

**AGREEMENT FOR DELIVERY AND ACCEPTANCE OF FOOD WASTE SLURRY
AT JOINT WATER POLLUTION CONTROL PLANT**

This Agreement for Delivery and Acceptance of Food Waste Slurry (“Slurry”) at the Joint Water Pollution Control Plant (“Agreement”), is entered into this 14th day of April, 2021 (“Effective Date”) by and between Waste Resources Recovery (“COMPANY”) and County Sanitation District No. 2 of Los Angeles County, a county sanitation district organized and existing pursuant to the provisions of the County Sanitation District Act, Health and Safety Code section 4700 *et seq.* (“District”). COMPANY and the District are collectively referred to in this Agreement as the “Parties” and may be referred to individually as a “Party.”

COMPANY is involved in food waste recycling including pre-processing food waste into Slurry that is suitable for recycling at a waste water treatment plant.

The District owns and operates the Joint Water Pollution Control Plant (“JWPCP”), located at 24501 South Figueroa Street, Carson, CA 90745, and currently has capacity at the plant that would allow the District to accept Slurry.

COMPANY intends to engage certain hauling services (“Haulers”), either contracted by or directly owned by COMPANY, to haul the Slurry from COMPANY’s food waste pre-processing facility and to deliver, pump and dispose of the Slurry at the JWPCP.

The Parties desire to deliver and receive Slurry for a period of time (“Contract Period”) as defined in Section 1 of this Agreement. During the Contract Period, COMPANY would deliver, and the District would accept quantities of Slurry at the JWPCP in accordance with the terms and conditions set forth in this Agreement. The District’s purpose for accepting Slurry is to provide a means to recycle and divert organic waste by accepting the material for processing at the JWPCP.

The Parties therefore agree as follows:

1. **CONTRACT PERIOD.** COMPANY Slurry deliveries shall commence on a date (“Commencement Date”) no later than three (3) months after the Effective Date and shall continue through December 31, 2021 (“Contract Period”) unless terminated by the Parties in accordance with Section 15 of this Agreement. Any Slurry deliveries by COMPANY to the JWPCP after December 31, 2021 would be subject to terms and conditions of a separate future agreement between COMPANY and the District.

2. **FOOD WASTE MINIMUM STANDARDS.** All Slurry delivered to the JWPCP shall be in compliance with the District’s Minimum Standards for Food Waste (“Minimum Standards”), attached hereto as Exhibit “A”. The District may update the Minimum Standards from time to time during the Contract Period, as determined by the District, provided that in such event, COMPANY may elect to terminate this Agreement if the new Minimum Standards increase COMPANY’s costs. The District reserves the right to cease acceptance of Slurry deliveries if the Slurry is not in conformance with the Minimum Standards or if the Slurry is found by the District, in its reasonable discretion, to have a material adverse effect on the JWPCP’s treatment processes in any way. However, in the case of the Slurry meeting the Minimum Standards, and it has a material impact on JWPCP operations, the District will use reasonable business efforts to accept as much Slurry as it can without causing material adverse effects on plant operations.

3. **AVOIDANCE OF INHIBITORY MATERIALS.** The JWPCP can only accept Slurry that is composed solely of organic food waste and does not contain any hazardous contaminants, excessive inert

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materials, or other harmful materials. COMPANY's Slurry shall meet the Minimum Standards. COMPANY will not knowingly cause or permit Slurry to be delivered to the JWPCP that does not meet the Minimum Standards. COMPANY agrees to work with its customers and Haulers, as set forth in Exhibit "A", so that customers do not provide, and Haulers do not deliver, waste that contains hazardous contaminants, excessive inert materials, or other harmful materials.

4. **SLURRY TESTING.** COMPANY Slurry delivered to the JWPCP shall be tested by the District for pH, electrical conductivity, total solids ("TS"), volatile solids ("VS") and chemical oxygen demand ("COD") in accordance with the frequencies and procedures provided in the Minimum Standards. Deliveries that do not meet pH and electrical conductivity requirements will be rejected.

