

SHOREWAY CENTER LICENSE AGREEMENT

This License Agreement (“Agreement” or “License”) is entered into as of April 27, 2023, by and between the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY, a public agency (the “Authority”), and RECOLOGY SAN MATEO COUNTY, a California corporation (“Licensee,” and together with Authority, the “Parties” or “parties”).

RECITALS:

A. The Authority is a joint powers authority organized under the California Joint Exercise of Powers Act. Its “Member Agencies” are cities and other local governmental agencies in San Mateo County, each of which oversees the collection of solid waste and recyclable materials within its jurisdiction.

B. The Authority owns and oversees the operation of the Shoreway Recycling and Disposal Center (“Shoreway Center”) in San Carlos. The Shoreway Center and the property on which it is located (the “Property”) are shown on Exhibit A, attached hereto, and incorporated herein by reference.

C. The Shoreway Center is operated by a contractor to the Authority (the “Shoreway Operator”), currently South Bay Recycling, pursuant to that certain Agreement for the Operation of the Shoreway Recycling and Disposal Center dated as of July 30, 2009 (“Operating Agreement”). On January 1, 2024, operation of the Shoreway Center will transition to South Bayside Industries, Inc., successor operator of the Shoreway Center under the Agreement for the Operation of the Shoreway Environmental Center between South Bayside Waste Management Authority and South Bayside Industries, Inc., dated December 1, 2022.

D. The Member Agencies executed a Franchise Agreement for Collection Services with Licensee, with a term of January 1, 2011 through December 31, 2020, under which Licensee collected solid waste, recyclable materials, and organics materials from within each such Member Agency’s jurisdiction which it delivered to the Shoreway Center for recycling or transfer to a landfill for disposal.

E. The Authority granted successive licenses to Licensee to use a portion of the Property in connection with its performance of its Franchise Agreements with Member Agencies, and the current license expires June 30, 2023.

F. The Member Agencies have extended their relationship with Licensee by executing Amended and Restated Franchise Agreements (collectively “Amended Franchise Agreements”) with Licensee, with an extended term of January 1, 2021 through December 31, 2035.

G. Licensee desires to continue to license the Property for its operations for a term that runs concurrently with the remaining terms of the Amended Franchise Agreements.

H. Authority is willing to continue to license the Property to Licensee on the following terms and conditions.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Grant of License. Subject to the conditions, covenants and restrictions of this Agreement, the Authority grants to Licensee a license ("License") to continue using the License Area for the "Permitted Uses" described in Paragraph 4 below, together with necessary rights of ingress and egress over the Property, commencing July 1, 2023

2. Term. The term of this Agreement will begin July 1, 2023 and will end on December 31, 2035, unless previously extended by agreement of both parties or terminated by Authority as provided in Section 19. Notwithstanding the foregoing, if the terms of the Amended Franchise Agreements of at least eight (8) of the Member Agencies, collectively representing at least two thirds (2/3) of the Member Agencies, are extended for any reason, including but not limited to pursuant to Section 3.03.B (Mandated Extension) of the Amended Franchise Agreements, then the term of this Agreement shall automatically be extended for the same period.

3. License Area. The "License Area" comprises two separate portions of the Property:

A. Collection Operations Area. This consists of an approximately 276,843 square foot area in the northeast portion of the Property designated "Collection Yard - Collection Operations Area" on Exhibit A and includes structures for maintaining, repairing and cleaning vehicles and bins, as well as underground fuel tanks and dispensing pumps and the oil/water separator. Licensee will be responsible for maintenance, permits and spill response in this area and shall ensure that all operating permits are current.

B. Administration Area. This consists of approximately 21,131 square feet of office space and adjacent parking area designed "Administration - Collection Operations Area" on Exhibit A.

C. Adjustments to License Area.

i. The Parties acknowledge that throughout the term of this Agreement the Authority may require Property site reconfigurations and/or equipment upgrades to ensure functional operations and regulatory compliance ("Adjustments"), and that these Adjustments have the potential to impact Licensee's use of the License Area. Authority shall timely notify Licensee when Adjustments are anticipated that may have an impact on Licensee's use of the License Area, and shall provide at least three (3) months' notice to Licensee if

Authority reasonably expects such Adjustments to reduce or inhibit Licensee's ability to fully utilize the License Area.

