

Eighth Amended and Restated Master Lease

between

**the County of Riverside
"COUNTY"**

and

**Agua Mansa MRF, LLC
"LESSEE"**

Dated _____, 2008

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List Of Exhibits

Exhibit A '07	Premises Legal Description
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Exhibit A-111	Illegal Dumping and Retrieval Service
Exhibit B	Agreement for Disposal of Solid Waste
Exhibit C	Agreement for Transfer Services
Exhibit D	Facility Description
Exhibit E	Condition of Construction
Exhibit F	Guarantor/Parent Company Guarantee
Exhibit G	Fueling Station Usage and Pricing Agreement

Eighth AMENDED AND RESTATED MASTER LEASE

LESSEE Name: Agua Mansa MRF, LLC

The parties to this Eighth AMENDED AND RESTATED MASTER LEASE ("Master Lease") dated November __, 2008, desire to amend it in its entirety to read as follows: This document constitutes an amendment and restatement of that certain Master Lease ("Original Master Lease") dated March 11, 1997 by the parties, and as amended on June 24, 1997 ("First Amendment"), October 23, 2001 ("Second Amended Master Lease"), February 3, 2003 ("Third Amended Master Lease"), September 9, 2003 ("Fourth Amendment"), February 24, 2004 (Fifth Amendment), and July 31, 2007 (Amended and Restated), and does not constitute a new lease or reletting of the property, but is merely a constituted revision expressing the current Agreement of the parties with respect thereto. None of the other provisions of the Original Master Lease shall have any affect whatsoever except to the extent they are specifically restated herein.

The County of Riverside herein called "COUNTY", leases to Agua Mansa MRF, LLC herein called "LESSEE", the property described below upon following terms and conditions:

1. **Description.** The premises leased hereby consist of approximately 22.03 acres located in an unincorporated County area of Riverside County, California in the Agua Mansa Enterprise/Recycling Market Development Zone, referred to herein as the "Premises", as more particularly described on Exhibit A '07 attached hereto and, by this reference made a part of this Master Lease.

2. **Use.**

(a) The Premises are leased hereby for the exclusive purpose of providing the financing, permitting, design, construction and operation of a solid waste transfer station with materials recovery capability, a materials recovery facility ("MRF"), a permanent green and woody waste processing facility ("GWF") and other related uses in Areas W, Z and Z' shown on Exhibit A-1 '07, (the "Facility"). The LESSEE shall abide by the terms and conditions of the AGREEMENT FOR DISPOSAL OF SOLID WASTE attached as Exhibit B and the City of Riverside AGREEMENT FOR TRANSFER SERVICES attached as Exhibit C. The facility to be constructed on the Premises is described on Exhibit D. COUNTY is in the process of contracting with a third party for the operation and maintenance of the LNG refueling station. If and when said operation and maintenance contract is executed by the COUNTY, the attached Fuel Station Usage and Pricing Agreement (Exhibit G) will become null and void. LESSEE will then contract with the third party for its use of the LNG refueling station.

(b) LESSEE will operate the gate, install and maintain a minimum of two seventy foot electronically operated scales, and set prices for all services, providing however, all Riverside County unincorporated haulers and private customers, shall be charged rates for comparable services which are not greater than rates established in the City of Riverside contract obtained by LESSEE.

(c) LESSEE will operate the materials recovery facility and the green and woody waste processing facility and maintain a separate fee booth and a seventy foot electronically operated scale near the loading dock.

(d) If funds are available, COUNTY may periodically operate a household hazardous waste ("HHW") facility on the Premises paying for operations and its disposal costs of hazardous wastes. This facility will be the ABOP (i.e. Anti-Freeze, Batteries, Oil and Paint) variety and may serve as a site for the County Mobile program that accepts additional items. LESSEE will provide a facility that is acceptable to COUNTY for these purposes and cooperate with COUNTY regarding its operation. Prior to COUNTY'S periodic use of the Premises for operation of the HHW facility, the operator of the HHW facility shall provide a description of the scope of operation and a written assurance to not interfere with the transfer station, MRF operations and green and woody waste processing facility.

The LESSEE shall transfer any hazardous waste received and generated at the Premises and identified through its load check program with no charge to COUNTY. LESSEE agrees that it shall endeavor to return hazardous/universal waste discovered in its load check program to the responsible party whenever possible (including materials generated by the residential and small quantity generator sectors). LESSEE is responsible for providing staff at the scale house and tipping floor for load checking, and shall be receptive to periodic unannounced site inspections by COUNTY personnel to confirm compliance (in accordance with County of Riverside Ordinance No. 779).

(e) In order to help address illegal dumping, LESSEE agrees to accept and charge all self-haul, non-hazardous, non-commercial, solid waste loads (with less than 50% of the load green and/or woody waste) weighing up to 600 pounds (the "Minimum Load Charge") not more than \$10.00 per load. The Minimum Load Charge shall not apply to any other type of load delivered to the Transfer Station. Each such small load is assumed to be 0.3 tons. In the event LESSEE's contract with the City of Riverside requires rates that are lower than stated herein, the lower rates will prevail as expressed above in Section 2(b).

(f) The Green and Woody Waste processing Facility shall only service Riverside County customers with the understanding that out-of-county material can come to it as long as this material does not exceed 250 tons per day or compromise the Riverside County daily capacity needs. This out-of-county material cannot be disposed or used as Alternative Daily Cover ("ADC") at COUNTY landfills. The delivery of out-of-county material and any processing fee paid to COUNTY by LESSEE for it shall meet the requirements of Section 3I of the Second Amended Agreement for Disposal of Solid Waste. It is expected that processed green and woody waste material shall be sent to facilities that qualify for AB 939 diversion credit (biomass conversion – as long as this facility's material does receive diversion credit – and composting facilities, etc). Processed green waste as ADC at Riverside County landfills is allowed once other feasible options for higher beneficial use have been exhausted. Some of the material will stay on site and be processed further as a soil amendment. Part of Area Z will be used for this additional processing while Area Z' will be used as a soil amendment and stockpile area (see Exhibit A-1 '07).

The soil amendment operation, and any other use or market for Green and Woody waste developed by LESSEE that takes place on Areas Z and/or Z', shall first use Riverside County Green/Woody material before it uses Green/Woody material from out-of-County. This first priority for Riverside County material will help ensure that in-county material has a place to go and will keep it moving through the facility which will help the facility meet the requirement of not letting out-of-county material compromise Riverside County daily capacity needs. It also supports COUNTY's desire that in-county green and woody material go to a higher beneficial use before it is sent to the landfill as ADC.

The 20 foot high net screen to contain windblown debris will be extended from where the current screen ends along the south side of the premises to the shared boundary of Area Z and Area Z'. If any grinding is conducted in Area Z', or litter is not contained in Area Z' by the required chainlink fence that is to surround the leased premises, the net screen will be extended the length of the remaining property where green/woody waste material is ground or to take care of the litter problem.

(g) LESSEE shall include a penalty charge at the gate for delivery of uncovered loads, which charge shall equal the comparable charges at COUNTY landfills.

(h) COUNTY and LESSEE shall cooperate with each other in discussions with third parties relating to the potential granting of a rail easement along the curved southeast boundary of the Premises. LESSEE shall approve the grant of such an easement, provided that it does not unreasonably interfere with LESSEE's use of the Premises, both as existing and as contemplated.

LESSEE has constructed at its sole expense, the revised driveway openings and related access improvements shown within the areas specified on Exhibit A-2 as the sole responsibility of LESSEE prior to the time COUNTY completed the adjacent LNG refueling station, and shall complete the additional necessary construction as specified on Exhibit A-2 and the landscaping and closure of the existing driveway prior to the date the MRF is completed.

COUNTY and LESSEE shall cooperate with each other regarding joint use of the driveway area that is constructed in respect to Area X on Exhibit A-2. The new driveway shall be used by LESSEE for its transfer station/MRF trucks, mixed recyclables trucks, specified commercial roll-offs, and green/woody waste trucks and by COUNTY for the LNG refueling station. COUNTY may also use the driveway for future uses on the remainder of the COUNTY property. COUNTY has processed the driveway access required for Area X and the LNG refueling station through the COUNTY approval process at its sole expense.

(i) LESSEE shall use the LNG refueling station built, operated and maintained by COUNTY as defined in the FUELING STATION USAGE AND PRICING AGREEMENT attached as Exhibit G.

(j) With the exception of the household hazardous waste facility operations, LESSEE will be responsible for staffing the entire Facility, maintaining the spare parts inventory, supplying consumables, providing mobile operations equipment, transferring residue, and providing all other accommodations. Furthermore, with the exception of COUNTY reviews

for contract compliance, the LESSEE shall secure, pay for and maintain all certificates, permits, government fees, licenses, and Local Enforcement Agency charges and any other inspections necessary for the operation of the Facility. The LESSEE will be responsible for all costs associated with the operations including but not limited to accounting, purchasing, payroll, personnel, and material marketing functions and general and administrative overhead costs. In addition, the LESSEE will be responsible for all costs of electricity, water, and other utilities required for operations. The LESSEE will also pay for all taxes relating to the project and prorata Mello Roos obligation.

(k) The applicable zoning, building and development regulations of any city, county, state or federal jurisdiction affecting the land shall be complied with. COUNTY hereby warrants that the uses contemplated by this Master Lease are currently in compliance with all environmental clearance requirements, zoning and land use regulations applicable to the Site as of the commencement of the Master Lease.

(l) LESSEE shall obtain a fifteen (15) year extension to the term of LESSEE's Agreement for Transfer Services with the City of Riverside by October, 2004 to include green waste services.

(m) Within thirty (30) days of execution of this Amended and Restated Master Lease in compliance with Mitigation Measure T-1 of the Mitigation Monitoring Program for Environmental Assessment No. 40362, dated June 2006, the LESSEE shall present evidence to the Riverside County Waste Management Department that payment in the amount of \$76,218.00 was made to the Riverside County Transportation Department for the LESSEE's fair share amount of 25 percent of total estimated construction costs to reconstruct Agua Mansa Road between Wilson Street and Market Street.

(n) Mitigation Measure T-2 of the Mitigation Monitoring Program for Environmental Assessment No. 40362, dated June 2006, requires the LESSEE to install a signal and improve the intersection of Agua Mansa Road at the Facility's main entrance prior to increasing operations at the Facility to 4,000 tons per day. In as much as LESSEE has made substantial progress in processing engineering plans for the signal through the Riverside County Transportation Department, and with construction expected to take nine to ten months, Mitigation Measure T-2 is revised to read as follows:

T-2 Within thirty (30) days of execution of this Amended and Restated Master Lease, the LESSEE shall present evidence to the Riverside County Waste Management Department that a performance bond for signal improvements at the Facility's main entrance on Agua Mansa Road, in a form and amount acceptable to the County, has been posted in favor of the County of Riverside. Said performance bond shall be kept current, without lapse, until the signal is installed and operational, as verified through inspection by the Transportation Department, which, in no case, shall be later than January 1, 2009.

(o) While investigating participation in an alternative technology project with International Environmental Solutions (IES), LESSEE may take a limited amount of solid waste residue to the IES facility in Romoland, California under the following conditions:

(i) LESSEE shall notify COUNTY one week prior to beginning deliveries to the IES facility.

(ii) Deliveries shall not exceed thirty-five tons per day and shall take place Monday through Saturday only.

(iii) The solid waste residue delivered to IES will be taken from that which remains after recyclables have been processed through the Material Recovery Facility (MRF) side of the Facility only and shall be delivered to IES by transfer vehicle only.

(iv) LESSEE will have a one time right to deliver said tonnage to IES for a period of one year (from the day the deliveries begin) after which LESSEE will only be authorized to deliver solid waste residue to the Badlands and to the El Sobrante landfills as allowed under the Agreement for Disposal of Solid Waste between LESSEE (as Vendor) and COUNTY.

3. Title.

(a) COUNTY delivered to LESSEE a Preliminary Title Report issued by Chicago Title Company of California (the "Title Company"). LESSEE's leasehold interest in the Land has been insured by a CLTA Policy of Leasehold Title Insurance (the "Policy"). The Policy of title insurance provided for pursuant to this Section insures LESSEE's interest in the Land free and clear of all liens, encumbrances, restrictions, and rights of way of record; subject only to the following permitted conditions of title ("Permitted Title Exceptions"):

(1) The applicable zoning, building and development regulations of any city, county, state or federal jurisdiction affecting the land; and

(2) Exceptions to coverage (#1-#14), in addition to the printed exceptions and exclusions contained in the Policy, listed on Schedule B of Preliminary Title Report 72085328-X59 dated August 5, 2008.

(b) LESSEE shall have the option of purchasing an ALTA Extended coverage Policy of Leasehold Title Insurance. If LESSEE elects to purchase an ALTA Policy, LESSEE shall notify COUNTY of such fact within 5 days after the date hereof and shall cause a licensed surveyor or civil engineer to conduct a survey of the Land, to prepare from the survey a legal description satisfactory to the Title Company, and to prepare a plot plan showing the location of any streets, easements, and rights of way over or in favor of the Land, and shall then promptly obtain the initials of the parties on such survey within 30 days after receipt of the Preliminary Title Report. LESSEE shall use the survey for approving or disapproving the Preliminary Title Report and the Policy of title insurance; and

(c) The cost of LESSEE'S Policy of title insurance equal to a CLTA Standard Coverage Policy shall be paid by COUNTY. The additional cost for the ALTA Extended

Coverage Policy and the cost of any survey ordered by LESSEE, if any, shall be paid by LESSEE.

4. Term.

The Term of this Master Lease commenced on March 11, 1997 ("the Commencement Date"), and shall end on March 10, 2029 unless sooner terminated as provided for herein or unless extended by mutual agreement of COUNTY and LESSEE.

5. Lease Payment.

(a) LESSEE shall pay the sum of \$1.00 per year to COUNTY as payment for the leased premises; payable, in advance, on the first day of the Master Lease (the "Base Rental"). In addition to the Base Rental, LESSEE shall pay rent on Area W (See Exhibit A-1 '07) based on fair rental value. At the execution of the Third Amended Master Lease, the fair rental value for Area W was Two Thousand One Hundred Fifty-Nine Dollars and Sixty-Six Cents (\$2,159.66) per month. In consideration of LESSEE's commitment to pursue the Conversion or Recycling/Diversion Project contemplated in Section 40, beginning on January 1, 2004, Area Z was deemed a part of the Base Rental of \$1 per year and increased in size to approximately 4.25 acres.

No part of Areas X, and Y shall be used for refuse collection activities.

Thereafter every two years beginning in March 2003 the fair rental value for Area W shall be recalculated, based on the percentage increase in the cost of living, which adjustment shall be determined as follows: In each March when an adjustment is to be made, the published Index figure for the month of February shall be determined. The monthly rental payable for the succeeding two (2) years of the lease term shall be the initial fair rental value for Area W reserved under this Section 5(a), increased by the same percentage, if any, by which the published Index figure for the month of February shall have increased over the Consumer Price Index figure for February 2001. The term "Index" as used in this Master Lease shall mean the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, Los Angeles-Anaheim-Riverside Average, Subgroup "All Items" (1982-84 = 100). If at any time the Index should not exist in the format recited herein, COUNTY shall substitute any official index published by the Bureau of Labor Statistics, or successor or similar governmental agency, as may then be in existence and shall, in COUNTY's opinion, be most nearly equivalent thereto.

(b) All rent payable hereunder shall be paid without deduction or offset and in legal currency of the United States as at the time of payment shall be legal tender for the payment of private debts.

6. Taxes/Assessments.

(a) **Covenant to Pay Taxes.** LESSEE shall pay directly to the appropriate taxing authorities all taxes ("Taxes") levied or assessed upon or against the Premises during the Term and all property taxes levied on personal property located on the Premises. All taxes shall be paid at least 15 days prior to their due date. LESSEE shall furnish to COUNTY at least 10

days prior to the date when any Taxes would become delinquent receipts or other appropriate evidence establishing their payment, and before any fine, interest or penalty shall become due or be imposed by operation of law for their non-payment, and LESSEE shall promptly furnish to COUNTY satisfactory evidence establishing such payment. LESSEE may comply with this requirement by retaining a tax service to notify COUNTY whether the taxes have been paid.

(b) Definition of Taxes. The term "Taxes" shall include all real property taxes (including increases in real property taxes caused by reappraisals that are the result of changes in the ownership of COUNTY's interest), possessory interest taxes, personal property taxes, charges and assessments, (including street improvement liens) which are levied, assessed upon or imposed by any governmental authority or political subdivision thereof during any calendar year of the Term hereof with respect to the Premises and the Land and any improvements, fixtures, and equipment and all other property of LESSEE or COUNTY, real or personal, or used in connection with the operation of the Premises and any tax which shall be levied or assessed in addition to or in lieu of such real or personal property taxes, and any license fees, tax measured by or imposed upon rents, or other tax or charge upon COUNTY's leasing of the land or the receipt of rent hereunder. All assessments, taxes, fees, levies and charges imposed by governmental agencies for services such as fire protection, street, sidewalk and road maintenance, refuse removal and other public services generally provided without charge to owners or occupants prior to the adoption of Proposition 13 by the voters of the State of California in the June 1978 election, also shall be deemed included within the definition of "taxes" for the purposes of this Master Lease.

(c) Proration of LESSEE's Assessment Liability. LESSEE's liability to pay Mello Roos Assessments shall be prorated on the basis of a 365 day year to account for any fractional portion of a fiscal assessment year included in the Term at its commencement or expiration.

(d) LESSEE shall pay annual Mello Roos Assessments on the Premises to COUNTY within thirty (30) days of receiving an invoice from COUNTY. LESSEE's rate for the first ten years of the Lease will be 13.2 cents per square foot of lease property as defined on Exhibit A '07 and as located on Exhibit A-1 '07 (based on an estimated 10 year average) and 16.09 cents per square foot of lease property as defined on Exhibit A '07 and as located on Exhibit A-1 '07 for the lease years remaining.

The Mello Roos Assessments on the Premises were refinanced by the Agua Mansa Industrial Growth Association in 2003. COUNTY elected to prepay its Mello Roos obligations at that time, but LESSEE elected to not prepay its share of the Mello Roos Assessments to COUNTY concurrently. COUNTY reviewed the payment situation at the point when the per square foot rate was to increase to 16.09 cents and determined that this rate will meet LESSEE'S remaining obligation in regard to the Mello Roos Assessments provided that LESSEE continues making payments until the canceling of the bond or the end of the lease term, whichever comes first.

The Premises is approximately 22.03 acres, or 959,627 square feet in size.

7. Improvements.

(a) Proposed plans for all improvements, alterations or installation of fixtures by LESSEE shall first be submitted to Riverside County Waste Management Department ("the Department") in writing in order to obtain its written consent to proceed. Requests for approval will be granted or denied by the Department within twenty-one (21) days, and will not be unreasonably denied or delayed. Any denial shall be in writing and shall be accompanied by detailed reasons for the denial. LESSEE shall then submit the proposed plans to other COUNTY Departments for permit approval.

(b) Once the work is approved by COUNTY, LESSEE shall with reasonable diligence prosecute to completion all construction of the improvements. The Transfer Station, the Area W, the GWF and the MRF building improvements have already been completed. LESSEE shall proceed with the Conversion or Recycling/Diversion Project contemplated in Section 40. LESSEE shall have the responsibility for supplying all technical information and preparing all permits relevant to the project that are required by federal, state, and local regulatory agencies.

The drop-off/buy-back recycling center shall remain open throughout the term.

(c) LESSEE has (at COUNTY'S Direction) prepared and provided to COUNTY the final plans and special provisions for the civil and landscaping improvements for the LNG/CNG refueling station and LESSEE's consultant shall provide technical advisory services for the installation of these facilities at no cost to COUNTY.

(d) All work shall be performed in a good and workmanlike manner, shall substantially comply with the plans and specifications submitted to COUNTY and shall comply with all applicable governmental permits, laws, ordinances and regulations. The parties acknowledge that it is common practice in the construction industry to make minor changes during the course of construction without substantially altering the plans and specifications previously approved by COUNTY; on completion of the work, LESSEE shall give COUNTY notice of all changes in plans and specifications made during the course of the work and shall, at the same time, supply COUNTY with "as built" drawings accurately reflecting all such changes.

(e) Improvements shall comply with the CC&R's on file in COUNTY's office pertaining to these parcels.

(f) **Ownership of Improvements.** The improvements on the Premises shall be owned by LESSEE until the expiration or sooner termination of the Term provided, however, that any transfer of such improvements prior to the scheduled expiration of the Term shall, until all financing obligations (including, without limitation, principal, interest, costs, and fees) owing to the Lender have been fully and indefeasibly paid in full, be subject to any deed of trust, mortgage, trust indenture, lien, security agreement, fixture filing or other encumbrance placed upon such improvements pursuant to Section 18(f); provided further, that any termination of the Lease that is followed by the replacement of the Master Lease with a lease in favor of the Lender or the Lender's assignee as provided in Section 18(f)(7) shall not be deemed a termination of the Master Lease for the purposes of this Section 7(f) and shall not result in the transfer of improvements to the Premises, to COUNTY. LESSEE shall not remove any improvements from

the Premises, nor waste, destroy or modify any improvements on the Premises, except as permitted by this Master Lease or in the normal course of business for repair, modification for enhanced operation, or replacement as further provided in paragraph 7(a). The parties covenant and agree for themselves and all persons claiming under them that the improvements are real property. Upon expiration or sooner termination of the Term of this Amended and Restated Master Lease, all improvements on the Premises (including all improvements completed as of the date of this Master Lease), including those installed in Areas W, X, Y, Z and Z' (i.e. buildings, infrastructure, scales, scale house computer systems, scale house, drop-off/buy-back facilities, household hazardous waste facility, fuel facilities, fences etc., but exclusive of unattached furnishings, rolling stock and other detachable processing and handling equipment) shall, with compensation to LESSEE amounting to payment of \$1.00 as permitted in this Master Lease, thereupon become COUNTY's property free and clear of all claims and encumbrances to or against them by LESSEE or any third person except, in the case of the termination of this Master Lease prior to the scheduled expiration of the Term, any encumbrance permitted under Section 18(f), and LESSEE shall defend and indemnify COUNTY against all liability and loss arising from any competing claims by parties other than the Lender or the holder of any other lien permitted under Section 18(f). COUNTY reserves the right to negotiate or seek proposals for the continued operation of the facility at that time. Notwithstanding the foregoing language, in the event that this Master Lease is terminated prior to the scheduled expiration of its term as a result of a breach of the COUNTY, then in addition to any other damages which LESSEE may be entitled to receive from the COUNTY, COUNTY shall be obligated to purchase all fixed improvements on the Premises at a price equal to LESSEE's then unamortized book value of such improvements as reported by LESSEE on its tax returns including, without limitation, all obligations (including, without limitation, principal, interest, fees and costs) that are due or that will or may become due to the Lender.

8. Signs. LESSEE shall not erect, maintain or display any signs upon the leased premises without first obtaining the written approval of COUNTY, which approval shall not be unreasonably withheld. Signs shall comply with Riverside County Ordinance 348 and California State Solid Waste Permit requirements.

9. Custodial/Maintenance.

(a) Physical Condition of the Land. To the best of COUNTY's knowledge, without having made any independent investigation or study, the Premises are not contaminated by any hazardous or toxic materials. Except as specifically otherwise set forth in Section 2(k) hereof, COUNTY makes no covenants or warranties respecting the condition of the soil or subsoil or any other physical or environmental condition of the land. LESSEE has performed soils tests of the land and hereby approves the condition of the soils. COUNTY has heretofore recommended to LESSEE that prior to commencement of the Term that LESSEE conduct an environmental site assessment on the land, to determine the suitability of the Land for construction of the Project.

