

AGREEMENT FOR CROP HARVESTING AND REVENUE SHARING

This Agreement for Crop Harvesting and Revenue Sharing (“Agreement”) is dated _____, 2023 (“Agreement Date”), and is between COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY (“District”) and Old River Farming, LLC, a _____ limited liability company (“Contractor”). The District and the Contractor are referred to in this Agreement individually as a “Party” and collectively as “the Parties.”

The District is a county sanitation district organized and existing under the provisions of the California Health & Safety Code, Sections 4700 et seq. The District operates the Tulare Lake Compost Facility (“the Plant”). The Plant is located on an approximate 14,500-acre agricultural property in the unincorporated area of the County of Kings that is owned by the District (“the Site”). A location exhibit for both the Plant and the Site is attached hereto as **Exhibit “A”** and a list exhibit for both the Plant and the Site assessors’s parcel numbers is attached hereto as **Exhibit “B”** and incorporated herein by reference. The Plant produces Class A Exceptional Quality compost. A portion of the compost is applied to the Site for agricultural purposes.

The Contractor provides farming-related and maintenance services at the Site as more fully described in **Exhibit “C,”** attached hereto and incorporated herein by reference (the “Services”). The District has authorized the issuance of Purchase Order Number 1769448 for the Services. The Contractor wishes to harvest, load, remove, transport, and sell Crops (defined below) produced at the Site and has provided evidence, satisfactory to the District, that it holds and maintains all permits and approvals necessary for farming operations of the Site.

The Parties agree as follows:

1. DEFINITIONS

1.1 **Crop** means a cultivated plant that is grown as fodder. For the purposes of this Agreement, the Crops that are grown at the Site include but are not limited to grain crops, such as triticale, Jose tall wheatgrass, winter forage blend, triple mix, barley, and rye.

1.2 **Chief Engineer** means the District’s Chief Engineer and General Manager, or his or her authorized representative.

1.3 **Contractor** means Old River Farming, LLC.

1.4 **Permits** means all federal, state and local permits and approvals that are required in order that the Contractor may lawfully perform the duties required by this Agreement, including, without limitation, all permits and approvals required for harvesting, loading, removal, transportation, and sale of Crops grown at the Site in accordance with legal requirements.

2. CROP HARVESTING, REMOVAL, TRANSPORTATION, AND SALE

2.1 The Contractor shall be responsible for providing timely recommendations related to harvesting, loading, transporting, removing, and selling Crops grown at the Site and presenting these recommendations to the Chief Engineer for concurrence. The Contractor may subcontract these activities to a third-party, including a third-party that purchases the Crops. The Chief Engineer may adjust the quantity of Crops to be sold at any time based upon their assessment of the Contractor's performance and the needs of the District. The Contractor shall harvest, load, transport, remove, and sell Crops on a reasonably uniform basis, unless restricted by severe weather conditions as provided in Section 5 of this Agreement. The schedule for harvest, load, transport, remove, and sell Crops will be agreed upon between the Contractor and the Chief Engineer.

2.2 The Contractor shall provide, or shall arrange for a third-party to provide, all necessary equipment for harvesting, loading, transportation, removal, and sale of Crops grown at the Site.

2.3 The Contractor shall at all times employ carriers that are fully qualified to perform the required transportation services, properly licensed, and insured in accordance with the requirements of Section 8 of this Agreement.

2.4 The Contractor shall transport Crops from the Site over routes that are acceptable for that purpose and in accordance with all regulations or directives of the U.S. Department of Transportation, the California Highway Patrol and the California Department of Transportation.

2.5 The Contractor shall report to the District all accidents involving vehicles transporting Crops regardless of whether any Crops spilled from the trailer.

3. PERMITS

3.1 The Contractor shall obtain and maintain in effect all necessary licenses, Permits, and other approvals legally required in order to perform all activities and operations provided for in this Agreement. The Contractor and all processes utilized at the Site shall comply with all applicable local, state, and federal laws, rules, regulations, and pronouncements including but not limited to the following:

3.1.1 The Contractor shall perform all activities and operations in accordance with the requirements, as applicable, of the Regional Water Quality Control Board, the California State Water Resources Control Board, including General Order (*General Waste Discharge Requirements for the Discharge of Biosolids to Land for Use in Agricultural, Silvicultural, Horticultural, and Land Reclamation Activities*), any and all state laws or local ordinances, and any other regulations that may be applicable now or in the future.