ii. If Authority provides Licensee with such notice, the Parties agree to negotiate in good faith a plan (an "Adjustment Plan") that would (A) permit Authority to timely complete necessary Adjustments, (B) minimize impacts and costs to the Licensee's operations, and (C) compensate Licensee for the costs (if any) incurred by Licensee as a result of the Adjustment work or any impacts therefrom ("Disruption Costs"). The parties agree that such negotiations will commence within five (5) business days following Licensee's receipt of the three (3) month notice, and the negotiated Adjustment Plan shall be completed and approved by both parties no more than six (6) weeks after negotiations commence.

iii. In the event the parties do not come to agreement about the Adjustment Plan by the six (6) week deadline, Authority may adopt a unilateral Adjustment Plan which, in its good faith determination, allows the Adjustments to go forward in a manner that minimizes impacts and costs to the Licensee's operations, and compensates Licensee for any Disruption Costs. Upon delivery of the unilateral Adjustment Plan to Licensee, Authority shall proceed in accordance with it, unless otherwise mutually agreed with Licensee (such approval not to be unreasonably withheld); provided however, that Authority reserves the right not to go forward with Adjustments (it being understood that Licensee may request compensation from the Authority pursuant to subsections (a)-(e) below for any Disruption Costs incurred in good faith before Authority makes the decision not to go forward). If Licensee is not satisfied with any compensation (or lack thereof) under the unilateral Adjustment Plan, it may request additional compensation from the Authority for any Disruption Costs pursuant to subsections (a)-(e) below.

(a) Licensee shall submit its request for additional compensation within ninety (90) days of its receipt of the unilateral Adjustment Plan. In the event additional Disruption Costs are discovered, or increased Disruption Costs are incurred, after the initial ninety (90) day period, Licensee may submit subsequent requests for compensation, so long as those subsequent requests are submitted within ninety (90) days of the discovery or incurrence of the additional or increased Disruption Costs.

(b) Licensee's request to the Authority for compensation for any Disruption Costs shall include the following information, at a minimum: the amount and duration of the cost; how the cost was calculated (including any assumptions); supporting documentation of costs; why the cost was necessary to be incurred; and why the compensation under the unilateral Adjustment Plan is insufficient. For clarity, Disruption Costs include without limitation labor costs associated with securing alternative resources and managing the related vendors, and additional labor, maintenance and/or fuel costs associated with using substitute facilities not located at the Shoreway Center.

(c) Licensee shall be entitled to additional compensation beyond the amount provided for in the unilateral Adjustment Plan if Licensee demonstrates that (A) the Disruption Costs for which compensation is being sought were or will be necessary to incur as a result of the Adjustment work or any impacts therefrom, (B) the amount of such costs is commercially reasonable, and (C) such costs were not compensated under the unilateral Adjustment Plan.

(d) Licensee shall provide Authority with such additional information as Authority may reasonably request in order to evaluate Licensee's request. Authority shall issue its determination on Licensee's request within sixty (60) days after submission.

(e) Authority shall reimburse Licensee for any approved Disruption Costs within thirty (30) days (or such longer period as may be reasonably necessary to secure SBWMA Board approval, if necessary) after Licensee submits to the Authority an invoice or proof of payment for the costs in question.

D. Underground Storage Tanks. The parties acknowledge Authority is required by State regulations to remove underground storage tanks currently installed no later than December 31, 2025. The parties acknowledge the removal of the tanks and the installation of new fueling facilities will create a temporary disruption to Licensee's operations. The parties agree that this work is an Adjustment that will likely impose Disruption Costs on Licensee and that the procedures set forth in Section 3.C., above, shall be followed with respect to it, including compensation for substantiated Disruption Costs. Authority acknowledges and agrees that Authority shall be solely responsible for any remediation of Hazardous Materials required as a result of the removal of the existing underground storage tanks.

4. Permitted Uses. Licensee may use the License Area solely for its provision of solid waste, recyclable materials, and organics materials collection services to Member Agencies which have entered into Amended Franchise Agreements with it as provided herein, or for such other uses as may be mutually agreed in writing by the Parties.

Subject to Section 7, Licensee may use the Collection Yard to:

- park collection trucks and supervisory/support vehicles and may permit employees to park their personal vehicles while on duty;
- allow visitors to park their personal vehicles;
- store collection bins and other equipment; and
- wash, maintain, repair, and fuel its vehicles.

Licensee may use the Administration Area for office activities directly and exclusively associated with its provision of collection service to Member Agencies which have entered into Amended Franchise Agreements with it and for employee and visitor parking.

