

LEASE AGREEMENT
(Downey Area Recycling and Transfer Facility)

This Lease Agreement (“**Lease**”) is dated _____, 2022 (the “**Effective Date**”) and is between **COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY**, a county sanitation district organized and existing under the County Sanitation District Act, California Health and Safety Code Section 4700 *et seq.*, (the “**District**”) and **ARAKELIAN ENTERPRISES, INC.**, a California corporation, d/b/a Athens Services (“**Tenant**”). The District and Tenant are each a “**Party**” and together are the “**Parties**”.

A. Premises. The District owns approximately 6.7 acres of real property commonly known as the Downey Area Recycling and Transfer Facility (“**DART**”) located at 9770 Washburn Road, City of Downey, California 90241, identified as Los Angeles County Assessor’s Parcel Numbers 6284-029-906, -907, -908, -909, -910 and -911 (the “**Premises**”), as shown on Exhibits A and B. The Premises includes, without limitation, the following improvements and fixtures:

1. A building approximately 82,200 square feet in size designed and used to recover and aggregate recyclable materials from solid waste (the “**Materials Recovery Facility**” or “**MRF**”). The MRF includes:
 - a. Tipping floor and sorting line areas with a ceiling height of approximately 30 feet;
 - b. The sorting line area includes sorting lines A, B and C, and a baler (“**Baler**”);
 - c. Two loadout ports;
 - d. A second-floor control room;
 - e. Bins and containers for collecting and storing recyclables;
 - f. A two-story structure of offices and meeting rooms; and
 - g. Employee restrooms and lunch area.
2. Exterior improvements which support the MRF include:
 - a. Two inbound weigh scales with scalehouse, and one outbound weigh scale with scalehouse;
 - b. Paved access roads and parking areas;
 - c. Ramps down to and up from a below-grade load out port;
 - d. Hazardous waste storage area;
 - e. Loading docks;
 - f. Maintenance facility;
 - g. Fueling station; and
 - h. Stormwater management improvements.

B. Premises History. DART was constructed pursuant to Conditional Use Permit 95-02 approved and issued by the City of Downey on January 17, 1995 (“**CUP 95-02**”). An additional Condition Use Permit 98-54 was approved and issued by the City of Downey on June 22, 1999 (“**CUP 98-54**”). Operations began at DART in or around 1998. The District purchased DART from CalSan, Inc. in 2001. CUP 95-02 and CUP 98-54 are collectively referred to as the “**CUP**.”

C. Current Operations. The District’s operations at DART include the acceptance and processing of municipal solid waste from commercial and residential haulers with the goal of diverting recyclable materials from landfills. Pursuant to CUP 98-54, DART has a permitted capacity of 5,000 tons per day. The receipt of liquid or hazardous waste is not permitted.

D. Request for Proposal. On December 27, 2021, the District released a Request for Proposal soliciting proposals due on or before February 17, 2022, from waste haulers to lease the Premises. Three waste haulers submitted proposals to the District by the February 17, 2022, deadline. The District reviewed the proposals, ranked Tenant's proposal the highest, and entered into negotiations with Tenant for this Lease.

E. Premises and Use. Tenant desires to have a leasehold interest in the Premises in order to conduct municipal solid waste handling, processing and transfer operations and related administration in accordance with the terms, provisions and requirements set forth in the Entitlements (as defined below) and the provisions of this Lease (the "**Business Objective**"). The District will allow Tenant to conduct its Business Objective at the Premises pursuant to the Entitlements and under the District's existing operating and environmental permits for a limited duration while Tenant applies for and obtains the necessary operating and environmental permits in its own name to conduct its Business Objective, all as more specifically referred to in this Lease.

F. District Use. The District does not have an immediate need for the use of the Premises and desires to fully utilize and obtain revenue from the Premises as set forth in this Lease, pending its future use for the District's solid waste management operations. The District does not have any business, financial or other need for any Alterations (as defined below) that may be constructed by Tenant at the Premises or for any Trade Fixtures (as defined below) that may be installed by Tenant at the Premises. The construction of any Alterations and the installation of any Trade Fixtures by Tenant is solely for the benefit of Tenant in order to further its Business Objective. Upon expiration or termination of this Lease, the District reserves the right to require Tenant to remove any such Alterations and/or Trade Fixtures as required below.

G. Surplus Land Act Compliance. In accordance with the terms, provisions and requirements of the California Surplus Land Act (California Government Code Sections 54220-54233) (the "**Act**"), the Board of Directors of the District has reviewed the ownership intent and use of the Premises. Pursuant to a Resolution, adopted by the Board of Directors of the District on April 13, 2022, the Premises is declared as "Exempt Surplus Land" for purposes of the Act because the Premises serves a valid agency use, and leasing of the Premises furthers such agency use.