The District may also test the Slurry from time to time, at its sole expense, to confirm that the Slurry meets all requirements of the Minimum Standards. If the Slurry is found by the District, in its reasonable discretion, to have a material adverse effect on the District's ability to operate the plant treatment processes, or if it does not meet the Minimum Standards, the District shall immediately notify COMPANY to stop all Slurry deliveries until there is reasonable evidence that the condition of the Slurry has been corrected to acceptable conditions as determined by the District. The above testing is subject to change upon written modification of the Minimum Standards by the District as it deems necessary from time to time.

5. **SLURRY QUANTITIES.** COMPANY shall deliver Slurry in quantities mutually agreed to by COMPANY and the District's Chief Engineer and General Manager in writing and the District shall accept the Slurry at the JWPCP. COMPANY shall provide the District a weekly forecast of the estimated Slurry quantities that it anticipates that it will deliver by Thursday at 12:00 PM of the prior week.

6. **DELIVERIES.** COMPANY, utilizing its Haulers, shall deliver Slurry by tanker trucks. COMPANY will only use equipment and Haulers permitted by the District to deliver Slurry to the JWPCP, as pre-approved by the District. COMPANY shall ensure that they and its Haulers comply in all material respects with all written safety rules and regulations of the JWPCP, pertaining to operation of vehicles and conduct of persons on the JWPCP premises as provided to COMPANY prior to the Commencement Date. The tanker trucks must be reasonably clean, odor free, and free from hazardous contamination. The tanker trucks must be equipped with pneumatic compressors or pumps to offload slurry and all necessary offloading equipment including hoses and appropriate fittings for coupling to the JWPCP unloading facilities. COMPANY must inspect or cause its Haulers to inspect all connecting piping and valves on the tanker trucks before delivery and insure that they are in proper operating condition upon delivery. Tanker trucks must meet International Code Council standards and must arrive at the JWPCP equipped with unloading connections in good working condition, including relief devices to protect against excessive air pressure during unloading and emission of odors. **Slurry discharge pressure shall not exceed 15 psig.** Tanker trucks must be able to unload within 30 minutes while situated on a ten percent (10%) grade. Hauler's truck drivers must provide wheel chocks and verify that the wheel chocks are in place for unloading.

Deliveries shall be made Monday through Saturday, 6:00 AM to 6:00 PM at the JWPCP's two slurry acceptance locations: the Liquid Waste Disposal Station (LWDS) or the Slurry Receiving Facility (SRF). The Districts will not accept Slurry at JWPCP on Sundays and major holidays (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day).

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At the Districts' sole discretion, COMPANY shall deliver Slurry to either the LWDS or the SRF. The LWDS is located on the east side of Figueroa Street and the SRF is located on the west side of Figueroa Street at the JWPCP at the following address:

County Sanitation Districts of Los Angeles County
Joint Water Pollution Control Plant (JWPCP)
24501 South Figueroa Street
Carson, CA 90745

Access to the facility at both locations is restricted. Pre-registration of vehicles, names and license numbers of drivers and any passengers are required.

If there is insufficient capacity at the JWPCP to accept COMPANY deliveries, or if the District cannot accept a delivery for any other reason other than the Slurry not meeting Minimum Standards, the District shall notify COMPANY.

7. SPILL NOTIFICATION, RESPONSE AND CLEANUP. COMPANY and its Haulers shall avoid tracking Slurry at JWPCP or offsite of JWPCP. The Hauler's driver is responsible for cleaning spills that occur during transit to/from JWPCP. The Haulers shall equip their trucks with shovels and buckets necessary for cleaning any spills. For spills that occur on JWPCP premises, the Hauler's driver must immediately notify the JWPCP Supervisor of Treatment Plant Operations at (310) 830-2401 for instructions on how to clean the spill and dispose of the material recovered from the spill. For spills that occur outside of JWPCP premises, the driver shall notify the COMPANY. The Hauler is responsible for cleaning all spills with their own equipment in accordance with all applicable codes, ordinances, regulations and laws. The District is not responsible for cleaning any spills.