Licensee may not use the License Area for any other purpose or business without obtaining the Authority's prior written consent.

5. License Fee. Licensee shall pay Authority One Dollar (\$1.00) per year as a fee for use of the License Area. The fee is payable on January 1 of each year of the Term, commencing January 1, 2024.

6. Shoreway Operator's and Authority's Use of Property. The Shoreway Operator will have limited rights to use the following portions of the Collection Yard: the fueling facilities (with pump #5 exclusively for the Shoreway Operator's use, and pumps #1-4 exclusively for Licensee's use, unless the Shoreway Operator and Licensee otherwise mutually agree). In addition, both the Shoreway Operator and Licensee will share use of the entry/exit access roads and the parking area behind the Transfer Station building (with a minimum of 25 spots in that parking area allocated to Licensee). Notwithstanding the foregoing, Licensee acknowledges and agrees that from time to time during market disruptions or emergencies, this parking area may be needed by the Authority for temporary bale storage, provided the Authority uses reasonable efforts to store bales in the parking area so as to maximize the number of spots available to Licensee. Authority shall cause the Shoreway Operator to endeavor to provide Licensee with a minimum of forty-eight hours' prior notice of any reasonably foreseeable interference with Licensee's use thereof. Licensee shall cooperate with the Shoreway Operator to minimize interference with Shoreway Operator's activities and the Authority shall cause the Shoreway Operator to cooperate with Licensee to minimize interference with Licensee's operations. Provisions addressing cooperation by the Shoreway Operator with Licensee's activities are specified in Section 5.05.D and Sections 1.J and 1.L of Attachment 3 to the Shoreway Operator's 2009 agreement with the Authority. If there is a dispute between Licensee and the Shoreway Operator over the use of the Property, the Authority will make a determination, which will be final and binding on both entities. The parties acknowledge that the current Operator Agreement is due to expire on December 31, 2023. Authority represents to Licensee that it has entered into a new Operator Agreement that maintains the provisions in the current Operating Agreement set forth above.

The Authority shall have exclusive use of a fenced area within the Collection Yard of approximately 5,000 square feet (approximately 50' x 100'). In addition, the Authority shall have exclusive use of one enclosed office in the administration building (at least fifty (50) square feet) and two parking spaces in front of the building. The Authority will be responsible for furnishing the office; Licensee will be responsible for all utilities including telephone and internet access.

7. Utilities. Licensee shall pay for all utilities including water, electricity, gas, heat, light, communications, and janitorial and building maintenance services provided to the License Area. In cases where there is a single meter, the costs will be allocated as the Licensee and Shoreway Operator may agree. If they are unable to agree, the Authority will make a determination, which shall be final and binding on both entities.

8. Personal Property. Licensee shall provide, at its expense, telephone and other communications equipment, furniture, computers, office supplies and moveable partitions as well as all other personal property as needed for its use of the License Area.

9. Maintenance. Licensee shall keep the portions of the License Area not within the exclusive control or possession of the Authority or the Shoreway Operator, including any improvements located thereon, in safe condition and in good order, condition and repair at all times, and shall provide routine maintenance thereof at Licensee's sole cost and expense. For purposes of clarification, but not limitation, the term "routine maintenance" shall include cleaning, janitorial, landscape maintenance, and monitoring of stormwater drains, and shall not include repairs, replacements or improvements, including, without limitation, any required repair, replacement or improvement of the roof or building systems such as the heating, ventilation and air-conditioning system, except that Licensee shall, at Licensee's sole expense, repair any area damaged by Licensee, its agents, employees, or visitors. Licensee acknowledges that this License imposes no duty on Authority to repair or make improvements to the Property. If Licensee fails to perform Licensee's obligations under this Section, after notice and a thirty (30) day opportunity to cure, the Authority may enter upon the License Area and perform such obligations on Licensee's behalf and expense. Such cure period may be shortened in an emergency situation where urgent action is required to effect the repair. Licensee shall, upon demand, immediately reimburse the Authority for the cost of such cure together with interest at a rate of 10% per year from the date of the expenditure by the Authority until such reimbursement is received by the Authority. At the expiration or earlier termination of this License, Licensee shall surrender the License Area to the Authority in the same condition as when received by Licensee under the terms of this Agreement, ordinary wear and tear, casualty, condemnation and modifications by Authority excepted.

