) when (I − PET) < 0 ; AET = PET when (I − PET) > 0
3. PERC = P − RO − ΔST − AET
   I

1.24" = 33,700 gal per Acre

Sheet 1 of 4

WATER BALANCE

PROJECT _____ LOCATION L.A County Calif.

BY JWS DATE 12-29-86

CHK _____ DATE _____

34° N. Latitude

4" Moisture Retention

MONTH		J	F	M	A	M	J	J	A	S	O	N	D	TOTAL
AN MONTHLY TEMPERATURE	T	50.2	52.1	54.8	58.8	62.6	66.7	73.2	72.8	70.8	64.4	57.7	52.7	
THLY HEATING INDEX	HI	2.91	3.38	4.08	5.22	6.38	7.72	10.01	9.85	9.13	6.95	4.89	3.53	ΣI = 74.05
ADJUSTED DAILY POTENTIAL APOTRANSPIRATION	UPET	0.04	0.04	0.05	0.07	0.08	0.11	0.14	0.14	0.12	0.09	0.06	0.04	
TITUDE ADJUSTMENT	L	26.4	25.8	30.9	32.7	36.0	36.0	36.6	34.8	30.9	29.1	26.1	25.8	
JUSTED MONTHLY POTENTIAL APOTRANSPIRATION	PET	1.06	1.03	1.55	2.29	2.82	3.96	5.12	4.87	3.71	2.62	1.57	1.03	
AN MONTHLY PRECIPITATION	P	3.1	3.3	2.2	1.2	0.15	0.05	0.00	0.05	0.25	0.50	1.0	2.65	14.45
EFFICIENT OF RUNOFF	C_{RO}	0.30	0.30	0.30	0.25	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.30	
RFACE RUNOFF	RO	0.93	0.99	0.66	0.30	0.03	0.01	0	0.01	0.05	0.10	0.25	0.80	
FILTRATION	I	2.17	2.31	1.54	0.90	0.12	0.04	0	0.04	0.20	0.40	0.75	1.85	
I - PET		1.11	1.28	-0.01	-1.39	-2.76	-3.92	-5.12	-4.83	-3.51	-2.22	-0.82	0.82	Σ = 21.3
UMULATED POTENTIAL TER LOSS	Σ NEG (I-PET)			0.87	2.26	5.02	8.94	14.06	18.89	22.40	24.62	25.44		
IL MOISTURE STORAGE	ST	2.17	3.45	3.20	2.24	1.10	0.41	0.24	0.24	0.24	0.24	0.24	1.06	
ANGE IN SOIL ISTURE STORAGE	ΔST	+1.11	+1.28	-0.25	-0.96	-1.14	0.79	0.17	0	0	0	0	+0.82	
TUAL EVAPOTRANSPIRATION	AET	1.06	1.03	1.79	1.86	1.26	0.83	0.17	0.04	0.20	0.40	0.75	1.03	
RCOLATION	PERC	0	0	0	0	0	0	0	0	0	0	0	0	- 0 -

NOTES:
1. PET = UPET x L
2. AET = PET + ((I-PET) - ΔST) when (I - PET)<0 ; AET = PET when (I - PET) > 0
3. PERC = $\underbrace{P - RO}_{I}$ - ΔST - AET

Sheet 2 of 4

WATER BALANCE

34° N. Latitude
6" Moisture Retention

PROJECT _____ LOCATION L.A. County Calif.
BY JWS DATE 12-29-86
CHK _____ DATE _____