For deliveries at the LWDS, the Hauler's driver is required to hose the offloading area and tanker truck connection after offloading to avoid tracking material on JWPCP premises and offsite. The Hauler's driver is responsible for cleaning spills associated with offloading the tanker truck and shall shovel spilled material into a bucket or acceptable container to avoid plugging the drain at the LWDS. The Hauler's driver shall then use a District-provided hose to wash the affected area. Cleanup of larger spills will be directed by the District's attendant.

For deliveries at the SRF, the Hauler's driver is responsible for cleaning spills associated with offloading the tanker truck and shall shovel the material into a bucket or acceptable container for disposal as directed by the District's attendant. The Hauler's driver shall then use a District-provided hose to wash the affected area. Cleanup of larger spills will be directed by the District's attendant.

COMPANY and its Haulers must comply with the above requirements. Failure to clean spills that occur during transit and deliveries may result in suspension or termination of the contract.

8. DELIVERY DOCUMENTATION. Each Slurry tanker truck load delivered to JWPCP shall be accompanied by a Food Waste Slurry Manifest form ("Manifest") to document the delivery. Blank Manifests shall be provided by the District to the approved Company in bound booklets. COMPANY shall be responsible for distributing the booklets to its registered Haulers. Standard operating procedures and onsite training shall be provided to the Hauler prior to delivering the first load.

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If the tanker and Slurry load has been weighed by the Hauler prior to arriving at the JWPCP and the weight of the load is entered on the Manifest, the Hauler’s driver shall provide a weight ticket showing the gross weight (tanker & Slurry), tare weight (empty tanker), and net weight (Slurry) to verify the amount of Slurry in the tanker. The weight ticket shall be provided to the District together with the Manifest. If no weight ticket is provided then the recorded amount of Slurry for the load will default to the full capacity of the tanker using the formula below and COMPANY will be billed for the load based on the full capacity of the tank as registered with the Districts.

$$\text{Tons of Slurry} = \text{Full Tank Capacity (gal)} \times 8.31 \left(\frac{\text{lbs}}{\text{gallon}} \right) \times 1.02 \div 2000 \left(\frac{\text{lbs}}{\text{ton}} \right)$$

1.02 = Specific gravity of Slurry or as determined by District’s Analysis

An alternative method to verify the quantity of Slurry of the load delivered may be proposed by COMPANY and can be used in lieu of a weight ticket upon approval by the District.

9. **TITLE.** Title to the Slurry shall pass from COMPANY (or its Haulers) to the District when pumped and accepted into the JWPCP (“Acceptance”).

10. **PROCESSING RATE.** The District agrees to receive and COMPANY agrees to pay a fee for all Slurry that meets the Minimum Standards and is offloaded at the JWPCP as follows:

The processing rate (or fee) for COMPANY’s Slurry delivered to the JWPCP shall be as shown in Table 1.

Quantity	Calendar Year 2021 \$/ton-Slurry Delivered
Any amount	\$27

If necessary, the tons of Slurry delivered may be converted to gallons based on the following formula:

$$\text{Gallons of slurry} = \text{Tons of Slurry} \times 2000 \left(\frac{\text{lbs}}{\text{tons}} \right) \div 8.31 \left(\frac{\text{lbs}}{\text{gallon}} \right) \div 1.02$$

11. **PAYMENT.** The District shall send an invoice to COMPANY on a monthly basis with the total amount due and payable to the District based on the total amount of monthly Slurry delivered, accepted and off-loaded. The District shall provide delivery information with each invoice, including the date and amount of each delivery. Payment terms are net 30 days.

12. **FORCE MAJEURE.** The performance of this Agreement may be discontinued or temporarily suspended in the event of force majeure, provided notice thereof is given to the other Party as soon as practicable but no later than 5 business days after the start of the event causing the delay. For purposes of this Agreement, “force majeure” means actual or threatened acts, omissions, conditions, events, or circumstances that are beyond the reasonable control of a Party, including strikes, lockouts, or other labor disturbances. All such conditions preventing performance shall be remedied as soon as possible, except that the settlement of strikes shall be at the discretion of the Party so affected. A Party shall not be deemed to be in breach and will not be liable for failure to perform under this Agreement if the Party’s performance is prevented or delayed by force majeure, provided that COMPANY reserves the

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right to terminate this Agreement should such delays, in COMPANY's sole judgment adversely affect COMPANY, time being of the essence to this Agreement.