(1) Every six (6) years, beginning in the sixth year of the Term, LESSEE shall employ and pay for an independent consultant approved by COUNTY in writing, to conduct an environmental site assessment of the land to determine the condition of the land and the soils with respect to the presence of any hazardous or toxic materials. The last such

environmental site assessment shall take place during the thirtieth year of the Term (two years before the end of the term). All findings and backup material for the environmental site assessments shall be provided to COUNTY for review by the end of the designated year of completion. COUNTY shall notify LESSEE of any cleanup and/or remediation action required to be taken as a result of the assessment findings within six (6) months of receipt of the independent site assessment report.

(b) LESSEE, at its expense shall provide for its own custodial/maintenance services in connection with the entire leased premises, including without limitation, keeping the building and the grounds in a neat and attractive condition including weed abatement and litter control.

(c) LESSEE shall promptly and diligently repair, paint, restore, and replace as required to maintain, or to remedy all damage to or destruction of all or any part of the improvements. The completed work of maintenance, compliance, repair, restoration, or replacement shall be equal in value, quality and use to the condition of the improvements before the event giving rise to the work, except as expressly provided to the contrary in this Master Lease. COUNTY shall not be required to furnish any services or facilities or to make any repairs or alterations of any kind in or on the Premises. COUNTY's election to perform any obligation of LESSEE under this provision or LESSEE's failure or refusal to do so shall not constitute a waiver of any right or remedy for LESSEE's default, and LESSEE shall promptly reimburse, defend and indemnify COUNTY against all liability, loss, cost and expense arising from such election. Notwithstanding the foregoing, the operator of the HHW facility will be responsible for any repairs relating to the Facility, which arise out of the operation of the HHW facility together with all interior maintenance of the HHW facility.

(d) In determining whether LESSEE has acted promptly as required under the foregoing section, one of the criteria to be considered is the availability of any applicable insurance proceeds.

(e) LESSEE waives the provisions of California Civil Code Sections 1941 and 1942 with respect to COUNTY's obligations for leaseability of the Premises and LESSEE's right to make repairs and deduct the expenses of such repairs from Master Lease payments. LESSEE also waives the right to deduct the expenses from the required disposal fees due COUNTY.

10. Destruction.

(a) **Lease to govern LESSEE's Rights.** LESSEE waives the provisions of Civil Code Sections 1932(2) and 1933(4) with respect to any destruction of the Premises, and agrees that LESSEE's rights in case of destruction shall be governed solely by the provisions of this Master Lease.

(b) **Restoration by LESSEE.** LESSEE shall promptly and diligently repair, paint, restore and replace as required to maintain the Premises in first class condition and repair, or to remedy all damage to or destruction of all or any part of the improvements from any cause whatsoever required to be insured against pursuant to this Master Lease. The completed work of

maintenance, compliance, repair, restoration or replacement shall be equal in value, quality and use to the condition of the improvements before the event giving rise to the work, except as expressly provided to the contrary in this Master Lease. COUNTY shall not be required to furnish any services or facilities or to make any repairs or alterations of any kind in or on the Premises. COUNTY's election to perform any obligation of LESSEE under this provision or LESSEE's failure or refusal to do so shall not constitute a waiver of any right or remedy for LESSEE's default, and LESSEE shall promptly reimburse, defend and indemnify COUNTY against all liability, loss, cost and expense arising from it. Any casualty or destruction shall not terminate this Master Lease. In reconstructing the improvements, LESSEE shall comply with (a) the Conditions of Construction set forth in Exhibit E and (b) the provisions of Section 7.

(c) Uninsured Damage or Destruction.

(1) In the event that the Premises should be damaged by an event against which LESSEE is not required to carry insurance pursuant to Section 17 of this Master Lease, and the cost to repair or restore the Premises does not exceed One Hundred Thousand Dollars (\$100,000), LESSEE shall promptly repair or restore the Premises as set forth above in Section 10(b).

(2) In the event that the Premises should be damaged by an event against which LESSEE is not required to carry insurance pursuant to Section 17 of this Master Lease, and the cost to repair or restore the Premises exceeds One Hundred Thousand Dollars (\$100,000), LESSEE shall not be required to repair or restore the Premises. LESSEE shall, however, be required to meet with the COUNTY to determine if the COUNTY wishes to repair or replace the damaged property. If the COUNTY elects to repair or replace the damaged property, LESSEE shall be responsible for the first \$100,000 of the cost of such repair and/or replacement and COUNTY and LESSEE shall negotiate the sharing of any costs in excess of \$100,000. If COUNTY and LESSEE fail to agree on a sharing arrangement of costs above \$100,000 and COUNTY refuses to pay for all costs in excess of \$100,000, LESSEE shall, be entitled to terminate this Master Lease, without penalty, by delivering notice of such termination to COUNTY within sixty (60) days following the date of such damage or destruction.

11. **Utilities.** LESSEE shall pay any applicable connection charges and pay for all utility services, including, but not limited to, telephone, electric, water, gas, and sewer services as may be required in the maintenance, operation and use of the leased premises.

12. **Inspection of Premises.** COUNTY, through its duly authorized agents, shall have, at any time, the right to enter the leased premises for the purpose of inspecting, monitoring and evaluating the obligations of LESSEE hereunder and for the purpose of doing any and all things which it is obligated and has a right to do under this Master Lease.

13. **Quiet Enjoyment.** LESSEE shall have, hold and quietly enjoy the use of the leased premises so long as it shall fully and faithfully perform the terms and conditions that it is required to do under this Master Lease.

14. **Compliance with Government Regulations.** LESSEE shall, at LESSEE's sole cost and expense, comply with the requirements of all local, state and federal statutes,

regulations, rules, ordinances and orders now in force or which may be hereafter in force, pertaining to the leased premises. The final judgment, decree or order of any Court of competent jurisdiction, or the admission of LESSEE in any action or proceedings against LESSEE, whether LESSEE be a party thereto or not, that LESSEE has violated any such statutes, regulations, rules, or ordinances, or orders, in the use of the leased premises, shall be conclusive of that fact as between COUNTY and LESSEE.

15. Default.

(a) LESSEE's Default. The occurrence of any of the following shall constitute a default by LESSEE:

(1) Failure to construct a transfer station on the Premises within the timeframe as stated in Section 7(b) or not in compliance with the terms set forth in Section 7 hereof, subject to the cure period set forth in Section 15(a)(5).

(2) Failure to pay rent, taxes as described above or the disposal fees outlined in Exhibit B or any other payment required to be made by LESSEE hereunder as and when due, subject to the cure period set forth in Section 15(a)(5).

(3) Failure to maintain the Premises as required by this Master Lease, subject to the cure period set forth in Section 15(a)(5).

(4) Abandonment or surrender of the Premises or the leasehold estate by LESSEE, subject to the cure period set forth in Section 15(a)(5).

(5) Failure to perform any other covenant or Provision of this Master Lease, if the failure to perform is not cured within 30 days after written notice. If the failure to perform cannot reasonably be cured within 30 days, LESSEE shall not be in default of this Master Lease if LESSEE commences to cure the failure to perform within the 30 day period and thereafter diligently and in good faith prosecutes the cure to completion, and such default is cured within a total of 90 days from the date of the notice.

(6) The subjection of any right or interest to attachment, execution, or other levy, or to seizure under legal process, if not released within 45 days after notice from COUNTY to LESSEE.

(7) An assignment by LESSEE for the benefit of creditors or the filing of a voluntary or involuntary petition by or against LESSEE under any law for the purpose of, adjudicating LESSEE a bankrupt; or for extending time for payment, adjustment, or satisfaction of LESSEE's liabilities; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency; unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated, or otherwise permanently stayed or terminated within 45 days after the assignment, filing, or other initial event.

(8) The appointment of a receiver, unless such receivership is terminated within 45 days after the appointment of the receiver, to take possession of LESSEE's

interest in the Premises or of LESSEE's interest in the leasehold estate or of LESSEE's operations on the Premises for any reason, including but not limited to, assignment for benefit of creditors or voluntary or involuntary bankruptcy proceedings, but not including receivership (a) pursuant to the first leasehold encumbrance, or (b) instituted by COUNTY, the event of default being not the appointment of a receiver at COUNTY's instance but the event justifying the receivership.

(9) Any material breach of the "AGREEMENT FOR TRANSFER SERVICES" between LESSEE and the City of Riverside, which results in termination of the "AGREEMENT FOR TRANSFER SERVICES."

(b) Remedies.

(1) **Cumulative Nature Of Remedies.** If any default by LESSEE shall continue uncured, following written notice thereof to LESSEE from COUNTY as required by this Master Lease, for the period, if any, applicable to the default under the applicable provision of this Master Lease, COUNTY shall have the remedies described in this subsection (b) in addition to all other rights and remedies provided by law or equity, to which COUNTY may resort cumulatively or in the alternative.

(2) **Termination.** COUNTY may at COUNTY's election following determination of default terminate this Master Lease by giving LESSEE notice of termination. In the event COUNTY terminates this Master Lease, COUNTY may recover possession of the Premises (which LESSEE shall surrender and vacate upon demand) and remove all persons and unattached property therefrom, and COUNTY shall be entitled to recover as damages all of the following:

(i) The worth at the time of the award of any unpaid rent or other charges, which have been earned at the time of termination;

(ii) The worth at the time of the award of the amount by which the unpaid rent and other charges which would have been earned after termination until the time of the award exceeds the amount of the loss of such rental or other charges that LESSEE proves could have been reasonably avoided;

(iii) The worth at the time of the award of the amount by which the unpaid rent and other charges for the balance of the Term after the time of the award exceeds the amount of the loss of such rental and other charges that LESSEE proves could have been reasonably avoided; and

(iv) Any other amount necessary to compensate COUNTY for the detriment proximately caused by LESSEE's failure to perform its obligations under this Master Lease or which in the ordinary course of things would be likely to result therefrom. As used in subsections (i) and (ii) above, the "worth at the time of the award" shall be computed by allowing interest at the rate of 12 percent per annum. As used in subsection (iii) above, the "worth at the time of the award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus two percent.

(3) Continuation of the Lease. Even though LESSEE has breached this Master Lease and abandoned the Premises, at COUNTY's option this Master Lease shall continue in effect for so long as COUNTY does not terminate LESSEE's right to possession, and COUNTY may enforce all of its rights and remedies hereunder, including the right to recover rent as it comes due under this Master Lease, and in such event COUNTY will permit LESSEE to sublet the Premises or to assign its interest in the Master Lease, or both, with the consent of COUNTY, which consent will not unreasonably be withheld provided the proposed assignee or sublessee is satisfactory to COUNTY as to credit and experience and ability to perform the obligations of LESSEE, and will occupy the Premises for the same purposes specified herein. For purposes of this subsection, the following shall not constitute a termination of LESSEE's right to possession: (i) acts of maintenance or preservation or efforts to relet the Premises; or (ii) the appointment of a receiver under the initiative of COUNTY to protect COUNTY's interest under this Master Lease.

(4) Use of LESSEE's Personal Property. COUNTY may at COUNTY's election use LESSEE's personal property located on, about or appurtenant to the Premises or any of such property and fixtures without compensation and without liability for use or damage, or store them for the account and at the cost of LESSEE. The election of one remedy for any one item shall not foreclose an election of any other remedy for another item or for the same item at a later time.

(5) Assignment of Subrents. LESSEE assigns to COUNTY all subrents and other sums falling due from sublessee, licensees, and concessionaires (herein called sublessee) during any period in which LESSEE is in default, and LESSEE shall not have any right to such sums during that period. This assignment is subject and subordinate to any and all assignments of the same subrents and other sums to the lender under the first leasehold encumbrance. COUNTY may at COUNTY's election reenter the Premises with or without process of law, without terminating this Master Lease, and either or both collect these sums or bring action for the recovery of the sums directly from such obligors. COUNTY shall receive and collect all subrents and proceeds from reletting, applying them: first, to the payment of reasonable expenses (including attorneys' fees or brokers' commissions or both) paid or incurred by or on behalf of COUNTY in recovering possession, placing the Premises in good condition, and preparing or altering the Premises for reletting; second, to the reasonable expense of securing new sublessee; third, to the fulfillment of LESSEE's covenants to the end of the Term; and fourth, to COUNTY's uses and purposes. LESSEE shall nevertheless pay to COUNTY on the due dates specified in this Master Lease the equivalent of all sums required of LESSEE under this Master Lease, plus COUNTY's expenses, less the proceeds of the sums assigned and actually collected under this provision.

(c) Lender's Right to Cure Defaults.

(1) Notice of Default. Concurrently with giving notice of default to LESSEE under Section 15(b)(1), above, COUNTY shall deliver (in accordance with the provisions of Section 18) a copy of such notice of default to the lender at its address as furnished to COUNTY in accordance with Section 18.

(2) **Lender's Right to Cure.** During the continuance in effect of a first leasehold encumbrance, COUNTY will not terminate this Master Lease because of any default on the part of LESSEE provided that the lender, within ninety (90) days after COUNTY has sent a written notice pursuant to Section 15(b)(1):

(i) Cures such default, if such default can be cured by the payment of money, or, if the default is not so curable, commences or causes the trustee under the encumbrance to commence, and thereafter diligently pursue to completion proceedings to foreclose the encumbrance; and

(ii) Keeps and performs all of the covenants and conditions of this Master Lease requiring the payment or expenditure of money by LESSEE until such time as LESSEE's leasehold interest is sold upon foreclosure pursuant to the encumbrance, or transferred by an assignment in lieu of foreclosure.

(3) **Transfer by Lender.** Notwithstanding the provisions of Section 18(a) hereof restricting assignment of this Master Lease, this Master Lease may be assigned to the lender by judicial or non-judicial foreclosure or by assignment in lieu of foreclosure (without, however, releasing LESSEE from any of its obligations hereunder) without further consent of COUNTY or any assumption agreement by the lender, the liability of the lender being limited to the period of its possession or ownership of this Master Lease. No other or further assignment shall be made except in accordance with the provisions of Section 18 of this Master Lease.

(d) **Waiver of Rights.** LESSEE hereby waives any right of redemption or relief from forfeiture under California code of Civil Procedure Sections 1174 or 1179, or under any other present or future law, in the event LESSEE is evicted or COUNTY takes possession of the Premises by reason of any default by LESSEE hereunder.

(e) **COUNTY's Default** COUNTY shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation within 60 days after written notice by LESSEE to COUNTY specifying wherein COUNTY has failed to perform such obligation; provided, however, that if the nature of COUNTY's obligation is such that more than 60 days are required for its performance, then COUNTY's shall not be deemed to be in default if it shall commence such performance within such 60 day period and thereafter diligently and in good faith prosecute the cure to completion.

16. Professional Conduct.

(a) In the event any official or employee for LESSEE or its successor-in-interest or any environmental or design professional hired by LESSEE or its successor-in-interest, is indicted by a grand jury, named as a defendant in a felony complaint filed in any court in the United States, or is otherwise alleged to have participated in any criminal activity directly or indirectly associated with the solid waste management business, activities or operations of LESSEE or its successor-in-interest, LESSEE or its successor-in-interest shall provide notice thereof to the COUNTY within 7 days of such indictment, complaint or allegation. Such notice shall contain a description of the indictment, complaint or allegation, as well as a copy of such

indictment or complaint or other matters of public record related thereto. In addition to the foregoing, LESSEE or its successor-in-interest shall provide the COUNTY with copies of any reports required to be prepared by LESSEE or its successor-in-interest pursuant to federal securities laws, including quarterly and annual reports.

(b) In the event any official for LESSEE or its successor-in-interest or any environment or design professional hired by LESSEE or its successor-in-interest, who has direct responsibility for any phase of the development or operations at the transfer station, including but not by way of limitation, any similar personnel for LESSEE or its successor-in-interest having a responsibility for transferring or delivering waste to the transfer station or landfill, is convicted, indicted by a Grand Jury, or named as a defendant in a felony complaint filed in the Superior Court or a complaint filed in Federal Court associated with conduct of doing business for LESSEE or its successor-in-interest, this person shall upon written request from the COUNTY be immediately removed from any assignment whatsoever, directly associated with the development or operation of the transfer station during the pendency of trial and/or following conviction.

(c) In the event any director, official or employee of LESSEE, ever be convicted of a felony associated with the solid waste business, said director, official or employee will be immediately terminated from such position.

(d) In the event the conduct by LESSEE or any director, official or employee of LESSEE causes the termination of LESSEE's City of Riverside AGREEMENT FOR TRANSFER SERVICES, this Master Lease shall be terminated on the effective date of such City termination.

17. Insurance and Indemnity.

(a) Insurance.

Without limiting or diminishing the LESSEE's obligation to indemnify or hold the COUNTY harmless, LESSEE shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Master Lease:

(1) **Workers' Compensation Insurance.** LESSEE shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. The Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than one million dollars (\$1,000,000) per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

(2) **General Liability.** LESSEE shall maintain Commercial General Liability insurance coverage, including, but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of LESSEE's performance of its obligations hereunder. The Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds. The

Policy's limit of liability shall not be less than five million dollars (\$5,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Master Lease or be no less than two (2) times the occurrence limit.

(3) Automobile Liability. LESSEE shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than one million dollars (\$1,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Master Lease or be no less than two (2) times the occurrence limit. The Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

(4) Property Insurance.

(i) LESSEE shall maintain all risk property insurance on all real property on the Premises, in an amount equal to the full replacement value thereof. LESSEE shall, in addition, obtain and keep in force during the Term of this Master Lease a policy of rental value insurance covering a period of one year. Such property insurance shall name the COUNTY as Loss Payee as the COUNTY's interests may appear. If such insurance coverage has a deductible clause, the deductible amount shall not exceed twenty-five thousand dollars (\$25,000) per occurrence, and LESSEE shall be liable for such deductible amount.

(ii) Personal Property: LESSEE shall maintain all risk property insurance covering LESSEE's personal property located on, in or about, the leased premises in an amount equal to the full replacement cost value of said contents. The COUNTY shall not be responsible for any loss and/or damage of any nature whatsoever to LESSEE's personal property or property of others in the care, custody or control of LESSEE.

(iii) Not less often than every five (5) years during the Term of this Master Lease, LESSEE and COUNTY shall agree in writing on the full replacement cost of the Premises and all improvements thereon. If, in the opinion of COUNTY, the amount or type of property damage insurance coverage, or another amount or type of insurance, at that time is not adequate or not provided for herein, LESSEE shall either acquire or increase the insurance coverage as required by COUNTY.

(iv) If LESSEE undertakes any new construction or material renovation of existing real property on the premises, LESSEE shall maintain Builders' All Risk Insurance with a limit equal to the highest value at risk for the construction. Such coverage shall cover all work in progress on the premises as well as temporary structures and offsite storage and transit to the jobsite. LESSEE or their general contractor shall be responsible for any deductibles under such coverage. The COUNTY shall be named as an insured on any such coverage; however, COUNTY has no responsibility to pay premiums under said coverage.

(5) Environmental Impairment Liability. LESSEE shall procure and maintain a policy of insurance to cover sudden and accidental and gradual release of any and all pollutants. Policy shall provide coverage for bodily injury and property damage and clean up in an amount not less than three million dollars (\$3,000,000) per occurrence and three million

dollars (\$3,000,000) aggregate which shall be excess the deductible or Self-Insured Retention. Policy shall name COUNTY and the District as additional insureds and provide a waiver of subrogation in favor of COUNTY and the District. Any policy and its certificate provided for the insurance required by this paragraph shall require an extended reporting period of one year with a minimum ninety (90) days notice of cancellation.

(b) General Insurance Provisions – All Lines:

(1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an AM Best rating of not less than A:VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term;

(2) The LESSEE's insurance carrier(s) must declare its insurance self-insured retentions. If such self-insured retentions exceed Five Hundred Thousand Dollars (\$500,000) per occurrence, such retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Master Lease. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the County's Risk Manager, LESSEE's carriers shall either: 1) reduce or eliminate such self-insured retention as respects this Master Lease with the COUNTY; or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses;

(3) LESSEE shall cause LESSEE's insurance carrier(s) to furnish the County of Riverside with either: 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Master Lease shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect. *LESSEE shall not commence operations until the COUNTY has been furnished original Certificate(s) of Insurance and certified original copies of endorsements and, if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.*

(4) It is understood and agreed to by the parties hereto, and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and

shall be construed as primary insurance, and the COUNTY's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

(5) **The COUNTY'S Reserved Rights - Insurance.** If, during the term of this Master Lease or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this Master Lease, including any extensions thereof, exceeds five (5) years, the COUNTY reserves the right to adjust the types of insurance required under this Master Lease and the monetary limits of liability for the insurance coverage's currently required herein, if, in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the LESSEE has become inadequate.

(6) LESSEE shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Master Lease.

(7) The insurance requirements contained in this Master Lease may be met with a program(s) of self-insurance acceptable to the COUNTY.

(8) LESSEE agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Master Lease.

(9) Failure of the LESSEE to provide appropriate evidence of insurance as required herein within sixty (60) days after the renewal or anniversary of this Master Lease will place the LESSEE in default under this Master Lease.

(c) **Waiver of Subrogation.** LESSEE hereby releases and relieves COUNTY and the District and waives its entire right of recovery against COUNTY and the District for loss or damage arising out of or incident to the perils insured against under Section 17(a)(4), which perils occur in, on, or about the Premises, whether due to the negligence of COUNTY or the District or their respective agents, employees, contractors and/or invitees. LESSEE shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing waiver of subrogation is contained in this Master Lease.

(d) **Performance Bond, Insurance and Surety Instruments.**

(1) On and after the day the Facility is deemed functional on a continuous basis for the purposes of transferring waste as determined by the COUNTY's General Manager-Chief Engineer, and throughout the Term, LESSEE shall furnish a bond, insurance policy (in a form reasonably acceptable to COUNTY), and/or comparable instrument(s) approved by COUNTY, or any combination thereof, (the "Surety Instruments") guaranteeing the continuous performance of obligations assumed under this Master Lease and to provide maintenance assurance, or environmental remediation to the leased or adjoining parcels in the event LESSEE activities cause environmental damage. The principal sum of the Surety Instruments shall be two hundred fifty thousand dollars (\$250,000). The Term of each Surety Instrument shall be issued for a three (3) year period on an "evergreen" basis, but not less than one (1) year or the remaining period in the Term hereof, whichever is less. Not less than ninety

(90) days before the expiration of each such Surety Instrument, LESSEE shall either extend such Surety Instrument as evidenced by a continuation certificate in a form reasonably acceptable to COUNTY, or furnish a replacement Surety Instrument in the principal sum equal to two hundred fifty thousand dollars (\$250,000).

This bond amount shall be maintained throughout the Lease Term and be adjusted every five years. The maximum increase allowable at any time of adjustment will be equal to the percent change in the Consumer Price Index (CPI). Computation of the change in the CPI will be made according to the following methodology:

(2) Said computation shall be equal to the change in the Consumer Price Index for all Urban Consumers (CPI-U) for the Los Angeles/Anaheim/Riverside Metropolitan Area, "(1982 - 84 = 100)", as published by the United States Department of Labor, Bureau of Labor Statistics. Said change shall be measured for the sixty (60) month period beginning January 1, 2007 and ending sixty (60) months later. The first increase may be effective on the first July 1 date after the sixty month period, based upon changes in the Consumer Price Index formula for the five year period. The adjustment methodology will be repeated every five years during the Term with the last adjustment taking place on July 1, 2027 based on the sixty (60) month period ending January 1, 2027.