MONTH		J	F	M	A	M	J	J	A	S	O	N	D	TOTAL
N MONTHLY TEMPERATURE	T	50.2	52.1	54.8	58.8	62.6	66.7	73.2	72.8	70.8	64.4	57.7	52.7	
THLY HEATING INDEX	HI	2.91	3.38	4.08	5.22	6.38	7.72	10.01	9.85	9.13	6.95	4.89	3.53	ΣI = 74.05
DJUSTED DAILY POTENTIAL POTRANSPIRATION	UPET	0.04	0.04	0.05	0.07	0.08	0.11	0.14	0.14	0.12	0.09	0.06	0.04	
ITUDE ADJUSTMENT	L	26.4	25.8	30.9	32.7	36.0	36.0	36.6	34.8	30.9	29.1	26.1	25.8	
USTED MONTHLY POTENTIAL POTRANSPIRATION	PET	1.06	1.03	1.55	2.29	2.88	3.96	5.12	4.87	3.71	2.62	1.57	1.03	
N MONTHLY PRECIPITATION	P	3.1	3.3	2.2	1.2	0.15	0.05	0.00	0.05	0.25	0.50	1.0	2.65	14.45
FFICIENT OF RUNOFF	C_{RO}	0.30	0.30	0.30	0.25	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.30	
FACE RUNOFF	RO	0.93	0.99	0.66	0.30	0.03	0.01	0	0.01	0.05	0.10	0.25	0.80	
ILTRATION	I	2.17	2.31	1.54	0.90	0.12	0.04	0	0.04	0.20	0.40	0.75	1.85	
I - PET		1.11	1.28	-0.01	-1.39	-2.76	-3.92	-5.12	-4.83	-3.51	-2.22	-0.82	0.82	Σ = 21.3
UMULATED POTENTIAL ER LOSS Σ NEG (I-PET)		—	—	(3.49)	4.88	7.64	11.56	16.68	21.51	25.02	27.24	28.06	—	
L MOISTURE STORAGE	ST	2.32	3.60	3.32	2.62	1.63	0.82	0.39	0.39	0.39	0.39	0.39	1.21	
NGE IN SOIL STURE STORAGE	ΔST	+1.11	+1.28	-0.28	-0.70	-0.99	-0.81	-0.43	0	0	0	0	+0.82	
UAL EVAPOTRANSPIRATION	AET	1.06	1.03	1.82	1.60	1.11	0.85	0.43	0.04	0.20	0.40	0.75	1.03	
COLATION	PERC	0	0	0	0	0	0	0	0	0	0	0	0	

NOTES:
1. PET = UPET x L
2. AET = PET + ((I-PET) - ΔST) when (I - PET)<0 ; AET = PET when (I - PET) > 0
3. PERC = P - RO - ΔST - AET
   I

Sheet 3 of 4

Thornwaite Water Balance

Work Sheet

	Σ of Total Neg (I-PET) Values	Soil Moisture Retention	Soil Moisture +Σ of Pos (I-PET) Values	Potential Water Loss to Result	Potential Water Loss +Σ of Neg (I-PET)
2" Moisture Retention Tables	-24.58	0.03	+3.21	0	24.58
4" Moisture Retention	-24.58	0.24	3.21	0.86	25.44
	-25.44	0.24	3.21	0.86	25.44
6" Moisture Retention	-24.58	0.39	3.21	3.48 ~~3.68~~	-28.06
	-28.06	0.39	3.21	3.48 ~~3.58~~	28.06

22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS
AMPAD

c) The length of time necessary to fill the upper zone pore storage and obtain a substantial reduction in infiltration rate.

The precise complete time history of the infiltration rate is more of academic interest than practical necessity.

Hydrologic Soil Moisture Index Points:- The *field capacity* of the soil is defined as the maximum amount of water which can be retained against the force of gravity and represents the storage capacity of capillary water. The amount depends upon the soil texture.

Plant roots can not utilize all of the capillary water stored in the soil. The lower limit of utilization of the soil moisture is called the *permanent wilting point*. The difference between the soil water content at field capacity and the wilting point represents the *available water* for the evapotranspirational process. Figure 4.9 gives these relationships as a function of soil type.