4. SITE INSPECTION, MONITORING, AND RECORDKEEPING

4.1 The Contractor shall grant the District and its representatives access to the Site during normal business hours to conduct inspections of the harvesting, loading,

transportation, removal, and sale activities. The District need not give the Contractor advance notice of such inspections.

4.2 The Contractor shall keep complete and accurate daily records of all harvesting, loading, transportation, removal, and sale activities including, without limitation: the date, the origin, and quantity of each load of Crops; site management practices; any sampling and analytical results of laboratory testing on soil or Crops; and any other parameters that the Chief Engineer may from time to time request. The Contractor shall grant the District timely access to all such records. The District will have the right to conduct additional sampling and analytical testing.

4.3 The Contractor shall provide the percent moisture of Crop harvested tissue at the time of green chop or bale weight measurement. If the Crop is baled, the Contractor shall measure using a standard handheld electronic hay bale moisture meter in at least 2 bales during each baling occurrence or every 2 hours while baling, whichever is shorter. If the Crop is green chop or silage harvest, a standard portable moisture tester (e.g. scale and cooker) can be used to measure percent moisture. Alternatively, samples can be collected in an airtight bag and sent to a laboratory that is pre-approved by the District for analysis (or measured by an experienced operator using a standard non-portable moisture tester). Moisture should be measured at a minimum of 5 sample locations within each field, for each day that the material is being removed. Alternative methods for obtaining percent moisture of Crop harvested tissue may be pre-approved by the District.

4.4 The Contractor shall provide the total weight of the harvested Crop removed from each individual field. District approval of the weigh station for transportation vehicles is required. If the Crop is baled, the Contractor shall provide the average vehicle tare weight and either the average bale weight (measured bale weights from 5 to 10 bales randomly throughout the field) and total number of bales removed, or the Contractor shall weigh each truckload. If the Crop is green chopped, the Contractor shall provide the average vehicle tare weight and weigh at least one truckload of harvested materials per 100 acres harvested and record the total number of truckloads of harvested material. The trucks must be the same size or each different size of truck must be weighed and counted separately. Alternative methods for obtaining total weight of the harvested Crop may be pre-approved by the District.

4.5 The Contractor shall collect and analyze Crop tissue samples taken from 3 random bales (or other harvested material) throughout each field. The tissue samples should be placed in a bag with a label identifying the date, field, sample number, and crop. At the District's request, the Contractor shall submit tissue samples to the District for independent analysis.

4.6 The Contractor shall notify the District no later than 12 hours after receiving any notice, whether formal or informal, of a legal, governmental, judicial, administrative, or similar proceeding, action, or enforcement, pending or threatened, that may affect the Contractor's ability to lawfully perform the Services required under this Agreement.

4.7 The Contractor shall perform all monitoring and laboratory analyses required by any federal, state, or local laws, ordinances or regulations including, but not limited to, any monitoring or laboratory analysis of Crops.

5. INCLEMENT WEATHER

5.1 The Contractor shall provide equipment and facilities to ensure its ability to harvest, load, remove, transport, and sell crops produced at the Site during inclement weather.

5.2 The District acknowledges that severe wet weather conditions may result in a reduction or suspension of the Contractor's ability to harvest, load, remove, transport, and sell crops produced at the Site. If the Contractor reasonably determines that a reduction or suspension is necessary, the Contractor shall provide to the District: 1) a 12-hour minimum notice of reduction or cessation of operations; and 2) an estimate of when the Contractor expects operations to resume. The Chief Engineer may also determine that a reduction or cessation is necessary due to inclement weather and may modify the amount of Crops managed by the Contractor.

6. CROP REVENUE SHARING

6.1 The Contractor shall be responsible for the sale of the Crops grown at the Site and shall pay a portion of the revenues to the Districts. Harvesting, loading, transportation, and removal of Crops may be performed by a third-party that purchases the crops. Net revenue from the harvesting, loading, transportation, removal, and sale of Crops shall be shared by the following percentages, 10% for the Contractor and 90% for the Districts, for all fields planted. The Crop value shall be within +/-10% of an established crop value index such as Hoyt Report, USDA, or equivalent. Crop values provided by Western Milling, or another mutually agreed to source, may be used as an alternative to an index. The costs for any fees imposed, levied, or assessed by a government agency or other third party shall be shared Contractor and Districts in accordance with the percentages indicated above. The total weight of crops sold, total revenue, crop value index and supporting documentation shall be submitted to the District in a form substantially similar to the form attached hereto as **Exhibit "D"** and incorporated herein by reference.