13. **INDEMNITY.** Each Party shall indemnify, save harmless, and defend the other Party, its successors and assigns, officers, directors, agents and employees ("the Indemnified Parties"), from and against any and all third party liabilities, claims, actions, demands, losses, damages, penalties, forfeitures, suits, and the costs and expenses incident thereto (including costs of defense, settlement, and reasonable attorneys' fees) (collectively, "Claims"), which the Indemnified Parties may incur, become responsible for, or pay out as a result of the other Party's (the "Indemnifying Party") negligent acts or omissions arising out of or relating to this Agreement, breach of this Agreement, violation of any law, or infringement of any intellectual property, trademark or patent by the Indemnifying Party arising out of or relating to this Agreement. However, the Indemnifying Party's obligations in this Section shall not apply to Claims to the extent caused by an Indemnified Party's negligence, willful misconduct, breach of this Agreement, or violation of any law.

14. **INSURANCE.** COMPANY shall obtain and keep in force a policy of Commercial General Liability insurance for personal and bodily injury, and death, and property damage based upon or arising out of the delivery of the Slurry. The policy will include the District as an additional insured to the extent of the liabilities assumed by COMPANY under this Agreement. This insurance must provide policy limits of three million dollars (\$3,000,000) per occurrence and in the aggregate. COMPANY shall furnish the District a certificate of insurance prior to commencing deliveries of Slurry. COMPANY shall maintain the specified insurance limits throughout the term of this Agreement. COMPANY shall also provide and maintain automobile liability coverage in an amount of three million dollars (\$3,000,000) per occurrence and worker's compensation coverage for all employees of COMPANY while present at the JWPCP and shall provide certificates of insurance indicating that coverage.

15. **RIGHT TO TERMINATE.** In the event of any material failure or refusal of a Party to comply with any obligation or duty imposed under this Agreement, the Parties shall meet and confer in good faith in an effort to agree on a resolution and cure of the breach. If the Parties are unable to agree on the informal resolution or cure of the breach within ten (10) business days, the Party not in breach will have the right to terminate this Agreement if:

- a. Following the ten (10) day meeting period above, the non-breaching Party gives written notice to breaching Party specifying that a particular breach or breaches exist that will, unless corrected, constitute a material breach of this Agreement on the part of that Party; and
- b. The Party in breach fails to correct the breach or fails to take reasonable steps to correct the breach within thirty (30) days from the date of the notice given by the non-breaching Party.

Either Party shall have the right to terminate this Agreement for any reason, without cause, by providing the other Party with a ninety (90) day written notice.

Neither party will be liable to the other for consequential, incidental or punitive damages arising out of the performance of this Agreement.

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16. **CONFLICT OF INTEREST.** The District warrants that it has not given nor received any commissions, payments, gifts, kickbacks, lavish or extensive entertainment or other things of value in connection with this Agreement and acknowledges that the giving or receiving of any such payments, gifts, entertainment, or other things of value is strictly in violation of COMPANY's corporate policy and may result in the cancellation of this and all future contracts. The District shall notify COMPANY's security department of any such solicitation by any of COMPANY's employees or agents.

17. **GOVERNING LAW AND DISPUTES.** The laws of the State of California shall govern the validity, performance and enforcement of this Agreement. Should either Party institute a legal suit or action for the interpretation of this Agreement or the enforcement of any obligation contained herein, the venue of such action shall be in Los Angeles County, California. The prevailing Party in any such legal action shall be entitled to recover all reasonable attorney fees and litigation expenses in addition to any other relief granted. The Parties further agree that before any such litigation is filed, a good faith effort shall be made to resolve any such disputes by authorized officers or representatives of the Parties on a without prejudice basis.

18. **LOGOS.** Each Party represents and warrants that it will not use logos or images of the other Party or the other Party's affiliated, related, or parent entities without the written consent of the other Party.