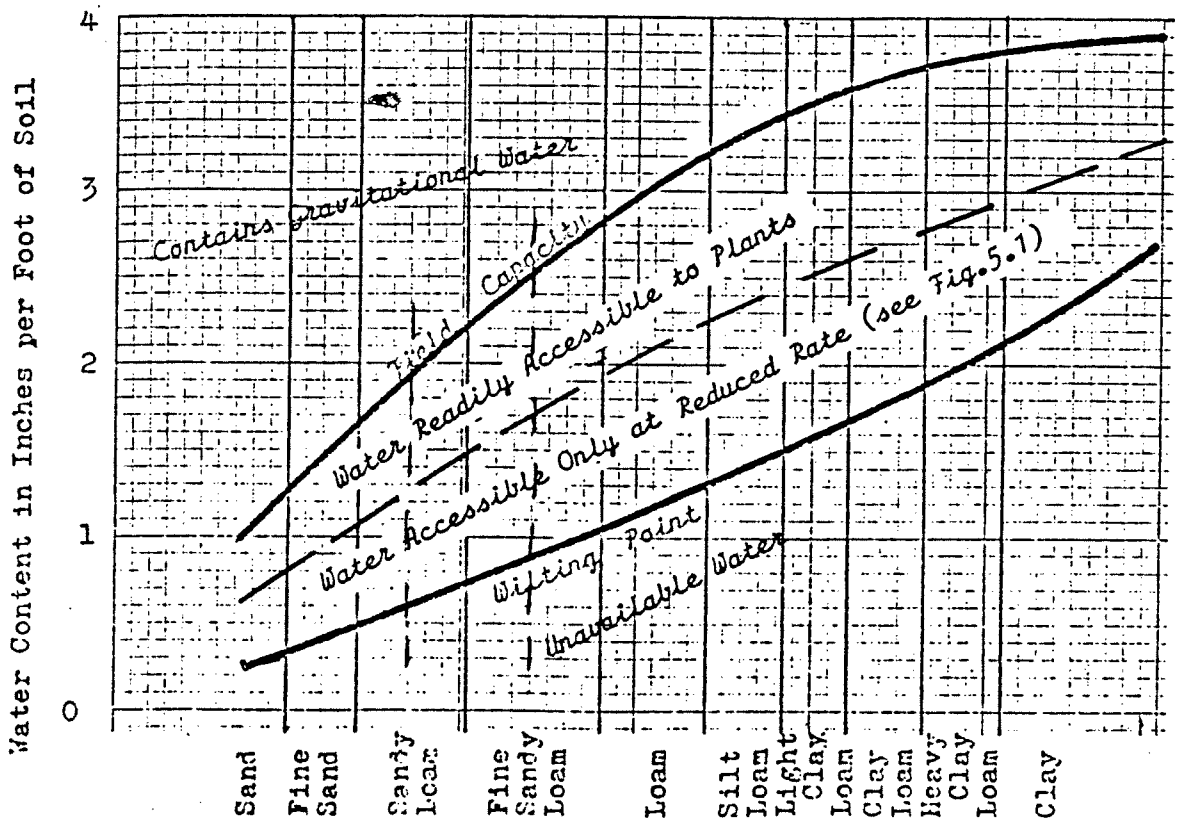


Fig. 4.9 Water Holding Characteristics of Different Soils

This graph was adapted from a similar graph in the 1955 Yearbook of Agriculture entitled, "Water". The difference between these two lines represents the water available to plants in each foot of root zone.

The soil type is determined primarily by *soil texture* with *soil structure* and *soil profile* also playing a part in the particle sizes and size distribution. The particle sizes are determined by mechanical analysis of the soil. The soil type depends upon the presence of the three size classes - silt, clay and sand. The Department of Agriculture classification is shown in Figure 4.10.

2166-05415

Waste Management of North America, Inc.
Western Region
18400 Von Karman Avenue, Suite 650
Irvine, California 92715
714/474-2311

MEMORANDUM

January 20, 1987

TO: Don Wallgren

FROM: Bob Barber

RE: Summary of Acquisition Review - Valley Reclamation (Bradley East & West Landfills)

Attached are copies of memos from Dave Herold, Arlene Pratl and Doug Strauch concerning the acquisition review of Valley Reclamation, which we conducted from December 26 - December 31, 1986. Most of this data was transmitted to you in a phone conversation on December 29th and was incorporated into your December 30th memo to Phil Rooney and Bill Hulligan. The statements in that memo accurately reflect the items we reviewed.

In summary, the following agencies were contacted during the review:

- California Waste Management Board - Chief Counsel & Staff
- State Water Resources Board - Chief Counsel
- Los Angeles Region Water Quality Control Board
- City of Los Angeles - Lead Enforcement Agency
- USEPA Region 9
- Los Angeles County Health Department
- Los Angeles Zoning Department
- Leroy Crandall & Associates - Alice Campbell & Glenn Brown
- Mandeville & Associates
- Emcon & Associates
- Lockman & Associates
- Corporate EMD Staff

Due to the short period of time allowed for the acquisition review, these agencies and staff were contacted by telephone and not visited. However, many of the individuals contacted are well known to our staff and spoke freely concerning their impressions of the site. We will be following up in the next month to develop a more thorough review of the facility, using Emcon & Associates.

Also attached is a rough pencil copy of the Landfill Economics for Pro-Forma Use that was developed for determining the costs of the remedial improvements necessary for the site. I have forwarded all of these to you in the form submitted to me, as requested.

Thank you for your help and support in the course of the acquisition review. If you have any questions concerning the information that was gathered, please give me a call. The complete reports and permits for the facility have been loaned to Emcon for the development of a Proposal for Review of the site and assessment of potential liabilities as well as review of options for bottom liner, side liner and final cover. If you need copies, we will obtain them.