10. Water Quality Protection. Licensee shall use oil-water separators furnished by the Authority to collect oil run-off from its trucks at its wash rack and truck maintenance facilities, in drainage systems in and around the vehicle parking areas, to prevent oil contamination of the San Francisco Bay. Licensee submitted to Authority, for its review and approval, its Spill Prevention Control and Countermeasure Plan (SPCC) and a Storm Water Pollution Prevention Plan (SWPPP), on or around September 1, 2010. Activities delineated in Licensee's SPCC and SWPPP shall be coordinated with the SPCC and SWPPP prepared by the Shoreway Operator to ensure that spill control and storm water management at the Shoreway Center is managed on an ongoing basis in compliance with applicable laws and regulations.

11. Hazardous Materials. In conducting its operations on the Property, Licensee shall at all times comply with all laws, statutes, ordinances, rules, regulations, or orders applicable to hazardous materials and pay all costs of such compliance. Licensee shall immediately notify the Authority if Licensee learns of, or has reason to believe that, a release of Hazardous Materials has occurred in, on or about the License Area. The term "release" or "threatened release" when used with respect to Hazardous Materials shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the License Area. Licensee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Licensee or its agents or invitees cause a release of Hazardous Materials, Licensee shall, without cost to the Authority and in accordance with all laws and regulations, return the License Area to the condition immediately prior to the release. In connection therewith, Licensee shall afford the Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Materials. In the event a release of Hazardous Materials is caused by anyone other than Licensee or its agents or invitees, Licensee shall cooperate and participate in any action required to mitigate the release, except that Licensee shall not be liable for any costs associated with the mitigation action

For purposes of this Agreement, "Hazardous Materials" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Materials includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.) or pursuant to Section 25316 of the California Health and Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health and Safety Code; any asbestos and asbestos containing materials and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids.

12. Compliance with Laws. Licensee, at Licensee's expense, will at all times comply with all applicable laws, regulations, rules, and orders with respect to Licensee's use of the Property, including, without limitation, those relating to signage, health, disability accommodation (including the Americans with Disabilities Act), safety, noise, environmental protection, waste disposal, and water and air quality. Licensee will furnish satisfactory evidence of such compliance upon request of the Authority.

13. License Non-assignable. This License is personal to the Licensee and shall not be assigned without the prior written consent of Authority. Any attempt to assign the License without such prior consent shall automatically terminate it. No legal title or

leasehold interest in the Property is created or vested in Licensee by the grant of this License.

14. Assumption of Risk/Waiver of Claims.

A. Neither the Authority nor any of its directors, officers, employees or Member Agencies shall be liable for any damage to the property of Licensee, its officers, agents, employees, contractors or subcontractors, or their employees, or for any bodily injury or death to such persons, resulting or arising from the condition of the Property or its use by Licensee.

B. Licensee acknowledges and agrees that it will not be a displaced person at the time this License is terminated or expires by its own terms, and Licensee releases, waives and discharges any and all claims, demands, rights, and causes of action against, and covenants not to sue, the Indemnitees under any present or future laws, statutes, or regulations, including, without limitation, any and all claims for relocation benefits or assistance from the Authority under federal and state relocation assistance laws.

C. Licensee acknowledges and agrees that the fee payable hereunder does not take into account any potential liability of the Authority for any consequential or incidental damages including, but not limited to, lost profits arising out of damage to or destruction of the Shoreway Center and consequential disruption of Licensee's use of the License Area. The Authority would not be willing to grant this License in the absence of a waiver of liability for consequential and incidental damages due to the acts or omissions of the Authority or its agents, and Licensee expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Licensee or other waivers contained in this License and as a material part of the consideration for this License, Licensee fully releases, waives and discharges the Indemnitees from any and all claims, demands, and causes of action for consequential and incidental damages (including without limitation, lost profits) arising out of damages to or destruction of the Shoreway Center and agrees that Authority has no duty to rebuild or replace the Shoreway Center in the event of such damage or destruction.

D. In connection with the foregoing releases, Licensee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Licensee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Licensee

intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The releases contained herein shall survive expiration or termination of this License.

