AGREEMENT FOR ORGANICS PROCESSING SERVICES

between

South Bayside Waste Management Authority

&

Recology Blossom Valley Organics – North
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Exhibits

Exhibit A  Definitions
Exhibit B  Contractor Services
Exhibit C  Plant and Organic Materials Rates
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AGREEMENT FOR ORGANICS PROCESSING SERVICES

This Agreement is made and entered into as of the 1st day of January, 2021 by and between the South Bayside Waste Management Authority, a California Joint Powers Authority hereinafter “SBWMA,” and Recology Blossom Valley Organics-North, a California corporation, hereinafter “Contractor.” Contractor and SBWMA are hereinafter referred to jointly as the Parties.

I. RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

1. That SBWMA desires to engage Contractor to render processing services for Plant and Organic Materials generated from the SBWMA Member Agencies;

2. That Contractor is qualified to provide such services to the SBWMA; and

3. That SBWMA has elected to engage the services of Contractor upon the terms and conditions as hereinafter set forth.

II. DEFINITIONS

In this Agreement, capitalized words have the meanings defined in Exhibit A.

III. TERMS AND CONDITIONS OF AGREEMENT

1. Term of Agreement

This Agreement shall commence on the 1st day of January, 2021 and shall continue for a period of five (5) years, terminating on December 31, 2025. The Agreement may be extended for two (2) years (from January 1, 2026 to December 31, 2027) upon SBWMA’s and Contractor’s mutual agreement by SBWMA giving written notice of intent to extend to Contractor no later than December 31, 2024, and Contractor giving written notice to the SBWMA no later than January 31, 2025 that it agrees with such intent.

2. Authorization and Termination

This Agreement becomes effective when endorsed by both Parties.

IV. SCOPE OF SERVICES

1. Scope of Processing Services

The services to be performed by Contractor under this Agreement shall include those services set forth in Exhibit B, which is, by this reference, incorporated herein and made a part hereof as though it were fully set forth herein.

Performance of the work specified in said Exhibit is hereby made an obligation of Contractor under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of the said parties.

Where in conflict, the terms of this Agreement supersede and prevail over any terms set forth in Exhibit B.

2. Permits and Compliance

Contractor will comply with all Permits, including any mitigation measures related to the operation and maintenance of their Compost Facility. Contractor is solely responsible for paying any fines
or penalties imposed for noncompliance with or violation of Permits or failure to obtain Permits. Under no circumstances shall any provision of this Agreement obligate Contractor to violate any of its Permits.

Contractor shall have a permitted Composting Facility that is permitted as a composting facility with the Department of Resources, Recycling, and Recovery (CalRecycle) and maintain this designation throughout the term of the contract. The Composting Facility Permit must include the ability to accept the types of compostable materials generated by the SBWMA. Contractor must notify SBWMA before accepting any shipments if there are any change in such status.

Contractor shall maintain all required permits from the applicable agencies to operate a composting facility. Permits shall include but not be limited to CalRecycle/LEA, Regional Water Quality Control Board, Air Quality Management District, and others as appropriate.

3. **Compliance with all Applicable Laws and Regulations**
   Contractor shall comply with all Federal, State, and/or local regulations in the performance of this Agreement.

4. **Notification of Violations.**
   Upon the SBWMA’s request, not more than twice per year, Contractor shall provide copies of any notices of violation that it receives (or that any Subcontractor receives and that are provided to Contractor) from any Local Enforcement Agency during the term of this Agreement related to the operation of the Composting Facility or the performance of the Services.

5. **Days and Hours of Operation**
   Contractor will operate the Composting Facility for the receipt of SBWMA’s Plant and Organic Materials between the hours of 4:30 a.m. to 4:30 p.m., Monday through Friday, and on Saturday by prior appointment from 4:00 a.m. to 2:30 p.m. Deliveries are allowed at mutually agreed times outside the stated operating hours. Composting Facility will be closed on Sundays and Holidays. Contractor may not reduce the hours or total number of hours for acceptance of SBWMA’s Plant and Organic Materials without the concurrence of the SBWMA except for reductions required by a change in a Permit subsequent to the full execution of this Agreement.

6. **Traffic Control and Direction**
   Contractor will direct on-site traffic to appropriate unloading areas and provide a safe working environment. Contractor will provide necessary signs and personnel to assist drivers to proper unloading areas. Contractor will operate the Compost Facility so that the conditions of the Maximum Vehicle Turnaround are met and the SBWMA’s Transfer Company vehicles are processed, unloaded and exit without delay from the facility no longer than 30 minutes from arrival at the Contractor's scales. Contractor will not exceed this time more than 5 times per month. For each load exceeding the 30 minutes from arrival at the scale to exiting the scale over the five grace loads, the Contractor may be assessed liquidated damages equal to $2.00 per minute for each minute of delay. The calculation of the times will be based on time stamp tickets at the scale house.

7. **Scale Operation**
   a. **Maintenance and Operation**
      Contractor will maintain State-certified scales that link to a centralized computer recording and billing system and that account for tracking of the origin, destination and tonnage of all incoming and outgoing loads. Contractor will operate scales during Compost Facility receiving hours established in Section 5. Contractor will provide the SBWMA with access to weighing report promptly upon SBWMA’s request.

   b. **Vehicle Tare Weights**
      When Transfer Company place new vehicles into service, Contractor will promptly weigh the new vehicle and determine its unloaded (“tare”) weight(s). Contractor will record tare weight, hauler
name, and vehicle identification number. Within 10 Working Days of weighing, Contractor will provide the SBWMA and Transfer Company with a report listing vehicle tare weight information. Contractor will have the right to request re-determination of tare weights of vehicles twice each Calendar Year. If there is reasonable suspicion or evidence that tare weights are not accurate, Transfer Company may request re-determination of tare weights, in which case Contractor will promptly re-determine tare weights for requested vehicles up to 4 times per Calendar Year. Contractor may update tare weights (at its own initiative) more frequently.

8. Testing  
Contractor will test and calibrate all scales in accordance with Applicable Law, but at least every 12 months. Upon SBWMA request, Contractor will promptly provide the SBWMA with copies of test results. Contractor will further test and calibrate any or all scales within 3 Working Days of SBWMA direction. If test results indicate that the scale or scales complied with Applicable Law, the SBWMA will reimburse Contractor the Direct Costs of the tests. If the test results indicate that the scale or scales did not comply with Applicable Law, Contractor will bear the costs thereof and Contractor will at its own cost adjust and correct, consistent with the results of that test, all weight measurements recorded and Plant and Organic Materials Rates calculated, charged and paid, as the case may be, from the date of SBWMA's direction.

9. Weighing Standards and Procedures  
Contractor will use the Composting Facility entry scale house(s) to weigh vehicles and charge Plant and Organic Materials Rates. Contractor will charge Transfer Company the Plant and Organic Materials Rates based on the Tonnage of SBWMA’s Transfer Company deliveries to the Composting Facility. Contractor will weigh and record inbound weights of all Transfer Company’s vehicles when the vehicles arrive at the Compost Facility and weigh and record outbound weights of vehicles for which Contractor does not maintain tare weight information. Contractor will provide each driver a receipt showing the date, time, and quantity of SBWMA’s Plant and Organic Materials that the vehicle delivered to the Compost Facility.

10. Records and Reporting  
Contractor will maintain scale records and reports that provide information including date of receipt; inbound time; origin, destination and weight of inbound and outbound loads; inbound and outbound weights of vehicles; and vehicle identification number. Said records shall be available to the SBWMA for review and copying during regular business hours at Contractor’s place of business or as otherwise agreed upon by the parties.

Contractor will provide the SBWMA a detailed monthly report as described and exemplified in Exhibit D, Monthly Reporting to the SBWMA.

11. Safety  
The Contractor will conduct operations of Compost Facility in a safe manner, in accordance with Applicable Law and insurance requirements provided in Article VI, Indemnity and Insurance.

