

**AMENDMENT No. 1 TO SOLID WASTE COLLECTION  
FRANCHISE AGREEMENT**

THIS AMENDMENT No. 1 is entered into on the date below stated by and between the County of San Luis Obispo, a political subdivision of the State of California (hereinafter referred to as "County"), and South County Sanitary Services, a wholly owned subsidiary of Waste Connections, Inc. (hereinafter referred to as "Franchisee").

**WHEREAS**, On December 9, 2008, the County entered into a Solid Waste Collection Franchise Agreement with South County Sanitary Services, Inc. to provide solid waste collection, transportation and disposal service in certain unincorporated areas of southern and coastal San Luis Obispo County under terms which became effective December 9, 2008, and could be extended until June 30, 2026; and

**WHEREAS**, South County Sanitary Services is a wholly owned subsidiary of Waste Connections, Inc.; and

**WHEREAS**, Cold Canyon Landfill, a wholly owned subsidiary of Waste Connections, Inc. and a facility that receives approximately 135 tons per day of green waste, has started to close down its compost operations; and

**WHEREAS**, Cold Canyon Landfill must cease operations of the compost facility by October 1, 2010, unless a detention basin improvement is completed; and

**WHEREAS**, Cold Canyon Landfill has implemented many management practices to eliminate obnoxious compost odors; and

**WHEREAS**, Cold Canyon Landfill has received Notice of Violations, from Cal Recycle, regarding odors from the compost facility; and,

**WHEREAS**, Cold Canyon Landfill has determined it cannot invest in improvements to a detention basin if all odors continue to be cited as violations; and

**WHEREAS**, Cold Canyon Landfill will cease operating a compost facility and will remove all existing windrows by October 1, 2010; and

**WHEREAS**, approximately 9 tons of green waste from the Arroyo Grande area is regulated by the California Department of Food and Agriculture due to an established quarantine for the light brown apple moth; and

**WHEREAS**, the regulated light brown apple moth green waste will not be accepted at other compost facilities in the area; and

**WHEREAS**, according to Compliance Agreements with the California Department of Food and Agriculture, the light brown apple moth regulated green waste can be processed for use as Alternative Daily Cover; and

**WHEREAS**, the regulations pertaining to the green waste with the light brown apple moth are expected to continue for a minimum of one year; and

**WHEREAS**, said Franchise Agreement prohibits the use of any green waste collected under the Agreement to be used as Alternative Daily Cover; and

**WHEREAS**, Cold Canyon Landfill will continue to accept green waste and use it as Alternative Daily Cover; and

**WHEREAS**, San Luis Obispo County and the Franchisee desire to amend the existing Franchise Agreement to allow the use of green waste as Alternative Daily Cover until September 1, 2011.

**NOW THEREFORE**, in light of the above recitals, it is agreed as follows:

1. Article 4.8.2 of the Franchise Agreement is amended as follows:

4.8.2 Pursuant to Public Resources Code 41950, once Recyclable Materials are placed in Containers and properly presented for Collection, ownership and the right to possession shall transfer directly from the Generator to Franchisee by operation of this Agreement. Franchisee is hereby granted the right to retain, recycle, process, reuse, and otherwise use such Recyclable Materials or any part thereof, in any lawful fashion or for any lawful purpose consistent with the hierarchy and goals of AB 939 with the exception of use as Alternative Daily Cover unless specifically authorized, as below. Subject to the provisions of this Agreement, Franchisee shall have the right to retain any benefit resulting from its right to retain, recycle, process or reuse the Recyclable Materials that it collects. Recyclable Materials or any part thereof, which are delivered to a Facility (processing Facility, transformation Facility, transfer station, or Material Recovery Facility) shall become the property of the owner or operator of the Facility(ies) once deposited there by Franchisee.

2. Article 4.8.2 of the Franchise Agreement is hereby amended to add the following subparagraph 4.8.2.1 to allow the use of green waste as Alternative Daily Cover at the Cold Canyon Landfill for up to one year with the possibility of a one year extension by the Director of Public Works:

4.8.2.1 Green waste collected by Franchisee and delivered to the Cold Canyon Landfill may be used as Alternative Daily Cover until September 1, 2011. Continued use of green waste as Alternate Daily Cover can be extended for one year by the Director of Public Works.

3. In all other respects, the remaining terms and conditions of the Franchise Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this 21<sup>st</sup> day of September 2010.

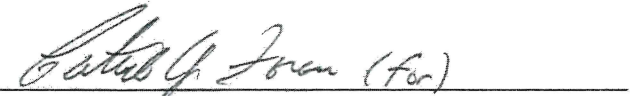
FRANCHISEE  
South County Sanitary Services, Inc.

By:   
Ronald Mittelstaedt, CEO  
Waste Connections, Inc.

By:   
Robert Cloninger, Corporate Counsel  
Waste Connections, Inc.

APPROVED AS TO FORM AND LEGAL EFFECT:

WARREN R JENSEN  
County Counsel

By:  (for)  
Kathleen Bouchard  
Deputy County Counsel

Dated September 8, 2010

COUNTY OF SAN LUIS OBISPO

By: FRANK R. MECHAM

ATTEST: JULIE L. RODEWALD  
Clerk of the Board of Supervisors

[SEAL] By: SANDY CURRENS  
Deputy Clerk