(e) Indemnity.

(1) LESSEE represents that it has inspected the leased premises, accepts the condition thereof and fully assumes any and all risks incidental to the use thereof. COUNTY and the District shall not be liable to LESSEE, its officers, agents, employees, subcontractors or independent contractors for any personal injury or property damage suffered by them which may result from hidden, latent or other dangerous conditions in, on, upon or within the leased premises; except to the extent that such dangerous conditions are caused by the negligence of the COUNTY and the District or their respective officers, agents or employees.

(2) LESSEE shall indemnify, defend, protect, and hold harmless COUNTY and the District and their officers, agents, employees, and independent contractors from and against any and all claims, demands, losses, proceedings, damages, causes of action, liability, costs and expenses, (including attorneys' fees) arising from or in connection with, or caused by (i) any act, omission or negligence of LESSEE or any sublessee of LESSEE, or their respective officers, contractors, licensees, invitees, agents, servants or employees, wheresoever the same may occur; (ii) any use of the Premises, or any accident, injury, death or damage to any person or property occurring in, on or about the Premises, or any part thereof, or from the conduct of LESSEE's business or from any activity, work or thing done, permitted or suffered by LESSEE or its sublessee, contractors, employees, or invitees, in or about the Premises or elsewhere (other than arising as a result of gross negligence or intentional misconduct of COUNTY or the District or any of their respective officers, agents, and employees); and (iii) any breach or default in the performance of any obligations on LESSEE's part to be performed under the terms of this Master Lease, or arising from any negligence of LESSEE, or any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against COUNTY and the District by reason of any such claim, LESSEE upon notice from COUNTY shall defend the same parties at LESSEE's expense by counsel satisfactory to

COUNTY and the District. LESSEE, as a material part of the consideration to COUNTY, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises arising from any cause other than COUNTY's and the District's gross negligence or intentional acts, and LESSEE hereby waives all claims in respect thereof against COUNTY and the District. These provisions are in addition to, and not in lieu of, the insurance required to be provided by Sections 17(a) and (b) hereof. COUNTY further agrees to indemnify, defend, and hold LESSEE harmless from any claims, losses or damages that result from any personal injury or property damage occurring on any property owned by COUNTY that is adjacent to the Premises that is not leased to LESSEE or which is to be maintained by LESSEE, unless such personal injury or property damage results from LESSEE's negligent or intentional act or omission.

(3) The obligations to indemnify and hold COUNTY and the District free and harmless herein shall survive until any claim, action or cause of action with respect to any such alleged acts or omissions are fully and finally barred by the applicable statute of limitations.

(4) Prior to COUNTY's periodic use of the Premises for the operation of the HHW facility, the operator of the HHW facility shall provide a written assurance to indemnify, defend and hold LESSEE harmless from and against any and all damage, liability, cost or expense arising out of the operation of the HHW facility other than arising as a result of negligence or intentional misconduct of LESSEE or any of its officers, agents, and employees.

(f) **Exemption of DISTRICT and the County of Riverside from Liability**
LESSEE hereby assumes all risks and liabilities of a landowner in the possession, use or operation of the Premises. LESSEE hereby agrees that DISTRICT and the County of Riverside shall not be liable for injury to LESSEE's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of LESSEE, LESSEE's employees, invitees, customers, contractors, workers, or any other person in or about the Premises, including any liability arising from the physical condition of the Premises or the presence of any hazardous or toxic materials or substances on the Premises, nor shall COUNTY and the District be liable for injury to the person of LESSEE, LESSEE's employees agents or contractors, whether such damage or injury is caused by or results from hazardous or toxic materials or substances, fire, steam, electricity, gas, water, or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether the said damage or injury results from conditions arising upon the Premises or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to LESSEE. These provisions are in addition to, and not in lieu of, the insurance required to be provided by Sections 17(a) and (b) hereof. Nothing contained herein shall be construed as excusing COUNTY and the District from liability for their respective gross negligence or intentional misconduct.

(g) The specified insurance limits required in Section 17 herein shall in no way limit or circumscribe LESSEE's obligations to indemnify and hold COUNTY and the District free and harmless herein.

18. Assignment, Subletting and Encumbering.

(a) Except as provided in Section 18(c)(d)(e) and (f) hereof to the contrary, LESSEE shall not voluntarily assign or encumber its interest in this Master Lease, in the Land, or in the Premises, or sublease substantially all or any part of the Land or the Premises, or allow any other person or entity (except LESSEE's authorized representatives) to occupy or use all or any part of the Premises. For the purposes hereof, an "encumbrance" shall mean mortgage, deed of trust, land sale contract, lease or other financing device. Assignment, subleasing or encumbering the Premises is absolutely prohibited. Any attempted assignment, encumbrance, or sublease shall be voidable and, at COUNTY's election, shall constitute a default hereunder. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this section.

(b) If LESSEE is a corporation, then any dissolution, merger, consolidation, or other reorganization of LESSEE, or the sale or other transfer of a controlling percentage of the capital stock of LESSEE to any person other than an Affiliate of LESSEE, as defined in 18(e) shall be deemed a voluntary assignment hereof. The phrase "controlling percentage" means the ownership of, or the right to vote, stock possessing 25% or more of the total combined voting power of all classes of LESSEE's capital stock issued, outstanding, and entitled to vote for the election of directors. This paragraph shall not apply if the stock of LESSEE is publicly traded through an exchange or over the counter.

(c) LESSEE shall have the right to sublet the Premises or any portion thereof, for occupancy leases with COUNTY's prior written consent, which consent shall not unreasonably be withheld.

(1) Each sublease shall contain a provision, satisfactory to COUNTY and to each lender having an interest at the time the sublease is executed, requiring the sublessee to attorn to COUNTY, or, in the event of any proceeding to foreclose any leasehold encumbrance, to the lender, or any person designated in a notice from such lender, if LESSEE defaults under this Master Lease and if the sublessee is notified by COUNTY or the lender of LESSEE's default and is instructed to make such sublessee's rental payments to COUNTY or the lender or designated person.

(2) LESSEE shall, promptly after execution of each sublease, notify COUNTY of the name and mailing address of the sublessee and shall, on demand, permit COUNTY to examine and copy the sublease.

(3) LESSEE shall not accept, directly or indirectly more than one (1) month's prepaid rent from any sublessee or a security deposit in excess of two (2) months' rent.

(4) All subleases shall be "triple net" leases, with the rent payable thereunder to be net of all operating costs, maintenance, taxes, insurance, and utilities (unless LESSEE has received COUNTY's prior written consent to different terms).

(d) **Allowable Assignment.** Prior to completion of all improvements constituting the Project and after COUNTY's issuance of a Certificate of Completion therefor,

LESSEE shall not assign this Master Lease to any person or entity without COUNTY's consent, which consent may be given or withheld in COUNTY's sole and absolute discretion.

(e) Assignment to Affiliate of LESSEE. Notwithstanding anything contained in Sections 18(a) through (d), above, upon notice to COUNTY, LESSEE shall be entitled to transfer to any Affiliate of LESSEE all or any portion of LESSEE'S interest in this Master Lease. For purposes of this Master Lease, an Affiliate of LESSEE shall be defined as any of the following: (i) Cole Burr, Tracy A. Burr, Edward G. Burr or Sandra L. Burr, as individuals (collectively, the "Burrs"), (ii) any trust for the benefit of one or more of the Burrs, or the descendants of one or more of the Burrs, and which is 100% controlled by one or more of the Burrs (a "Burr Trust"), or (iii) any partnership, corporation, limited liability company or other entity which is 100% beneficially owned by one or more of the Burrs, by a Burr Trust, or by any combination of the two.

(f) Encumbrance or Assignment as Security. Notwithstanding any other provision in this Master Lease, LESSEE shall, subject to the conditions set forth below, have the right to encumber or assign its interest in this Master Lease, the Premises, the Facility and any other improvements to the Premises by means of a deed of trust, mortgage, trust indenture, security agreement, fixture filing or other encumbrance for the benefit of any commercial bank, institutional lender or other financial institution providing financing to LESSEE (which financing may include, without limitation, construction loans, term loans, working capital loans, revolving credit facilities and letters of credit to support debt instruments) for the development, construction, equipping, operation or maintenance of the Facility and any other improvements to the Premises, and/or for the benefit of the holders of bonds, (or the trustee acting on their behalf) that may be issued to provide financing for any of the foregoing purposes. The term "Lender" shall refer to Union Bank of California, N.A. or such other financial institution providing the financing described in the immediately preceding sentence; provided, however, that if such financing is provided by a syndicate of financial institutions acting together, the term "Lender" shall, unless the context otherwise requires, refer to Union Bank of California, N.A. or such other financial institution with the authority to represent such syndicate in dealings with LESSEE, in such financial institution's capacity as agent, administrative agent, collateral agent, issuing bank or otherwise; provided further, that any reference to obligations owed to the Lender or of similar import shall refer collectively to obligations owed to the Lender and to obligations owed to holders of bonds, if any, issued to finance the Facility and, in the case where the financing is provided by a syndicate of financial institutions, to obligations owed to all members of the syndicate. The right of LESSEE to encumber or assign its interest in the Lease, the Premises, the Facility and any other improvements to the Premises pursuant to this Section 18(f) shall be subject to the following limitations:

(1) prior to execution of any instrument or agreement evidencing such encumbrance and/or the obligations secured thereby (or any amendment, supplement or modification thereto) (collectively, the "Financing Documents"), LESSEE shall deliver to COUNTY written notice of the name and address of the Lender and a copy of such instrument or agreement (or amendment, supplement or modification) substantially in the form to be executed, and COUNTY may require reasonable changes in such instrument or agreement (or amendment, supplement or modification) only to the extent necessary to ensure that it does not violate the requirements of this Master Lease; provided, however, that COUNTY's failure to object to any

provision of such instrument or agreement (or amendment, supplement or modification) within seven (7) calendar days after COUNTY's receipt thereof shall constitute an approval thereof;

(2) the Financing Documents shall provide that any proceeds from fire or extended coverage insurance shall be used for repair or rebuilding of the Facility, provided that (a) the Facility is capable of being fully repaired or rebuilt; and (b) (i) the proceeds of such insurance are sufficient to fully repair or rebuild the Facility or (ii) LESSEE agrees to fully repair or rebuild the Facility, notwithstanding the fact that such proceeds are insufficient to fully repair or rebuild the Facility;

(3) the Financing Documents shall contain provisions that all notices of default under the Financing Documents must be sent to COUNTY and LESSEE and that COUNTY shall have 30 days to cure any default by LESSEE after the time for LESSEE to cure it has expired; provided that neither COUNTY's right to cure any default nor any exercise of such a right shall constitute an assumption of liability under the note or deed of trust;

(4) upon the recordation of any Financing Document in any official real estate recording office, LESSEE shall furnish to COUNTY the date and place of recording or filing of record thereof and the recorder's instrument number, book, and page reference or other recorder's index reference;

(5) until the obligations evidenced by the Financing Documents have been fully and indefeasibly paid in full, there shall be no cancellation, surrender, acceptance of surrender or modification of this Master Lease except by a written instrument executed by COUNTY, LESSEE and the Lender;

(6) no encumbrance shall cover any interest in any real property other than LESSEE's leasehold interest in the Premises and LESSEE's ownership or other interest in the improvements to the Premises. No encumbrance shall secure indebtedness for refuse collection trucks or related collection bins nor for indebtedness not related to the Premises, the Facility, the other improvements or the business conducted in direct connection with any of the foregoing;

(7) on termination of this Master Lease by COUNTY on LESSEE's default, or on the lender's acquisition of the leasehold by foreclosure, COUNTY shall enter into a new lease with the Lender or the Lender's assignee covering the Premises covered by the terminated or foreclosed lease if the Lender (a) gives notice of request within 30 days after termination or foreclosure, (b) pays all costs resulting from default and termination, (c) remedies all defaults construed as though the Lease had not been terminated, and (d) obtains approval of COUNTY in accordance with Section 18(d) of any assignment of the interest that it has acquired from LESSEE; the new lease shall be for the remainder of the Term of the terminated or foreclosed lease, effective as the date of termination or foreclosure, at the rent and on the covenants agreements, conditions, provisions, restrictions, and limitations contained in the terminated or foreclosed lease;

(8) Except as expressly provided herein, nothing contained in the leasehold encumbrance shall be deemed or construed to relieve LESSEE from the full and

faithful observance and performance of its covenants herein contained, or from any liability for the nonobservance or nonperformance thereof, or to constitute a waiver of any rights of COUNTY hereunder;

(9) Subject to the foregoing, COUNTY shall cooperate in the efforts of LESSEE to obtain any such financing by the prompt execution of any and all documents and the prompt granting of any and all consents and approvals required in connection therewith; and

(10) Without the consent of COUNTY, which consent shall not be unreasonably denied or delayed, LESSEE shall not obtain any financing that is secured by a lien on the Premises, the Facility or any other improvements to the Premises which is of a priority lower than third priority.

19. Toxic Materials. During the Term of this Master Lease and any extensions thereof, LESSEE shall not violate any federal, state or local law, or ordinance or regulation, relating to industrial hygiene or to the environmental condition on, under or about the leased premises including, but not limited to, soil and groundwater conditions. Further, LESSEE, its successors, assigns and sublessee, shall not use, generate, manufacture, produce, store or dispose of on, under or about the leased premises or transport to or from the leased premises any flammable explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials, whether injurious by themselves or in combination with other materials (collectively, "hazardous materials"). For the purpose of this Master Lease, hazardous materials shall include, but not be limited to, substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; and those substances defined as "hazardous wastes" in Section 25117 of the California Health and Safety Code or as "hazardous substances" in Section 25316 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws. Notwithstanding the foregoing, LESSEE shall not be responsible for any hazardous materials relating to, or released as a result of, the operations of the household hazardous waste facility.

20. Free from Liens. LESSEE shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be furnished to LESSEE, in, upon, or about the leased premises, and which may be secured by a mechanics', materialmen's or other lien against the leased premises or COUNTY's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by such lien matures or becomes due; provided, however, that if LESSEE desires to contest any such lien, it may do so, but notwithstanding any such contest, if such lien shall be reduced to final judgment, and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed, and said stay thereafter expires, then and in such event, LESSEE shall forthwith pay and discharge said judgment.

21. **Employees and Agents of LESSEE.** It is understood and agreed that all persons hired or engaged by LESSEE shall be considered to be employees or agents of LESSEE and not of COUNTY.

22. **Binding on Successors.** LESSEE, its assigns and successors in interest, shall be bound by all the terms and conditions contained in this Master Lease, and all of the parties thereto shall be jointly and severally liable hereunder.

23. **Severability.** The invalidity of any provision in this Master Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

24. **Venue.** Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Master Lease shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county.

25. **Attorney's Fees.** In the event of any litigation or arbitration between LESSEE and COUNTY to enforce any of the provisions of this Master Lease or any right of either party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the successful party all costs and expenses, including reasonable attorney's fees, incurred therein by the successful party, all of which shall be included in and as a part of the judgment rendered in such litigation or arbitration.

26. **Notices.** All notices, consents or other communications which are required or permitted by this Agreement to be served on or given to any party shall be in writing and shall be deemed served or given when personally delivered or, in lieu of personal delivery, on receipt, rejection or return undelivered, when deposited in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested or overnight mail delivery service, addressed to the applicable party at the address which is provided in this paragraph. Unless notice of a different address has been given in accordance with this Section, all such notices shall be addressed as follows:

COUNTY:

Riverside County
Waste Management Department
14310 Frederick Street
Moreno Valley, CA 92553

LESSEE:

Agua Mansa MRF, LLC
C/O 9890 Cherry Avenue
Fontana, CA 92335

or to such other addresses as from time to time shall be designated by the respective parties.

27. **Estoppel Certificates.**

(a) In the event of a proposed sale or refinancing of the Premises or any part thereof, at any time and from time to time, within twenty (20) days after notice of request by either party, the other party shall execute, acknowledge, and deliver to the requesting party, or to

such other recipient as the notice shall direct, a statement certifying that this Master Lease is unmodified and in full force and effect; or, if there have been modifications, that it is in full force and effect as modified in the manner specified in the statement and acknowledging that there are no uncured defaults or failures to perform any covenant or provision of this Master Lease on the part of the requesting party or specifying any such defaults or failures which are claimed to exist. The statement shall also state the dates to which the Rent and any other charges have been paid in advance. The statement shall be such that it can be relied on by any auditor, creditor, commercial banker, and investment banker of either party and by any prospective purchaser or the lender of the Premises or all or any part or parts of LESSEE's or COUNTY's interests under this Master Lease.

(b) Either party's failure to execute, acknowledge, and deliver, on request, the certified statement described above within the specified time shall constitute acknowledgment by such party to all persons entitled to rely on the statement that this Master Lease is unmodified and in full force and effect and that the rent and other charges have been duly and fully paid to and including the respective due dates immediately preceding the date of the notice of request and shall constitute a waiver, with respect to all persons entitled to rely on the statement, of any defaults on the requesting party's part that may exist before the date of the notice.

28. Surrender of Premises. At the expiration or earlier termination of the Term, LESSEE shall surrender to COUNTY the possession of the Premises. Surrender or removal of improvements shall be as directed in the provisions of this Master Lease on ownership of improvements at expiration or termination. LESSEE shall leave the surrendered property and any other property in good and broom clean condition. All property that LESSEE is not required to surrender but that LESSEE does abandon shall, at COUNTY's election, become COUNTY's property at expiration or the sooner termination of this Master Lease.

29. No Discrimination.

(a) LESSEE shall not discriminate upon the basis of race, color, creed, religion, sex, marital status, age, national origin, ancestry, physical handicap, or medical condition in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Premises, or any part thereof, nor shall LESSEE or any person claiming under or through LESSEE establish or permit any such practice or practices of discrimination or segregation with respect to the selection, location, number, use or occupancy of Lessees, sublessees or vendees of the Premises. The foregoing covenant shall run with the land. LESSEE shall insert into and make a part of any lease, rental agreement, occupancy permit, use or sales agreement or any other document pertaining to the Premises a provision that there shall be no restrictions imposed thereon because of race, color, creed, religion, sex, marital status, age, national origin, ancestry, physical handicap, or medical condition.

(b) LESSEE agrees, for itself, its successors and assigns, to refrain from restricting the rental, sale or lease of the Premises on the basis of race, color, creed, religion, ancestry, sex, marital status, national origin, age of any person, physical handicap, or medical condition. All deeds, leases or contracts entered into with respect to the Premises shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) **In deeds:** "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, national origin, sex, marital status, age, ancestry, physical handicap, or medical condition in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of LESSEEs, sublessee or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(2) **In leases:** "The LESSEE herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this Master Lease is made and accepted upon and subject to the following conditions: That there be no discrimination against or segregation of any person or group of persons, on account of age, race, color, creed, religion, sex, marital status, national origin, ancestry, physical handicap, or medical condition in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the land herein leased nor shall the LESSEE himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of LESSEEs, sublessee or vendees in the land herein leased."

(3) **In contracts:** "There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, age, national origin, sex, marital status, ancestry, physical handicap, or medical condition in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of LESSEEs, sublessee or vendees of the land."

30. Miscellaneous.

(a) **Governing Law.** This Master Lease shall be construed and interpreted in accordance with the laws of the State of California.

(b) **Covenants and Conditions.** All provisions, whether covenants or conditions, on the part of LESSEE shall be deemed to be both covenants and conditions.

(c) **Transfer of COUNTY's Interest.** COUNTY shall not transfer its interest in the premises except upon the assumption by the transferee of all obligations and liabilities relating to the Master Lease. In no event shall any transfer of COUNTY's interest relieve COUNTY of any liability which either arose prior to the date of transfer or which is based on facts or circumstances in existence as of the date of the transfer.

(d) **Waiver.** The waiver by COUNTY or LESSEE of any breach or default by the other party of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach or default of the same or

any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by the COUNTY shall not be deemed to be a waiver of any preceding breach or default by LESSEE of any term, covenant, or condition of this Master Lease, other than the failure to pay the particular rents so accepted, regardless of COUNTY's knowledge of such preceding breach or default at the time of acceptance of such rent.

(e) **No Joint Venture.** Nothing contained herein shall be construed to render the COUNTY in any way or for any purpose a partner, joint venturer, or associated in any relationship with LESSEE other than that of COUNTY and LESSEE, nor shall this Master Lease be construed to authorized to act as agent for the other.

(f) **Exhibits.** All exhibits to which reference is made in this Master Lease are hereby incorporated by reference. Any reference to "this Master Lease" includes matters incorporated by reference.

(g) **Entire Agreement; Modification.** This Master Lease contains the entire agreement between the Parties. No verbal agreement or implied covenant, representation, inducement or understanding of any kind or nature shall be held to vary the provisions hereof, any statements, law or custom to the contrary notwithstanding. No promise, representation, warranty, or covenant not included in this Master Lease has been or is relied on by either party. Each party has relied on its own inspection of the Premises and examination of this Master Lease, the counsel of its own advisors, and the warranties, representations, and covenants in this Master Lease itself. The failure or refusal of either party to inspect the Premises, to read this Master Lease or other documents, or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice. No provision of this Master Lease may be amended or varied except by an agreement in writing signed by the parties hereto and the lender under the first leasehold encumbrance or their respective successors.

(h) **Consents to LESSEE.** Neither COUNTY's execution of this Master Lease nor any consent or approval given by COUNTY hereunder in its capacity as COUNTY shall waive, abridge, impair or otherwise affect COUNTY's powers and duties as a governmental body. Any requirements under this Master Lease that LESSEE obtain consents or approvals of COUNTY are in addition to and not in lieu of any requirements of law that LESSEE obtain approvals or permits. COUNTY hereby certifies, however, that as of the date hereof, there are no consents or approvals required to be given by COUNTY in connection with the execution and performance by LESSEE of the Master Lease in accordance with its terms and provisions which have not been granted by COUNTY.

(i) **Records.** COUNTY or any representative or designee thereof may examine the books and records of LESSEE, or any officer, employee, agent, contractor, affiliate, related person, assignee or franchise, as such books and records relate to, directly or indirectly, solid waste (as defined in Exhibit B) tonnage and the disposition of hazardous waste by LESSEE.

(j) **Recordation of Memorandum of Lease.** This Master Lease shall not be recorded. A Memorandum of Amended and Restated Master Lease shall be recorded. The parties

shall execute the memorandum in form and substance as would normally be required by a title insurance company insuring LESSEE's leasehold estate or the interest of any leasehold or fee lender (Per Section 3, the Title Insurance has already been purchased and none will be purchased after this eighth amendment.), and sufficient to give constructive notice of this Master Lease to subsequent purchasers and lenders. A Memorandum of Lease satisfying the same purpose for the Original Master Lease was recorded on April 22, 1997, a Memorandum of Second Amended Master Lease was recorded on December 5, 2001, and a Memorandum of Amended and Restated Master Lease was recorded after the seventh amendment to the Master Lease on August 5, 2008. Such memoranda were not recorded after Amendment No. 1 to the Master Lease, the Third Amended Master Lease, Amendment No. 4 to the Master Lease, Amendment No. 5 to the Master Lease (Amendment No. 5 did not state that a Memorandum of Lease would be recorded) or the Amended and Restated Master Lease (essentially Amendment No. 6). Memoranda for these other five amendments will be recorded.