12. Invoicing  
On or before the 15th of each month, Contractor will invoice the SBWMA in amounts equal to the applicable Plant and Organic Materials Rates listed in Exhibit C, for the prior month’s Plant and Organic Materials delivered to the Composting Facility. Invoices will be in a form satisfactory to SBWMA. All undisputed amounts shall be payable by SBWMA within 30 days of receipt of the invoice. For example, for processing provided in July, Contractor will invoice SBWMA on or before August 15 and payment will be due and payable by SBWMA on or before September 15. SBWMA shall, within five days of receipt of invoice, identify any disputed charges and communicate these to Contractor. Contractor may deliver to SBWMA a notice of late payment for a given monthly invoice thirty-five calendar days after the date of generation of the invoice. Contractor's invoices shall be deemed delinquent if not paid within five (5) calendar days of the date of the notice of late payment. Thereafter, the delinquent invoice shall bear interest on the unpaid balance at a rate not to exceed one and one-third percent (1 1/3%) per month.
13. Right to Enter Facility and Observe Operations
The SBWMA and its designated representative(s) may enter, observe and inspect the Composting Facility at any time during operations, conduct studies or surveys of the Compost Facility, and meet with the manager(s) or his or her representatives at any time, provided that the SBWMA and its representatives comply with Contractor's reasonable safety and security rules and will not interfere with the work of the Contractor or its subcontractors. However, if the Compost Facility manager or other management personnel are not present at the Compost Facility when the SBWMA or its designated representative(s) visit without prior announcement, Contractor may limit the visit of the SBWMA or its designated representative to the public areas of the facility. In that event, Contractor will arrange for SBWMA or its designated representative(s) to return for a visit of the complete Compost Facility within 24 hours of the SBWMA’s visit. Upon SBWMA direction, Contractor will make personnel available to accompany SBWMA employees on inspections. Contractor will ensure that its employees cooperate with the SBWMA and respond to the SBWMA’s reasonable inquiries.

V. CONTRACTOR COMPENSATION

1. General
The Contractor will perform all of its obligations, responsibilities and duties under this Agreement, including paying costs associated with obtaining and complying with all Permits, and operating the Compost Facility in full compliance with Applicable Laws.

2. Processing Rate; Annual Rate Adjustments
The Contractor will be compensated on a per ton basis for Materials delivered by the Transfer Company and accepted by Contractor for Processing. Exhibit C (Rates) provides the initial Rates by Material Type. The Contractor shall be entitled to an annual rate adjustment as shown in Exhibit C. Such rates shall be increased annually as set forth in Exhibit C.

3. Special Rate Review and Adjustments
   a. Contractor may request a special review and adjustment of Rates, over and above the annual CPI-based adjustment set forth in Exhibit C, in the event that there is a change in Applicable Law.
   b. Contractor’s request for a special review and adjustment of Rates shall specify the event or circumstance giving rise to the request, Contractor’s reasonable additional costs arising from or related to such event or circumstance, and the change in the Rates that Contractor proposes to cover such additional costs.
   c. Contractor must submit its request for a special review and adjustment of Rates in a form and manner specified by SBWMA, together with required cost and operational data.
   d. In a special review under this Section, Contractor shall bear the burden of justifying to the SBWMA by substantial evidence the change in Applicable Law. If the SBWMA determines that the Contractor has not met its burden, it shall notify Contractor that it is prepared to deny Contractor’s request for an increase in Rates. Within ten (10) days after such notice, Contractor may request a hearing before the SBWMA Board to produce additional evidence.
   e. Based on evidence presented to it, including, that submitted by Contractor, the SBWMA Board may grant some, all, or none of the requested increase.
   f. Contractor shall bear all reasonable costs incurred by SBWMA (including assistance provided to it by SBWMA) of a special review which it has requested. Costs of a review requested by Contractor may not be included in Contractor’s Rates.
4. **Regulatory Fees**

   a. Notwithstanding Section 3 above, if after full execution of this Agreement, a Regulatory Fee (as defined in Exhibit A) is increased, or a new one imposed, and such new or increased Regulatory Fee increases Contractor’s cost of performing this Agreement, then Contractor shall be entitled to an increase in Rates in an amount sufficient to pass through the increased cost.

   b. Contractor shall provide the SBWMA with at least sixty (60) days’ prior written notice of any Rate increase under this Section 4. Such notice shall include documentation reasonably evidencing the new or increased Regulatory Fee, its effect on Contractor’s costs, and the change in Rate(s) necessary to pass through the increased cost. Per-ton Regulatory Fees on inbound material shall be added to Rates; other Regulatory Fees shall be allocated pro rata based on tonnage.

   c. The SBWMA shall conduct an administrative review to confirm that Contractor’s submission and the proposed Rate increase conform to this Section 4, and that Contractor’s calculations are accurate and based on reasonable assumptions. The SBWMA shall notify Contractor in writing of the results of its review within thirty (30) days after receiving Contractor’s notice.

   d. If the SBWMA does not agree that the proposed Rate increase complies with this Section 4, then the parties shall attempt to resolve the disagreement through good faith negotiations for a period of thirty (30) days. If the parties are unable to reach agreement by that time, then the parties may proceed to mediation, in accordance with Section X.9. of this Agreement. If a disputed Rate increase is resolved through negotiation, mediation or litigation, then the finally agreed or determined Rate increase shall be applied retroactively to the date it would have taken effect had there been no dispute (but in no event earlier than January 1, 2021).

   e. For the avoidance of doubt, nothing in this Section 4 shall affect the rates that the SBWMA pays Contractor under the parties’ November 2014 Agreement for Organic Materials Processing Services, which applies to material delivered to the Composting Facility through December 31, 2020.

VI. **INDEMNITY AND INSURANCE**

1. **Agreement Indemnification**

   a) **Indemnification of the SBWMA**

      To the fullest extent allowed by law, Contractor hereby agrees to defend, indemnify, and save harmless the SBWMA, its boards, officers, employees and agents, from and against any and all claims, suits, actions, liability, loss, damage, expense, cost (including, without limitation, costs and fees of litigation) of every nature, kind or description, which may be brought against, or suffered or sustained by, the SBWMA, its boards, officers, employees, and agents caused by, or alleged to have been caused by, the negligence, intentional tortuous act or omission, or willful misconduct of the Contractor, its officers, employees, subcontractors or agents in the performance of any services or work pursuant to this Agreement.

   b) **Indemnification of Contractor**

      The duty of Contractor to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code, provided, however, that nothing herein contained shall be construed to require Contractor to indemnify SBWMA, its Board, officers, employees and agents against any responsibility or liability in contravention of Section 2782 of the California Civil Code.
Contractor’s responsibility for such defense and indemnity obligations shall survive the
termination or completion of this Agreement for the full period of time allowed by law.

The defense and indemnification obligations of this agreement are undertaken in addition to,
and shall not in any way be limited by, the insurance obligations contained within this
Agreement.

2. Contractor Compliance

Contractor will comply with all requirements of Contractor's insurers and the insurance policies
required under Article VI, Section 3 below. Carrying insurance will not relieve Contractor from
any obligations under this Agreement. Nothing in this Agreement may be construed as limiting in
any way the extent to which the Contractor may be held responsible for payments of damages to
Persons or property resulting from Contractor's or any Subcontractors' performance of Services.