15. Indemnity. Licensee shall defend (with counsel reasonably satisfactory to the Authority), indemnify and hold harmless the Authority, its officers, directors, employees, volunteers and agents (collectively "Indemnitees"), from and against all claims, causes of action, proceedings, losses, damages, liability, cost, and expense (including, without limitation, any fines, penalties, judgments, litigation costs, attorneys' fees and consulting, engineering and construction costs) for loss of or damage to property and for injuries to or death of any person (including, but not limited to, the property and employees of each party) ("Liability") arising or resulting from the use of the Property by Licensee, its agents, employees, contractors, subcontractors, or invitees or Licensee's breach of a provision of this Agreement. The duty of Licensee to indemnify and save harmless includes the duties to defend as set forth in Section 2778 of the Civil Code. It is the express intent of the parties that Licensee will indemnify and hold harmless Indemnitees from any and all claims, suits or actions regardless of the existence or degree of fault or negligence on the part of Indemnitees, except to the extent the Liability is found by a court to have been caused by the active gross negligence, willful misconduct or criminal act of a particular Indemnitee, it being understood and agreed that any Indemnitee not acting in such a manner shall be entitled to the benefits of this indemnity. This indemnity shall survive expiration or termination of this Agreement.

16. Insurance.

A. Types and Amounts of Coverage. Licensee, at Licensee's sole cost and expense, shall procure and maintain in force at all times during the Term the following types and amounts of insurance:

1. Workers Compensation and Employer's Liability. Licensee shall maintain Workers Compensation insurance covering its employees in statutory amounts and otherwise in compliance with the laws of the State of California. Licensee shall maintain Employer's Liability insurance in an amount not less than One Million Dollars (\$1,000,000) per accident or disease. Licensee shall not be obligated to carry Workers Compensation insurance if it: (i) qualifies under California Law and continuously complies with all statutory requirements to self-insure against such risks; (ii) furnishes a Certificate of Permission to Self Insure issued by the Department of Industrial Relations; and (iii) maintains excess Workers Compensation and Employer's Liability coverage.

2. Commercial General Liability and Automobile Liability. Licensee shall maintain commercial general liability insurance and automobile liability insurance with a combined single limit of not less than Ten Million Dollars (\$10,000,000) per occurrence covering all claims and all legal liability for personal injury, bodily injury, death, and property damage, including the loss of use thereof, arising out of, or occasioned in any way by Licensee's use of the License Area. The insurance required by this subsection shall include:

- a. Premises Operations;
- b. Personal Injury Liability with Employment Exclusion deleted;
- c. Owned, Non-Owned, and Hired Motor Vehicles;

3. Property Insurance. Licensee shall arrange for the License Area to be added to the all-risk, first-party property insurance maintained by its parent corporation, Recology Inc. The coverage provided by this policy shall be primary as respects the portion of the License Area designated the Collections Operation Area and the improvements located on that portion.

4. Pollution (Environmental Impairment) Liability. Licensee shall maintain pollution liability insurance coverage of not less than ten million dollars (\$10,000,000) per occurrence covering claims for on-site, under-site, or off-site bodily injury and property damage as a result of pollution conditions arising out of its operations under this License Agreement.

B. Required Endorsements.

1. The Commercial General Liability policy shall contain endorsements in substantially the following form:

a. "Thirty (30) days prior written notice shall be given to the South Bayside Waste Management Authority in the event of cancellation, reduction in coverage, or nonrenewal of this policy. Such notice shall be sent to:

South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070
Attention: Executive Director"

b. "The Authority, its officers, employees, and agents are additional insureds on this policy."

c. "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the Authority, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."

d. "Inclusion of the Authority as an additional insured shall not affect the Authority's rights as respects any claim, demand, suit or judgment brought or recovered against the Licensee. This policy shall protect Licensee and Authority in the same manner as though a separate policy had been issued to each, but this shall not

operate to increase the company's liability as set forth in the policy beyond the amount shown or to which the company would have been liable if only one party had been named as an insured."

2. The Automobile Liability policy shall contain the endorsements described in subsections B.1 b, c, and d.

3. The Workers Compensation insurance policy (underlying or excess) shall contain an endorsement waiving the carrier's rights of subrogation against the Authority, its agents, officers and employees.

C. Delivery of Proof of Coverage. Licensee shall furnish the Authority, no later than July 1, 2023, certificates of each policy of insurance required hereunder, in form and substance satisfactory to Authority. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall have all required endorsements. If the Authority tenders a claim to Licensee covered under one of the policies required hereunder, then, if the Authority requests, a copy of the relevant policy(ies), together with all endorsements, shall also be promptly made available to Authority in a manner that protects the confidentiality of the policy document, except as otherwise required by law. Renewal certificates will be furnished periodically to Authority to demonstrate maintenance of the required coverages throughout the Term.

