

**FIRST AMENDMENT TO  
AMENDED AND RESTATED  
SOLID WASTE COLLECTION FRANCHISE AGREEMENT**

THIS FIRST AMENDMENT TO AMENDED AND RESTATED SOLID WASTE COLLECTION FRANCHISE AGREEMENT (this “**Amendment**”) is made and entered into this 12 day of November, 2015, in the State of California, and shall modify that certain Amended and Restated Solid Waste Collection Franchise Agreement, dated August 27, 2008 (the “**Agreement**”), by and between the NIPOMO COMMUNITY SERVICES DISTRICT, , a community services district organized and operated pursuant to §61000 et seq. of the Government Code of the State of California (“**District**”) and SOUTH COUNTY SANITARY SERVICE, INC., a California corporation, and Waste Connections, Inc., a Delaware corporation (collectively, “**Contractor**”). District and Contractor may be collectively referred to herein as the “**Parties**” and individually as a “**Party**”, unless specifically identified otherwise.

**RECITALS**

WHEREAS, capitalized terms used herein but not otherwise defined shall have the respective meanings ascribed to them in the Agreement; and

WHEREAS, the Parties now wish to amend the Agreement to extend the Term of the Agreement conditioned upon Contractor’s meeting the criteria set forth herein.

**AGREEMENT**

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE TO AMEND THE AGREEMENT, AS FOLLOWS:

1. **Amendment to Article 1 (Definitions)**. Article 1 of the Agreement is hereby amended to replace or add, as applicable, the following definitions:

“(i) “**Facility**” means any plant or site utilized by Contractor (or a subcontractor of Contractor) for the purposes of performing the duties to fulfill this Agreement, including, without limitation, processing the District’s Greenwaste and Food Waste. For purposes of Section 3.4, “Facility” means a Komogas facility (or other similar technology) capable of processing the District’s Greenwaste and Food Waste.”

“(ii) “**Facility Operation Date**” means the date on which, following its start-up, testing and commissioning, the Facility processes commercial quantities of Food Waste and Greenwaste.”

“(iii) “**Food Waste**” means a waste material of plant or animal origin that results from the preparation or processing of food for animal or human consumption and that is separated from the municipal solid waste stream. Food waste includes, but is not limited to, food waste from food facilities as defined in Health and Safety Code section 113789 (such as restaurants), food processing

establishments as defined in Health and Safety Code section 111955, grocery stores, institutional cafeterias (such as prisons, schools and hospitals), and residential food scrap collection. Food waste does not include any material that is required to be handled only pursuant to the California Food and Agricultural Code and regulations adopted pursuant thereto.”

2. **New Section 3.4.** Section 3 of the Agreement is hereby amended to add the following new Section 3.4:

**“3.4 Additional Technology Extension.**

- A. Subject to the conditions set forth in Section 3.4.B below, the Term of this Agreement shall be extended such that the Term of this Agreement shall expire at midnight on the twentieth (20<sup>th</sup>) annual anniversary of the Facility Operation Date, subject to further extension as provided in Section 3.3 (Option to Extend).
- B. Contractor and District acknowledge that the foregoing twenty (20)-year Term extension is expressly contingent upon:
  - (i) By no later than January 1, 2018, Contractor executing a definitive long-term agreement with Hitachi Zosen Inova U.S.A. LLC (or other company approved by the City of San Luis Obispo) for the development, construction and operation of a Kompogas Facility (or other similar technology) capable of processing the District’s Greenwaste and Food Waste; and
  - (ii) By no later than January 1, 2020, completion of a Kompogas Facility (or other similar technology) capable of processing the District’s Greenwaste and Food Waste; provided, however, that in the event such Facility has not been completed by January 1, 2020, due to reasons beyond the reasonable control of, and not due to the fault or negligence of Contractor, such completion date shall be extended by the number of days reasonably required to complete the Facility, but only to the extent that Contractor uses (and continues to use) due diligence to pursue completion of the Facility.
- C. In the event Contractor does not enter into such definitive agreement and/or the Facility is not constructed and operational within the time frames set forth in Section 3.4.B, Contractor and District agree that the Term of this Agreement shall be until August 31, 2023, subject to further extension as provided in Section 3.3 (Option to Extend).”

**D. Counterparts.** This Amendment may be executed in one or more facsimile or original counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

**E. Ratification.** All terms and provisions of the Agreement not amended hereby, either expressly or by necessary implication, shall remain in full force and effect. From and after the date of this Amendment, all references to the term “Agreement” in this Amendment and in the original Agreement shall include the terms contained in this Amendment.

**F. Conflicting Provisions.** In the event of any conflict between the original terms of the Agreement and this Amendment, the terms of this Amendment shall prevail.

**G. Authorization.** Each Party executing this Amendment represents and warrants that it is duly authorized to cause this Amendment to be executed and delivered.

***[Remainder of Page Intentionally Left Blank;  
Signature Page Follows.]***

IN WITNESS WHEREOF, District and Contractor have executed this First Amendment to Amended and Restated Solid Waste Collection Franchise Agreement on the day and year first hereinabove set forth.

**DISTRICT:**

**CONTRACTOR:**

NIPOMO COMMUNITY SERVICES  
DISTRICT

SOUTH COUNTY SANITARY SERVICE,  
INC.


By:   
Name: Craig Armstrong  
Title: Board President

By:   
Name: Mike Dean  
Title: Division Vice President

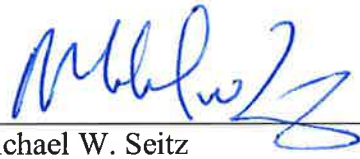
Attest:

WASTE CONNECTIONS, INC.

By:   
Name: Michael S. LeBrun  
Title: General Manager

By:   
Name: Mike Dean  
Title: Division Vice President

Approved as to Form:

By:   
Name: Michael W. Seitz  
Title: District Legal Counsel