3. Insurance

Contractor shall not commence work under this Agreement until all insurance required under this
Paragraph has been obtained. Contractor shall furnish SBWMA with certificates of insurance
evidencing the required coverage. The SBWMA and its employees, directors, officers, agents,
and member entities will be included as additional insured in the policy. These certificates shall
specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the
SBWMA office of any pending change in the limits of liability that do not meet the contractually
required limits as shown below, or of any cancellation of the policy. The minimum amounts of
coverage shall be as follows:

<table>
<thead>
<tr>
<th>Insurance Category</th>
<th>Minimum Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers’ Compensation</td>
<td>As Required by the Labor Codes of the State of California</td>
</tr>
<tr>
<td>Employer’s Liability</td>
<td>$1,000,000 per accident per accident, bodily injury, or disease</td>
</tr>
<tr>
<td>Commercial General Liability</td>
<td>$2,000,000 per occurrence and $5,000,000 aggregate for bodily injury, personal injury and property damage</td>
</tr>
<tr>
<td>Automobile Liability</td>
<td>$2,000,000 per accident for bodily injury and property damage (coverage required to the extent applicable to Contractor’s vehicle usage in performing services hereunder)</td>
</tr>
<tr>
<td>Environmental Impairment/ Pollution Liability</td>
<td>$5,000,000 per claim and aggregate</td>
</tr>
</tbody>
</table>

It shall be a requirement under this Agreement that any available insurance proceeds broader
than or in excess of the specified minimum insurance coverage requirements and/or limits shall
be available to SBWMA as an Additional Insured. Furthermore, the requirements for coverage
and limits shall be the greater of either (1) the minimum coverage and limits specified in this
Agreement or (2) the broader coverage and maximum limits of coverage of any insurance policy
or proceeds available to the named Insured.

Contractor agrees to include with all subcontractors in their subcontracts the same requirements
and provisions of this agreement including the indemnity and insurance requirements to the
extent they apply to the scope of the subcontractor’s work. Subcontractors hired by Contractor
shall agree to be bound to Contractor and SBWMA in the same manner and to the same extent
as Contractor is bound to SBWMA under this Agreement and its accompanying documents. Subcontractors shall further agree to include these same provisions with any sub-subcontractors. A copy of the indemnity and insurance provisions of this Agreement will be furnished to the Subcontractor upon request. Contractor shall require all subcontractors to provide a valid certificate of insurance and the required endorsements included in the subcontract agreement and will provide proof of compliance to SBWMA prior to commencement of any work by the subcontractor.

Concurrently with the execution of this Agreement, Contractor shall furnish SBWMA with certificates and endorsement pages of the insurance required hereunder and, with respect to evidence of commercial general liability and automobile liability insurance coverage, original endorsements:

(a) Precluding cancellation or reduction in per occurrence limits before the expiration of thirty (30) days (10 days for nonpayment) after SBWMA shall have received written notification of cancellation in coverage or reduction in per occurrence limits as required by this contract by first class mail;

(b) Naming the SBWMA, its Board, officers, employees and agents, as additional insureds; and

(c) Providing that Contractor’s insurance coverage shall be primary insurance with respect to SBWMA, its Board, officers, employees and agents, and any insurance or self-insurance maintained by SBWMA for itself, its Board, officers, employees or agents shall be in excess of Contractor’s insurance and not contributory with it. Contractor and its insurer may not seek contribution from SBWMA’s insurance or self-insurance.

The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of SBWMA, to the extent required by this Agreement, before the SBWMA’s insurance or self-insurance may be called upon to protect SBWMA as a named Insured.

All self-insured retentions (SIR) must be disclosed to SBWMA for approval and shall not reduce the limits of liability coverage. Policies containing an SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Contractor/Named Insured or SBWMA.

SBWMA reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Contractor shall maintain insurance as required by this Agreement to the fullest amount allowed by law and shall maintain insurance for a minimum of five (5) years following completion of this project or service. In the event Contractor fails to obtain or maintain completed operations coverage as required by this Agreement, the SBWMA at its sole discretion may purchase the coverage required and the cost will be paid by Contractor.

4. Workers’ Compensation

Contractor certifies that he is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that Code, and Contractor certifies that he will comply with such provisions before commencing the performance of the work of this agreement.
VII. FAITHFUL PERFORMANCE BOND

1. Faithful Performance Bond
Contractor shall file with SBWMA a bond securing its faithful performance of its obligations under this Agreement within thirty (30) days of the date this Agreement is executed. The bond shall be in the amount of Two Hundred Fifty Thousand Dollars ($250,000) in a form acceptable to the SBWMA. The term of the bond shall be for five (5) years. It is the intention of this section that there be in full force and effect at all times a bond securing the Contractor’s faithful performance of the Agreement, throughout its Term. The performance bond shall be executed by a surety company licensed to do business in the State of California and acceptable to the SBWMA having an “A-” or better rating by A. M. Best or Standard and Poor’s, and included on the list of surety companies approved by the Treasurer of the United States. Failure to provide this bond within the timeframe called for by this section shall constitute a default and grounds for immediate termination of this Agreement.

VIII. DEFAULT AND TERMINATION

1. Default and Remedies
Each of the following shall constitute a default under this Agreement (a “Default”):
   A. Fraud or deceit.
   B. Failure to maintain insurance coverage described herein.
   C. Contractor violation of orders or filings of a regulatory body having a material impact on Contractor’s ability to perform its obligations as required by this Agreement.
   D. Loss of any required operating “composting facility” permit (air, water, waste, etc.)
   E. Failure to perform Services as required by this Agreement for two (2) consecutive days or more or for any seven (7) days in a period of 30 days.
   F. Failure to divert and Process Plant and Organic Materials as provided in Article IV, Section 1 of this Agreement.
   G. Failure of Contractor to provide reports and/or records as provided for in this Agreement.
   H. Any act or omission by Contractor which violates the terms of this Agreement.
   I. Any false or misleading representation of Contractor.
   J. Filing of a voluntary petition for debt relief.
   K. Bankruptcy of Contractor.
   L. Contractor’s failure to provide a performance bond within thirty (30) days of execution of this Agreement.

Upon any Contractor default, SBWMA may terminate or suspend this Agreement, in whole or in part. Such termination or suspension shall be effective thirty (30) days after SBWMA gives notice as provided in Section X, General Provisions, (3) Notice Procedures, except that the Agreement may be terminated or suspended in a shorter time period or immediately if the Contractor’s default endangers the health, welfare and safety of the public. If Contractor fails to cure the Default within the timeframe shown in the Notice to terminate or suspend, the SBWMA may, at its option, terminate this Agreement. Except for Defaults under subsections A, J or K above, if Contractor does cure the Default within such timeframe, the SBWMA will not terminate or suspend this Agreement based on the cured Default.

2. Specific Performance
By virtue of the nature of this Agreement, the urgency of timely, continuous and high-quality service, the lead time required to effect alternative service, and the rights granted by SBWMA to Contractor, the remedy of damages for a breach hereof by Contractor is inadequate and SBWMA shall be entitled to injunctive relief.
3. **Damages**
Contractor shall be liable to SBWMA for all direct, indirect, special and consequential damages arising out of Contractor’s default. This Section is intended to be declarative of existing California law.

4. **SBWMA’s Remedies Cumulative**
SBWMA’s rights to suspend or terminate the Agreement and to obtain specific performance are not exclusive, and SBWMA’s exercise of one such right shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies that SBWMA may have, including a legal action for damages or imposition of liquidated damages.

5. **Liquidated Damages**
The Parties acknowledge that performance by Contractor is of utmost importance and SBWMA has considered and relied on Contractor’s representations as to its quality of service commitment in entering into this Agreement. The Parties further recognize that quantified standards of performance are necessary and appropriate to ensure consistent and reliable service. The Parties further recognize that if Contractor fails to perform, SBWMA and its residents will suffer damages and that it is and will be impracticable and extremely difficult to ascertain and determine the exact amount of damages that SBWMA will suffer. Therefore, the Parties agree that liquidated damages in the amount of $25 per ton represent a reasonable estimate of the amount of such damages for each load of Plant and Organic Material that is (unless excused under Sec. X(2) (Force Majeure)) either (a) delivered to the facility but disposed of rather than Processed (excluding Residue and loads permitted to be disposed of due to Contamination), or (b) attempted to be delivered to the facility but not accepted because the facility is not open when it should be, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to SBWMA that reasonably could be anticipated and recognition that proof of actual damages would be costly or inconvenient. By initialing the places provided, each Party specifically confirms the accuracy of the statements made above and the fact that each Party had ample opportunity to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this Agreement was made.