D. Other Insurance Requirements.

1. The insurance policies required by this section shall be issued by an insurance company or companies authorized to do business in the State of California and with a rating in the most recent edition of Best's Insurance Reports of Size Category XV or larger and a rating classification of A or better.

2. Licensee shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Licensee from any obligation under this License. If any claim is made by any third person against the Licensee on account of any occurrence related to this License, the Licensee shall promptly report the facts in writing to the insurance carrier and to the Authority.

3. Licensee shall provide thirty (30) days prior written notice to the Authority in the event of: (i) loss of permission to self-insure for Workers Compensation risks; or (ii) cancellation, non-renewal or reduction in coverage of the excess Workers Compensation policy, the automobile liability policy or the property damage policy.

E. Absence of Insurance. If Licensee fails to procure and maintain any insurance required by this License, the Authority may take out and maintain, at Licensee's expense, such insurance as it may deem proper and recover the cost thereof from Licensee.

17. Licensee's Commitments Related to Amended Franchise Agreements. The Amended Franchise Agreements for Collection Services between Member Agencies and Licensee require the Licensee to pay to Authority:

- A. "Gate Fees" for delivering material to the Shoreway Center.
- B. Supplemental processing fees, and reimbursement of transfer, transport, and disposal costs, as described in Section 6.02.D and E of the Amended Franchise Agreement(s).

Licensee agrees to remit payment to Authority for each of these fees by automated clearing house (ACH) transaction or wire transfer within three (3) business days upon receipt of a bill or other demand from Authority. Licensee shall pay to Authority a maximum of once monthly the fees described in the preceding subsection 17.B. Licensee shall pay to Authority the Gate Fees described in the preceding subsection 17.A a maximum of once monthly based on payments for: (i) the first (1st) through the last day of each month.

In addition, the Amended Franchise Agreements include provisions that involve active participation in their administration by the Authority. Examples include: (i) Authority's conduct of a review of Licensee's annual application for adjustment of its compensation; (ii) Authority's conduct of annual evaluations of Licensee's performance as collection contractor; and (iii) public education and outreach activities. Licensee agrees to fully and actively cooperate with Authority to facilitate its accomplishment of all activities contemplated by the Amended Franchise Agreements.

18. Authority's Right to Terminate. Authority may terminate this Agreement if Licensee commits a material breach of this Agreement and fails to cure such breach within thirty (30) days after notice from Authority, and to the extent such breach cannot be reasonably cured within thirty (30) days, then Licensee shall not be deemed in breach of this Agreement unless Licensee fails to initiate the cure within thirty (30) days after notice from Authority and thereafter diligently pursue the cure to completion.

Authority may also terminate this Agreement if the Shoreway Center is destroyed, or damaged so severely as to be inoperable and Authority elects, in its sole discretion, not to rebuild or restore it.

Upon termination of the License, Licensee shall have a minimum of seventy-two (72) hours to remove all of Licensee's personal property from the Property and shall surrender possession of the License Area to Authority, in the same condition as at the commencement of Licensee's use, normal wear and tear, casualty, condemnation and modification by Authority excepted. In the event Licensee fails to remove any personal property or repair the License Area, the Authority may, at its sole election, at any time thereafter remove the Licensee's equipment and personal property from the License Area and restore the License Area to the required condition, at Licensee's sole cost and

expense. Licensee's obligations in this Section shall survive expiration or termination of this License.

19. Notices. All notices required or permitted to be given under this Agreement shall be in writing and delivered by certified or registered mail, return receipt requested, by personal delivery, or by overnight courier, to the appropriate address indicated below or at such other place or places as either the Authority or Licensee may, from time to time, respectively, designate in a written notice given to the other. Notices shall be deemed received four (4) days after the date of mailing, one (1) day after transmittal by overnight courier, or immediately upon personal delivery.

To Licensee: Recology San Mateo County
 Attention: General Manager
 225 Shoreway Road
 San Carlos, CA 94070

With a copy to:

Recology San Mateo County
Attention: Legal Department
50 California Street, 24th Floor
San Francisco, CA 94111

To Authority: South Bayside Waste Management Authority
 610 Elm Street, Suite 202
 San Carlos, CA 94070
 Attention: Executive Director

Day-to-day communications shall be directed to the Authority's Facility Operations Contract Manager (Telephone: (650) 802-3507) and to Licensee's General Manager (Tel: (650) 431-4600 (currently)).