6.2 The Contractor shall submit payments for the District's portion of Crop revenue to the District on a monthly basis within 30 days of sale.

7. OWNERSHIP OF CROPS

The District and Contractor will share the ownership of all Crops harvested, removed, and transported from the Site until the time of sale, at a rate of 90% and 10%, respectively. The Contractor may not use the Crops in any other manner other than described in Sections 2 and 4 without written authorization from the Chief Engineer. The Contractor shall comply with all applicable laws, ordinances and regulations in connection with the marketing, use, and sale of the Crops.

8. INSURANCE

The Contractor shall obtain and keep in force during the Duration of this Agreement, at its sole expense, comprehensive general liability insurance with endorsements naming the District as an additional insured, covering all activities and operations undertaken in accordance with this Agreement, including the transportation of Crops in any vehicle, including those leased by the Contractor, whether liability is attributable to the Contractor or the District. The foregoing provision also applies to any activity or operation performed by the Contractor through a contract with others. The policy or policies must insure the District, its directors, officers, employees, and agents, and all of the other County Sanitation Districts of Los Angeles County, their directors, officers, employees, and agents, against all claims arising out of or in connection with the activities and operations described in this Agreement. The coverage must provide the following minimum limits, which may be increased during the Duration of this Agreement as requested by the Chief Engineer and agreed to by the Contractor:

Automobile Liability:

Bodily Injury	\$3,000,000 each person \$3,000,000 each occurrence \$3,000,000 aggregate products and completed operations
Property	\$3,000,000 each occurrence \$3,000,000 aggregate

General Liability:

Bodily Injury	\$3,000,000 each person \$3,000,000 each occurrence \$3,000,000 aggregate products and completed operations
Property	\$3,000,000 each occurrence \$3,000,000 aggregate

All liability insurance policies must bear an endorsement or have an attached rider that provides that, in the event of expiration, proposed cancellation, or reduction in coverage of the policies for any reason whatsoever, the District will be notified by certified mail, return receipt requested, at least ten days before the expiration, cancellation, or reduction in coverage is effective. Coverage must be provided by an insurer that has at least an "A" Policy Holder's Rating and "X" Financial Rating in accordance with the current *Best's Key Rating Guide*.

8.1 The Contractor shall provide the District with evidence of coverage by providing certificates of insurance and endorsements and, at the District's request, copies of all required policies plus all attached endorsements for the District's review.

8.2 The Contractor shall demonstrate to the District that it carries Workers Compensation Insurance in accordance with legal requirements.

9. INDEMNITY

The Contractor shall indemnify, defend, and hold harmless the District, its directors, officers, agents and employees, and each of the other County Sanitation Districts of Los Angeles County, their directors, officers, agents and employees, from and against any and all claims and actions, liabilities, losses, costs, damages, causes of action (whether legal, equitable or administrative), legal costs, attorneys' fees, and other expenses that the District may sustain or incur by reason of the activities or operations performed by the Contractor in connection with this Agreement whether on District-owned land or otherwise. This indemnity will survive the termination of this Agreement.

10. FORCE MAJEURE

Neither the Contractor nor the District will be responsible or liable for failure to meet their respective obligations under this Agreement if such failure is due to causes beyond the Contractor's or the District's control. Such causes include, but are not limited to: strikes, fire, flood, civil disorder, acts of God or of the public enemy, acts of the federal government, or any unit of state or local government in either sovereign or contractual capacity, epidemics, freight embargoes or delays in transportation, and changes in federal, state, or local law that render the District's Crops impermissible or illegal for transportation, reuse, or disposal. The Contractor shall immediately notify the District in writing, in accordance with Section 14 of this Agreement, of the occurrence of any condition believed to constitute a force majeure under this section. If a condition of force majeure exists for 30 days or more, either Party may terminate this Agreement by giving notice in writing in accordance with Section 14 of this Agreement. The notice will become effective 24 hours after receipt.

11. DURATION OF AGREEMENT

This Agreement will become effective on the Agreement Date and continue in effect until May 31, 2024. The Parties may, upon the written agreement of the Contractor and Chief Engineer, extend the term of the Agreement in concurrence with an extension of Purchase Order Number 1769448 or issuance of a new Purchase Order for similar services..