Contractor Initial Here: ______
Agency Initial Here: ______

Contractor agrees to pay (as liquidated damages and not as a penalty) the amount set forth.

SBWMA’s right to recover liquidated damages for Contractor’s failure to meet the service performance standards shall not preclude Agency from obtaining equitable relief for persistent failures to meet such standards nor from terminating the Agreement for such persistent failures.

6. **Segregated Commercial Food Scraps Termination**
The SBWMA reserves the right to terminate processing services of segregated Commercial Food Scraps only with written notice to the Contractor of not less than ninety (90) days, provided that this provision shall not limit the SBWMA’s obligations under Section 1 of Exhibit B.

**IX. CONTRACTOR’S REPRESENTATIONS AND WARRANTIES**

1. **Legal Status**
Contractor is a corporation or LLC organized and operating under the laws of the State of California.

2. **Authorization**
Contractor represents and warrants that it has the authority to enter into and perform its obligations under this Agreement. The Contractor has taken all actions required by law to authorize the execution of this Agreement. The person signing this Agreement on behalf of Contractor has authority to do so.
3. Agreement Will Not Cause Breach
To the best of Contractor's and SBWMA's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement, nor the performance of this Agreement: (i) conflicts with, violates, or results in a breach of any applicable law; or (ii) conflicts with, violates, or results in a breach of any term or condition of any judgment, order or decree of any court, administrative agency, or other governmental authority, or any agreement or instrument to which Contractor or SBWMA is a party or by which Contractor or SBWMA or any of its properties or assets are bound, or constitutes a default thereunder.

5. No Litigation
To the best of Contractor's knowledge, after reasonable investigation, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency, or instrumentality decided, pending, or threatened against Contractor wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by Contractor of its obligations hereunder or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of Contractor or any surety guaranteeing Contractor's performance under this Agreement, which has not been waived by the SBWMA in writing.

6. Ability to Perform
Contractor possesses the business, professional and technical expertise to manage, handle, treat, store, process, and recycle Plant and Organic Materials, and possesses the equipment, plant, and employee resources required to perform this Agreement.

X. GENERAL PROVISIONS

1. Entire Agreement
This Agreement represents the full and entire Agreement between the SBWMA and Contractor with respect to the matters covered herein.

2. Force Majeure
Contractor shall not be in default under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to any of the following reasons: riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides, fires, and volcanic eruptions, strikes, lockouts and other labor disturbances or other catastrophic events which are beyond the reasonable control of Contractor. Labor unrest, including but not limited to strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action conducted by Contractor's employees or directed at Contractor is not an excuse from performance, provided, however, that labor unrest or job action directed at a third party over whom Contractor has no control, shall excuse performance.

Contractor must (i) have taken reasonable precautions to avoid being affected by the cause, and (ii) notify the other party in writing within 5 days after the occurrence of the event specifying the nature of the event, the expected length of time that the party expects to be prevented from performing, and the steps which the party intends to take to restore its ability to perform.

3. Notice Procedures
All notices, demands, requests, proposals, approvals, consents, and other communications which this Agreement requires, authorizes, or contemplates shall be in writing and shall either be personally delivered to a representative of the Parties at the address below, e-mailed to the e-mail address below, or faxed to the fax number below, or sent via certified mail or Federal Express, or deposited in the United States mail, first class postage prepaid, addressed as follows:
SBWMA: South Bayside Waste Management Authority
Joe La Mariana, Executive Director
610 Elm Street, Suite 202
San Carlos, CA 94070
Phone: (650) 802-3500
Fax: (650) 802-3501
Email: jlamariana@rethinkwaste.org

Contractor: Recology Blossom Valley Organics-North
3001 N. Levee Rd.
Marysville, CA. 95901
Attention: Salvatore Coniglio, Vice President and Group Manager
Phone: (530) 353-9916
Email: sconiglio@recology.com

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

Notice shall be deemed given on the day it is personally delivered, e-mailed, or faxed, or, if mailed, three calendar days from the date it is deposited in the mail.

4. **Independent Contractor**
Contractor is an independent contractor and not an officer, agent, servant or employee of the SBWMA. Contractor is solely responsible for the acts and omissions of its officers, agents, employees and subcontractors, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between the SBWMA and Contractor. Neither Contractor nor its officers, employees, agents or subcontractors shall obtain any rights to retirement or other benefits which accrue to SBWMA employees.

5. **Non-Discrimination**
Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Contractor will take affirmative action to insure that applicants are employed and the employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, advancement, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor shall at all times be in compliance with the requirements of the Federal Americans With Disabilities Act (Public Law 101-336) which prohibits discrimination on the basis of disability by public entities. Contractor agrees to post in conspicuous places available to employees and applicants for employment any notices provided by SBWMA setting forth the provisions of this non-discrimination clause.

6. **Severability**
If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Agreement or any part thereof is, for any reason, held to be illegal, such decision shall not affect the validity of the remaining portions of this Agreement or any part thereof.

7. **Waiver or Modification**
No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement.

8. **Governing Law**
This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of
litigation between the parties hereto to enforce any provision of the Agreement, the unsuccessful party will pay the reasonable attorney’s fees and expenses of litigation of the successful party.

9. **Mediation**

   Should any dispute arise out of this Agreement, the parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the parties. If a mediated settlement is reached neither party shall be deemed the prevailing party for purposes of the settlement and each party shall bear its own legal costs.

10. **Court Costs and Attorney Fees**

    In the event legal action is instituted by either party to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney fees and actual costs in connection with such action.

11. **Counterparts and Facsimile Signatures**

    This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall be deemed a single document. For purposes of this Agreement, each of the signatories hereto agrees that a facsimile copy of the signature page of the person executing this Agreement shall be effective as an original signature and legally binding and effective as an execution counterpart thereof.

12. **Non-Assignment**

    This Agreement is not assignable either in whole or in part.

13. **Conflict of Interest**

    Contractor shall comply with all applicable conflict of interest laws in connection with this Agreement.
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized in that behalf.

SBWMA:

DATED: 8/3/2020
BY: Joe La Mariana,
    SBWMA EXECUTIVE DIRECTOR

DATED: 8/1/2020
BY: Jess E. (Jay) Benton
    SBWMA BOARD PRESIDENT

ATTEST:

DATED: 8/3/2020
BY: Cyndi Urman,
    SBWMA BOARD SECRETARY

APPROVED AS TO FORM:

DATED: 8/3/2020
BY: Jean Savaree
    SBWMA LEGAL COUNSEL

CONTRACTOR:

DATED: 6/18/2020 | 5:46 PM PDT
BY: Michael J. Sangiacomo
    Recology Blossom Valley Organics-North
    PRESIDENT AND CEO
EXHIBIT A

DEFINITIONS

**Actions** means all actions including claims, demands, causes of action, suits, mediation, arbitration, hearings, investigations, inquiries and proceedings, whether legal, judicial, quasi-judicial, governmental or administrative in nature and whether threatened, brought, instituted or settled.

**Affiliate** means all businesses (including corporations, limited and general partnerships, and sole proprietorships) which are directly or indirectly related to Contractor by virtue of direct or indirect Ownership interests or common management shall be deemed to be “Affiliated with” Contractor and included within the term “Affiliates” as used herein. An Affiliate shall include a business in which Contractor Owns a direct or indirect Ownership interest, a business which has a direct or indirect Ownership interest in Contractor and/or a business which is also Owned, controlled, or managed by any business or individual which has a direct or indirect Ownership interest in Contractor. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Section 318(a) of the Internal Revenue code of 1986, as in effect on the date of this Agreement, shall apply; provided, however, that (i) "ten percent (10%)" shall be substituted for “fifty percent (50%)” in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

**Agency/Agencies** means any one of the public entities which are signatories to the Joint Exercise of Powers Agreement of the South Bayside Waste Management Authority (SBWMA).