20. No Waiver. No waiver of a breach of any obligation of this Agreement by either party shall be implied from any omission by either party to take action on account of such breach. No express waiver shall affect any breach other than the breach specified in the waiver, and the waiver shall be operative only for the time and to the extent stated. Waivers of any covenant, term or condition by either party shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. A party's consent to or approval of any act by the other party shall not be deemed to waive or render unnecessary its consent to or approval of any subsequent similar acts.

21. Severability. Each provision of this Agreement is intended to be severable. If any term of provision shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this Agreement and shall not affect the validity of the remainder of this Agreement.

22. Attorneys' Fees. If any legal proceeding is instituted by either of the parties to enforce the terms of this Agreement or to determine the rights of the parties under this Agreement, the prevailing party in the proceeding shall receive, in addition to all court costs, reasonable attorneys' fees.

23. Governing Law. The rights and obligations of the parties under this Agreement shall be interpreted in accordance with the laws of the State of California as applied to contracts that are made and performed entirely in California.

24. Effect of Headings. The headings of the sections of this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.

25. Integration; Modification. This Agreement constitutes the complete expression of the agreement between the parties and supersedes any prior agreements, whether written or oral, concerning the subject of this Agreement, which are not fully expressed in this Agreement. The parties intend this Agreement to be an integrated agreement. Any modification of or addition to this Agreement must be in writing signed by both parties.

26. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but both of which shall constitute one and the same agreement.

27. Dispute Resolution. Should any dispute between the Parties arise out of this Agreement and should the Parties be unable to resolve the issue, the Parties shall, at the written request of either Party, submit the matter to JAMS, or its successor, for mediation, and attempt to reach a resolution with the assistance of a mutually acceptable JAMS mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution, provided that this limitation shall not apply to a Party if the other Party fails to comply with this section. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing Party for purposes of the settlement and each Party shall bear its own legal costs. The mediation shall be completed within sixty (60) days of the written request of a Party for mediation unless both Parties agree to extend this timeframe. If litigation is filed regarding any dispute arising under this Agreement, the action shall be filed in San Mateo County Superior Court and the court shall award reasonable attorney's fees and costs to the prevailing Party. To the maximum extent permitted by law, all offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the Parties, their agents, employees, experts or attorneys, or by the mediator or any employees of the mediation service, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled until the end of

the sixty (60) day period referred to above. The Parties will take such action, if any, required to effectuate such tolling.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this License Agreement as of the day and year first above written by their duly authorized representatives.

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

DocuSigned by:
By: Joe La Mariana
D48C9A077702435...
Joe La Mariana
Executive Director

RECOLOGY SAN MATEO COUNTY

DocuSigned by:
By: Salvatore M. Coniglio
444C41D60A26433...
Salvatore M. Coniglio
CEO

