

CITY OF OAKLAND



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City Administrator's Office
Jestin D. Johnson
City Administrator

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Via Electronic Mail & U.S. Postal Service

May 28, 2025

California Waste Solutions, Inc.
1211 Embarcadero, Suite 300
Oakland, CA 94606
Attn: Mr. David Duong

Re: Termination of Lease/Disposition and Development Agreement (North Gateway)

Dear Mr. Duong:

This letter serves as the City of Oakland's (the "**City**") Notice to California Waste Solutions, Inc. ("**Developer**") that the City is terminating the Lease/Disposition and Development Agreement (North Gateway) dated as of July 21, 2021, as amended on July 21, 2022, July 20, 2023, and April 20, 2024 (collectively, the "**L/DDA**") between the City and Developer due to Developer's failure to cure its breach of its material obligations under the L/DDA as set forth in the City's March 25, 2025 letter to Developer (the "**Default Letter**"). All capitalized terms not defined herein shall have the meanings ascribed to them in the L/DDA.

On March 25, 2025, the City provided Developer the Default Letter which identified the following events of default: failure to (a) submit to the City by February 21, 2025, evidence of insurance and (b) submit by March 21, 2025 (i) evidence of financing and related documentation, (ii) assignment of consent agreement, or if not assigned, provide indemnity, (iii) evidence of Project Labor Agreement good faith, (iv) the Construction Contract, (v) evidence of coverage under the State Water Resources Control Board Industrial Permit (WDID Letter), NOI, SWPP and pay fees, (vi) evidence of Bay Area Air Quality Management District (BAAQMD) Authority to Construct (ATC) or confirmation that no ATC is required, and (vii) evidence of Industrial Pretreatment Permit coverage for discharge to EBMUD sanitary sewer or confirm no pretreatment permit is required.

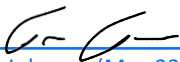
In addition, the Default Letter noted that the cure period extended beyond the Outside Closing Date of April 21, 2025, and to have the full cure period, Developer would be required to exercise its third Extension with a payment of Four Hundred Twenty-Five Thousand Dollars (\$425,000).

Pursuant to Section 11.4.2 of the L/DDA, the City provided Developer sixty (60) days from receipt of the letter to cure the events of default noted in the Default Letter. The City received confirmation, via the U.S. Postal Service, that Developer received the Default Letter on March 27, 2025. As a result, the required submissions and payment of the extension fee for the third Extension were due no later than May 26, 2025.

As of the date of this letter, the City has not received the required submissions or payment of the extension fee to cure the defaults detailed in the Default Letter.


Therefore, pursuant to Section 11.5 of the L/DDA, the City is exercising its remedy to terminate the L/DDA effective May 27, 2025. The City shall retain the Deposit as its liquidated damages, neither the City nor Developer shall have any rights or obligations under the L/DDA, and Developer shall have no further rights or remedies against the City.

Sincerely,


Jestin Johnson (May 23, 2025 13:39 PDT)

Jestin D. Johnson
City Administrator

Recommended for approval:


Betsy Lake (May 23, 2025 10:42 PDT)

By: Assistant City Administrator

cc: California Waste Solutions, Inc.
1211 Embarcadero, Suite 300
Oakland, CA 94606
Attn: Sooah Sohr, Counsel