**Agreement** means this Agreement between the SBWMA and Contractor, including all exhibits, schedules and attachments (which are hereby incorporated in this Agreement by this reference), as this Agreement may be amended and supplemented.

**Applicable Law** means all law, statutes, rules, regulations, guidelines, Permits, actions, determinations, orders, approvals or requirements of the United States, State, regional or local government authorities, agencies, boards, commissions, courts or other bodies having applicable jurisdiction, that from time to time apply to or govern Services or the performance of the Parties’ respective obligations under this Agreement.

**Assign** means:

(i) selling, exchanging or otherwise transferring effective control of management of the Contractor (through sale, exchange or other transfer of outstanding stock or otherwise);

(ii) issuing new stock or selling, exchanging or otherwise transferring 20% or more of the then outstanding common stock of the Contractor;

(iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of Ownership or control of Contractor;

(iv) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment of an execution, being levied against Contractor, appointment of a receiver taking possession of any of Contractor’s tangible or intangible property;

(v) any combination of the forgoing (whether or not in related or contemporaneous transactions) which has the effect of any that transfer or change of Ownership or control of Contractor.

**Calendar Year** means a successive period of 12 months commencing on January 1 and ending on December 31.
**Composting Facility** means the facility that will process, compost, and market the Plant and Organic Materials from Shoreway Environmental Center.

**Compost** or **Compost Products** means the resultant product of the Compost Process (composting, curing and screening process conducted by the Composting Facility). The Compost shall have the chemical profile of sufficient quality to participate in the U.S. Composting Council’s Seal of Testing Assurance program.

**Compost Process** means the compost process operated as described in the facility’s Report of Compost Site Information that is submitted to CalRecycle and/or the LEA. The process shall be managed to provide aeration, moisture and sufficient time and temperature so to produce Compost Product.

**Contamination** or **Contaminant** means (i) any man-made material, (ii) as to any material type, any material that does not meet the definition of that material type, or (ii) any material that is prohibited from being accepted as feedstock at the Composting Facility. The percentage of Contamination in a load shall be determined by Contractor by volume based on visual inspection of an untipped load. For items with Contaminants attached or embedded (e.g. nails in wood, wire-bound crates), the entire item is considered Contamination. Notwithstanding any other provision, Contamination includes, without limitation, waxed cardboard, biodegradable plastic food service ware, and oleander.

**Contractor** means a corporation organized and operating under the laws of the State of California.

**Contractor Default** has the meaning provided in Article VIII.

**Direct Cost** means Contractor’s reasonable costs incurred for materials testing, sorting, or cleaning. Direct Cost of labor and equipment use does not include profit, overhead or administrative expense.

**Diversion (Divert)** means to divert from Disposal or use anywhere at or on a landfill through source reduction, reuse, recycling, composting.

**Food Scraps** means a subset of Organic Materials, as defined by state law, which at the execution of this Agreement includes: (i) all kitchen and table food waste, and all animal, vegetable, fruit, grain, dairy or fish waste that attends or results from the storage, preparation, cooking or handling of foodstuffs, with the exception of animal excrement, (ii) paper waste contaminated with putrescible material, and (iii) biodegradable plastic food service ware.

**Goods or Services** means all goods or services used in providing Services, including labor, leases, subleases, equipment, supplies and capital related to furnishing Services; insurance, bonds or other credit support if the insurer is an Affiliate or a captive of Contractor or any Affiliate; and legal, risk management, general and administrative services.

**Governmental Fees** are fees or taxes imposed upon Composting Facility by any governmental body or Regulatory Agency, other than those imposed upon the Composting Facility in connection with the repair, remediation, improvement, addition, or expansion of the Composting Facility.

**Holidays** are defined as New Year’s Day, Labor Day, 4th of July, Thanksgiving Day, and Christmas Day.

**Hazardous Substance** means any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "hazardous substances", "hazardous materials", "hazardous wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.;(CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated there under to such enumerated statutes or acts.
currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable federal, state or local environmental laws currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

**Household Hazardous Waste** means any Hazardous Substance generated incidental to owning or maintaining a place of residence, excluding any Hazardous Substance generated in the course of operation of a business concern at a residence, in accordance with Section 25218.1 of the California Health and Safety Code.

**Liabilities** means all liabilities, including:

(i) Actions;
(ii) Awards, judgments and damages, both: (a) actual damages, whether special and consequential, in contract or in tort, such as natural resource damages, damage for injury to or death of any Person; and damage to property; and (b) punitive damages;
(iii) Contribution or indemnity claimed by Persons other than the Parties;
(iv) Injuries, losses, debts, liens, liabilities,
(v) Costs, such as response remediation and removal costs,
(vi) Interest,
(vii) Fines, charges, penalties, forfeitures, and
(viii) Expenses such as attorney’s and expert witness fees, expenditures for investigation and remediation, and costs incurred in connection with defending against any of the foregoing or in enforcing Indemnities.

**Material Type** means segregated Plant Materials, segregated Wood Waste, segregated Food Scraps or Organic Materials (Commingled Plant Materials & Food Scraps).

**Maximum Vehicle Turnaround Time** means a monthly average of 30 minutes, measured from the time a vehicle enters either the Composting Facility property and until it exits the Composting Facility property, including but not limited to gross and net weights, tipping and transportation throughout the facility.

**Member (Member Agency) means** any one of the public entities of the Joint Exercise of Powers Agreement South Bayside Waste Management Authority.

**Rate** means the amount established under Article V, Contractor Compensation and Exhibit C, Plant and Organic Materials Rates, of this Agreement to be charged to the SBWMA by Contractor for Processing of Plant and Organic Materials.

**Monthly Report** is described in Article IV, Section 10 and Exhibit D, Monthly Reporting.

**Organic Materials** means those materials that will decompose and/or putrefy, as defined by state law, which at the execution of this Agreement includes Plant Materials, Food Scraps, and Wood Waste.

**Ownership** has the meaning provided under the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986 except that (1) 10 percent is substituted for 50 percent in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; (2) Section 318(a)(5)(C) is disregarded; (3) ownership interest of less than 10 percent is disregarded; and (4) percentage interests is determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

**Party or Parties** refers to the SBWMA and Contractor, individually or together.

**Permits** means all federal, State, SBWMA, other local and any other governmental unit permits, orders, licenses, approvals, authorizations, consents and entitlements that are required under Applicable Law to be obtained or maintained by any Person with respect to Services, as renewed or amended from time to time.
**Person(s)** includes an individual, firm, association, organization, partnership, corporation, trust, joint venture, the United States, the State, local governments and municipalities and special purpose districts and other entities.

**Plant Materials** means a subset of Organic Materials, as defined by state law, which at the execution of this Agreement includes grass cuttings, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees (not more than six (6) inches in diameter and five (5) feet in length), and similar materials generated at Premises, separated from Solid Waste and other Organic Materials. Plant Materials does not include materials not normally produced from gardens or landscape areas, such as brick, rock, gravel, large quantities of dirt, concrete, sod, non-organic wastes, oil, and painted or treated wood products.

**Regulatory Agency** means any federal, State or local governmental agency or entity, including California Department of Transportation, California Department of Motor Vehicles, EDD, U.S. Immigration and Naturalization Services, California Air Resources Board, state or regional water or air quality control boards or districts, California Department of Toxic Substances, California Department of Resources, Recycling, and Recovery (CalRecycle), the Local Enforcement Agency, federal and State Environmental Protection Agencies and other federal or State health and safety departments.

**Regulatory Fee** means any fee, assessment, tax, tariff or other charge imposed by any Regulatory Agency on the receipt, processing, composting, handling, storage, transportation or disposal of organic or other waste, provided, however, that Regulatory Fee shall not include any fine, penalty or similar charge imposed on Contractor due to Contractor's violation of Applicable Law.