(k) Execution in Counterparts. This Master Lease, or the memorandum of this Master Lease, or both, may be executed in two or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

(l) Other Issues. LESSEE hereby expressly consents to modification of the Franchise Area 4 Agreement and agrees to pursue no legal action against COUNTY for such modification. If LESSEE is successful in pursuit of a legal judgment for damages against International Rubbish Service ("IRS"), the former franchisee for County Franchise Area 4, COUNTY shall also benefit in the decision against the former franchisee to the degree that IRS damaged COUNTY. All monies due COUNTY for billings not paid by LESSEE during the time of LESSEE's complaint against IRS shall be paid within thirty (30) days of execution of Amendment number 4 to the Master Lease by the Riverside County Board of Supervisors.

31. Permits, Licenses and Taxes. LESSEE shall secure, at its expense, all necessary permits and licenses as it may be required to obtain, and LESSEE shall pay for all fees and taxes levied or required by any authorized public entity. LESSEE recognizes and understands that this Master Lease may create a possessory interest subject to property taxation and that LESSEE may be subject to the payment of property taxes levied on such interest.

32. Paragraph Headings. The paragraph headings herein are for the convenience of the parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Master Lease.

33. COUNTY's Representative. COUNTY hereby appoints the General Manager-Chief Engineer of the Waste Management Department as its authorized representative to administer this Master Lease.

34. Agent for Service of Process. It is expressly understood and agreed that in the event LESSEE is not a resident of the State of California or it is an association or partnership without a member or partner resident of the State of California, or it is a foreign corporation, then in any such event, LESSEE shall file with COUNTY's General Manager-Chief Engineer, upon its execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service

of process in any court action arising out of or based upon this Master Lease, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon LESSEE. It is further expressly understood and agreed that if for any reason service of such process upon such agent is not feasible, then in such event LESSEE may be personally served with such process out of this County and that such service shall constitute valid service upon LESSEE. It is further expressly understood and agreed that LESSEE is amenable to the process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto.

35. Entire Lease. This Master Lease is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements and understandings, oral or written, in connection therewith. This Master Lease may be changed or modified only upon the written consent of the parties hereto.

36. Guarantor/Parent Company Guarantee. LESSEE has provided COUNTY the written Agreement of Burrtec Waste Group, Inc. signed by a duly authorized corporate officer that Burrtec Waste Group, Inc. together with LESSEE guarantees the performance of all of the obligations and duties of LESSEE hereunder attached as Exhibit F.

37. Closure of Burrtec Recycling Center. LESSEE formerly operated the Burrtec Recycling Center ("BRC") at 9470 Mission Boulevard in the Unincorporated Area of Riverside County. LESSEE terminated its operation of BRC. Upon such termination, Conditional Use Permit #2711 and all amendments thereto were deemed automatically revoked, without notice or hearing, and LESSEE, and/or its successor(s) in interest, hereby waived the right to challenge such revocation.

38. Illegal Dumping Retrieval Services. LESSEE shall have the continued responsibility to collect illegally dumped material attributable to operation of the Facility along the Traveled Way on primary delivery routes to the Facility northerly of Highway 60 on Market Street, Rubidoux Boulevard, and Agua Mansa Road as shown on Exhibit A-111. Inspection and retrieval shall be completed not less often than twice weekly.

In addition, LESSEE shall provide similar illegal dumping retrieval services within all public rights of way in Riverside County within a one mile radius of the transfer station.

39. Right of First Refusal. In the event that COUNTY should elect to sell the Premises to a private purchaser, COUNTY shall first give notice to LESSEE of such intent, together with a true and complete copy of the proposed terms of sale, and shall give LESSEE the right to purchase the Premises upon the same terms of sale. LESSEE shall exercise its right to purchase the Premises, if at all, by delivering notice to COUNTY of its intent to purchase within forty-five (45) days following LESSEE's receipt of COUNTY's notice.

If COUNTY elects to sell the Premises, and is required to seek bids for such sale, LESSEE shall be deemed to have submitted a revocable bid in an amount which exceeds the highest bid actually received by One Dollar (\$1.00). LESSEE shall have the right to revoke such

bid by delivering notice of revocation within fifteen (15) days following LESSEE's receipt of notice from COUNTY of the deemed amount of LESSEE's bid, in which event COUNTY may proceed, in the sole and exclusive exercise of its discretion, to sell the Premises to the highest other bidder, or to reject all bids and retain ownership of the Premises.

Any purchaser of the Premises from COUNTY shall be bound by the terms of this Master Lease, as lessor, and its interest in the Premises and the other property subject to this Master Lease shall be subject to any encumbrance placed thereon pursuant to Section 18(f).

40. Conversion or Recycling/Diversion Project. LESSEE shall pursue the development of a conversion or a recycling/diversion facility to be designed, built and operated by a qualified party or LESSEE. The size and type of the facility being proposed is undefined at the time of execution of this Master Lease, but the facility proposed shall meet the following criteria:

(a) It will be an approved demonstration project with capacity for a minimum of 100 tons per day.

(b) A competitive selection process will be utilized by LESSEE to determine the best-qualified third party vendor to design, build and operate the project.

(c) The selected project shall endeavor to align with the then existing regulatory requirements of the State of California for diversion credit. The facility's goal is to use output material that would be otherwise landfilled. The diversion goal set for the selected project will be at least 60% of the facility's throughput.

(d) The site on which the project is to be constructed is Areas Z and Z' as shown on Exhibit A-1 '07 without additional lease compensation. An appropriate lease modification to reflect the project will be executed by the parties hereto, when presented by COUNTY.

(e) LESSEE shall separately process and obtain at his own (or selected vendor's) expense, all necessary land use and environmental approvals; and all necessary County, State or Federal construction and operating permits.

(f) The demonstration project shall be designed so that it is expandable to meet the anticipated future needs of user agencies.

(g) During the first three years of operation, LESSEE shall provide COUNTY monthly environmental data collected with semiannual summary reports of the plant performance. After the first three years, the data and reporting requirements will be reduced as then defined by COUNTY.

(h) LESSEE agrees to expand the Conversion project when COUNTY requests it to do so after satisfactory performance has been demonstrated, and appropriate permitting has been obtained. New terms and rates will be negotiated in good faith at that time.

(i) LESSEE commits to pursue the Conversion or Recycling/Diversion Project contemplated in this Section 40 until July 1, 2010. After July 1, 2010, as long as the expected diversion is comparable to that of LESSEE'S green and woody waste operation using Areas Z and Z' (in terms of a percentage diverted from the material generated by both the project and the transfer station combined) or can be shown to be a demonstrably better use of resources in other ways, COUNTY may proceed with the development of a Conversion or Recycling/Diversion project on Areas Z and Z' without the participation of the LESSEE. In this situation, COUNTY will give LESSEE six (6) months notice to vacate Areas Z and Z' and the two areas shall be removed as part of the leased premises. The two areas shall then not be used by LESSEE. For any period of time, after July 1, 2010, that COUNTY elects not to give the above six (6) months notice to LESSEE, LESSEE may continue using Areas Z and Z' in accordance with the provisions of this Master Lease until said notice is given to LESSEE.

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IN WITNESS WHEREOF, this Master Lease has been executed and is effective on the date the Board of Supervisors takes action on it.

RIVERSIDE COUNTY WASTE
MANAGEMENT DEPARTMENT
14310 Frederick Street
Moreno Valley, CA 92553

Agua Mansa MRF, LLC
1830 Agua Mansa Road
Riverside, CA 92509

Dated: 11/7/08

Dated: 11/6/08

RECOMMENDED FOR APPROVAL

By: [Signature]
Hans Kernkamp
General Manager-Chief Engineer

By: [Signature]
Responsible Officer
Title: President

RIVERSIDE COUNTY

By: [Signature]
Chairman, Board of Supervisors

ATTESTED:

By: [Signature] DEPUTY
Nancy Rometo, Clerk of the Board

FORM APPROVED:

By: [Signature] 11/17/08
Gordon Woo, Deputy County Counsel

Ninth Amended and Restated Master Lease

between

the County of Riverside

“COUNTY”

and

Agua Mansa MRF, LLC

“LESSEE”

Dated June 4, 2019

JUN 04 2019 12.10

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Exhibit A-2	Illegal Dumping and Retrieval Service
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Attachment A	Riverside County Best Management Practices for Organics Processing

Ninth AMENDED AND RESTATED MASTER LEASE

LESSOR: County of Riverside, a political subdivision of the State of California

LESSEE Name: Agua Mansa MRF, LLC, a California limited liability company

The parties to this Ninth AMENDED AND RESTATED MASTER LEASE ("Master Lease") dated _____, 2019, desire to amend it in its entirety to read as follows: This document constitutes an amendment and restatement of that certain Master Lease ("Original Master Lease") dated March 11, 1997 by the parties, and as amended on June 24, 1997 ("First Amendment"), October 23, 2001 ("Second Amended Master Lease"), February 11, 2003 ("Third Amended Master Lease"), September 9, 2003 ("Fourth Amendment"), February 24, 2004 (Fifth Amendment), July 31, 2007 (Amended and Restated), and November 25, 2008 (Amended and Restated) does not constitute a new lease or reletting of the property, but is merely a constituted revision expressing the current Agreement of the parties with respect thereto. None of the other provisions of the Original Master Lease shall have any affect whatsoever except to the extent they are specifically restated herein.

The County of Riverside, on behalf of its Department of Waste Resources, as Lessor, herein called "COUNTY", leases to Agua Mansa MRF, LLC, herein called "LESSEE", the COUNTY owned real property described below upon following terms and conditions:

1. Description.

(a) The premises leased hereby consist of approximately 22.03 acres located in Jurupa Valley, California in the Riverside County Recycling Market Development Zone, referred to herein as the "Premises", as more particularly described on **Exhibit A**, Premises Legal Description, and as depicted on **Exhibit A-1**, Transfer Station/MRF Lease Boundaries, both attached hereto and by this reference made a part of this Master Lease.

2. Use.

(a) The Premises are leased hereby for the exclusive purpose of providing the financing, permitting, design, construction and operation of a solid waste transfer station with materials recovery capability ("TS"), a materials recovery facility ("MRF"), mixed construction and demolition sorting ("C&D"), clean green and wood waste processing ("CGWW"), finished landscape products staging (wood chips, mulches, compost), food and green waste compost processing and curing ("Compost"), green waste cleaning and processing ("GW") and other related uses in Areas W, Z and Z' shown on **Exhibit A-1**, (the "Facility"). The LESSEE shall abide by the terms and conditions of the FIRST AMENDED AND RESTATED AGREEMENT FOR DISPOSAL OF SOLID WASTE, attached as **Exhibit B** and the City of Riverside AGREEMENT FOR TRANSFER SERVICES, attached as **Exhibit C**, and as they may be amended from time to time, both attached hereto and by this reference incorporated herein. The facility to be constructed on the Premises is described on **Exhibit D**, Facility Description, attached hereto and by this reference incorporated herein.

(b) LESSEE shall incorporate and comply with all applicable Best Management Practices (BMPs) as provided in **Attachment A**, attached hereto and by this reference incorporated herein, for operation of the Facility. The terms and conditions of this Master Lease shall govern over the standards provided in the BMPs in the event that the BMPs may conflict with or if the BMPs are less stringent than the terms and conditions of this Master Lease.

(c) LESSEE will operate the gate, install and maintain a minimum of two seventy foot electronically operated scales, and set prices for all services, providing however, all Riverside County unincorporated haulers shall be charged rates for comparable services which are not greater than rates established in the City of Riverside AGREEMENT FOR TRANSFER SERVICES (see **Exhibit C**) obtained by LESSEE, or its predecessor in interest.

(d) LESSEE will operate the TS facility as described herein this Master Lease and maintain a separate fee booth and a seventy foot electronically operated scale.

(e) The LESSEE shall transfer any hazardous waste received and generated at the Premises and identified through its load check program with no charge to COUNTY. LESSEE agrees that it shall endeavor to return hazardous/universal waste discovered in its load check program to the responsible party whenever possible (including materials generated by the residential and small quantity generator sectors). LESSEE is responsible for providing staff at the scale house and tipping floor for load checking, and shall be receptive to periodic unannounced site inspections by COUNTY personnel to confirm compliance (in accordance with County of Riverside Ordinance No. 779).

(f) In order to help address illegal dumping, LESSEE agrees to accept and charge a Minimum Load Charge in accordance with the FIRST AMENDED AND RESTATED AGREEMENT FOR DISPOSAL OF SOLID WASTE (**Exhibit B**).

(g) The C&D, CGWW, Compost and GW processing facilities shall give first priority to feedstocks from sources within Riverside County and its Cities over other sources; so long as such feedstocks meet quality standards required by such facilities. Receipt of non-county material for any organics processing shall be limited to the quantities and terms identified in the FIRST AMENDED AND RESTATED AGREEMENT FOR DISPOSAL OF SOLID WASTE (see **Exhibit B**). Non-county material includes all feedstock or amendments generated or collected outside of the geographic boundaries of Riverside County including both incorporated and unincorporated territory. COUNTY reserves the ability to apply a fee, at some future date, on non-county material received at the facility on a per-ton basis in the event COUNTY implements a similar fee structure or fee program on non-county material, on a County-wide basis, by ordinance, resolution, policy, or individual agreement throughout the County.

(h) Out-of-county material cannot be used as Alternative Daily Cover ("ADC") at COUNTY landfills. The delivery of out-of-county material and any processing fee paid to COUNTY by LESSEE for it shall meet the requirements of the FIRST AMENDED AND RESTATED AGREEMENT FOR DISPOSAL OF SOLID WASTE (**Exhibit B**). It is expected that all processed material shall be sent to facilities that qualify for AB 939 diversion credit (biomass conversion – as long as this facility's material does receive diversion credit – and composting facilities, etc). Processed green waste as ADC at Riverside County landfills is allowed once other feasible options for higher beneficial use have been exhausted and so long as the Riverside County landfills have capacity to receive and agree to accept ADC. Part of Area Z will be used for receiving, processing, curing, screening and product staging while Area Z' will be used for active composting, Compost curing and screening (see **Exhibit A-1**).

(i) LESSEE shall operate a tonnage tracking system that will determine on a daily basis the amount and origin of generation for the organic material delivered to the Facility as feedstock for the CGWW, Compost, or GW operations. The tonnage tracking system shall be fully compatible with the COUNTY'S current system. LESSEE shall provide COUNTY with

monthly reports broken down by origin of generation and material type for the feedstocks delivered to the Facility within thirty (30) days of the end of the calendar month, and a year-end report that displays all data broken down by month along with a year total for the calendar year. The format of said reports shall be approved by the COUNTY.

(j) The 20 foot high net screen to contain windblown debris will be extended from where the current screen ends along the south side of the premises to the shared boundary of Area Z and Area Z'. If any grinding is conducted in Area Z', or litter is not contained in Area Z' by the required chainlink fence that is to surround the leased premises, the net screen will be extended the length of the remaining property where material is ground or to take care of the litter problem.

(k) LESSEE shall include a penalty charge at the gate for delivery of uncovered loads, which charge shall equal the comparable charges at COUNTY landfills.

(l) LESSEE will be responsible for staffing the entire Facility, maintaining the spare parts inventory, supplying consumables, providing mobile operations equipment, transferring residue, and providing all other accommodations. Furthermore, with the exception of COUNTY reviews for contract compliance, the LESSEE shall secure, pay for and maintain all certificates, permits, government fees, licenses, and Local Enforcement Agency charges and any other inspections necessary for the operation of the Facility. The LESSEE will be responsible for all costs associated with the operations including but not limited to accounting, purchasing, payroll, personnel, and material marketing functions and general and administrative overhead costs. In addition, the LESSEE will be responsible for all costs of electricity, water, and other utilities required for operations. The LESSEE will also pay for all taxes relating to the project and prorata Mello Roos obligation.

(m) The applicable zoning, building and development regulations of any city, county, state or federal jurisdiction affecting the land shall be complied with. COUNTY hereby warrants that the uses contemplated by this Master Lease are currently in compliance with all environmental clearance requirements, zoning and land use regulations applicable to the Site as of the commencement of this Master Lease.

3. Title.

(a) COUNTY delivered to LESSEE a Preliminary Title Report issued by Chicago Title Company of California (the "Title Company"). LESSEE's leasehold interest in the Land has been insured by a CLTA Policy of Leasehold Title Insurance (the "Policy"). The Policy of title insurance provided for pursuant to this Section insures LESSEE's interest in the Land free and clear of all liens, encumbrances, restrictions, and rights of way of record; subject only to the following permitted conditions of title ("Permitted Title Exceptions"):

(1) The applicable zoning, building and development regulations of any city, county, state or federal jurisdiction affecting the land; and

(2) Exceptions to coverage (#1-#14), in addition to the printed exceptions and exclusions contained in the Policy, listed on Schedule B of Preliminary Title Report 72085328-X59 dated August 5, 2008.

(b) LESSEE shall have the option of purchasing an ALTA Extended coverage Policy of Leasehold Title Insurance. If LESSEE elects to purchase an ALTA Policy, LESSEE shall notify COUNTY of such fact within 5 days after the date hereof and shall cause a licensed

surveyor or civil engineer to conduct a survey of the Land, to prepare from the survey a legal description satisfactory to the Title Company, and to prepare a plot plan showing the location of any streets, easements, and rights of way over or in favor of the Land, and shall then promptly obtain the initials of the parties on such survey within 30 days after receipt of the Preliminary Title Report. LESSEE shall use the survey for approving or disapproving the Preliminary Title Report and the Policy of title insurance; and

(c) The cost of LESSEE'S Policy of title insurance equal to a CLTA Standard Coverage Policy shall be paid by COUNTY. The additional cost for the ALTA Extended Coverage Policy and the cost of any survey ordered by LESSEE, if any, shall be paid by LESSEE.

4. Term.

(a) The Term of this Master Lease shall commence on the date it is fully executed by LESSEE and the COUNTY'S Board of Supervisors ("the Commencement Date"), and shall expire and terminate at 12:00 midnight twenty years from the date this agreement is fully executed unless sooner terminated as provided for herein. Upon completion of the Term, this Master Lease may be extended upon mutual agreement of COUNTY and LESSEE. LESSEE shall submit in writing a request to extend no later than six (6) months prior to the date this Master Lease shall expire.

5. Lease Payment.

(a) LESSEE shall pay the sum of \$1.00 per year to COUNTY as payment for the leased premises to include the existing transfer station and material recovery facility and Areas Z and Z', payable, in advance, on the first day of this Master Lease (the "Base Rental"). In addition to the Base Rental, LESSEE shall pay rent on Area W (See **Exhibit A-1**) based on fair rental value. The fair rental value for Area W is Three Thousand Two Hundred Twenty Dollars and Thirty-34 Cents (\$3,220.34) per month.

(b) Beginning in March 2020 the fair rental value for Area W shall be recalculated annually, based on the percentage increase in the cost of living, which adjustment shall be determined as follows: In each March when an adjustment is to be made, the published Index figure for the month of January shall be determined. The monthly rental payable for the succeeding year of the lease term shall be the initial fair rental value for Area W reserved under this Section 5(a), increased by the same percentage, if any, by which the published Index figure for the month of January shall have increased over the Consumer Price Index figure for January of the previous year. The term "Index" as used in this Master Lease shall mean the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, Riverside-San Bernardino-Ontario (December 2017=100). If at any time the Index should not exist in the format recited herein, COUNTY shall substitute any official index published by the Bureau of Labor Statistics, or successor or similar governmental agency, as may then be in existence and shall, in COUNTY's opinion, be most nearly equivalent thereto.

(c) All rent payable hereunder shall be paid without deduction or offset and in legal currency of the United States as at the time of payment shall be legal tender for the payment of private debts.

6. Taxes/Assessments.

(a) Covenant to Pay Taxes. LESSEE shall pay directly to the appropriate taxing authorities all taxes ("Taxes") levied or assessed upon or against the Premises during the Term and all property taxes levied on personal property located on the Premises. All taxes shall be paid at least 15 days prior to their due date. LESSEE shall furnish to COUNTY at least 10 days prior to the date when any Taxes would become delinquent receipts or other appropriate evidence establishing their payment, and before any fine, interest or penalty shall become due or be imposed by operation of law for their non-payment, and LESSEE shall promptly furnish to COUNTY satisfactory evidence establishing such payment. LESSEE may comply with this requirement by retaining a tax service to notify COUNTY whether the taxes have been paid.

(b) Definition of Taxes. The term "Taxes" shall include all real property taxes (including increases in real property taxes caused by reappraisals that are the result of changes in the ownership of COUNTY's interest), possessory interest taxes, personal property taxes, charges and assessments, (including street improvement liens) which are levied, assessed upon or imposed by any governmental authority or political subdivision thereof during any calendar year of the Term hereof with respect to the Premises and the Land and any improvements, fixtures, and equipment and all other property of LESSEE or COUNTY, real or personal, or used in connection with the operation of the Premises and any tax which shall be levied or assessed in addition to or in lieu of such real or personal property taxes, and any license fees, tax measured by or imposed upon rents, or other tax or charge upon COUNTY's leasing of the land or the receipt of rent hereunder. All assessments, taxes, fees, levies and charges imposed by governmental agencies for services such as fire protection, street, sidewalk and road maintenance, refuse removal and other public services generally provided without charge to owners or occupants prior to the adoption of Proposition 13 by the voters of the State of California in the June 1978 election, also shall be deemed included within the definition of "taxes" for the purposes of this Master Lease.

(c) Proration of LESSEE's Assessment Liability. LESSEE's liability to pay Mello Roos Assessments shall be prorated on the basis of a 365 day year to account for any fractional portion of a fiscal assessment year included in the Term at its commencement or expiration.

1. LESSEE shall pay annual Mello Roos Assessments on the Premises to COUNTY within thirty (30) days of receiving an invoice from COUNTY. LESSEE's rate for the first ten years of this Master Lease will be 13.2 cents per square foot of lease property as defined on **Exhibit A** and as located on **Exhibit A-1** (based on an estimated 10 year average) and 16.09 cents per square foot of lease property as defined on **Exhibit A** and as located on **Exhibit A-1** for the lease years remaining.

2. The Mello Roos Assessments on the Premises were refinanced by the Agua Mansa Industrial Growth Association in 2003. COUNTY elected to prepay its Mello Roos obligations at that time, but LESSEE elected to not prepay its share of the Mello Roos Assessments to COUNTY concurrently. COUNTY reviewed the payment situation at the point when the per square foot rate was to increase to 16.09 cents and determined that this rate will meet LESSEE'S remaining obligation in regard to the Mello Roos Assessments provided that LESSEE continues making payments until the canceling of the bond or the end of the lease term, whichever comes first.

(d) The Premises is approximately 22.03 acres, or 959,627 square feet in size.

7. Improvements.

(a) Proposed plans for all improvements, alterations or installation of fixtures by LESSEE shall first be submitted to Riverside County Department of Waste Resources ("the Department") in writing in order to obtain its written consent to proceed. Requests for approval will be granted or denied by the Department within twenty-one (21) days, and will not be unreasonably denied or delayed. Any denial shall be in writing and shall be accompanied by detailed reasons for the denial.

(b) Once the work is approved by the Department on behalf of COUNTY, LESSEE shall with reasonable diligence prosecute to completion all construction of the improvements. LESSEE shall have the responsibility for supplying all technical information and preparing all permits relevant to the project that are required by federal, state, and local regulatory agencies.