19. **AMENDMENT.** This Agreement may be amended from time to time only by an instrument in writing signed by the Parties to this Agreement.

20. **WAIVER.** A failure of either Party to insist upon or enforce any term or provision or to exercise any right, option, or remedy of this Agreement, or to require at any time, performance of any provision hereof shall not be construed as a waiver of any such term or provision.

21. **NOTICES.** All notices hereunder shall be deemed given if delivered in writing personally or sent by certified mail, electronic transmission, or telephone facsimile to COMPANY or to the District at the address set forth in this Agreement. Any notice given by certified mail shall be deemed given at the time such notice is deposited in the U.S. mail. For purposes of this section, the addresses are as follows:

If to the District: Robert C. Ferrante
 Chief Engineer and General Manager
 County Sanitation Districts of Los Angeles County
 1955 Workman Mill Road
 Whittier, CA 90601
 Attn: Mark McDannel

If to COMPANY: Andre Arakian
 Facility Manager
 Waste Resources Recovery
 P.O. Box 3697
 Gardena, CA 90247

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22. **ENTIRE AGREEMENT.** This Agreement constitutes the entire understanding between the Parties, and cancels and supersedes all prior negotiations, understandings and agreements, oral or written.

23. **COUNTERPARTS.** This Agreement may be executed in counterparts and/or by the exchange of original, facsimile and/or Portable Document Format (.PDF) signature pages, each of which shall be considered an original, but all of which taken together shall constitute one and the same agreement.

24. **ASSIGNMENT.** Except as to an affiliate, neither Party shall assign this Agreement without the prior written consent of the other Party.

25. **AUTHORITY OF CHIEF ENGINEER AND GENERAL MANAGER.** The District's Chief Engineer and General Manager, or his or her designee, is authorized to take any action that is appropriate to carry out the purposes of this Agreement on behalf of the District.

26. **RELATIONSHIP OF THE PARTIES.** Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the Parties. Neither Party, by virtue of this Agreement, will have any right, power or authority to act or create an obligation, express or implied, on behalf of the other Party.

27. **SURVIVAL.** The obligations set forth in Paragraphs 12 through 26 shall survive termination of this Agreement.

Signature page follows.

IN WITNESS WHEREOF, the parties have hereto executed this Agreement on the day and year set forth above.

Waste Resources Recovery

By Michelle Nicholls

Name Michelle M. Nicholls

Title VP Enviro Affairs and Development

COUNTY SANITATION DISTRICT NO. 2 OF
LOS ANGELES COUNTY

By _____
Chairperson, Board of Directors

ATTEST:

By _____
Secretary to the Board

APPROVED AS TO FORM:
LEWIS, BRISBOIS, BISGAARD & SMITH LLP

By _____
District Counsel

EXHIBIT A
MINIMUM STANDARDS FOR FOOD WASTE SLURRY
FOR DELIVERY TO JOINT WATER POLLUTION CONTROL PLANT

1. SCOPE

This document sets forth Minimum Standards for Food Waste Slurry (Minimum Standards) that are intended to control the quality of the processed food waste slurry that will be delivered by COMPANY to the Joint Water Pollution Control Plant (JWPCP). COMPANY will be required to meet the following conditions and requirements.

2. GENERAL REQUIREMENTS

Source supplies used for the production of food waste slurry must be processed into materials that are amenable for primary and secondary treatment, digestion and dewatering of digested solids at the JWPCP.

- a. COMPANY will obtain food waste via customer agreements that prohibit disposal of hazardous materials, and cleaning solvents. COMPANY will remove remaining non-food waste contaminants at its Slurry processing facilities to generate Slurry that meets the Minimum Standards.
- b. The constituents of the food waste processing shall be reduced in particle size so that the material can be screened through fifteen (15) mm diameter or smaller openings.
- c. The District reserves the right to inspect and sample any food waste slurry load to confirm that no unreasonable quantity of contaminants, such as those noted in Section 2b of these Minimum Standards, is present.