**Solid Waste** means and includes all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, rubbish, ashes, industrial wastes, demolition and construction wastes, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes, as defined in California Public Resources Code §40191 as that section may be amended from time to time. For the purposes of this Agreement, “Solid Waste” does not include Hazardous Substances, low-level radioactive waste, medical waste, or Organic Materials.

**South Bayside Waste Management Authority (SBWMA)** means the joint powers authority created under Government Code Section 6500 et seq. by an agreement dated October 13, 1999 among the Town of Atherton, the cities of Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, the County of San Mateo and the West Bay Sanitary District.

**SEC** means the Shoreway Environmental Center (SEC) located at 225 Shoreway Road and 333 Shoreway Road and any other building and improvement located at these addresses in San Carlos, California (including the administration and vehicle repair and maintenance building) as its Facilities to be utilized under this Agreement.

**Subcontractor** means any Person to which Contractor subcontracts any portion of the Services, whether pursuant to formal, written agreement or otherwise.

**Term** is defined in Article III, Section 1.

**Ton** (or **Tonnage**) means a short ton of 2,000 standard pounds where each pound contains 16 ounces.

**Transfer** (or **Transferring** or other variations thereof) means transferring of Plant and Organic Materials at the SEC, if any, from residential collection vehicles, commercial collection vehicles and self- haulers into Transport vehicles.

**Transfer Company** means the Person that SBWMA directs pursuant to the Operating Agreement to Transport Plant and Organic Materials from the SEC to the Composting Facility.
Transfer Vehicle means a tractor and trailer designed to haul Plant and Organic Materials from SEC to the Composting Facility.

Transport (or Transportation) means the transportation of Plant and Organic Materials from SEC to the Composting Facility.

Violation means any notice, assessment or determination of non-compliance with Applicable law from any Regulatory Agency to Contractor, whether or not a fine or penalty is included, assess, levied or attached.

Wood Waste means a subset of Organic Materials consisting of pieces of unpainted and untreated dimensional lumber, and any other wood pieces or particles generated from the manufacturing or production of wood products, harvesting, processing or storage of raw wood materials, or construction and demolition activities.
EXHIBIT B

CONTRACTOR SERVICES

The services to be performed by Contractor under this Agreement shall be to accept, process, and market Plant and Organic Materials generated from the SBWMA’s Member Agencies and the Shoreway Environmental Center (SEC) as described herein. This request for services does NOT include the transportation of materials from the Shoreway Environmental Center by the composter. Materials will be delivered to the composter’s location in walking-floor trailers by the Shoreway Facility Operations Contractor. Contractor will accept, process, and market a mix of residential curbside and commercial green waste and food waste.

1. On a daily basis, the SBWMA shall deliver and the Contractor shall receive a minimum average of 100 tons per day up to a maximum average of 300 tons per day (based on a 30 day rolling average) to the Compost Facility. In aggregate, the SBWMA shall deliver a minimum of 30,000 tons per year. The Contractor and the SBWMA are only obligated to receive and deliver materials on days that the Compost Facility is operating (as described in Section 5, Days and Hours of Operations). Contractor will have the ability to manage deliveries in amounts of up to 200 percent of the average daily tonnage.

2. All accepted Plant and Organic Materials will be weighed-in using certified scales located at the Composting Facility and tracked by Material Type accepted (with amounts to be reported monthly).

3. Composting Facility will be operated such that SBWMA delivery trucks will be able to access the facility and exit at the Composting Facility within 30 minutes of arrival.

4. All Plant and Organic Materials accepted by Contractor shall be diverted and processed as provided in Article IV, Section 1 of this Agreement. Material shall be diverted in a manner that guarantees diversion credit under the requirements of AB 939.

5. 100% of the Plant and Organic Materials Processed by Contractor at the Composting Facility shall be diverted from use anywhere at a landfill and shall not be used as Alternative Daily Cover ("ADC") or for other uses at a landfill. "Processed" means subjected to a process to transform Plant and Organic Materials into a Compost Product, a mulch product for land application (other than at a landfill), or for use as biofuel, anaerobic digestion, or other allowable conversion technologies (in accordance with CalRecycle regulations so that such materials are considered diverted and recycled), and includes removal of all (other than trace amounts) Solid Waste and other materials that are not Plant or Organic Materials (collectively, "Residue"). Residue may be landfilled.

6. Contractor shall market finished Compost and other products manufactured from Plant and Organic Materials and shall be entitled to retain all proceeds thereof.

7. Composter will participate in the U.S. Composting Council’s Seal of Testing Assurance program for any compost and/or mulch that is produced under this agreement.

8. At SBWMA’s request, Contractor will provide finished Compost free of charge to Member Agencies of bulk Compost (tons) up to a maximum of 10% for every ton of material delivered. Contractor will not be responsible for the costs of delivery of finished product to the Shoreway Environmental Center. Compost quality will meet the U.S. Compost Council Seal of Testing Assurance.

9. Receive organic materials delivered by the Shoreway Operator (SBR) between 4:30 a.m. to 4:30 p.m. Monday - Friday, and from 4:00 a.m. to 2:30 p.m. on Saturday upon special request.
10. Invoice the SBWMA on or before the 15th of each month showing by date, time, and vehicle identification number the tonnage received each day and the rate charged for each ton of organic material received.

11. Accept payment within thirty (30) days for any undisputed amounts invoiced.
EXHIBIT C

RATES

a) Rates
Contractor will be compensated per ton for Plant and Organic Materials delivered to the Compost Facility based on the Material Type in Table 1.

b) Annual Rate Adjustments
The Rates outlined in Table 1 are for the period January 1, 2021 through the end of the term of the Agreement. Such rates will be adjusted annually as shown below, effective January 1 of each year of the term, including extensions. Commencing January 1, 2021 and thereafter on each January 1, this Agreement is in effect, including any extension years, the rates stated above shall be increased by the change in the value of the All Urban Consumers Index (CPI-U), All Items, for the San Francisco-Oakland-Hayward, CA, Base Period 1982 – 1984 = 100, not seasonally adjusted, compiled and published by the U. S. Department of Labor, Bureau of Labor Statistics (or its successor) for the previous October and its value twelve months before.

<table>
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<tr>
<th>Material Type</th>
<th>Rates per Annual Tonnage Bracket</th>
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</thead>
<tbody>
<tr>
<td>Contract Tonnage</td>
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<tr>
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<td>Contract Tonnage</td>
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<tr>
<td>Mixed Organics</td>
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<tr>
<td>Contract Tonnage</td>
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</table>

Definitions
For purposes of Table 1, “Residential Green Waste” means commingled Plant Materials and Food Scraps collected from single-family residential customers in the SBWMA service area, “Commercial Source-Separated Organics” means Food Scraps collected from multi-family residential customers and nonresidential customers in the SBWMA service area, and “Mixed Organics” means a mixture of Residential Green Waste and Commercial Source-Separated Organics blended at the Shoreway Environmental Center.

d) Contamination Level and Penalty
The fees in Table 1 are for loads containing up to eight percent (8.0%) Contamination (five percent (5.0%) Contamination for Residential Green Waste) and no glass, oleander, treated wood or Hazardous Substances. During year 1, ten percent (10%) Contamination will be accepted for Mixed Organics and Commercial Source-Separated Organics. Loads exceeding those Contamination levels, or containing any amount of glass, oleander or treated wood, will not be processed but will instead be landfilled and charged fees of $113.00 per ton plus $550.00 per load to cover the costs of reloading, transport and disposal. Such fees will be adjusted annually per section (b) above. Notwithstanding the foregoing, the Contractor has discretion to process (rather than dispose of) loads exceeding the above Contamination levels.
e) **Hazardous Substances**

If Hazardous Substances are found in any material delivered hereunder, Contractor shall promptly notify the SBWMA of the same, and shall cause the material to be disposed of in compliance with applicable law, and the SBWMA shall reimburse Contractor's reasonable costs incurred in connection therewith. Under no circumstances shall title to, ownership of or liability for any Hazardous Substances tendered or delivered to Contractor hereunder pass to Contractor.
EXHIBIT D
MONTHLY REPORTING

See attached monthly report format.
SBWMA MONTHLY REPORT

Recology Blossom Valley Organics North - Vernalis

For period: Month - Year

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<td>Other Inbound Organics</td>
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</tr>
<tr>
<td><strong>Total Outbound Material</strong></td>
<td>***</td>
</tr>
</tbody>
</table>
CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFER NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Beecher Carlson Insurance Services
21650 Oxnard Street, Suite 1600
Woodland Hills, CA 91367

www.beechercarlson.com

CERTIFICATE NUMBER: S6020748

COVERAGE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

If additional insured (ADDL INSR) and/or subrogation waived (SUBR WVD) boxes are checked, applicable blanket policy endorsements apply in favor of the DESIGNATED ENTITY where required by written contract, but only as respects liability arising out of work performed by or on behalf of the insured.

EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CERTIFICATE HOLDER
South Bayside Waste Management Authority (SBWMA)
Attn: Grant Ligon, Senior Management Analyst
610 Elm Street, Suite 202
San Carlos CA 94070

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Pam Brooskin

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PUBLIC ENTITY ADDITIONAL INSURED ENDORSEMENT

Named Insured: Recology Inc.

Endorsement Number: 57

Policy Symbol: XSL
Policy Number: G27629921
Policy Period: 10/01/2019 TO 10/01/2020

Effective Date of Endorsement

Issued By (Name of Insurance Company):
ACE American Insurance Company

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
EXCESS COMMERCIAL GENERAL LIABILITY POLICY
BUSINESS AUTO COVERAGE FORM

SCHEDULE
(name and address of additional insured)

Caltrans
City & County of San Francisco
City and County of San Francisco, the San Francisco Port Commission and their officers, directors, agents and employees
City of Belmont
City of Benicia-Wastewater Treatment Plant
City of Beverly Hills, its appointed and elected officials, elective and appointive boards, its officers, commissions, employees and agents, Director of Public Works Services, Public Works Services, City of Beverly Hills, 455 N. Rexford Drive, CA 90210
City of Bothell
City of Burien
City of Burlingame
City of Carlton
City of Carnation
City of Citrus Heights
City of Citrus Heights, its officers, employees, agents and contractors, c/o City of Citrus Heights, Attn: David Wheaton, General Services Director, 6237 Fountain Square Drive, Citrus Heights, CA 95621
City of Cupertino
City of Davis
Attn: City Manager
23 Russell Boulevard, Davis, CA 95616
City of East Palo Alto
City of Eureka
City of Foster City
City of Healdsburg, its officials, officers, employees, agents, and volunteers
City Risk Manager
401 Grove Street, Healdsburg, CA 95448
City of Issaquah, its officials, employees and volunteers
City of Lincoln
City of Live Oak
City of Long Beach
City of Los Angeles, Office of the City Administrative Officer of Los Angeles, Risk Management, City Hall East, 200 North Main Street, Room 1240, Los Angeles, CA 90012
City of Malibu, 283825 Stuart Ranch Road, Malibu, CA 90265
City of Marysville
City of Menlo Park
City of Mercer Island, Attn: City Manager, 9611 SE 36th Street, Mercer Island, WA 98040
City of Milpitas
City of Pacifica
City of Pasadena, Department of Public Works, P.O. Box 7115, Pasadena, CA 91109
City of Pasadena, its City Council, officials, officers, agents, employees and volunteers
City of Rancho Cordova, its officers, employees, agents and contractors, 2729 Prospect Park Drive, Rancho Cordova, CA 95670
City of Rohnert Park
Attn: City Manager
130 Avram Ave, Rohnert Park, CA 94928
City of Sacramento
City of San Carlos
City of San Jose
City of San Mateo
City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents
City of Santa Clarita, 23920 Valencia Blvd, Santa Clarita, CA 91355
City of Santa Rosa, Attn: Gloria Hurtado, Deputy City Manager, 100 Santa Rosa Ave, Room 10, Santa Rosa, CA 95404
City of SeaTac
City of Sebastopol, its Officers, Officials, Employees, and Volunteers
Engineering Division
714 Johnson Street
Sebastopol, CA 95472
City of Valero
City of Vernon, 4305 Santa Fe Avenue, Vernon, CA 90058
City of West Hollywood, Attn: Paul Arevalo, 8300 Santa Monica Blvd, West Hollywood, CA 90069
City of Wheatland
City of Yuba City
County of Sacramento, its officers, directors, officials, employees, and volunteers. Attn: Doug Sloan, Department of Waste Management and Recycling, 9850 Goethe Road, Sacramento, CA 95827
County of San Mateo
County of Santa Clara and members of the Board of Supervisors of the County of Santa Clara and the officers, agents and employees of the County of Santa Clara, individually and collectively as additional insureds, Attn: Elizabeth Constantino, 1553 Berger Drive, Building 1, San Jose, CA 95112
County of Sonoma, its officers, employees, volunteers and agents
County of Sonoma
Director of Transportation and Public Works
2300 County Center Drive, Suite B100, Santa Rosa, CA 95403
County of Sutter
County of Yuba Regional Waste Management Authority
East Bay Municipal Utility District, its Directors, Officers and Employees
East Bay Regional Park District, a special district, 2950 Peralta Oaks Court, Oakland, CA 94605-5320
Foothill-DeAnza Community College District, Its Board of Trustees and the individual members thereof, all district officers and servants.
Governing Board of the Santa Rosa City Schools, its officers and employees
Santa Rosa City Schools
211 Ridgway Ave, Santa Rosa, CA 95401
Los Angeles County Department of Public Works Construction Division and any public entity or special district for which the Los Angeles County Board of Supervisors in the Governing Body.
Piner-Olivet Union School District
3450 Coffey Lane
Santa Rosa, CA 95403
Attn: Superintendent
Port of Oakland
RA Member, their Regional Agency and respective officers and employees, City of Hollister, San Juan Bautista, San Benito County
Attn: Kathleen Gallagher
Resource Management Agency - IWM Department
2301 Technology parkway, Hollister, CA 95023
Redwood City, Public Works Services Department
Rincon Valley Union School District
1000 Yelp Avenue, Santa Rosa, CA 95407
San Francisco State University, the State of California, the Trustees of the California State University
San Francisco Unified School District, its board, officers, and employees
Santa Monica-Malibu Unified School District, 1651 16th Street, Santa Monica, CA 90404
Seattle School District No. 1, Mail Stop: 23-365, PO Box 34165, Seattle, WA 98124-1165

ALL-22422 (05/07)
South Bayside Waste Management Authority
State of California, its Officers, Agents, Employees and Servants
The City of Cloverdale and its officers, officials, employees, agents, and volunteers
City of Cloverdale
Attn: City Manager
124 North Cloverdale Blvd, Cloverdale, CA 95425
The City of Cotati and its officers, officials, employees, agents, and volunteers
City of Cotati
Attn: City Manager
201 West Sierra Avenue, Cotati, CA 94931
The City of Petaluma and its officers, officials, employees, agents, and volunteers
City of Petaluma
Attn: Dan St. John
11 English Street, Petaluma, CA 94952
The City of Portland, Oregon, its officers, agents and employees
The City of Roseville, its officers, agents, volunteers and employees
The City of Seattle, Purchasing Services Division, P.O. Box 94687, Seattle, WA 98124-4678
The County of Kern, County’s agents, employees, officers and its governing body and each member thereof, Attn: Waste Management Department, 2700 "M" Street, Suite 500, Bakersfield, CA 93301
The County of Los Angeles and public entity or Special District for which the Los Angeles County Board of Supervisors is the Governing Body, and their Agents, Officers and Employees, shall be Additional Insured(s) while acting within the scope of their duties against all claims arising out of or in connection with the work performed.
The County of Solano, its officers, agents, employees and volunteers
The County of Sonoma, its officers, agents and employees
Count of Sonoma, Transportation and Public Works Department
2300 County Center Drive, Suite B100
Santa Rosa, CA 95403
The Regents of the University of California
The State of California, its officers, agents, employees and servants, Department of Water Resources, 1415 Ninth Street, Room 353, Sacramento, CA 95814
The State of California; the Trustees of The California State University; California State University, Chico; Associated Students of California State University, Chico and the officers, employees, volunteers and agents of each of them are included as additional insureds.
The Town of Windsor and its officers, employees, agents, and volunteers
Town of Windsor
Risk Management
9291 Old Redwood Highway, Building 300, Windsor, CA 95492
The Woodland Park Zoo, its officers, employees, agents, any volunteers and the City of Seattle, its officers, elected officials, employees, agents and volunteers.
Tillamook County Public Works
Town of Atherton
Town of Hillsborough
West Bay Sanitary District
Yolo County
Attn: Risk Manager
625 Court Street, Woodland, CA 95695

ADDITIONAL INSURED

It is agreed that the entity shown in the Schedule, its Officers, Employees, and Agents are named as Additional Insureds with respect to the operations and activities of the Named Insured.