(c) The drop-off/buy-back recycling center shall remain open throughout the term.

(d) All work shall be performed in a good and workmanlike manner, shall substantially comply with the plans and specifications submitted to COUNTY and shall comply with all applicable governmental permits, laws, ordinances and regulations. The parties acknowledge that it is common practice in the construction industry to make minor changes during the course of construction without substantially altering the plans and specifications previously approved by COUNTY; on completion of the work, LESSEE shall give COUNTY notice of all changes in plans and specifications made during the course of the work and shall, at the same time, supply COUNTY with "as built" drawings accurately reflecting all such changes.

(e) Improvements shall comply with the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements pertaining to the Premises, recorded on February 6, 2003 with the County of Riverside Assessor, County Clerk, & Recorder, Instrument Number 2003-084568.

(f) **Ownership of Improvements.** The improvements on the Premises shall be owned by LESSEE until the expiration or sooner termination of the Term provided, however, that any transfer of such improvements prior to the scheduled expiration of the Term shall, until all financing obligations (including, without limitation, principal, interest, costs, and fees) owing to the Lender have been fully and indefeasibly paid in full, be subject to any deed of trust, mortgage, trust indenture, lien, security agreement, fixture filing or other encumbrance placed upon such improvements pursuant to Section 18(f); provided further, that any termination of this Master Lease that is followed by the replacement of this Master Lease with a lease in favor of the Lender or the Lender's assignee as provided in Section 18(f)(7) shall not be deemed a termination of this Master Lease for the purposes of this Section 7(f) and shall not result in the transfer of improvements to the Premises, to COUNTY. LESSEE shall not remove any improvements from the Premises, nor waste, destroy or modify any improvements on the Premises, except as permitted by this Master Lease or in the normal course of business for repair, modification for enhanced operation, or replacement as further provided in paragraph 7(a). The parties covenant and agree for themselves and all persons claiming under them that the improvements are real property. Upon expiration or sooner termination of the Term of this Amended and Restated Master Lease, all improvements on the Premises (including all improvements completed as of the date of this Master Lease), including those installed in Areas W, Z and Z' (i.e. buildings, infrastructure, scales, scale house computer systems, scale house, drop-off/buy-back facilities, fuel facilities, fences etc., but exclusive of unattached furnishings,

rolling stock and other detachable processing and handling equipment) shall, with compensation to LESSEE amounting to payment of \$1.00 as permitted in this Master Lease, thereupon become COUNTY's property free and clear of all claims and encumbrances to or against them by LESSEE or any third person except, in the case of the termination of this Master Lease prior to the scheduled expiration of the Term. LESSEE shall defend and indemnify COUNTY against all liability and loss arising from any competing claims by parties other than the Lender or the holder of any other lien permitted under Section 18(f). COUNTY reserves the right to negotiate or seek proposals for the continued operation of the facility at that time. Notwithstanding the foregoing language, in the event that this Master Lease is terminated prior to the scheduled expiration of its term as a result of a breach of the COUNTY, then in addition to any other damages which LESSEE may be entitled to receive from the COUNTY, COUNTY shall be obligated to purchase all fixed improvements on the Premises at a price equal to LESSEE's then unamortized book value of such improvements as reported by LESSEE on its tax returns including, without limitation, all obligations (including, without limitation, principal, interest, fees and costs) that are due or that will or may become due to the Lender.

8. Signs.

(a) LESSEE shall not erect, maintain or display any signs upon the leased premises without first obtaining the written approval of COUNTY, which approval shall not be unreasonably withheld. Signs shall comply with Riverside County Ordinance No. 348 and California State Solid Waste Permit requirements.

9. Custodial/Maintenance.

(a) **Physical Condition of the Land.** To the best of COUNTY's knowledge, without having made any independent investigation or study, the Premises are not contaminated by any hazardous or toxic materials. Except as specifically otherwise set forth in Section 2(k) hereof, COUNTY makes no covenants or warranties respecting the condition of the soil or subsoil or any other physical or environmental condition of the land. LESSEE has performed soils tests of the land and hereby approves the condition of the soils. COUNTY has heretofore recommended to LESSEE that prior to commencement of the Term that LESSEE conduct an environmental site assessment on the land, to determine the suitability of the Land for construction of the Project.

(1) Every six (6) years, beginning in the sixth year of the Term, LESSEE shall employ and pay for an independent consultant approved by COUNTY in writing, to conduct an environmental site assessment of the land to determine the condition of the land and the soils with respect to the presence of any hazardous or toxic materials. The last such environmental site assessment shall take place during the thirtieth year of the Term (two years before the end of the term). All findings and backup material for the environmental site assessments shall be provided to COUNTY for review by the end of the designated year of completion. COUNTY shall notify LESSEE of any cleanup and/or remediation action required to be taken as a result of the assessment findings within six (6) months of receipt of the independent site assessment report.

(b) LESSEE, at its expense shall provide for its own custodial/maintenance services in connection with the entire leased premises, including without limitation, keeping the building and the grounds in a neat and attractive condition including weed abatement and litter control.

(c) LESSEE shall promptly and diligently repair, paint, restore, and replace as required to maintain, or to remedy all damage to or destruction of all or any part of the

improvements. The completed work of maintenance, compliance, repair, restoration, or replacement shall be equal in value, quality and use to the condition of the improvements before the event giving rise to the work, except as expressly provided to the contrary in this Master Lease. COUNTY shall not be required to furnish any services or facilities or to make any repairs or alterations of any kind in or on the Premises. COUNTY's election to perform any obligation of LESSEE under this provision or LESSEE's failure or refusal to do so shall not constitute a waiver of any right or remedy for LESSEE's default, and LESSEE shall promptly reimburse, defend and indemnify COUNTY against all liability, loss, cost and expense arising from such election. Notwithstanding the foregoing, the operator of the HHW facility will be responsible for any repairs relating to the Facility, which arise out of the operation of the HHW facility together with all interior maintenance of the HHW facility.

(d) In determining whether LESSEE has acted promptly as required under the foregoing section, one of the criteria to be considered is the availability of any applicable insurance proceeds.

(e) LESSEE waives the provisions of California Civil Code Sections 1941 and 1942 with respect to COUNTY's obligations for leaseability of the Premises and LESSEE's right to make repairs and deduct the expenses of such repairs from Master Lease payments. LESSEE also waives the right to deduct the expenses from the required disposal fees due COUNTY.

10. Destruction.

(a) **Lease to govern LESSEE's Rights.** LESSEE waives the provisions of Civil Code Sections 1932(2) and 1933(4) with respect to any destruction of the Premises, and agrees that LESSEE's rights in case of destruction shall be governed solely by the provisions of this Master Lease.

(b) **Restoration by LESSEE.** LESSEE shall promptly and diligently repair, paint, restore and replace as required to maintain the Premises in first class condition and repair, or to remedy all damage to or destruction of all or any part of the improvements from any cause whatsoever required to be insured against pursuant to this Master Lease. The completed work of maintenance, compliance, repair, restoration or replacement shall be equal in value, quality and use to the condition of the improvements before the event giving rise to the work, except as expressly provided to the contrary in this Master Lease. COUNTY shall not be required to furnish any services or facilities or to make any repairs or alterations of any kind in or on the Premises. COUNTY's election to perform any obligation of LESSEE under this provision or LESSEE's failure or refusal to do so shall not constitute a waiver of any right or remedy for LESSEE's default, and LESSEE shall promptly reimburse, defend and indemnify COUNTY against all liability, loss, cost and expense arising from it. Any casualty or destruction shall not terminate this Master Lease. In reconstructing the improvements, LESSEE shall comply with (a) the Conditions of Construction set forth in **Exhibit E** and (b) the provisions of Section 7.

(c) Uninsured Damage or Destruction.

(1) In the event that the Premises should be damaged by an event against which LESSEE is not required to carry insurance pursuant to Section 17 of this Master Lease, and the cost to repair or restore the Premises does not exceed One Hundred Thousand Dollars (\$100,000), LESSEE shall promptly repair or restore the Premises as set forth above in Section 10(b).

(2) In the event that the Premises should be damaged by an event against which LESSEE is not required to carry insurance pursuant to Section 17 of this Master Lease, and the cost to repair or restore the Premises exceeds One Hundred Thousand Dollars (\$100,000), LESSEE shall not be required to repair or restore the Premises. LESSEE shall, however, be required to meet with the COUNTY to determine if the COUNTY wishes to repair or replace the damaged property. If the COUNTY elects to repair or replace the damaged property, LESSEE shall be responsible for the first \$100,000 of the cost of such repair and/or replacement and COUNTY and LESSEE shall negotiate the sharing of any costs in excess of \$100,000. If COUNTY and LESSEE fail to agree on a sharing arrangement of costs above \$100,000 and COUNTY refuses to pay for all costs in excess of \$100,000, LESSEE shall, be entitled to terminate this Master Lease, without penalty, by delivering notice of such termination to COUNTY within sixty (60) days following the date of such damage or destruction.

11. Utilities.

(a) LESSEE shall pay any applicable connection charges and pay for all utility services, including, but not limited to, telephone, electric, water, gas, and sewer services as may be required in the maintenance, operation and use of the leased premises.

12. Inspection of Premises.

(a) COUNTY, through its duly authorized agents, shall have, at any time, the right to enter the leased premises for the purpose of inspecting, monitoring and evaluating the obligations of LESSEE hereunder and for the purpose of doing any and all things which it is obligated and has a right to do under this Master Lease.

13. Quiet Enjoyment.

(a) LESSEE shall have, hold and quietly enjoy the use of the leased premises so long as it shall fully and faithfully perform the terms and conditions that it is required to do under this Master Lease.

14. Compliance with Government Regulations.

(a) LESSEE shall, at LESSEE's sole cost and expense, comply with the requirements of all local, state and federal statutes, regulations, rules, ordinances and orders now in force or which may be hereafter in force, pertaining to the leased premises. The final judgment, decree or order of any Court of competent jurisdiction, or the admission of LESSEE in any action or proceedings against LESSEE, whether LESSEE be a party thereto or not, that LESSEE has violated any such statutes, regulations, rules, or ordinances, or orders, in the use of the leased premises, shall be conclusive of that fact as between COUNTY and LESSEE.

15. Default.

(a) **LESSEE's Default.** The occurrence of any of the following shall constitute a default by LESSEE:

(1) Failure to pay rent, taxes as described above or the disposal fees outlined in **Exhibit B** or any other payment required to be made by LESSEE hereunder as and when due, subject to the cure period set forth in Section 15(a)(4).

(2) Failure to maintain the Premises as required by this Master Lease, subject to the cure period set forth in Section 15(a)(4).

(3) Abandonment or surrender of the Premises or the leasehold estate by LESSEE, subject to the cure period set forth in Section 15(a)(4).

(4) Failure to perform any other covenant or Provision of this Master Lease, if the failure to perform is not cured within 30 days after written notice. If the failure to perform cannot reasonably be cured within 30 days, LESSEE shall not be in default of this Master Lease if LESSEE commences to cure the failure to perform within the 30 day period and thereafter diligently and in good faith prosecutes the cure to completion, and such default is cured within a total of 90 days from the date of the notice.

(5) The subjection of any right or interest to attachment, execution, or other levy, or to seizure under legal process, if not released within 45 days after notice from COUNTY to LESSEE.

(6) An assignment by LESSEE for the benefit of creditors or the filing of a voluntary or involuntary petition by or against LESSEE under any law for the purpose of, adjudicating LESSEE a bankrupt; or for extending time for payment, adjustment, or satisfaction of LESSEE's liabilities; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency; unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated, or otherwise permanently stayed or terminated within 45 days after the assignment, filing, or other initial event.

(7) The appointment of a receiver, unless such receivership is terminated within 45 days after the appointment of the receiver, to take possession of LESSEE's interest in the Premises or of LESSEE's interest in the leasehold estate or of LESSEE's operations on the Premises for any reason, including but not limited to, assignment for benefit of creditors or voluntary or involuntary bankruptcy proceedings, but not including receivership (a) pursuant to the first leasehold encumbrance, or (b) instituted by COUNTY, the event of default being not the appointment of a receiver at COUNTY's instance but the event justifying the receivership.

(8) Any material breach of the "AGREEMENT FOR TRANSFER SERVICES" between LESSEE and the City of Riverside, which results in termination of the "AGREEMENT FOR TRANSFER SERVICES."

(b) Remedies.

(1) **Cumulative Nature of Remedies.** If any default by LESSEE shall continue uncured, following written notice thereof to LESSEE from COUNTY as required by this Master Lease, for the period, if any, applicable to the default under the applicable provision of this Master Lease, COUNTY shall have the remedies described in this subsection (b) in addition to all other rights and remedies provided by law or equity, to which COUNTY may resort cumulatively or in the alternative.

(2) **Termination.** COUNTY may at COUNTY's election following determination of default terminate this Master Lease by giving LESSEE notice of termination. In the event COUNTY terminates this Master Lease, COUNTY may recover possession of the Premises (which LESSEE shall surrender and vacate upon demand) and remove all persons and unattached property therefrom, and COUNTY shall be entitled to recover as damages all of the following:

(i) The worth at the time of the award of any unpaid rent or other charges, which have been earned at the time of termination;

(ii) The worth at the time of the award of the amount by which the unpaid rent and other charges which would have been earned after termination until the time of the award exceeds the amount of the loss of such rental or other charges that LESSEE proves could have been reasonably avoided;

(iii) The worth at the time of the award of the amount by which the unpaid rent and other charges for the balance of the Term after the time of the award exceeds the amount of the loss of such rental and other charges that LESSEE proves could have been reasonably avoided; and

(iv) Any other amount necessary to compensate COUNTY for the detriment proximately caused by LESSEE's failure to perform its obligations under this Master Lease or which in the ordinary course of things would be likely to result therefrom. As used in subsections (i) and (ii) above, the "worth at the time of the award" shall be computed by allowing interest at the rate of 12 percent per annum. As used in subsection (iii) above, the "worth at the time of the award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus two percent.

(3) Continuation of the Lease. Even though LESSEE has breached this Master Lease and abandoned the Premises, at COUNTY's option this Master Lease shall continue in effect for so long as COUNTY does not terminate LESSEE's right to possession, and COUNTY may enforce all of its rights and remedies hereunder, including the right to recover rent as it comes due under this Master Lease, and in such event COUNTY will permit LESSEE to sublet the Premises or to assign its interest in this Master Lease, or both, with the consent of COUNTY, which consent will not unreasonably be withheld provided the proposed assignee or sublessee is satisfactory to COUNTY as to credit and experience and ability to perform the obligations of LESSEE, and will occupy the Premises for the same purposes specified herein. For purposes of this subsection, the following shall not constitute a termination of LESSEE's right to possession: (i) acts of maintenance or preservation or efforts to relet the Premises; or (ii) the appointment of a receiver under the initiative of COUNTY to protect COUNTY's interest under this Master Lease.

(4) Use of LESSEE's Personal Property. COUNTY may at COUNTY's election use LESSEE's personal property located on, about or appurtenant to the Premises or any of such property and fixtures without compensation and without liability for use or damage, or store them for the account and at the cost of LESSEE. The election of one remedy for any one item shall not foreclose an election of any other remedy for another item or for the same item at a later time.

(5) Assignment of Subrents. LESSEE assigns to COUNTY all subrents and other sums falling due from sublessee, licensees, and concessionaires (herein called sublessee) during any period in which LESSEE is in default, and LESSEE shall not have any right to such sums during that period. This assignment is subject and subordinate to any and all assignments of the same subrents and other sums to the lender under the first leasehold encumbrance. COUNTY may at COUNTY's election reenter the Premises with or without process of law, without terminating this Master Lease, and either or both collect these sums or bring action for the recovery of the sums directly from such obligors. COUNTY shall receive and collect all subrents

and proceeds from reletting, applying them: first, to the payment of reasonable expenses (including attorneys' fees or brokers' commissions or both) paid or incurred by or on behalf of COUNTY in recovering possession, placing the Premises in good condition, and preparing or altering the Premises for reletting; second, to the reasonable expense of securing new sublessee; third, to the fulfillment of LESSEE's covenants to the end of the Term; and fourth, to COUNTY's uses and purposes. LESSEE shall nevertheless pay to COUNTY on the due dates specified in this Master Lease the equivalent of all sums required of LESSEE under this Master Lease, plus COUNTY's expenses, less the proceeds of the sums assigned and actually collected under this provision.

(c) Lender's Right to Cure Defaults.

(1) Notice of Default. Concurrently with giving notice of default to LESSEE under Section 15(b)(1), above, COUNTY shall deliver (in accordance with the provisions of Section 18) a copy of such notice of default to the lender at its address as furnished to COUNTY in accordance with Section 18.

(2) Lender's Right to Cure. During the continuance in effect of a first leasehold encumbrance, COUNTY will not terminate this Master Lease because of any default on the part of LESSEE provided that the lender, within ninety (90) days after COUNTY has sent a written notice pursuant to Section 15(b)(1):

(i) Cures such default, if such default can be cured by the payment of money, or, if the default is not so curable, commences or causes the trustee under the encumbrance to commence, and thereafter diligently pursue to completion proceedings to foreclose the encumbrance; and

(ii) Keeps and performs all of the covenants and conditions of this Master Lease requiring the payment or expenditure of money by LESSEE until such time as LESSEE's leasehold interest is sold upon foreclosure pursuant to the encumbrance, or transferred by an assignment in lieu of foreclosure.

(3) Transfer by Lender. Notwithstanding the provisions of Section 18(a) hereof restricting assignment of this Master Lease, this Master Lease may be assigned to the lender by judicial or non-judicial foreclosure or by assignment in lieu of foreclosure (without, however, releasing LESSEE from any of its obligations hereunder) without further consent of COUNTY or any assumption agreement by the lender, the liability of the lender being limited to the period of its possession or ownership of this Master Lease. No other or further assignment shall be made except in accordance with the provisions of Section 18 of this Master Lease.

(d) Waiver of Rights. LESSEE hereby waives any right of redemption or relief from forfeiture under California code of Civil Procedure Sections 1174 or 1179, or under any other present or future law, in the event LESSEE is evicted or COUNTY takes possession of the Premises by reason of any default by LESSEE hereunder.

(e) COUNTY's Default. COUNTY shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation within 60 days after written notice by LESSEE to COUNTY specifying wherein COUNTY has failed to perform such obligation; provided, however, that if the nature of COUNTY's obligation is such that more than 60 days are required for its performance, then COUNTY's shall not be deemed to be in default if it shall commence such

performance within such 60 day period and thereafter diligently and in good faith prosecute the cure to completion.

16. Professional Conduct.

(a) In the event any official or employee for LESSEE or its successor-in-interest or any environmental or design professional hired by LESSEE or its successor-in-interest, is indicted by a grand jury, named as a defendant in a felony complaint filed in any court in the United States, or is otherwise alleged to have participated in any criminal activity directly or indirectly associated with the solid waste management business, activities or operations of LESSEE or its successor-in-interest, LESSEE or its successor-in-interest shall provide notice thereof to the COUNTY within 7 days of such indictment, complaint or allegation. Such notice shall contain a description of the indictment, complaint or allegation, as well as a copy of such indictment or complaint or other matters of public record related thereto. In addition to the foregoing, LESSEE or its successor-in-interest shall provide the COUNTY with copies of any reports required to be prepared by LESSEE or its successor-in-interest pursuant to federal securities laws, including quarterly and annual reports.

(b) In the event any official for LESSEE or its successor-in-interest or any environment or design professional hired by LESSEE or its successor-in-interest, who has direct responsibility for any phase of the development or operations at the transfer station, including but not by way of limitation, any similar personnel for LESSEE or its successor-in-interest having a responsibility for transferring or delivering waste to the transfer station or landfill, is convicted, indicted by a Grand Jury, or named as a defendant in a felony complaint filed in the Superior Court or a complaint filed in Federal Court associated with conduct of doing business for LESSEE or its successor-in-interest, this person shall upon written request from the COUNTY be immediately removed from any assignment whatsoever, directly associated with the development or operation of the transfer station during the pendency of trial and/or following conviction.

(c) In the event any director, official or employee of LESSEE, ever be convicted of a felony associated with the solid waste business, said director, official or employee will be immediately terminated from such position.

(d) In the event the conduct by LESSEE or any director, official or employee of LESSEE causes the termination of LESSEE's City of Riverside AGREEMENT FOR TRANSFER SERVICES, this Master Lease shall be terminated on the effective date of such City termination.

17. Insurance and Indemnity.

(a) Insurance.

Without limiting or diminishing the LESSEE'S obligation to indemnify or hold the COUNTY harmless, LESSEE shall procure and maintain or cause to be maintained, at its sole cost and expense and keep in full force and effect from the Commencement Date of this Master Lease continuing until the end of the Term of this Master Lease the following insurance provisions. As respects to Section 17 only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds:

(1) Workers' Compensation Insurance. Procure and maintain Workers' Compensation Insurance as prescribed by the laws of the State of California. Such insurance shall provide for Employers Liability including Occupational Disease with limits not less than \$1,000,000 per occurrence. Policy shall be endorsed to provide an Alternate Employer Endorsement or Additional Insured Endorsement naming COUNTY and its Directors, Officers, Board of Supervisors, employees, agents or representatives as additional insureds. Policy shall provide a Waiver of Subrogation on behalf of COUNTY. LESSEE shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. The Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than one million dollars (\$1,000,000) per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside

(2) General Liability. LESSEE shall procure at its sole cost and expense, and keep in effect from the Commencement Date of this Master Lease and at all times until the end of the Term Commercial General Liability insurance coverage that shall protect LESSEE from claims including but not limited to damages for Premises liability, contractual liability, products/completed operations, personal and advertising injury (broad form) and Fire Legal Liability in an amount not less than \$50,000 which may arise from or out of LESSEE'S operation use and management of the Premises or the performance of its obligations hereunder, whether such operations, use or performance be by LESSEE, by any sublessee, contractor, subcontractor, vendor, or by anyone employed directly or indirectly by either of them or volunteers serving either of them. Such insurance shall name COUNTY and its Directors, Officers, Board of Supervisors, employees, agents or representatives as additional insureds with respect to this Master Lease and the obligations hereunder with limits not less than \$5,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Master Lease or be no less than two (2) times the occurrence limit. All such policies shall be endorsed to add COUNTY and its members, officers, employees and agents as additional insureds, and to provide that such coverage shall be primary and that any insurance maintained by COUNTY shall be excess insurance only. This insurance shall act for each insured, as though a separate policy had been written for each. This, however, shall not act to increase the limit of liability of the insuring company. Such coverage shall be endorsed to waive the insurer's rights of subrogation against COUNTY.

(3) Automobile Liability. LESSEE shall maintain auto liability insurance for all owned, non-owned or hired automobiles or licensed equipment in an amount not less than \$1,000,000 per occurrence combined single limit. Policy shall name COUNTY and its Directors, Officers, Board of Supervisors, employees, agents or representatives as additional insureds and provide a Waiver of Subrogation in favor of COUNTY. If such insurance contains a general aggregate limit, it shall apply separately to this Master Lease or be no less than two (2) times the occurrence limit.

(4) Property Insurance.

(i) LESSEE shall maintain all risk property insurance on all real property on the Premises, in an amount equal to the full replacement value thereof. LESSEE shall, in addition, obtain and keep in force during the Term of this Master Lease a policy of rental value insurance covering a period of one year. Such property insurance shall name the COUNTY as Loss Payee as the COUNTY's interests may appear. If such insurance coverage has a deductible

clause, the deductible amount shall not exceed twenty-five thousand dollars (\$25,000) per occurrence, and LESSEE shall be liable for such deductible amount.