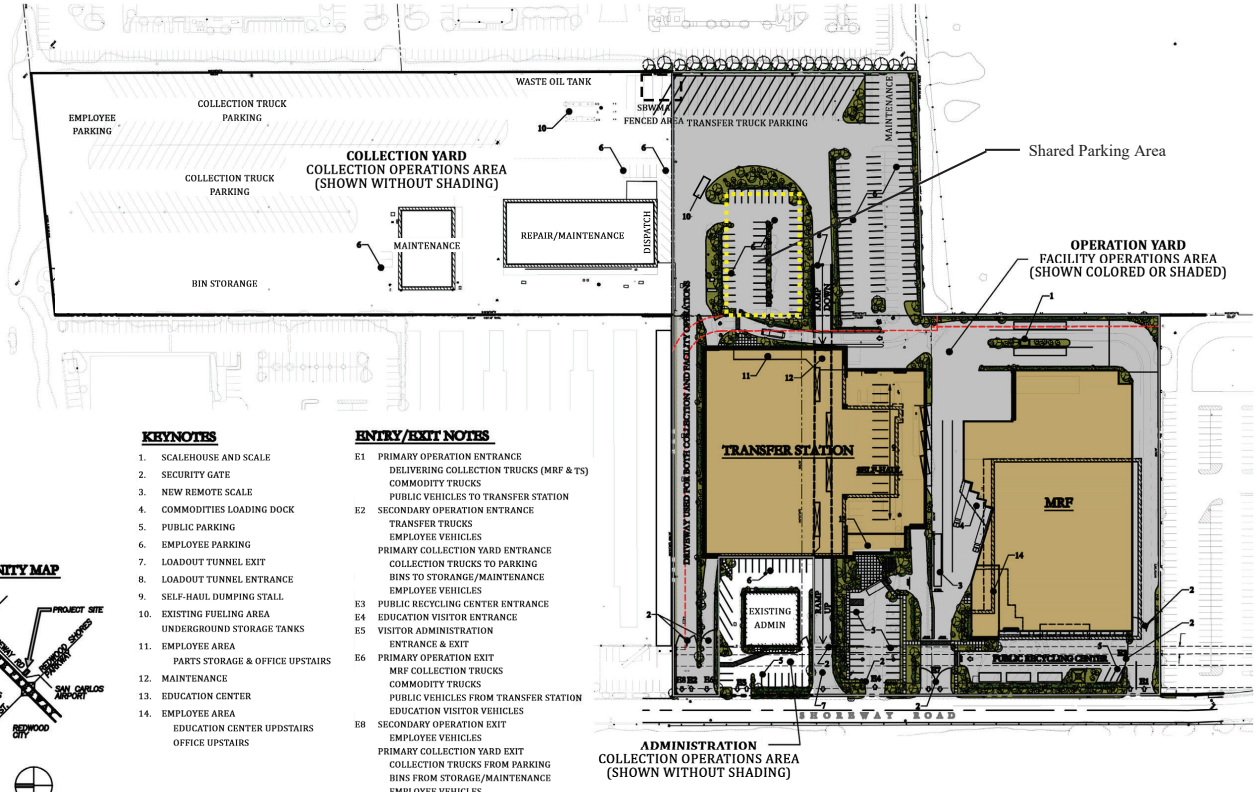
DocuSigned by:
By: Cary Chen
60D89F27DA9F492...
Cary Chen
Corporate Secretary

APPROVED AS TO FORM:

DocuSigned by:
Jean Savaree
F8204ED1C0F044B...
Jean B. Savaree
Legal Counsel

EXHIBIT A
THE PROPERTY

ATTACHMENT 5

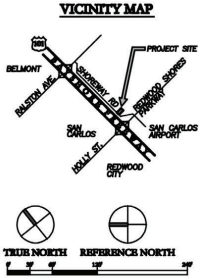


KEYNOTES

1. SCALEHOUSE AND SCALE
2. SECURITY GATE
3. NEW REMOTE SCALE
4. COMMODITIES LOADING DOCK
5. PUBLIC PARKING
6. EMPLOYEE PARKING
7. LOADOUT TUNNEL EXIT
8. LOADOUT TUNNEL ENTRANCE
9. SELF-HAUL DUMPING STALL
10. EXISTING FUELING AREA
11. EMPLOYEE AREA
12. MAINTENANCE
13. EDUCATION CENTER
14. EMPLOYEE AREA
- EDUCATION CENTER UPDSTAIRS
- OFFICE UPSTAIRS

ENTRY/EXIT NOTES

- E1 PRIMARY OPERATION ENTRANCE
DELIVERING COLLECTION TRUCKS (MRF & TS)
COMMODITY TRUCKS
PUBLIC VEHICLES TO TRANSFER STATION
- E2 SECONDARY OPERATION ENTRANCE
TRANSFER TRUCKS
EMPLOYEE VEHICLES
PRIMARY COLLECTION YARD ENTRANCE
COLLECTION TRUCKS TO PARKING
BINS TO STORAGE/MAINTENANCE
EMPLOYEE VEHICLES
- E3 PUBLIC RECYCLING CENTER ENTRANCE
- E4 EDUCATION VISITOR ENTRANCE
- E5 VISITOR ADMINISTRATION
ENTRANCE & EXIT
- E6 PRIMARY OPERATION EXIT
MRF COLLECTION TRUCKS
COMMODITY TRUCKS
PUBLIC VEHICLES FROM TRANSFER STATION
EDUCATION VISITOR VEHICLES
- E8 SECONDARY OPERATION EXIT
EMPLOYEE VEHICLES
PRIMARY COLLECTION YARD EXIT
COLLECTION TRUCKS FROM PARKING
BINS FROM STORAGE/MAINTENANCE
EMPLOYEE VEHICLES



SHOREWAY ENVIRONMENTAL CENTER

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
225 - 333 SHOREWAY ROAD SAN CARLOS, CALIFORNIA

OVERALL SERVICE SITE PLAN

13 JULY 2009