PRIMARY INSURANCE
Insurance provided by this policy shall be primary insurance and no other insurance or self insured retention carried or
held by the Scheduled Entity shall be called upon to contribute to a loss covered by insurance for the named insured.

**CANCELLATION CLAUSE**

Thirty (30) days written notice shall be given to the Scheduled Entity in the event of cancellation and/or reduction in limits
or coverage.

**SEVERABILITY OF INTEREST**

This insurance shall apply separately to each insured against whom claim is made or suit is brought except with respect to
the limits of liability of the insuring company.

Except as stated above and not in conflict with this endorsement, nothing contained herein shall be held to waive, alter or
extend any of the limits, agreements, or exclusions of the policy(ies) to which this endorsement applies.

All other terms and conditions of this policy remain the same.

______________________________
Authorized Agent
PUBLIC ENTITY ADDITIONAL INSUREDENDORSEMENT

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<th>Named Insured</th>
<th>Recology Inc.</th>
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<td>Issued By (Name of Insurance Company)</td>
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

EXCESS BUSINESS AUTO POLICY

SCHEDULE

Caltrans
City and County of San Francisco and the San Francisco Port commission and their officers, directors, employees and agents, Port of San Francisco, Pier 1, San Francisco, CA 94111

City of Beverly Hills, its appointed and elected officials, elective and appointive boards, its officers, commissions, employees and agents, Director of Public Works Services, Public Works Services, City of Beverly Hills, 455 N. Rexford Drive, CA 90210

City of Carlton

City of Citrus Heights, its officers, employees, agents and contractors, c/o City of Citrus Heights, Attn: David Wheaton, General Services Director, 6237 Fountain Square Drive, Citrus Heights, CA 95621

City of Malibu, 283825 Stuart Ranch Road, Malibu, CA 90265

City of Morgan Hill, Attn: City Manager, 17555 Park Avenue, Morgan Hill, CA 95037

City of Rancho Cordova, its officers, employees, agents and contractors, 2729 Prospect Park Dr., Rancho Cordova, CA 95670

City of Santa Clara, its City Counsel, commissions, officers, employees, volunteers and agents

City of Santa Clarita, 23920 Valencia Blvd, Santa Clarita, CA 91355

City of Santa Rosa, Attn: Gloria Hurtado, Deputy City Manager, 100 Santa Rosa Ave., Room 10, Santa Rosa, CA 95404

City of Sebastopol, its officers, officials, employees, and volunteers, Engineering Division, 714 Johnson Street, Sebastopol, CA 95472

City of Valero
PUBLIC ENTITY ADDITIONAL INSURED ENDORSEMENT

City of Vernon, 4305 Santa Fe Avenue, Vernon, CA 90058

City of West Hollywood, Attn: Paul Arevalo, 8300 Santa Monica Blvd, West Hollywood, CA 90069

County of Sacramento, its officers, directors, officials, employees, and volunteers. Attn: Doug Sloan, Department of Waste Management and Recycling, 9850 Goethe Road, Sacramento, CA 95827

County of Santa Clara and members of the Board of Supervisors of the County of Santa Clara and the officers, agents and employees of the County of Santa Clara, individually and collectively as additional insureds, Attn: Elizabeth Constantino, 1553 Berger Drive, Building 1, San Jose, CA 95112

East Bay Municipal Utility District, its directors, officers and employees

East Bay Regional Park District, a special district, 2950 Peralta Oaks Court, Oakland, CA 94605-5320

RA Member, their Regional Agency and their respective officers and employees, City of Hollister, San Juan Bautista, San Benito County, Attn: Kathleen Gallagher, Resource Management Agency-IWM Department, 2301 Technology Parkway, Hollister, CA 95023

Santa Monica-Malibu Unified School District, 1651 16th Street, Santa Monica, CA 90404

South Bayside Waste Management Authority

State of California, its Officers, Agents, Employees and Servants

The City of Burlingame

The City of Cupertino

The City of East Palo Alto

The City of Eureka

The City of Foster City

The City of Menlo Park

The City of Pacifica

The City of Roseville, its officers, agents, volunteers and employees

The City of San Carlos

The City of San Mateo

The City of Thousand Oaks, its officers, employees and volunteers, Public Works Director, City of Thousand Oaks, Public Works Department, 2100 Thousand Oaks Boulevard, Thousand Oaks, CA 91362

The County of Kern, County’s agents, employees, officers and its governing body and each member thereof, Attn: Waste Management Department, 2700 “M” Street, Suite 500, Bakersfield, CA 93301

The County of San Mateo

The County of Solano, its officers, agents, employees and volunteers

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PUBLIC ENTITY ADDITIONAL INSURED ENDORSEMENT

The Regents of the University of California

The State of California, its officers, agents, employees and servants, Department of Water Resources, 415 Ninth Street, Room 353, Sacramento, CA 95814

The Town of Atherton

The Town of Hillsborough

West Bay Sanitary District

ADDITIONAL INSURED

It is agreed that the entity shown in the Schedule, its Officers, Employees, and Agents are named as Additional “Insureds” with respect to the operations and activities of the Named Insured.

PRIMARY INSURANCE

Insurance provided by this policy shall be primary insurance, meaning that no other insurance or self insured retention carried or held by the Scheduled Entity shall be called upon to contribute to a loss covered by insurance for the named insured; however, your “retained limit” still applies to such loss, and we will only pay the Scheduled Entity for the “ultimate net loss” in excess of the “retained limit” shown in the Declarations of this policy.

CANCELLATION CLAUSE

Thirty (30) days written notice shall be given to the Scheduled Entity in the event of cancellation and/or reduction in limits or coverage.

SEVERABILITY OF INTEREST

This insurance shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of liability of the insuring company.

Except as stated above and not in conflict with this endorsement, nothing contained herein shall be held to waive, alter or extend any of the limits, agreements, or exclusions of the policy (ies) to which this endorsement applies.

All other terms and conditions of this policy remain the same.
CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFER NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Beecher Carlson Insurance Services
21650 Oxnard Street, Suite 1600
Woodland Hills, CA 91367
www.beechercarlson.com

INSURED
Recology Blossom Valley Organics - North
P.O. Box 128
Westley CA 95387

INSURER(S) AFFORDING COVERAGE
INSURER A: Indian Harbor Insurance Company
NAIC #: 36940

COVERAGES

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<tr>
<th>INSURER</th>
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<td>E</td>
<td>WORKERS COMPENSATION AND EMPLOYEES’ LIABILITY</td>
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<td>F</td>
<td>ALL OTHER LIMITS</td>
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DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
re: RFP for Organics Processing Services

CERTIFICATE HOLDER
South Bayside Waste Management Authority (SBWMA)
Attn: Grant Ligon, Senior Management Analyst
610 Elm Street, Suite 202
San Carlos CA 94070

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Pam Brooskin

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