(ii) Personal Property: LESSEE shall maintain all risk property insurance covering LESSEE's personal property located on, in or about, the leased premises in an amount equal to the full replacement cost value of said contents. The COUNTY shall not be responsible for any loss and/or damage of any nature whatsoever to LESSEE's personal property or property of others in the care, custody or control of LESSEE.

(iii) Not less often than every five (5) years during the Term of this Master Lease, LESSEE and COUNTY shall agree in writing on the full replacement cost of the Premises and all improvements thereon. If, in the opinion of COUNTY, the amount or type of property damage insurance coverage, or another amount or type of insurance, at that time is not adequate or not provided for herein, LESSEE shall either acquire or increase the insurance coverage as required by COUNTY.

(iv) If LESSEE undertakes any new construction or material renovation of existing real property on the premises, LESSEE shall maintain Builders' All Risk Insurance with a limit equal to the highest value at risk for the construction. Such coverage shall cover all work in progress on the premises as well as temporary structures and offsite storage and transit to the jobsite. LESSEE or their general contractor shall be responsible for any deductibles under such coverage. The COUNTY shall be named as an insured on any such coverage; however, COUNTY has no responsibility to pay premiums under said coverage.

(5) Environmental Impairment Liability. LESSEE shall procure and maintain a policy of insurance to cover sudden and accidental and gradual release of any and all pollutants. Policy shall provide coverage for bodily injury and property damage and clean up in an amount not less than three million dollars (\$3,000,000) per occurrence and three million dollars (\$3,000,000) aggregate which shall be excess the deductible or Self-Insured Retention. Policy shall name COUNTY as additional insureds and provide a waiver of subrogation in favor of COUNTY. Any policy and its certificate provided for the insurance required by this paragraph shall require an extended reporting period of one year with a minimum ninety (90) days notice of cancellation.

(b) General Insurance Provisions – All Lines:

(1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an AM Best rating of not less than A:VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

(2) In addition, any deductibles or self-insured retentions must be declared by such carrier(s) and such deductibles and retentions shall have the prior consent, in writing, from COUNTY Risk Management Division and, at the election of COUNTY, such carriers shall be notified in writing and shall either: (i) reduce or eliminate such deductibles or self-insured retentions relating to COUNTY and its officers, employees or agents or (ii) procure a bond which guarantees payment of losses and related investigations, claim(s) administration and defense expenses and costs. If no written notice is received from COUNTY within ten (10) days

of the acceptance of agreement then such deductibles or self-insured retentions shall be deemed acceptable.

(3) The LESSEE's insurance carrier(s) must declare its insurance self-insured retentions. If such self-insured retentions exceed Five Hundred Thousand Dollars (\$500,000) per occurrence, such retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Master Lease. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the County's Risk Manager, LESSEE's carriers shall either: 1) reduce or eliminate such self-insured retention as respects this Master Lease with the COUNTY; or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses;

(4) LESSEE shall cause LESSEE's insurance carrier(s) to furnish the County of Riverside with either: 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Master Lease shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect. LESSEE shall not commence operations until the COUNTY has been furnished original Certificate(s) of Insurance and certified original copies of endorsements and, if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

(5) It is understood and agreed to by the parties hereto, and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, and the COUNTY's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

(6) **The COUNTY'S Reserved Rights - Insurance.** If, during the term of this Master Lease or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this Master Lease, including any extensions thereof, exceeds five (5) years, the COUNTY reserves the right to adjust the types of insurance required under this Master Lease and the monetary limits of liability for the insurance coverage's currently required herein, if, in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the LESSEE has become inadequate.

(7) LESSEE shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Master Lease.

(8) The insurance requirements contained in this Master Lease may be met with a program(s) of self-insurance acceptable to the COUNTY.

(9) LESSEE agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Master Lease.

(10) Failure of the LESSEE to provide appropriate evidence of insurance as required herein within sixty (60) days after the renewal or anniversary of this Master Lease will place the LESSEE in default under this Master Lease.

(c) **Waiver of Subrogation.** LESSEE hereby releases and relieves COUNTY and waives its entire right of recovery against COUNTY for loss or damage arising out of or incident to the perils insured against under Section 17(a)(4), which perils occur in, on, or about the Premises, whether due to the negligence of COUNTY or their respective agents, employees, contractors and/or invitees. LESSEE shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing waiver of subrogation is contained in this Master Lease.

(d) **Performance Bond, Insurance and Surety Instruments.**

(1) LESSEE shall provide a bond, insurance policy (in a form reasonably acceptable to COUNTY), and/or comparable instrument(s) (the "Surety Instruments") approved by COUNTY, guaranteeing the continuous performance of obligations assumed under this Master Lease and to provide maintenance assurance, or environmental remediation in the event LESSEE activities cause environmental damage, or necessitate COUNTY assistance with environmental remediation or clean-up of leased or adjoining parcels. The principal sum of the Surety Instruments shall be five hundred seven thousand dollars (\$507,000).

(2) The Term of each Surety Instrument shall be issued for a three (3) year period on an "evergreen" basis, but not less than one (1) year or the remaining period in the Term hereof, whichever is less. Not less than ninety (90) days before the expiration of each such Surety Instrument, LESSEE shall either extend such Surety Instrument as evidenced by a continuation certificate in a form reasonably acceptable to COUNTY, or furnish a replacement Surety Instrument in the principal sum equal to five hundred seven thousand dollars (\$507,000).

(i) This Surety Instrument amount shall be maintained throughout the Lease Term and be adjusted every five years. The maximum increase allowable at any time of adjustment will be equal to the percent change in the Consumer Price Index (CPI). Computation of the change in the CPI will be made according to the following methodology:

(ii) Said computation shall be equal to the change in the Consumer Price Index, as identified in Section 5(b). Said change shall be measured for the sixty (60) month period beginning when the Term starts and ending sixty (60) months later. The first increase may be effective on the first July 1 date after the sixty month period, based upon changes in the Consumer Price Index formula for the five year period.

(e) **Indemnity.**

(1) LESSEE represents that it has inspected the leased premises, accepts the condition thereof and fully assumes any and all risks incidental to the use thereof. COUNTY shall not be liable to LESSEE, its officers, agents, employees, subcontractors or independent contractors for any personal injury or property damage suffered by them which may result from

hidden, latent or other dangerous conditions in, on, upon or within the leased premises; except to the extent that such dangerous conditions are caused by the negligence of the COUNTY or their respective officers, agents or employees.

(2) LESSEE shall indemnify, defend, protect, and hold harmless COUNTY and their officers, agents, employees, and independent contractors from and against any and all claims, demands, losses, proceedings, damages, causes of action, liability, costs and expenses, (including attorneys' fees) arising from or in connection with, or caused by (i) any act, omission or negligence of LESSEE or any sublessee of LESSEE, or their respective officers, contractors, licensees, invitees, agents, servants or employees, wheresoever the same may occur; (ii) any use of the Premises, or any accident, injury, death or damage to any person or property occurring in, on or about the Premises, or any part thereof, or from the conduct of LESSEE's business or from any activity, work or thing done, permitted or suffered by LESSEE or its sublessee, contractors, employees, or invitees, in or about the Premises or elsewhere (other than arising as a result of gross negligence or intentional misconduct of COUNTY or any of their respective officers, agents, and employees); and (iii) any breach or default in the performance of any obligations on LESSEE's part to be performed under the terms of this Master Lease, or arising from any negligence of LESSEE, or any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against COUNTY by reason of any such claim, LESSEE upon notice from COUNTY shall defend the same parties at LESSEE's expense by counsel satisfactory to COUNTY. LESSEE, as a material part of the consideration to COUNTY, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises arising from any cause other than COUNTY's gross negligence or intentional acts, and LESSEE hereby waives all claims in respect thereof against COUNTY. These provisions are in addition to, and not in lieu of, the insurance required to be provided by Sections 17(a) and (b) hereof. COUNTY further agrees to indemnify, defend, and hold LESSEE harmless from any claims, losses or damages that result from any personal injury or property damage occurring on any property owned by COUNTY that is adjacent to the Premises that is not leased to LESSEE or which is to be maintained by LESSEE, unless such personal injury or property damage results from LESSEE's negligent or intentional act or omission.

(3) The obligations to indemnify and hold COUNTY free and harmless herein shall survive until any claim, action or cause of action with respect to any such alleged acts or omissions are fully and finally barred by the applicable statute of limitations.

(4) Prior to COUNTY's periodic use of the Premises for the operation of the HHW facility, the operator of the HHW facility shall provide a written assurance to indemnify, defend and hold LESSEE harmless from and against any and all damage, liability, cost or expense arising out of the operation of the HHW facility other than arising as a result of negligence or intentional misconduct of LESSEE or any of its officers, agents, and employees.

(f) **Exemption of the COUNTY from Liability.** LESSEE hereby assumes all risks and liabilities of a landowner in the possession, use or operation of the Premises. LESSEE hereby agrees that the COUNTY shall not be liable for injury to LESSEE's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of LESSEE, LESSEE's employees, invitees, customers, contractors, workers, or any other person in or about the Premises, including any liability arising from the physical condition of the Premises or the presence of any hazardous or toxic materials or substances on the Premises, nor shall COUNTY be liable for injury to the person of LESSEE, LESSEE's employees agents or

contractors, whether such damage or injury is caused by or results from hazardous or toxic materials or substances, fire, steam, electricity, gas, water, or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether the said damage or injury results from conditions arising upon the Premises or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to LESSEE. These provisions are in addition to, and not in lieu of, the insurance required to be provided by Sections 17(a) and (b) hereof. Nothing contained herein shall be construed as excusing COUNTY from liability for their respective gross negligence or intentional misconduct.

(g) The specified insurance limits required in Section 17 herein shall in no way limit or circumscribe LESSEE's obligations to indemnify and hold COUNTY free and harmless herein.

18. Assignment, Subletting and Encumbering.

(a) Except as provided in Section 18(c)(d)(e) and (f) hereof to the contrary, LESSEE shall not voluntarily assign or encumber its interest in this Master Lease, in the Land, or in the Premises, or sublease substantially all or any part of the Land or the Premises, or allow any other person or entity (except LESSEE's authorized representatives) to occupy or use all or any part of the Premises. For the purposes hereof, an "encumbrance" shall mean mortgage, deed of trust, land sale contract, lease or other financing device. Assignment, subleasing or encumbering the Premises is absolutely prohibited. Any attempted assignment, encumbrance, or sublease shall be voidable and, at COUNTY's election, shall constitute a default hereunder. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this section.

(b) If LESSEE is a corporation, then any dissolution, merger, consolidation, or other reorganization of LESSEE, or the sale or other transfer of a controlling percentage of the capital stock of LESSEE to any person other than an Affiliate of LESSEE, as defined in 18(e) shall be deemed a voluntary assignment hereof. The phrase "controlling percentage" means the ownership of, or the right to vote, stock possessing 25% or more of the total combined voting power of all classes of LESSEE's capital stock issued, outstanding, and entitled to vote for the election of directors. This paragraph shall not apply if the stock of LESSEE is publicly traded through an exchange or over the counter.

(c) LESSEE shall have the right to sublet the Premises or any portion thereof, for occupancy leases with COUNTY's prior written consent, which consent shall not unreasonably be withheld.

(1) Each sublease shall contain a provision, satisfactory to COUNTY and to each lender having an interest at the time the sublease is executed, requiring the sublessee to attorn to COUNTY, or, in the event of any proceeding to foreclose any leasehold encumbrance, to the lender, or any person designated in a notice from such lender, if LESSEE defaults under this Master Lease and if the sublessee is notified by COUNTY or the lender of LESSEE's default and is instructed to make such sublessee's rental payments to COUNTY or the lender or designated person.

(2) LESSEE shall, promptly after execution of each sublease, notify COUNTY of the name and mailing address of the sublessee and shall, on demand, permit COUNTY to examine and copy the sublease.

(3) LESSEE shall not accept, directly or indirectly more than one (1) month's prepaid rent from any sublessee or a security deposit in excess of two (2) months' rent.

(4) All subleases shall be "triple net" leases, with the rent payable thereunder to be net of all operating costs, maintenance, taxes, insurance, and utilities (unless LESSEE has received COUNTY's prior written consent to different terms).

(d) **Allowable Assignment.** Prior to completion of all improvements constituting the Project and after COUNTY's issuance of a Certificate of Completion therefor, LESSEE shall not assign this Master Lease to any person or entity without COUNTY's consent, which consent may be given or withheld in COUNTY's sole and absolute discretion.

(e) **Assignment to Affiliate of LESSEE.** Notwithstanding anything contained in Sections 18(a) through (d), above, upon notice to COUNTY, LESSEE shall be entitled to transfer to any Affiliate of LESSEE all or any portion of LESSEE'S interest in this Master Lease. For purposes of this Master Lease, an Affiliate of LESSEE shall be defined as any of the following: (i) Cole Burr, Tracy A. Burr, Edward G. Burr or Sandra L. Burr, as individuals (collectively, the "Burrs"), (ii) any trust for the benefit of one or more of the Burrs, or the descendants of one or more of the Burrs, and which is 100% controlled by one or more of the Burrs (a "Burr Trust"), or (iii) any partnership, corporation, limited liability company or other entity which is 100% beneficially owned by one or more of the Burrs, by a Burr Trust, or by any combination of the two.

(f) **Encumbrance or Assignment as Security.** Notwithstanding any other provision in this Master Lease, LESSEE shall, subject to the conditions set forth below, have the right to encumber or assign its interest in (i) the First Amended and Restated Agreement for Disposal of Solid Waste (**Exhibit B**), as amended and in effect from time to time, and (ii) this Master Lease, the Premises, the Facility and any other improvements to the Premises, in each case, by means of a deed of trust, mortgage, trust indenture, security agreement, fixture filing or other encumbrance for the benefit of any commercial bank, institutional lender or other financial institution providing financing to LESSEE (which financing may include, without limitation, construction loans, term loans, working capital loans, revolving credit facilities and letters of credit to support debt instruments) for the development, construction, equipping, operation or maintenance of the Facility and any other improvements to the Premises, and/or for the benefit of the holders of bonds, (or the trustee acting on their behalf) that may be issued to provide financing for any of the foregoing purposes. The term "Lender" shall refer to MUFG Union Bank, N.A. (formerly known as Union Bank of California, N.A. and Union Bank, N.A.) or such other financial institution providing the financing described in the immediately preceding sentence; provided, however, that if such financing is provided by a syndicate of financial institutions acting together, the term "Lender" shall, unless the context otherwise requires, refer to MUFG Union Bank, N.A. (formerly known as Union Bank of California, N.A. and Union Bank, N.A.) or such other financial institution with the authority to represent such syndicate in dealings with LESSEE, in such financial institution's capacity as agent, administrative agent, collateral agent, issuing bank or otherwise; provided further, that any reference to obligations owed to the Lender or of similar import shall refer collectively to obligations owed to the Lender and to obligations

owed to holders of bonds, if any, issued to finance the Facility and, in the case where the financing is provided by a syndicate of financial institutions, to obligations owed to all members of the syndicate. The right of LESSEE to encumber or assign its interest in (i) the First Amended and Restated Agreement for Disposal of Solid Waste (**Exhibit B**), as amended and in effect from time to time, and (ii) this Master Lease, the Premises, the Facility and any other improvements to the Premises pursuant to this Section 18(f) shall be subject to the following limitations:

(1) prior to execution of any instrument or agreement evidencing such encumbrance and/or the obligations secured thereby (or any amendment, supplement or modification thereto) (collectively, the "Financing Documents"), LESSEE shall deliver to COUNTY written notice of the name and address of the Lender and a copy of such instrument or agreement (or amendment, supplement or modification) substantially in the form to be executed, and COUNTY may require reasonable changes in such instrument or agreement (or amendment, supplement or modification) only to the extent necessary to ensure that it does not violate the requirements of this Master Lease; provided, however, that COUNTY's failure to object to any provision of such instrument or agreement (or amendment, supplement or modification) within seven (7) calendar days after COUNTY's receipt thereof shall constitute an approval thereof;

(2) the Financing Documents shall provide that any proceeds from fire or extended coverage insurance shall be used for repair or rebuilding of the Facility, provided that (a) the Facility is capable of being fully repaired or rebuilt; and (b) (i) the proceeds of such insurance are sufficient to fully repair or rebuild the Facility or (ii) LESSEE agrees to fully repair or rebuild the Facility, notwithstanding the fact that such proceeds are insufficient to fully repair or rebuild the Facility;

(3) the Financing Documents shall contain provisions that all notices of default under the Financing Documents must be sent to COUNTY and LESSEE and that COUNTY shall have 30 days to cure any default by LESSEE after the time for LESSEE to cure it has expired; provided that neither COUNTY's right to cure any default nor any exercise of such a right shall constitute an assumption of liability under the note or deed of trust;

(4) upon the recordation of any Financing Document in any official real estate recording office, LESSEE shall furnish to COUNTY the date and place of recording or filing of record thereof and the recorder's instrument number, book, and page reference or other recorder's index reference;

(5) until the obligations evidenced by the Financing Documents have been fully and indefeasibly paid in full, there shall be no cancellation, surrender, acceptance of surrender or modification of this Master Lease except by a written instrument executed by COUNTY, LESSEE and the Lender;

(6) no encumbrance shall cover any interest in any real property other than LESSEE's leasehold interest in the Premises and LESSEE's ownership or other interest in the improvements to the Premises. No encumbrance shall secure indebtedness for refuse collection trucks or related collection bins nor for indebtedness not related to the Premises, the Facility, the other improvements or the business conducted in direct connection with any of the foregoing;

(7) on termination of this Master Lease by COUNTY on LESSEE's default, or on the lender's acquisition of the leasehold by foreclosure, COUNTY shall enter into a new lease with the Lender or the Lender's assignee covering the Premises covered by the terminated or

foreclosed lease if the Lender (a) gives notice of request within 30 days after termination or foreclosure, (b) pays all costs resulting from default and termination, (c) remedies all defaults construed as though this Master Lease had not been terminated, and (d) obtains approval of COUNTY in accordance with Section 18(d) of any assignment of the interest that it has acquired from LESSEE; the new lease shall be for the remainder of the Term of the terminated or foreclosed lease, effective as the date of termination or foreclosure, at the rent and on the covenants agreements, conditions, provisions, restrictions, and limitations contained in the terminated or foreclosed lease;

(8) Except as expressly provided herein, nothing contained in the leasehold encumbrance shall be deemed or construed to relieve LESSEE from the full and faithful observance and performance of its covenants herein contained, or from any liability for the nonobservance or nonperformance thereof, or to constitute a waiver of any rights of COUNTY hereunder;

(9) Subject to the foregoing, COUNTY shall cooperate in the efforts of LESSEE to obtain any such financing by the prompt execution of any and all documents and the prompt granting of any and all consents and approvals required in connection therewith; and

(10) Without the consent of COUNTY, which consent shall not be unreasonably denied or delayed, LESSEE shall not obtain any financing that is secured by a lien on the Premises, the Facility or any other improvements to the Premises which is of a priority lower than third priority.

19. Toxic Materials.

(a) During the Term of this Master Lease and any extensions thereof, LESSEE shall not violate any federal, state or local law, or ordinance or regulation, relating to industrial hygiene or to the environmental condition on, under or about the leased premises including, but not limited to, soil and groundwater conditions. Further, LESSEE, its successors, assigns and sublessee, shall not use, generate, manufacture, produce, store or dispose of on, under or about the leased premises or transport to or from the leased premises any flammable explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials, whether injurious by themselves or in combination with other materials (collectively, "hazardous materials"). For the purpose of this Master Lease, hazardous materials shall include, but not be limited to, substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act of 1975, 49 U.S.C. Section 5101, et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq.; and those substances defined as "hazardous wastes" in Section 25117 of the California Health and Safety Code or as "hazardous substances" in Section 25316 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws. Notwithstanding the foregoing, LESSEE shall not be responsible for any hazardous materials relating to, or released as a result of, the operations of the household hazardous waste facility.

20. Free from Liens.

(a) LESSEE shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be

furnished to LESSEE, in, upon, or about the leased premises, and which may be secured by a mechanics', materialmen's or other lien against the leased premises or COUNTY's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by such lien matures or becomes due; provided, however, that if LESSEE desires to contest any such lien, it may do so, but notwithstanding any such contest, if such lien shall be reduced to final judgment, and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed, and said stay thereafter expires, then and in such event, LESSEE shall forthwith pay and discharge said judgment.

21. Employees and Agents of LESSEE.

(a) It is understood and agreed that all persons hired or engaged by LESSEE shall be considered to be employees or agents of LESSEE and not of COUNTY.

22. Binding on Successors.

(a) LESSEE, its assigns and successors in interest, shall be bound by all the terms and conditions contained in this Master Lease, and all of the parties thereto shall be jointly and severally liable hereunder.

23. Severability.

(a) The invalidity of any provision in this Master Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

24. Dispute Resolution.

(a) The intention of this section 24 is to provide a process that the parties shall follow in the event that disputes between the parties arising under and by virtue of this Master Lease and shall be brought to the attention of other party at the earliest possible time in order that such matters may be promptly settled, if possible, or other appropriate action may be taken promptly. To that end, COUNTY and LESSEE agree to attempt informal resolution of disputes prior to initiating a formal dispute resolution process or thereafter pursuing any other remedies available to the parties at law or in equity.

(1) **Meet and Confer.** Whenever, during the term of this Master Lease, any disagreement or dispute arises between the parties as to the interpretation of this Master Lease or of any rights or obligations arising hereunder, such matter shall be resolved whenever possible by the parties first meeting in person not later than ten (10) days after receipt of written notice describing the dispute and conferring in a good faith attempt to resolve the dispute through negotiations, unless both parties agree in writing to an extension of time. Because the purpose of meeting and conferring is to try to arrive at a mutually agreeable resolution of the dispute which may include a compromise or settlement, the parties agree that statements (including but not limited to admissions) made during the meet and confer process are confidential and may not be relied upon or introduced as evidence for any purpose, including impeachment, in any arbitration or other proceeding. Nevertheless, any evidence otherwise subject to discovery or otherwise admissible shall not be protected from discovery or from use as evidence simply as a result of it having been used in connection with the meet and confer process.

(2) **Non-Binding Mediation.** LESSEE and COUNTY agree to mediate any controversy or dispute between them involving the construction or the enforcement of any of the

terms, provisions or conditions of this Master Lease before resorting to litigation and after the parties were unsuccessful in resolving the dispute in the meet and confer meeting. Non-binding Mediation is a process by which the parties attempt to resolve a dispute or claim by submitting it to an impartial, mutual mediator, who is authorized to facilitate the resolution of the dispute, but who is not empowered to impose a settlement on the parties. The parties to such dispute shall agree upon a single person to mediate the resolution thereof, and the fees of such mediator, if any, shall be divided equally among the parties involved. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the Claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. Evidence of anything said, any admission made, and any documents prepared in the course of the mediation, shall not be admissible in evidence, or subject to discovery in any litigation proceeding, pursuant to California Evidence Code Section 1152.5. If any party commences a litigation proceeding based upon a dispute or claim to which this paragraph applies without first attempting to resolve the matter through mediation, that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such litigation proceeding. The following matters are excluded from mediation hereunder:

- (i) Any matter which is within the jurisdiction of a probate or small claims court; or
- (ii) Any tort action, including actions for bodily injury or wrongful death.

