

ASSIGNMENT AND CONSENT FRANCHISE AGREEMENT

THIS ASSIGNMENT AND CONSENT (this “Agreement”) is made this [_____] day of December, 2021, by and between the CITY OF MILPITAS, a municipal corporation (the “City”), MILPITAS SANITATION, INC., a California corporation (the “Contractor”), and WASTE CONNECTIONS US, INC., a Delaware corporation (“Waste Connections”), collectively, “the Parties,” with reference to the following:

A. The City and the Contractor are parties to that Franchise Agreement for Collection of Solid Waste and Collection and Processing of Recyclable Materials and Organic Materials, dated December 8, 2016, as such has been amended from time to time (the “Franchise Agreement”);

B. The Contractor, Waste Connections and other parties have entered a Securities Purchase Agreement, dated [_____], 2021 (the “Purchase Agreement”);

C. At a closing (the “Closing”) to be held on or about December 31, 2021, in accordance with the Purchase Agreement, the current shareholders of Contractor will sell all the shares in the Contractor (the “Contractor Shares”) to Waste Connections, which will result in a change in majority control of the Contractor from the current owners of the Contractor; and

D. The Parties wish to document the terms and conditions upon which the City relies in consenting to the sale of the Contractor Shares to Waste Connections (the “Assignment”), and to confirm the status of the Franchise Agreement, on the terms herein.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants hereinafter set forth and other consideration the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. Consent to Assignment. From and after the Closing, the Contractor shall continue to possess all of its right, title and interest in the Franchise Agreement. The Contractor hereby agrees to keep, perform, fulfill and be bound by all of the terms, covenants and conditions required to be kept, performed, and/or fulfilled under the Franchise Agreement from and after the Closing.

2. Condition to Approval. As a condition of the City’s approval of the Assignment, Waste Connections, the Contractor and the City agree as follows.

(a) Waste Connections’ Acquisition Costs. Waste Connections agrees that amounts it pays to the current owners of the Contractor under the Purchase Agreement or any other costs incurred by the Contractor or Waste Connections in acquiring or selling stock or real property under the Purchase Agreement shall not, in calculating rates or adjustments to rates, be considered as an expense or otherwise affect rates charged by the Contractor for performing waste collection services in the City pursuant to the Franchise Agreement.

(b) Payment of Assignment Fee. Contractor shall pay the City an assignment fee equal to [insert total amount] as required by Section 12.6 of the Agreement upon the closing of the sale of the Contractor Shares. Contractor understands and agrees that this payment include

an additional One Hundred Fifty Thousand Dollars (\$150,000) in addition to the two percent of Gross Receipts (as defined in the Franchise Agreement) required under the Franchise Agreement.

3. Additional Obligations. Waste Connections and the Contractor hereby affirm and warrant:

(a) that Waste Connections has at least ten (10) years of Solid Waste Transfer and Disposal management experience on a scale equal to or exceeding the scale of operations conducted by the Contractor under this Agreement;

(b) that in the last five (5) years, Waste Connections has not been the subject of any administrative or judicial proceedings initiated by a federal, State or local agency having jurisdiction over its operations due to an alleged failure to comply with federal, State or local laws;

(c) that Waste Connections conducts its operations in a safe and environmentally conscientious manner; and

(d) that Waste Connections conducts its operations in accordance with sound Solid Waste management practices in full compliance with all federal, State and local laws regulating the Transfer and Disposal of Solid Waste and all Environmental Laws.

4. Franchise Agreement in Effect. The Franchise Agreement is in full force and effect and, except as provided herein, has not been modified, altered or amended in any respect and contains the entire agreement between the City and the Contractor with respect to the subject matter thereof. Any breach of this Agreement shall be a breach of the Franchise Agreement.

5. Governing Law. This Agreement shall be governed by, and interpreted and enforced under, the laws of the State of California, without giving effect to conflict of laws principles. Venue shall be as provided for in the Franchise Agreement, which provision is incorporated by reference.

6. Fourth Amendment to Franchise Agreement. City and Contractor are concurrently executing that certain Fourth Amendment to the Franchise Agreement, which is incorporated by reference. City's consent to the Assignment is expressly conditioned on Contractor's execution of the Fourth Amendment in the form approved by City. Contractor's failure to do so prior to the Closing shall void this Agreement.

7. Counterparts. This Agreement may be signed in three (3) or more counterparts, each of which shall be deemed an original but when taken together shall constitute one and the same instrument. Counterparts may be sent for signature by email. Signatures on PDF copies thereof shall be deemed original signatures for all purposes and such PDF copies shall be admissible as evidence of the agreement in any and all administrative or judicial proceedings.

8. No Third-Party Beneficiaries. The Parties intend this Agreement for the sole benefit of the Parties and do not intend to confer any rights under this Agreement or any right to enforce this Agreement on any person or entity who is not one of the Parties.

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

CITY OF MILPITAS

MILPITAS SANITATION, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Date: _____

Date: _____

APPROVED AS TO FORM:

WASTE CONNECTIONS US, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Date: _____

Date: _____

APPROVED AS TO CONTENT:

By: _____
Name:
Title:

Date: _____