12. NON-PERFORMANCE, SUSPENSION, TERMINATION, AND EARLY TERMINATION

12.1 Non-Performance by Contractor. Should the Contractor fail to mobilize and provide harvesting, removal, and transport services within the time provided in Section 2.1 of this Agreement, the District may arrange for these services to be provided by an entity other than Contractor. In the event that the District makes such arrangements, the Contractor shall reimburse the District for all additional costs beyond the revenue amount provided in Section 6.1 of this Agreement resulting from the District's selection of another entity to provide such services. At the District's option, the Contractor shall pay the amount of such costs no later than 30 days after the Contractor's receipt of an invoice for that amount or the District shall deduct such amount from any amounts otherwise due to the Contractor. The District may invoke this

Section 12.1 and arrange for the performance of services described in this agreement with or without declaring a suspension of the Contractor's operations pursuant to Section 12.2 of this Agreement.

12.2 Suspension. The Chief Engineer may suspend Contractor's operations if he or she determines, in his or her sole and absolute discretion, that the Contractor can no longer timely or legally perform the required services or if unacceptable conditions exist at the Site. During this period, the Chief Engineer may procure the services of another entity to perform the services to be provided by Contractor under this Agreement pursuant to Section 12.1. The Contractor shall reimburse the District for any additional costs the District incurs during the period of suspension pursuant to Section 12.1. The Chief Engineer may lift the suspension and allow operations to resume if the Chief Engineer determines that the Contractor can timely and legally perform required services and any unacceptable conditions have been corrected. The Chief Engineer may, in his or her sole and absolute discretion, require the Contractor to resume its performance of its duties under this Agreement on a trial basis to demonstrate continuous, reliable performance before lifting the suspension.

12.3 Termination. The District may terminate this Agreement by giving 90 calendar days' prior notice in writing. The Contractor may terminate this Agreement during the initial contract duration or may elect not to agree to an extension beyond the initial contract duration by providing a minimum 180 calendar days' written notification to the District. For subsequent contract extensions, the Contractor shall provide no less than 90 calendar days' prior written notice of its intent to terminate.

12.4 Early Termination. if mutually agreed to, the Chief Engineer and the Contractor, by written agreement, may terminate this Agreement at any time.

13. ADDITIONAL PROVISIONS

13.1 Entire Agreement. This Agreement represents the entire agreement and understanding between the District and the Contractor as to those matters stated in this Agreement. No prior oral or written understanding is of any force or effect in regard to any matter covered by this Agreement.

13.2 Assignment. The Contractor may not sell or assign its interest in this Agreement without the prior written approval of the Chief Engineer. The Contractor may subcontract the performance of any of its obligations under this Agreement, if: (a) the Contractor has provided timely notice to the Chief Engineer in writing of the identity, address, and management and business experience of the proposed subcontractor; (b) the Contractor has imposed on each subcontractor all of the provisions of this Agreement that pertain to the work of each subcontractor; and (c) the Contractor agrees that Contractor will not be relieved of its responsibility for discharging all of its obligations under this Agreement.

13.3 Governing Law. The provisions of this Agreement will be interpreted and enforced in accordance with the laws of the State of California.

13.4 Delegation to the Chief Engineer. The District's Chief Engineer is authorized to take all actions on behalf of the District in connection with any approvals, consents, amendments or actions required of or by the District under this Agreement.

14. NOTICE

Any notice, payment, or instrument required or permitted to be given under this Agreement will be deemed received upon a signed receipt of personal delivery or 72 hours after deposit in any United States Post Office, registered or certified, postage prepaid and addressed to the Party for whom intended, as follows:

TO THE DISTRICT:

Robert Ferrante
Chief Engineer and General Manager
County Sanitation Districts of Los Angeles County
Post Office Box 4998
Whittier, CA 90607-4998

TO Old River Farming, LLC :

Attn:

The Parties are signing this Agreement as of the Agreement Date.

Attest:

COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY

By: _____
Secretary

By: _____
Chairperson

Approved as to Form:

