

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

This First Amendment (“**First Amendment**”) to that certain Agreement for Delivery and Acceptance of Food Waste Slurry at Joint Water Pollution Control Plant by and between County Sanitation District No. 2 of Los Angeles County (“**District**”) and SMC Grease Specialist, Inc. (“**SMC**”), dated as of October 27, 2021, (“**Agreement**”) is made and executed, by and between District and SMC, to be effective as of the ____ day of _____, 2022 (“**First Amendment Effective Date**”). Capitalized terms used, but not defined herein shall have the meaning ascribed to such term in the Agreement.

RECITALS

WHEREAS, the Parties entered into the Agreement; and

WHEREAS, the Parties wish to amend the Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations of the Parties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AMENDMENT

1. Amendment to Section 5 – Slurry Quantities. Section 5 of the Agreement, Slurry Quantities, is hereby amended by deleting Section 5 in its entirety and replacing it with the following:

COMPANY shall deliver a minimum quantity of 90 tons per day of Slurry, six days per week, averaged each month. COMPANY may include all slurry quantities from COMPANY delivered to JWPCP to meet the quantity requirement. This quantity is mutually agreed to by COMPANY and the District’s Chief Engineer and General Manager 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.

If COMPANY does not meet the minimum 90 tons per day quantity requirement at the end of each month, COMPANY will be provided the following month to deliver the deficient quantity. Deficient quantities which are not corrected within one month will be charged at the then current processing rate, not to exceed \$29/ton. Any deficient quantities in December 2026 cannot be corrected after contract termination and will be charged at the then current processing rate, not to exceed \$29/ton.

2. Amendment to Section 10 – Processing Rate. Section 10 of the Agreement, Processing Rate, is hereby amended by deleting Section 10 in its entirety and replacing it with the following:

The District agrees to receive and COMPANY agrees to pay a fee for all Slurry that meets the Minimum Standards, minimum quantity requirement, 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	\$/ton-Slurry Delivered
Minimum 90 tons per day, six days a week (monthly average)	\$19.50

Beginning on January 1, 2023 and each January 1 thereafter, the District shall adjust the processing rate in Table 1 by the amount of any percent increase in the October to October Consumer Price Index for All Urban Consumers of Los Angeles-Riverside-Orange County.

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

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

The monthly average COD of the Slurry delivered to the JWPCP must be >250,000 mg/L. If this requirement is not met, the processing rate for the month will be multiplied by the following factor:

$$\frac{250,000 \text{ (mg/L)}}{\text{monthly average COD (mg/L)}}$$

The calculated processing rate will not exceed \$29/ton.

3. Amendment to Exhibit A Section 3 –Food Waste Slurry Quality Standards. Exhibit A Section 3, Item 6 of the Agreement, Food Waste Slurry Quality Standards, is hereby amended by deleting “300,000 mg/L” and replacing it with “250,000 mg/L” in the Food Waste Slurry Quality Standards.

Total COD: Greater than 250,000 mg/L

4. Terms and Conditions of the Agreement. Other than as expressly set forth in this First Amendment, all of the terms and conditions of the Agreement shall remain in full force and effect and shall apply to this First Amendment; provided that to the extent there is a conflict between the terms of this First Amendment and the terms of the Agreement, the terms of this First Amendment shall control to the extent of such conflict.

5. Governing Law. This First Amendment shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of California.

6. Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one and the same agreement. Signatures to this First Amendment transmitted by facsimile, email, portable document format (or .pdf) or by any other electronic means intended to preserve the original graphic and pictorial appearance of this First Amendment shall have the same effect as the physical delivery of the paper document bearing original signature.

7. No Other Amendment. Except as expressly amended hereby, the terms and provisions of the Agreement remain in full force and effect and are ratified and confirmed by the Parties in all respects as of the First Amendment Effective Date.

[Signature Page to Follow.]

IN WITNESS WHEREOF, the Parties have caused this First Amendment to be signed as of the First Amendment effective date.

By SMC Grease Specialist, Inc.

Name Sal Coco
sa1 coco
Title CEO

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