(3) **Other remedies.** If no resolution has been determined after such attempts to resolve the dispute informally and after non-binding mediation, either party may pursue any such remedies as are available to that party. The parties acknowledge that the mere filing of a court action to preserve the running of the statute of limitations, allow the recordation of a notice of pending action to perfect a mechanic's lien, or for order of attachment, receivership, injunction or other provisional remedies, shall not constitute a violation of this section.

25. **Venue.**

(a) Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Master Lease shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county.

26. **Attorney's Fees.**

(a) In the event of any litigation or arbitration between LESSEE and COUNTY to enforce any of the provisions of this Master Lease or any right of either party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the successful party all costs and expenses, including reasonable attorney's fees, incurred therein by the successful party, all of which shall be included in and as a part of the judgment rendered in such litigation or arbitration.

27. **Notices.**

(a) All notices, consents or other communications which are required or permitted by this Agreement to be served on or given to any party shall be in writing and shall be deemed served or given when personally delivered or, in lieu of personal delivery, on receipt, rejection or return undelivered, when deposited in the United States mail, first-class, certified or registered,

postage prepaid, return receipt requested or overnight mail delivery service, addressed to the applicable party at the address which is provided in this paragraph. Unless notice of a different address has been given in accordance with this Section, all such notices shall be addressed as follows:

COUNTY:

Riverside County
Department of Waste Resources
14310 Frederick Street
Moreno Valley, CA 92553

LESSEE:

Agua Mansa MRF, LLC
9890 Cherry Avenue
Fontana, CA 92335

or to such other addresses as from time to time shall be designated by the respective parties.

28. Estoppel Certificates.

(a) In the event of a proposed sale or refinancing of the Premises or any part thereof, at any time and from time to time, within twenty (20) days after notice of request by either party, the other party shall execute, acknowledge, and deliver to the requesting party, or to such other recipient as the notice shall direct, a statement certifying that this Master Lease is unmodified and in full force and effect; or, if there have been modifications, that it is in full force and effect as modified in the manner specified in the statement and acknowledging that there are no uncured defaults or failures to perform any covenant or provision of this Master Lease on the part of the requesting party or specifying any such defaults or failures which are claimed to exist. The statement shall also state the dates to which the Rent and any other charges have been paid in advance. The statement shall be such that it can be relied on by any auditor, creditor, commercial banker, and investment banker of either party and by any prospective purchaser or the lender of the Premises or all or any part or parts of LESSEE's or COUNTY's interests under this Master Lease.

(b) Either party's failure to execute, acknowledge, and deliver, on request, the certified statement described above within the specified time shall constitute acknowledgment by such party to all persons entitled to rely on the statement that this Master Lease is unmodified and in full force and effect and that the rent and other charges have been duly and fully paid to and including the respective due dates immediately preceding the date of the notice of request and shall constitute a waiver, with respect to all persons entitled to rely on the statement, of any defaults on the requesting party's part that may exist before the date of the notice.

29. Surrender of Premises.

(a) At the expiration or earlier termination of the Term, LESSEE shall surrender to COUNTY the possession of the Premises. Surrender or removal of improvements shall be as directed in the provisions of this Master Lease on ownership of improvements at expiration or termination. LESSEE shall leave the surrendered property and any other property in good and broom clean condition. All property that LESSEE is not required to surrender but that LESSEE does abandon shall, at COUNTY's election, become COUNTY's property at expiration or the sooner termination of this Master Lease.

30. No Discrimination.

(a) LESSEE shall not discriminate upon the basis of race, color, creed, religion, sex, marital status, age, national origin, ancestry, physical handicap, or medical condition in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Premises, or any part thereof, nor shall LESSEE or any person claiming under or through LESSEE establish or permit any such practice or practices of discrimination or segregation with respect to the selection, location, number, use or occupancy of Lessees, sublessees or vendees of the Premises. The foregoing covenant shall run with the land. LESSEE shall insert into and make a part of any lease, rental agreement, occupancy permit, use or sales agreement or any other document pertaining to the Premises a provision that there shall be no restrictions imposed thereon because of race, color, creed, religion, sex, marital status, age, national origin, ancestry, physical handicap, or medical condition.

(b) LESSEE agrees, for itself, its successors and assigns, to refrain from restricting the rental, sale or lease of the Premises on the basis of race, color, creed, religion, ancestry, sex, marital status, national origin, age of any person, physical handicap, or medical condition. All deeds, leases or contracts entered into with respect to the Premises shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) **In deeds:** "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, national origin, sex, marital status, age, ancestry, physical handicap, or medical condition in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of LESSEEs, sublessee or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(2) **In leases:** "The LESSEE herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this Master Lease is made and accepted upon and subject to the following conditions: That there be no discrimination against or segregation of any person or group of persons, on account of age, race, color, creed, religion, sex, marital status, national origin, ancestry, physical handicap, or medical condition in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the land herein leased nor shall the LESSEE himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of LESSEEs, sublessee or vendees in the land herein leased."

(3) **In contracts:** "There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, age, national origin, sex, marital status, ancestry, physical handicap, or medical condition in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of LESSEEs, sublessee or vendees of the land."

31. Miscellaneous.

(a) **Governing Law.** This Master Lease shall be construed and interpreted in accordance with the laws of the State of California.

(b) **Covenants and Conditions.** All provisions, whether covenants or conditions, on the part of LESSEE shall be deemed to be both covenants and conditions.

(c) **Transfer of COUNTY's Interest.** COUNTY shall not transfer its interest in the premises except upon the assumption by the transferee of all obligations and liabilities relating to this Master Lease. In no event shall any transfer of COUNTY's interest relieve COUNTY of any liability which either arose prior to the date of transfer or which is based on facts or circumstances in existence as of the date of the transfer.

(d) **Waiver.** The waiver by COUNTY or LESSEE of any breach or default by the other party of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach or default of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by the COUNTY shall not be deemed to be a waiver of any preceding breach or default by LESSEE of any term, covenant, or condition of this Master Lease, other than the failure to pay the particular rents so accepted, regardless of COUNTY's knowledge of such preceding breach or default at the time of acceptance of such rent.

(e) **No Joint Venture.** Nothing contained herein shall be construed to render the COUNTY in any way or for any purpose a partner, joint venturer, or associated in any relationship with LESSEE other than that of COUNTY and LESSEE, nor shall this Master Lease be construed to authorized to act as agent for the other.

(f) **Exhibits.** All exhibits to which reference is made in this Master Lease are hereby incorporated by reference. Any reference to "this Master Lease" includes matters incorporated by reference.

(g) **Entire Agreement; Modification.** This Master Lease contains the entire agreement between the Parties. No verbal agreement or implied covenant, representation, inducement or understanding of any kind or nature shall be held to vary the provisions hereof, any statements, law or custom to the contrary notwithstanding. No promise, representation, warranty, or covenant not included in this Master Lease has been or is relied on by either party. Each party has relied on its own inspection of the Premises and examination of this Master Lease, the counsel of its own advisors, and the warranties, representations, and covenants in this Master Lease itself. The failure or refusal of either party to inspect the Premises, to read this Master Lease or other documents, or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice. No provision of this Master Lease may be amended or varied except by an agreement in writing signed by the parties hereto and the lender under the first leasehold encumbrance or their respective successors.

(h) **Consents to LESSEE.** Neither COUNTY's execution of this Master Lease nor any consent or approval given by COUNTY hereunder in its capacity as COUNTY shall waive, abridge, impair or otherwise affect COUNTY's powers and duties as a governmental body. Any requirements under this Master Lease that LESSEE obtain consents or approvals of COUNTY are in addition to and not in lieu of any requirements of law that LESSEE obtain approvals or

permits. COUNTY hereby certifies, however, that as of the date hereof, there are no consents or approvals required to be given by COUNTY in connection with the execution and performance by LESSEE of this Master Lease in accordance with its terms and provisions which have not been granted by COUNTY.

(i) **Records.** COUNTY or any representative or designee thereof may examine the books and records of LESSEE, or any officer, employee, agent, contractor, affiliate, related person, assignee or franchise, as such books and records relate to, directly or indirectly, solid waste (as defined in **Exhibit B**) tonnage and the disposition of hazardous waste by LESSEE.

(j) **Recordation of Memorandum of Lease.** This Master Lease shall not be recorded. A Memorandum of Amended and Restated Master Lease shall be recorded. The parties shall execute the memorandum in form and substance as would normally be required by a title insurance company insuring LESSEE's leasehold estate or the interest of any leasehold or fee lender (Per Section 3, the Title Insurance has already been purchased and none will be purchased after this ninth amendment), and sufficient to give constructive notice of this Master Lease to subsequent purchasers and lenders. A Memorandum of Lease satisfying the same purpose for the Original Master Lease was recorded on April 22, 1997, a Memorandum of Second Amended Master Lease was recorded on December 5, 2001, and a Memorandum of Amended and Restated Master Lease was recorded after the seventh amendment to the Master Lease on August 5, 2008. Such memoranda were not recorded after Amendment No. 1 to the Master Lease, the Third Amended Master Lease, Amendment No. 4 to the Master Lease, Amendment No. 5 to the Master Lease, the Amended and Restated Master Lease (essentially Amendment No. 6), or the Eighth Amended and Restated Master Lease. These other six amendments (excluding exhibits/attachments) will be included as an attachment to the memorandum recorded for this Master Lease.

(k) **Execution in Counterparts.** This Master Lease, or the memorandum of this Master Lease, or both, may be executed in two or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

(l) **Other Issues.** LESSEE hereby expressly consents to modification of the Franchise Area 4 Agreement and agrees to pursue no legal action against COUNTY for such modification. If LESSEE is successful in pursuit of a legal judgment for damages against International Rubbish Service ("IRS"), the former franchisee for County Franchise Area 4, COUNTY shall also benefit in the decision against the former franchisee to the degree that IRS damaged COUNTY. All monies due COUNTY for billings not paid by LESSEE during the time of LESSEE's complaint against IRS shall be paid within thirty (30) days of execution of Amendment number 4 to the Master Lease by the Riverside County Board of Supervisors.

32. **Permits, Licenses and Taxes.**

(a) LESSEE shall secure, at its expense, all necessary permits and licenses as it may be required to obtain, and LESSEE shall pay for all fees and taxes levied or required by any authorized public entity. LESSEE recognizes and understands that this Master Lease may create a possessory interest subject to property taxation and that LESSEE may be subject to the payment of property taxes levied on such interest.

33. Paragraph Headings.

(a) The paragraph headings herein are for the convenience of the parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Master Lease.

34. COUNTY's Representative.

(a) COUNTY hereby appoints the General Manager-Chief Engineer of the Department of Waste Resources as its authorized representative to administer this Master Lease.

35. Agent for Service of Process.

(a) It is expressly understood and agreed that in the event LESSEE is not a resident of the State of California or it is an association or partnership without a member or partner resident of the State of California, or it is a foreign corporation, then in any such event, LESSEE shall file with COUNTY's General Manager-Chief Engineer, upon its execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Master Lease, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon LESSEE. It is further expressly understood and agreed that if for any reason service of such process upon such agent is not feasible, then in such event LESSEE may be personally served with such process out of this County and that such service shall constitute valid service upon LESSEE. It is further expressly understood and agreed that LESSEE is amenable to the process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto.

36. Entire Lease.

(a) This Master Lease is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements and understandings, oral or written, in connection therewith. This Master Lease may be changed or modified only upon the written consent of the parties hereto.

37. Guarantor/Parent Company Guarantee.

(a) LESSEE has provided COUNTY the written Agreement of Burrtec Waste Group, Inc., the parent company of LESSEE signed by a duly authorized corporate officer that Burrtec Waste Group, Inc. guarantees the performance of all of the obligations and duties of LESSEE hereunder attached as **Exhibit F**.

38. Illegal Dumping Retrieval Services.

(a) LESSEE shall have the continued responsibility to collect illegally dumped material attributable to operation of the Facility along the Traveled Way on primary delivery routes to the Facility northerly of Highway 60 on Market Street, Rubidoux Boulevard, and Agua Mansa Road as shown on **Exhibit A-2, Collection of Illegally Dumped Material**, attached hereto and by this reference incorporated herein. Inspection and retrieval shall be completed not less often than twice weekly.

(b) In addition, LESSEE shall provide similar illegal dumping retrieval services within all public rights of way in Riverside County within a one mile radius of the transfer station.

39. Right of First Refusal.

(a) In the event that COUNTY should elect to sell the Premises to a private purchaser, COUNTY shall first give notice to LESSEE of such intent, together with a true and complete copy of the proposed terms of sale, and shall give LESSEE the right to purchase the Premises upon the same terms of sale. LESSEE shall exercise its right to purchase the Premises, if at all, by delivering notice to COUNTY of its intent to purchase within forty-five (45) days following LESSEE's receipt of COUNTY's notice.

(b) If COUNTY elects to sell the Premises, and is required to seek bids for such sale, LESSEE shall be deemed to have submitted a revocable bid in an amount which exceeds the highest bid actually received by One Dollar (\$1.00). LESSEE shall have the right to revoke such bid by delivering notice of revocation within fifteen (15) days following LESSEE's receipt of notice from COUNTY of the deemed amount of LESSEE's bid, in which event COUNTY may proceed, in the sole and exclusive exercise of its discretion, to sell the Premises to the highest other bidder, or to reject all bids and retain ownership of the Premises.

(c) Any purchaser of the Premises from COUNTY shall be bound by the terms of this Master Lease, as lessor, and its interest in the Premises and the other property subject to this Master Lease shall be subject to any encumbrance placed thereon pursuant to Section 18(f).

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK, SIGNATURE PROVISIONS ON FOLLOWING PAGES]

IN WITNESS WHEREOF, this Master Lease has been executed and is effective on the date the Board of Supervisors takes action on it.

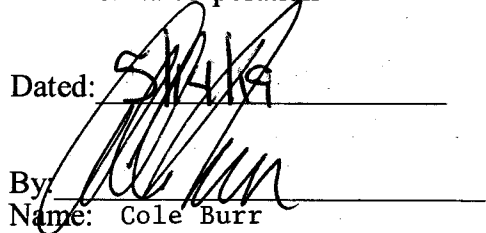
COUNTY:
COUNTY OF RIVERSIDE, ON BEHALF
OF DEPARTMENT OF WASTE RESOURCES,
a political subdivision of the State of California

Dated: JUN 04 2019

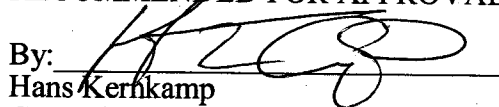
By: 
Kevin Jeffries
Chairman, Board of Supervisors

LESSEE:
AGUA MANSA MRF, LLC,
a California corporation

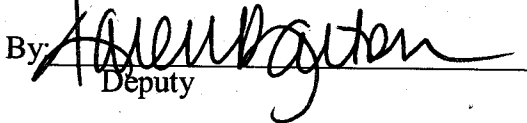
Dated: 5/24/19

By: 
Name: Cole Burr
Its: President

RECOMMENDED FOR APPROVAL:


By: 
Hans Kernkamp
General Manager-Chief Engineer

ATTEST:
Kecia R. Harper
Clerk of the Board

By: 
Deputy

(Seal)

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: 
Synthia M. Gunzel
Chief Deputy County Counsel

1 Mansa site in Riverside County will be considered a material
2 breach of this Agreement.

3 IN WITNESS HEREOF, City and Contractor have caused this
4 Agreement to be duly executed on the day and year first above
5 written.

6 CITY OF RIVERSIDE,

BURRTEC WASTE INDUSTRIES,
INC.

7
8 By John E. Holmes
City Manager

By [Signature]

Title President

9
10 Attest [Signature]
City Clerk

By _____

Title _____

11
12
13
14
15 APPROVED AS TO FORM:

16
17 Cecily Comp 12-31-96
Assistant City Attorney

18
19
20
21
22
23
24
25
26
27 CC/sb
12/20/96

By Attorney's Office
900 Main Street
Irvine, CA 92612
(949) 752-5367

1 and without the fault of the party claiming an extension of time
2 to perform. An extension of the time for any such cause shall
3 be reasonable but in no case shall it be for a period longer
4 than the period of enforced delay. The party claiming such
5 cause is required to give notice of such cause to the other
6 party immediately or as soon as possible after the occurrence of
7 such cause.

8 20. NOTICES: Any notice required or desired to be
9 served by either party upon the other shall be addressed to the
10 respective parties as set forth below:

11	<u>City</u>	<u>Contractor</u>
12	Public Works Director	Burrtec Waste Industries, Inc.
13	City of Riverside	9890 Cherry Avenue
	3900 Main Street	Fontana, California 92335

14 21. NO GUARANTEE: City makes no guarantee as to a
15 specific number of tons of waste to be delivered to Contractor.
16 City shall deliver or cause to be delivered all the refuse
17 collected by City and City's contracted haulers less the
18 recyclable materials which are removed from the waste stream
19 prior to delivery.

20 22. MATERIAL BREACH: It is made an express provision
21 of this Agreement that any material breach of the Agreement
22 between Contractor and the District regarding the construction
23 development of the transfer station and the lease of the Agua

24 / / /
25 / / /
26 / / /
27 / / /

1 transfer of its contract right and obligations to an individual
2 or entity acceptable to the City pursuant to the Agreement.

3 17. NONDISCRIMINATION: Except as provided in Section
4 12940 of the California Government Code, during Contractor's
5 performance of the contract, Contractor shall not discriminate
6 on the grounds of race, religious creed, color, national origin,
7 ancestry, age, physical handicap, medical condition including
8 the medical condition of Acquired Immune Deficiency Syndrome
9 (AIDS) or any condition related thereto, marital status, sex or
10 sexual orientation in the selection and retention of employees
11 and subcontractors and the procurement of materials and
12 equipment. Further, Contractor agrees to conform to the
13 requirements of the Americans with Disabilities Act in the
14 performance of this Agreement.

15 18. ACT OF GOD: To the extent authorized by Civil Code
16 Section 1511 (2), performance is excused when it is prevented by
17 an irresistible superhuman cause, or by the act of public
18 enemies of the state or of the United States. The party
19 claiming such cause is required to give notice of such cause to
20 the other party immediately or as soon as possible after the
21 occurrence of such cause. This Agreement may be terminated by
22 either party if performance is prevented by such cause for more
23 than sixty days.

24 19. FORCE MAJEURE: Performance by either party
25 hereunder shall not be deemed to be in default where delays and
26 defaults are due to insurrections, riots, massive flooding,
27 exceptional earthquake or other such cause beyond the control

1 shall be responsible for any and all taxes that apply to
2 Contractor as an employer.

3 15. SUCCESSORS AND ASSIGNS: It is mutually understood
4 and agreed that this Agreement shall be binding upon City and
5 Contractor and their respective successors. Neither this
6 Agreement nor any part hereof nor any moneys due or to become
7 due hereunder may be assigned by either party without the prior
8 written consent of the other party.

9 16. CRIMINAL ACTIVITY OF CONTRACTOR: Should the
10 Contractor or any of its officers or directors be found guilty
11 of criminal conduct related to the performance of this
12 Agreement, or of criminal conduct, including but not limited to
13 illegal transport or disposal of hazardous or toxic materials,
14 or bribery of public officials, City reserves the right to
15 unilaterally terminate this Agreement or to impose such other
16 sanction as it shall deem proper. Such action shall be taken
17 after Contractor has been given notice and an opportunity to
18 present evidence in mitigation. The term "found guilty" shall
19 be deemed to include any judicial determination that Contractor
20 or any of Contractor's officers, directors or employees are
21 guilty and any admission of guilt by Contractor or any of
22 Contractor's officers, directors or employees, including but not
23 limited to the pleas of "guilty," "nolo contendere," "no
24 contest," or "guilty to a lesser charge" entered as part of any
25 plea bargain. If the agreement is terminated pursuant to the
26 above, such termination shall not occur if within six months
27 after City determines to terminate, the contractor completes a

1 In addition to any other remedies City may have, if
2 Contractor fails to provide or maintain any insurance policies
3 or policy endorsements to the extent and within the time herein
4 required, City may at its sole option:

5 a. Order Contractor to stop work under this Agreement
6 and withhold any payment(s) which become due to Contractor
7 hereunder until Contractor demonstrates compliance with the
8 requirements hereof; or

9 b. Terminate this Agreement.

10 12. LIQUIDATED DAMAGES: If Contractor does not begin
11 full operation of the transfer facility on December 1, 1997,
12 Contractor agrees to pay to City as liquidated damages the sum
13 of \$1,000 for each calendar day thereafter during which the
14 project remains incomplete and transfer operations are not fully
15 operational.

16 13. PERFORMANCE GUARANTEE: If Contractor fails to meet
17 its obligations hereunder, Contractor will pay to the City and
18 its contracted haulers any costs incurred by City and its
19 contracted haulers to implement alternative waste transfer,
20 hauling and disposal service.

21 14. INDEPENDENT CONTRACTOR: Contractor and the agents
22 and employees of Contractor, in the performance of this
23 Agreement, shall act in an independent capacity and not as
24 officers or employees of City. Contractor acknowledges and
25 agrees that City has no obligation to pay or withhold state or
26 federal taxes or to provide workers' compensation or
27 unemployment insurance. Contractor as an independent contractor

1 owned and hired vehicles, in an amount of not less than one
2 million dollars (\$1,000,000) per occurrence.

3 •Pollution Legal Liability Insurance (a.k.a.
4 Environmental Impairment Insurance) in an amount of not less
5 than three million dollars (\$3,000,000) per occurrence.

6 Prior to City's execution of this Agreement, Contractor
7 shall deliver to City Certificates of Insurance in the form
8 approved by City confirming the coverage required by this
9 Agreement and providing a thirty (30) day written notice to City
10 in case of limitation of scope of coverage, cancellation or
11 termination.

12 Also, by endorsement, the City of Riverside and its
13 officers, employees, agents and volunteers shall be named as
14 additional insured on each insurance policy required by this
15 Agreement, excepting policies of Workers' Compensation and
16 Pollution Legal Liability. Said endorsement(s) shall be signed
17 by an authorized representative of the insurance company, shall
18 include the signatures of company affiliation and title, and
19 shall be delivered to City prior to City's execution of this
20 Agreement. Should it be deemed necessary by City it shall be
21 Contractor's responsibility to see that City receives
22 documentation acceptable to City which verifies that the
23 individual signing said endorsement is authorized to do so by
24 the insurance company. It is agreed that Contractor's insurance
25 is primary and any insurance maintained by City shall apply in
26 excess of and shall not contribute to insurance provided by
27 Contractor.

1 work to be performed regardless of any negligence of the City,
2 except the sole negligence or willful misconduct or actual
3 negligence of the City.

4 Contractor and City shall, in the event of liability
5 arising out of their joint negligence or willful acts or
6 omissions, be liable to the other and any damaged third party in
7 proportion to their relative degrees of fault.

8 11. INSURANCE: Without in any manner limiting City's
9 right to indemnification, it is agreed that Contractor shall
10 secure prior to commencing any transfer activities under this
11 Agreement, and maintain during the term of this Agreement,
12 insurance coverage provided by insurance companies authorized to
13 transact insurance business in California as follows:

14 •Workers' Compensation Insurance with California
15 statutory limits and with Employees Liability limit of
16 \$1,000,000.

17 •General Liability Insurance, including coverage for
18 Premises and Operations, Contractual Liability, Personal Injury
19 Liability (including death) and Products/Completed Operations
20 Liability in an amount of not less than two million dollars
21 (\$2,000,000) per occurrence.