Lewis Brisbois Bisgaard & Smith LLP

By: _____
District Counsel

Old River Farming, LLC

By: _____
Its: _____

EXHIBIT A
SITE AND PLANT LOCATION

Exhibit A

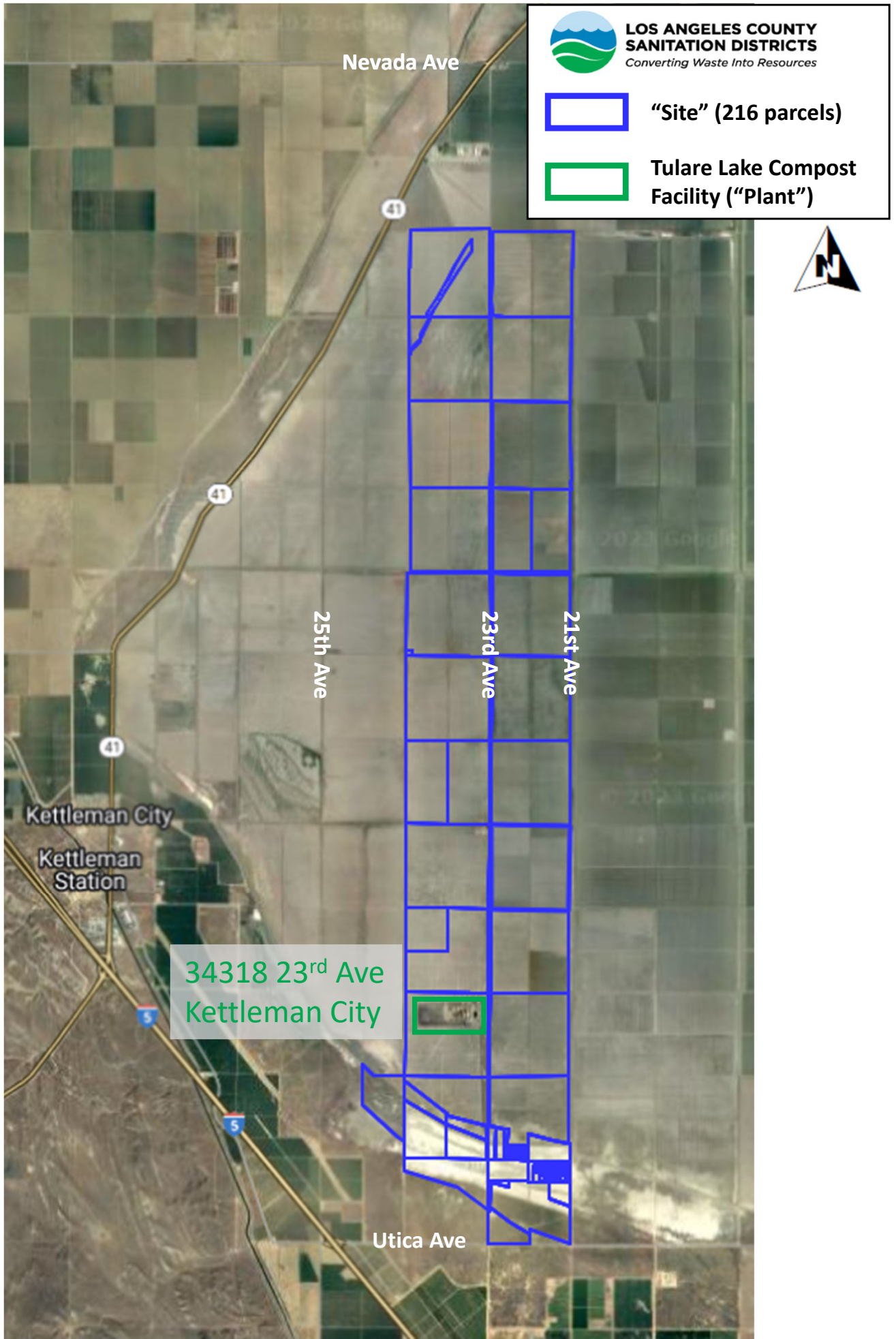


EXHIBIT B

LIST OF SITE ASSESSORS'S PARCEL NUMBERS

Exhibit B

"Site" - list of 216 Assessor's Parcel Numbers ("APN")