BB/jf

cc: Dave Herold
Arlene Pratl
Doug Strauch
F/VR-Correspondence
Tom Blackman
Tom Collins

DAVE H.
WE NEED TO INCLUDE ARLENE'S RECOMMENDATIONS IN OUR FORMAL REVIEW OF THE SITE, AFTER EMCON'S INITIAL REVIEW
BG
F/VR-CONN

REC'D JAN 29 1987

RECEIVED
FEB - 1987

January 23, 1987

TO: Judy Rosenbeck

FROM: Arlene Pratl

RE: Bradley Landfill Acquisition

An assessment of the potential environmental liabilities associated with the acquisition of Bradley Landfill in Sun Valley, CA was conducted December 29-30, 1986. The attached presents my observations, comments, concerns and recommendations.

As you know, a copy of the draft report was sent to Bob Barber shortly after the review. This report has been updated to reflect your comments and, although the acquisition is final, my recommendations should be considered for operations under WMNA.

AP/df

cc: Bob Barber
Dave Herold
Don Wallgren
Gary Williams
Peter Vardy

BRADLEY LANDFILL ACQUISITION

SUMMARY

My general impression of Bradley Landfill was good. The site appeared well run. Site Management was cooperative and candid. My biggest concern, however, is the possibility of existing or future groundwater contamination. Proposition 65, a pending State regulation, requires the State Agency to publicly disclose any monitoring excursions, or face imprisonment. The implications associated with the proposed regulation are obvious. A longer review period would have allowed a more thorough review of the groundwater monitoring data, hydrogeologic conditions, and access to additional information regarding waste receipt prior to 1980.

FINDINGS

Following provides a summary of my conversations with site personnel, consultants, corporate EMD staff as well as personal observations.

- Operation of Bradley Landfill appears well run. Good housekeeping was observed. Site Management was familiar with the regulations and permit conditions. Management was also open and candid regarding the site's "deficiencies".

- Bradley East is unlined and the underlying material is most likely sand and gravel. Base grade information is sparse and inconsistent.

- The type and quantity of materials accepted into Bradley East are unknown. Further review of Conrock's and the Agencies' files may disclose more information.

- Agency files were not reviewed. It is recommended that all applicable files be reviewed, especially information on past operations (Bradley East).

- Although water balance calculations indicate that leachate generation should be minimal, a potential for washout exists from high groundwater levels. A written agreement should be sought with the Power and Water spreading grounds to prevent high groundwater elevations resulting from recharge operations. Also, a more immediate measurement of groundwater elevation and warning system must be devised. Daily measurements could allow undetected exceedances in elevation.

- Adequate well construction information is not available for four wells (seal depth is unknown). These wells would have to be replaced. The remaining wells are not constructed to Corporate standards and would most likely need to be replaced. In addition, inconsistent monitoring results may be generated from poorly constructed wells.

Of lesser concern is the lack of documentation of proper grouting of removed wells. The consultant indicated that the wells were properly abandoned; however, we have no documentation of the methods used.

- Wells downgradient of Bradley East do not exist; therefore, groundwater quality has not been assessed.

- Three wells exist off the property boundary. Written agreements must be established to allow access to these wells for sampling and maintenance. Also, the replacement wells may need to be installed off site.

- Site Management and the consultant were unaware of a high pressure gas line easement along the San Fernado Road and the railroad tracks. This easement should be obtained.

RECOMMENDATION

Considering the liabilities associated with the site in the event groundwater contamination is identified, I recommend further review in the following areas:

- With the implications of Prop 65 and public disclosure, past contaminant detections, however minor and attributable, must be reviewed, and explanations of causes and remediation prepared. A volatile scan using WMI sampling and analysis procedures should be conducted to confirm or deny past data.

- New wells need to installed, including two downgradient from Bradley East.

- All State Agency files should be reviewed.

- Surface water drainage must be further investigated. The current run-off control system may not be effective in practice. In addition, perimeter discharges should be minimized and NPDES point sources prohibited.

- Consideration should be given to generic permit conditions. For example, a condition of the current State waste disposal permit prohibits disposal of, "Wastes which contain soluble pollutants in concentrations which exceed applicable water quality objectives, or could cause degradation of waters of the state." This condition needs clarification. Another condition of the Permit states that, "All leachate from the site shall be intercepted and pumped out when detected." If contaminants were detected from Bradley East, leachate removal would be difficult and costly as Bradley East has no leachate collection system.

- We should obtain all necessary agreements and easements.

AP/df