COMPANY shall operate its facilities that are the source of Slurry in conformance with the California Code of Regulations Title 14, Division 7, Chapter 5.0, Article 3.2, Section 18221.6 and any other federal, state, or local codes, regulations or permits that pertain to the operation of the facility. The District will have the right to enter, observe and tour the food waste processing facility on reasonable notice.

3. FOOD WASTE SLURRY QUALITY STANDARDS

COMPANY will use reasonable business efforts to produce Slurry that conforms with the conditions listed in Section 2, and the desired ranges listed below. For Slurry analyses results that are outside these ranges and determined by the District to be detrimental to digester performance, the District reserves the right to cease Slurry deliveries in accordance with terms and conditions as set forth in the Agreement.

1. pH:	2.8 – 7.0
2. Total Solids:	less than 16.0% g/g
3. Volatile Solids (% of Total Solids):	Greater than 85%
4. Electrical Conductivity:	Less than 15 millimho/cm
5. Volatile Acids (Acetic Acid Equivalents):	Less than 15,000 mg-Ac/L
6. Total COD:	Greater than 150,000 mg/L
7. Total BOD:	Greater than 80,000 mg/L
8. Specific Gravity@25°C:	0.95 – 1.10
9. Kinematic Viscosity@25°C:	Less than 200 cSt
10. Ammonia as Nitrogen (NH ₃ -N):	Less than 600 mg/L
11. Total Kjeldahl Nitrogen (TKN):	Less than 7,500 mg/L
12. Arsenic:	Less than 1 mg/L
13. Calcium:	Less than 3,000 mg/L
14. Chromium:	Less than 2 mg/L
15. Magnesium:	Less than 500 mg/L

16. Mercury:	Less than 1 mg/L
17. Nickel	Less than 5 mg/L
18. Potassium:	Less than 3,000 mg/L
19. Sodium:	Less than 3,000 mg/L
20. Biochemical Methane Potential (BMP)	> 0.25 L-CH ₄ /g-COD
21. Cadmium	< 12 mg/L
22. Copper	< 15 mg/L
23. Lead	< 40 mg/L
24. Molybdenum	< 1 mg/L
25. Selenium	< 5 mg/L
26. Zinc	< 25 mg/L
27. Film Plastic > 4 mm (Method TMECC 0306)	Less than 0.40 %g/g by dry weight ¹
28. Glass > 4 mm (Method TMECC 0306)	Less than 0.50 %g/g by dry weight ¹
29. Total Inerts > 4 mm (Film and hard plastics, glass, metals & rocks) (Method TMECC 0306)	Less than 1.2 %g/g by dry weight ¹

¹ Acceptable ranges for Items 27, 28 and 29 are based on average results of three (3) randomly selected loads.

4. SAMPLING AND ANALYSIS REQUIREMENTS

The sampling of Slurry used to meet the requirements of these Minimum Standards shall be done in accordance with the following:

- a. Prior to the District accepting delivery of the first load of Slurry, COMPANY shall provide the District with two (2) 1-liter Slurry samples that are comprised of material that is representative of COMPANY's feedstock source. The sample will be tested at the District's laboratory for compliance with these Minimum Standards. The Parties acknowledge that they have determined to enter into this Agreement based upon favorable laboratory results of such sample tests.
- b. For each load of Slurry delivered to the JWPCP, COMPANY shall take a sample from the hauler's tanker prior to leaving its Slurry processing facility. The driver shall give the sample and a completed Food Waste Slurry Manifest slip (Manifest) to the District's attendant who will test the sample for pH and electrical conductivity, record the data and label the sample bottle with the sample date and a delivery manifest number.
- c. The District's attendant will store the sample in a refrigerator for further analysis. The District shall analyze two random Slurry loads per week for TS, VS and COD and test the Slurry from time to time, at the District's expense, to confirm that the Slurry meets all of the Minimum Standards requirements.
- d. COMPANY must notify the District in advance of any material change in composition or source of the feedstock for the Slurry and obtain written approval from the District's Chief Engineer and General Manager before delivering Slurry with different characteristics to the JWPCP.