"Plant" is located on APN 042-180-019-000

APN	APN	APN	APN	APN
036-110-006-000	042-240-002-000	042-261-001-000	042-273-008-000	042-275-024-000
036-110-008-000	042-241-002-000	042-261-002-000	042-273-009-000	042-275-025-000
036-110-009-000	042-241-003-000	042-261-003-000	042-273-010-000	042-275-028-000
036-110-010-000	042-242-001-000	042-261-004-000	042-273-011-000	042-275-029-000
036-110-011-000	042-243-001-000	042-261-005-000	042-274-001-000	042-275-030-000
036-110-019-000	042-243-002-000	042-261-006-000	042-274-002-000	042-275-031-000
036-220-002-000	042-243-003-000	042-261-007-000	042-274-003-000	042-275-032-000
036-220-003-000	042-243-004-000	042-261-009-000	042-274-004-000	042-275-033-000
036-220-004-000	042-243-005-000	042-261-010-000	042-274-005-000	042-275-034-000
036-220-005-000	042-243-006-000	042-261-011-000	042-274-006-000	042-276-001-000
036-220-009-000	042-243-007-000	042-261-012-000	042-274-007-000	042-276-002-000
042-030-002-000	042-243-010-000	042-261-013-000	042-274-008-000	042-276-003-000
042-030-005-000	042-243-011-000	042-261-014-000	042-274-009-000	042-276-004-000
042-030-013-000	042-243-013-000	042-262-001-000	042-274-010-000	042-276-005-000
042-030-014-000	042-243-014-000	042-262-002-000	042-274-011-000	042-276-006-000
042-030-015-000	042-243-015-000	042-262-003-000	042-274-012-000	042-276-007-000
042-030-016-000	042-243-016-000	042-262-004-000	042-274-013-000	042-276-008-000
042-030-017-000	042-243-017-000	042-262-005-000	042-274-014-000	042-276-009-000
042-090-002-000	042-243-018-000	042-262-006-000	042-274-015-000	042-276-010-000
042-090-005-000	042-250-001-000	042-262-007-000	042-274-016-000	042-276-013-000
042-090-013-000	042-251-001-000	042-262-008-000	042-274-017-000	042-276-014-000
042-090-015-000	042-252-001-000	042-262-009-000	042-274-018-000	042-276-015-000
042-090-016-000	042-253-001-000	042-262-010-000	042-274-019-000	042-276-016-000
042-180-002-000	042-253-002-000	042-263-001-000	042-274-020-000	042-276-017-000
042-180-017-000	042-253-003-000	042-263-002-000	042-274-021-000	042-276-018-000
042-180-018-000	042-254-001-000	042-263-003-000	042-274-022-000	042-276-019-000
042-180-019-000	042-254-002-000	042-263-004-000	042-275-001-000	042-276-020-000
042-180-020-000	042-254-003-000	042-264-001-000	042-275-004-000	042-276-021-000
042-230-008-000	042-254-004-000	042-265-001-000	042-275-006-000	042-276-022-000
042-230-011-000	042-254-005-000	042-271-001-000	042-275-007-000	042-276-023-000
042-230-013-000	042-254-006-000	042-272-001-000	042-275-008-000	042-276-024-000
042-230-014-000	042-254-007-000	042-272-002-000	042-275-009-000	042-276-025-000
042-230-016-000	042-254-008-000	042-272-003-000	042-275-010-000	042-276-026-000
042-230-019-000	042-254-009-000	042-272-004-000	042-275-011-000	042-276-027-000
042-230-044-000	042-254-010-000	042-272-005-000	042-275-012-000	042-276-028-000
042-230-045-000	042-254-011-000	042-272-006-000	042-275-013-000	042-276-029-000
042-230-046-000	042-254-012-000	042-272-007-000	042-275-014-000	042-276-030-000
042-230-047-000	042-254-013-000	042-273-001-000	042-275-015-000	042-276-031-000
042-230-050-000	042-254-014-000	042-273-002-000	042-275-016-000	042-276-032-000
042-230-053-000	042-255-001-000	042-273-003-000	042-275-017-000	042-276-033-000
042-230-054-000	042-255-002-000	042-273-004-000	042-275-018-000	
042-230-055-000	042-255-003-000	042-273-005-000	042-275-019-000	
042-230-056-000	042-255-004-000	042-273-006-000	042-275-020-000	
042-240-001-000	042-260-001-000	042-273-007-000	042-275-023-000	

EXHIBIT C
DESCRIPTION OF SERVICES

EXHIBIT D

Sample Crop Revenue Sharing Form

1. Date(s) of Harvest _____

2. Harvesting method (Select One)

___ Green Chop ___ Bale ___ Other: Description _____

3. Percent Moisture Measurement

Moisture Measurement _____ % Date of Measurement _____

4. Crop Weight

Field No.	Crop Type	Weight (tons)

Attach additional pages to this form, if necessary

5. Sales Information

Date of sale _____ Buyer Name, Address, Phone _____

Total weight of crop sold _____

Crop sales price _____

Fees _____

Total sales price _____

Attach receipt and supporting documentation to this form

6. Crop Value Index

Index name _____

Crop Value Index _____

Attach proof of documentation to this form