22 •Excess Liability Insurance, including coverage for
23 Premises and Operations, Contractual Liability, Personal Injury
24 Liability (including death) and Products/Completed Operations
25 Liability in an amount of not less than three million dollars
26 (\$3,000,000) per occurrence.

27 •Automobile Liability coverage, including owned, non-

1 10. INDEMNIFICATION: Contractor shall indemnify and
2 save City (including its officers, employees, agents and
3 volunteers) harmless (1) from and against any expense, loss or
4 liability caused by, resulting from or arising out of the
5 failure of Contractor (including Contractor's employees,
6 representatives, products and subcontractors, including any
7 chemical waste landfill approved under this Agreement) to comply
8 fully with applicable federal, state or local laws, statutes,
9 regulations, ordinances, rules, or governmental directives which
10 regulate the handling, transportation, storage and disposal of
11 the waste hereunder; (2) from all claims, suits and liability
12 for loss or damage to any tangible property or persons
13 (including death) caused by any negligent or willful act of
14 Contractor (including Contractor's employees, representatives,
15 products and subcontractors) during the handling, collection,
16 transportation, storage or disposal of the waste hereunder; and
17 (3) from all claims, suits and liability for personal and
18 environmental injury or harm that results from the
19 transportation, handling or disposal of waste materials
20 hereunder.

21 Following the tipping of waste on Contractor's floor,
22 Contractor shall defend, indemnify and hold City harmless for
23 any subsequent damage, expense, loss, fines, or liability
24 connected with the waste, including but not limited to adverse
25 effects on the environment.

26 Contractor shall indemnify and hold harmless and defend
27 the City from and against any and all claims arising out of the

1 Contractor shall submit monthly invoices which specify
2 the number of tons processed from the City and its contracted
3 haulers. Invoices must include weight tickets and be in a form
4 acceptable to the City. Payment will be made by City and the
5 City's contracted haulers on a monthly basis. City's payments
6 will be made in accordance with its usual payment procedures
7 after receipt of invoices or earlier as required for discounted
8 payment terms.

9 7. CONTRACT ADMINISTRATION: This Agreement shall be
10 administered for the City by the Public Works Director for City
11 or the designee of that officer.

12 8. AMENDMENTS: This agreement may be amended or
13 supplemented only by formal written amendment to this Agreement.

14 9. TERMINATION: In the event Contractor commits a
15 breach of the Agreement, the City shall give written notice
16 thereof to the Contractor. The Contractor shall have up to ten
17 days as specified in the notice within which to cure or remedy
18 the breach. If the breach cannot be reasonably cured in ten
19 days and upon application therefore, the Public Works Director
20 may grant reasonable additional time. If after said period the
21 Contractor fails to cure or remedy the breach, then the City
22 shall have the right to cancel this contract without further
23 notice.

24 City's failure to enforce any right or provision of this
25 contract shall not be construed as a waiver of the right to do
26 so. City's waiver of any breach by Contractor shall not
27 constitute a waiver of any future breach.

1 Contractor by City and City's contracted haulers annually.

2 The second component shall be revised annually to
3 reflect the change, if any, in the cost of living. The
4 adjustment will be effective July 1 with the first adjustment
5 occurring on July 1, 1998. The adjustment will be made in
6 accordance with the United States Department of Labor, Bureau of
7 Labor Statistics Consumer Price Index for All Urban Consumers
8 for the Los Angeles-Anaheim-Riverside Standard Metropolitan
9 Statistical Area ("Index") for the April preceding the
10 adjustment.

11 The second component will be reviewed monthly and shall
12 be reduced by 5% for each 50 tons average per day of waste
13 imported to the facility from outside the County of Riverside up
14 to a 15% total reduction. "Average per day" shall be the total
15 tonnage imported to the facility from outside the County of
16 Riverside per month divided by the number of days the facility
17 is open during that month.

18 Contractor will charge individuals who wish to dispose
19 of their waste the following fees:

20 1. Any vehicle hauling two (2) or fewer large trash
21 bags; or vans, pickup trucks or any vehicle pulling a two-wheel
22 trailer or any other vehicle hauling miscellaneous waste not
23 exceeding .3 ton shall be charged the rate which the County sets
24 and from time to time amends.

25 2. For all other or special disposal fees, Contractor
26 shall negotiate and set rates at an amount not less than the
27 amount Contractor charges City for transfer services.

1 for future expansion of processing and recycling operations.

2 t. A contingency plan which is acceptable to the City
3 to cover equipment breakdown, traffic congestion, inclement
4 weather or other disruption. The contingency plan must be
5 submitted to City for review and approval on or before
6 October 15, 1997.

7 u. Disposal capacity for the maximum tonnages
8 identified for facility throughput.

9 5. PERSONNEL: Contractor shall furnish all personnel
10 necessary to perform the services set forth herein and shall be
11 responsible for the performance of said personnel.

12 6. COMPENSATION: Compensation for the performance of
13 the transfer services required by this Agreement shall be as
14 follows:

15 Component 1 is District's tipping fee and as that fee
16 may be changed pursuant to the agreement between District and
17 Contractor. The fee is now set at \$23 per ton and will be
18 reviewed and revised pursuant to a Consumer Price Index factor
19 each July 1. The first component rate may also be increased to
20 reflect added costs of compliance with federal or state laws or
21 regulations which are added or changed after the effective date
22 of this Agreement. Any such change must be based on an
23 auditable, documented cost.

24 Component 2 is the per ton rate of \$8.77 based on the
25 facility being operational seven days per week, which rate is to
26 be charged initially by Contractor for processing the City's
27 approximately 186,000 tons of waste which will be delivered to

1 hauler refuse vehicles separate from the area for the general
2 public. Contractor shall provide for identifying of City and
3 City's contracted hauler's trucks.

4 m. Access so that representatives of City may inspect
5 the facilities and operations during normal business hours to
6 assure compliance with the terms of this Agreement.

7 n. The use of a phone without charge to City employees
8 in the event a City driver must contact his/her supervisor
9 regarding City business.

10 o. Paved surfaces for all areas where City trucks
11 operate at the facility including ingress and egress routes on
12 the Agua Mansa property.

13 p. Reasonable accommodation for providing the public
14 with access. Tours of the facility and operations shall be
15 provided by Contractor upon the request of City's
16 representative.

17 q. Capacity for storing at least 1300 tons of waste on
18 the tipping floor. All solid waste delivered to the site will
19 be transported to permitted disposal facilities within 48 hours
20 or such shorter period as may be hereafter specified by federal
21 or state regulation.

22 r. Hazardous waste handling that is in conformance with
23 all local, state and federal regulations. No additional charge
24 shall be levied against the City or City's contracted haulers
25 for this service.

26 s. The capability to accommodate future expansion due
27 to unanticipated growth in the waste stream. Design must allow

1 vehicle entering the facility shall have a maximum fifteen-
2 minute turnaround time from the time the truck arrives at the
3 facility until the time the truck exits the facility. The
4 fifteen-minute time period shall be a maximum time limit under
5 all conditions.

6 h. The capability to accommodate City and City's
7 contracted haulers to avoid queuing refuse disposal vehicles
8 behind private and commercial self-haulers and other commercial
9 trucks. The facility will be designed and managed so as to
10 avoid stacking of refuse vehicles on public streets as they
11 approach the facility.

12 i. An accounting system for all solid waste and
13 recyclable materials delivered by City and City's contracted
14 hauler's trucks.

15 The system must be developed by the Contractor and
16 approved by the City prior to program start-up. The accounting
17 system must be submitted to City for review and approval on or
18 before October 15, 1997.

19 j. City must be provided with "most favored customer
20 status," which status shall require that in no case shall
21 Contractor charge the City or City's contracted haulers a higher
22 fee for off-loading of City waste than the Contractor charges
23 any other customer or other jurisdiction.

24 k. Facility must be designed and operated and
25 maintained in such a way as to comply with all state, federal
26 and local regulations.

27 l. An area for tipping of City and City's contracted

1 null and void and shall impose no obligations upon City.

2 The waste transfer station operation shall include the
3 following components:

4 a. The capability of receiving and transferring the
5 approximately 186,000 tons of waste annually collected in City,
6 which amount may increase with the growth of the City and may
7 decrease due to increased recycling efforts by City. City
8 reserves the right not to deliver waste on holidays, subject to
9 future changes in collection operations.

10 b. The capacity to accommodate the City's approximately
11 30% residential green waste diversion in the event disposal of
12 green waste at the facility is required in the future.

13 c. A tonnage tracking accounting system comparable to
14 the District's current system. It must be capable of providing
15 monthly tonnage reports to City.

16 d. A hazardous waste management system that enables the
17 Contractor to accept and transfer hazardous waste generated at
18 the site or identified through the hazardous waste load check,
19 program.

20 e. Hours of operation which meet the needs of City, the
21 City's contracted haulers and private citizens wishing to
22 dispose of their own waste. At a minimum, Contractor shall be
23 open Monday through Sunday from 8:00 a.m. to 4:30 p.m.

24 f. A start date of December 1, 1997, when the facility
25 will be operational and when it will begin accepting waste as
26 specified herein.

27 g. Design and staffing which assure that each refuse

1 Transfer Station with Materials Recovery Capability" (District's
2 Request for Proposal). In the case of conflict among these
3 documents, this Agreement shall be controlling over the terms of
4 the Bid or Proposals.

5 3. TERM: The term of this Agreement shall be for a
6 period of fifteen years and shall commence on December 1, 1997
7 and shall expire on November 30, 2012. At the City's sole
8 option this Agreement may be extended for five additional one-
9 year periods on the same terms and conditions as are set forth
10 herein.

11 4. SCOPE OF WORK: Contractor shall construct and
12 operate a waste transfer station with material recovery
13 capability, which facility shall be operational by December 1,
14 1997. The facility shall be located at the Agua Mansa Property
15 owned by District on Agua Mansa Road between Brown Avenue and
16 Wilson Street in the County of Riverside. Contractor will
17 finance, design, permit, construct and operate the transfer
18 facility and shall accept all waste for disposal collected by
19 City and City's contracted haulers and by Riverside residents
20 and businesses who utilize local disposal sites. The securing
21 of and compliance with all permits which are required for the
22 construction and operation shall be the sole responsibility of
23 Contractor.

24 The waste transfer station shall comply with all
25 specifications required by District's Request for Proposal. If
26 Contractor fails to enter into a lease with District for the
27 Agua Mansa property by April 2, 1997, this Agreement shall be

1 | AGREEMENT FOR TRANSFER SERVICES

2 | (BURRTEC WASTE INDUSTRIES, INC.)

3 | On this 8th day of January, 1997, the CITY OF
4 | RIVERSIDE, a municipal corporation, hereinafter referred to as
5 | "City," and BURRTEC WASTE INDUSTRIES, INC., hereinafter referred
6 | to as "Contractor," whose address is 9890 Cherry Avenue,
7 | Fontana, California 92335, mutually agree as follows:

8 | 1. PURPOSE AND RETENTION OF CONTRACTOR: Contractor
9 | agrees to construct and operate a refuse transfer station with
10 | material recovery capability at the Agua Mansa site owned by the
11 | Riverside County Waste Resources Management District
12 | ("District") under terms and conditions as herein set forth;
13 | City shall deliver or cause to be delivered to Contractor all
14 | solid waste collected by the City and by City's contracted
15 | haulers annually for transfer services.

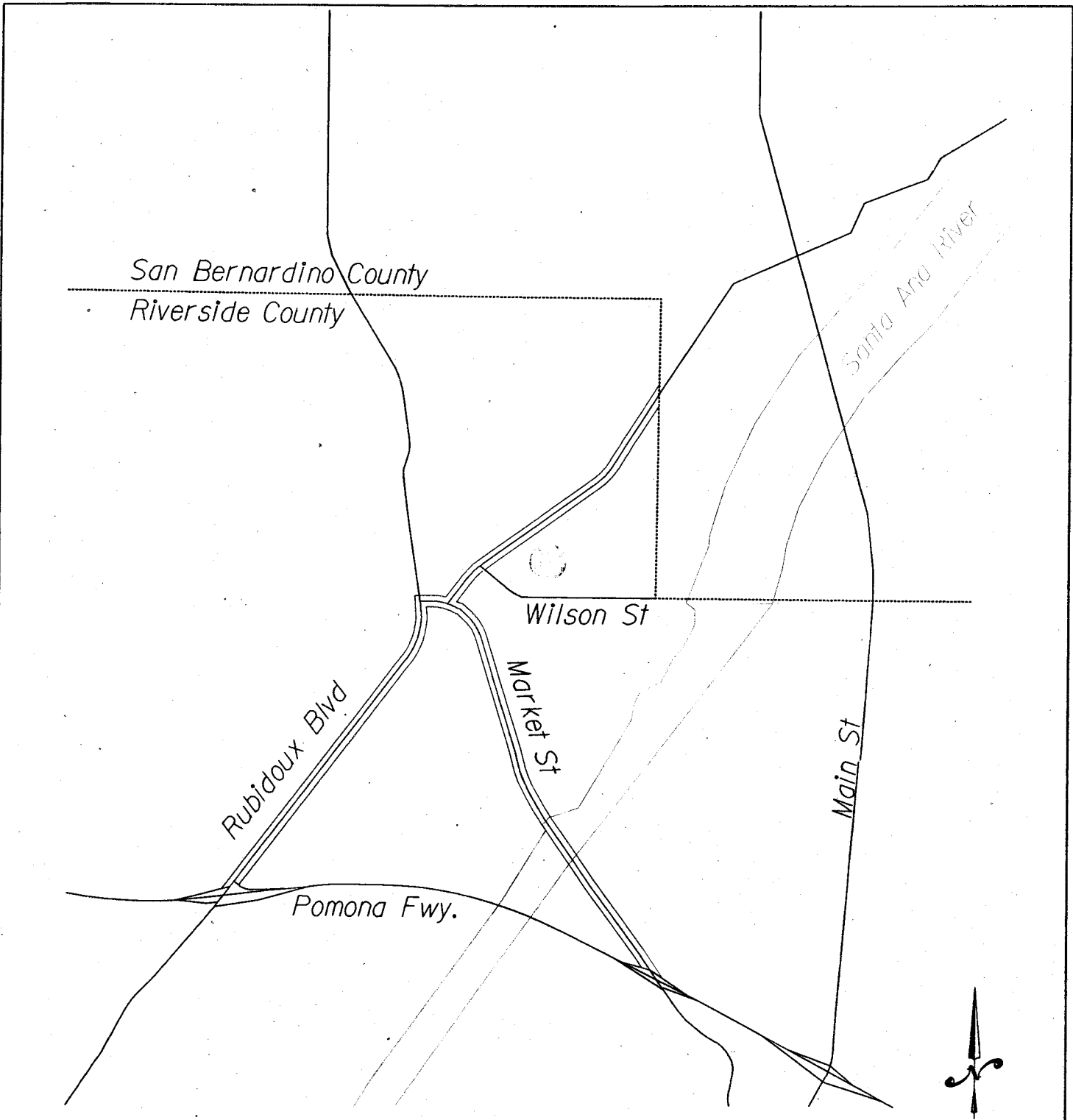
16 | "Solid waste" does not include green waste and materials
17 | removed from the waste stream by recycling prior to delivery to
18 | the transfer facility.

19 | "Contracted hauler" for purposes of this Agreement shall
20 | mean the solid waste collectors who are under contract with City
21 | to pick up and dispose of solid waste and it shall refer only to
22 | them while they are in that capacity and are hauling solid waste
23 | which originates within City.

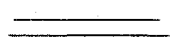
24 | 2. CONTRACT DOCUMENTS: The complete contract between
25 | parties shall consist of this Agreement, Bid No. 5448, and
26 | Contractor's Proposal in response to District's "Request for
27 | Proposal to Lease Agua Mansa Property for Development of a

PLACEHOLDER FOR:
(Will be inserted upon Board approval)

Exhibit B
First Amended and Restated Agreement for Disposal of Solid Waste



Project Site



Primary Delivery Routes

Exhibit A - 2

NOTE: LESSEE shall have the continued responsibility to collect illegally dumped material attributable to operation of the Facility along the travelled way on primary delivery routes to the Facility northerly of Highway 60 on Market Street, Rubidoux Boulevard, and Agua Mansa Road. Inspection and retrieval shall be completed not less often than twice weekly.



**Collection of Illegally Dumped Material
Attributable to Operation of The Facility**

File Directory: sites\equal\03\amr\amr-sha-3jan2003.dgn

Date: July 2017

Scale: 1"=2500'

Exhibit A
Premises Legal Description

PARCEL A

Portions of Parcels 3 & 4 of Parcel Map 24088-1, Recorded in Book 177, Pages 26 through 31 of Parcel Maps, Records of Riverside County State of California. Lying within Sections 2 and 3, Township 2 South, Range 5 West San Bernardino Base and Meridian, lying within the unincorporated area of Riverside County, State of California described as follows:

All of Parcel 4 of Said Parcel Map 24088-1. Together with that portion of Parcel 3 of Said Parcel Map lying South of the following described line:

Commencing at the Northwest Corner of Said Parcel 3;

Thence North $53^{\circ}50'25''$ East along the North line of said Parcel 3, a distance of 140.00 feet;

Thence South $36^{\circ}09'35''$ East, on a line parallel with the west line of Said Parcel 3, a distance of 177.67 feet;

Thence North $53^{\circ}50'25''$ East, on a line parallel with the north line of Said Parcel 3, a distance of 310.00 feet;

Thence South $36^{\circ}09'35''$ East, on a line parallel with the west line of Said Parcel 3, a distance of 162.99 feet;

Thence North $53^{\circ}50'35''$ East, on a line parallel with the north line of said Parcel 3, a distance of 361.00 feet to the East line of Said Parcel 3;

Thence South $36^{\circ}09'35''$ East along the east line of Said Parcel 3 a distance of 288.37 feet more or less to a point on the Southerly line of Said Parcel 3.

The above-described Parcel of land contains 22.03 acres, more or less.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Bernardino)

On May 14, 2019 before me, Debra G. Hansen, Notary Public
(insert name and title of the officer)

personally appeared Cole Burr,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~
subscribed to the within instrument and acknowledged to me that ~~he/she/they~~
~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

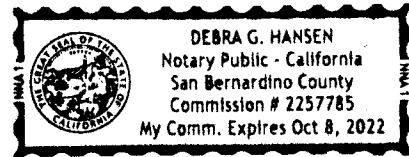
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



FIRST AMENDMENT TO AGREEMENT - CONSENT

(Burrtec Waste Industries, Inc. -
Agua Mansa MRF, LLC)

This First Amendment to Agreement - Consent ("Amendment"),
is made and entered into this 26th day of August, 1997,
by and between the CITY OF RIVERSIDE, a municipal corporation,
hereinafter referred to as "City," and BURRTEC WASTE INDUSTRIES,
INC., hereinafter referred to as "Contractor," with reference to the
following facts:

A. On January 8, 1997, the parties hereto entered into an
Agreement ("Agreement") for waste transfer services.

B. Contractor has requested that the City consent to allow
Union Bank the collateral assignment of the agreement for Transfer
Services.

C. Contractor has further requested that City consent to
and approve the assignment of Agreement to Agua Mansa MRF, LLC.

D. Contractor has assured City that neither transfer will
substantively affect the City or operations under Agreement.

NOW, THEREFORE, the parties hereto mutually agree as
follows:

1. The City of Riverside, having considered the matter
gives its consent to the transfer of ownership and management of
this Agreement to Agua Mansa MRF, LLC.

2. The name of the Contractor as used in this Agreement as
amended, is and shall be Agua Mansa MRF, LLC.

3. Agua Mansa MRF, LLC, agrees to assume all duties,
obligations, rights and responsibilities as set forth in Agreement

1 as amended, and promises and covenants that it will perform those
2 duties and obligations in good faith and that it will be bound by
3 the terms and conditions of that Agreement as amended.

4 4. City consents to the collateral assignment of Agreement
5 to Union Bank for financing purposes only.

6 5. Contractor agrees that it will not assign or sell this
7 Agreement or any interest herein without the written consent of the
8 City Council, which consent shall not be unreasonably withheld.

9 6. All other conditions of Agreement as amended which are
10 not inconsistent herewith shall remain in full force and effect.

11 IN WITNESS WHEREOF, the parties hereto have caused this
12 Amendment to Agreement to be executed the day and year first written
13 above.

14 CITY OF RIVERSIDE

BURRTEC WASTE INDUSTRIES, INC.

16 By: John E. Holmes
City Manager

By: [Signature]
Title: Vice President

18 Attest: [Signature]
City Clerk

AGUA MANSA MRF, LLC

By: [Signature]
Title: Vice President

22 APPROVED AS TO FORM
23 Carolyn Conner 8/2/97
24 CAROLYN CONNER
ASSISTANT CITY ATTORNEY

CC/sa
08/01/97

City Attorney's Office
2040 Main Street
Riverside, CA 92502
(951) 782-2267

CONSENT

This CONSENT is made as of July 1, 1997 by the CITY OF RIVERSIDE, CALIFORNIA, a municipal corporation duly organized under the laws of the State of California (the "City") for the benefit of Union Bank of California, N.A., as collateral agent (in such capacity, the "Collateral Agent") for the equal and ratable benefit of the Banks referred to in the Reimbursement Agreement, dated as of July 1, 1997 (as amended, modified and supplemented from time to time, the "Reimbursement Agreement"), among the Borrower, such Banks and Union Bank of California, N.A., as agent for such Banks.

1. The City hereby consents to the collateral assignment to the Collateral Agent, as security for the Borrower's obligations under the Reimbursement Agreement, of that certain Agreement for Transfer Services, dated as of January 8, 1997 (as amended, modified and supplemented from time to time, the "Assigned Agreement"), between the City and Burrtec Waste Industries, Inc. ("Burrtec"), as assigned by Burrtec to the Borrower pursuant to the Assignment dated June 18, 1997.

2. The City acknowledges that the Collateral Agent and any assignee thereof approved by the City in accordance with any applicable terms of the respective Assigned Agreement shall be entitled to exercise any and all rights of the Borrower under the Assigned Agreement in accordance with the terms of the Assigned Agreement, and the City shall comply in all respects with such exercise. Without limiting the generality of the foregoing, the Collateral Agent and any assignee thereof shall have (i) the full right and power to enforce directly against the City all obligations of the City under the Assigned Agreement and otherwise to exercise all remedies thereunder and to make all demands and give all notices and make all requests required or permitted to be made by the Borrower under the Assigned Agreement and (ii) the right to cure any breach by the Borrower of any monetary default under the Assigned Agreement within any applicable cure period under the Assigned Agreement. The City acknowledges that the Collateral Agent shall not at any time (including but not limited to during the exercise of its rights under the Security Agreement or this Consent or otherwise) be subject to or liable for any indemnity obligation of the Borrower under the Assigned Agreement.

*Interim
copy*

IN WITNESS WHEREOF, undersigned by its office duly authorized has caused this Consent to be duly executed and delivered as of the date first hereinabove written.

CITY OF RIVERSIDE, CALIFORNIA

By: John E. Holmes
Name: John E. Holmes
Title: City Manager

Agreed and Accepted:

UNION BANK OF CALIFORNIA, N.A.,
as collateral Agent

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

AGUA MANSA NRP, LLC

By: Burrtec Waste Industries, Inc.,
its manager

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM
Carolyn Confer 8/1/07
CAROLYN CONFER
ASSISTANT CITY ATTORNEY