The Parties therefore agree as follows:

1. Leased Premises.

1.1 Leased Premises. Subject to the terms and conditions of this Lease, the District hereby leases to Tenant, and Tenant leases from the District, the Premises.

1.2 Leasehold Limitations. This Lease and the rights and privileges granted Tenant in and to the Premises are subject to all covenants, conditions, restrictions, easements, and exceptions of record as of the Effective Date including, without limitation, those exceptions set forth in the Preliminary Report prepared by Commonwealth Land Title Company, Order No. 09196024, dated February 23, 2022 or that are apparent from an inspection of the Premises ("**Existing Conditions**") and all applicable Laws (as defined below).

1.3 Early Access. Tenant desires to have access to the Premises prior to the Commencement Date (as defined below) in order to conduct certain activities that will facilitate its occupancy. Provided that the District shall have received a copy of the Entry Permit in the form attached hereto as Exhibit C and made a part hereof (the "**Entry Permit**") as executed by Tenant, and Tenant shall have delivered all insurance documentation to the District as required under this Lease, the District shall then execute and deliver to Tenant the Entry

Permit, which shall permit Tenant to enter upon the Premises pursuant to the terms and conditions of the Entry Permit. Any such early entry by Tenant upon the Premises prior to the Commencement Date shall not affect the Expiration Date (as defined below).

1.4 Delivery of Possession. The District shall deliver possession of the Premises to Tenant on the Commencement Date.

1.5 As-Is Condition. Tenant acknowledges and agrees that, except as otherwise expressly set forth in this Lease, District has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (a) the Premises (or the District's interest therein), (b) the value, nature, quality or condition of the Premises, including, without limitation, the improvements thereon, soil, topography, and geology thereof, (c) the income of the Premises, (d) the suitability of the Premises for any and all activities and uses which Tenant intends to conduct thereon, (e) the compliance of the Premises (or any aspect thereof) with any Entitlements, Existing Conditions, the permits identified in Exhibit D (collectively the "**Existing Permits**") or any law (including, without limitation, zoning laws or Environmental Laws (as defined below), rule, or regulation, order of law, statute, bylaw or ordinance of a governmental agency having jurisdiction governing or regulating the Premises, as they may be amended from time to time (collectively, "**Laws**"), (f) the fitness of the Premises for any use to be made or intended to be made by Tenant including the compliance of the Premises with any Entitlements, Existing Conditions or Laws, including any Environmental Laws, (g) the merchantability, marketability, profitability or fitness for a particular purpose of the Premises, (h) the future rights, entitlements, permits, or develop-ability of the Premises, (i) the zoning of the Premises, including, without limitation, the validity of the CUP, (j) any governmental approvals or agreements concerning the Premises, (k) the Existing Permits, (l) title condition of the Premises, (m) any and all fixtures or equipment located at or on the Premises, including, without limitation, the Baler and the weigh scales, or (n) any other matter with respect to the Premises, and specifically, that the District has not made, does not make, and specifically disclaims any representations regarding compliance with any environmental protection, pollution or land use Laws, including any Environmental Laws. Tenant further acknowledges and agrees that, subject to the covenants, obligations, representations and warranties of the District as set forth herein, it (i) has had the opportunity to fully inspect the Premises and review all Entitlements and Existing Permits, (ii) is fully familiar with the Premises and all aspects thereof, and (iii) is relying solely on its own investigation of the Premises. The District is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Premises furnished by any person, including, without limitation, the District's directors, officers, managers, agents, representatives, attorneys, or employees other than as expressly set forth in this Lease. Tenant further acknowledges and agrees that it is leasing the Premises and has the right to use certain aspects of the Premises (as specifically set forth in this Lease) on "as is" and "with all faults" basis subject to all Laws and Existing Conditions except as otherwise expressly set forth in this Lease. Except as otherwise expressly set forth in this Lease, Tenant and anyone claiming by, through or under Tenant hereby fully and irrevocably releases the District, its directors, officers, managers, employees, representatives, attorneys and agents from any and all claims that it or they may now have or hereafter acquire against the District, its directors, officers, managers, employees, representatives, attorneys and agents for any cost, loss, liability, damage, expense, demand, action or cause of action arising from the Premises. This release includes claims of which Tenant is presently unaware of or which Tenant does not presently suspect to exist in its favor which, if known by Tenant, would materially affect Tenant's release of the District. Tenant specifically waives the provisions of California Civil Code Section 1542, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY”.

The foregoing releases survive the expiration or termination of the Lease. The foregoing releases shall not apply to (a) Pre-Existing Environmental Contamination (as defined in Section 14, Environmental), (b) the migration of Hazardous Materials (as defined in Section 14) onto the Premises from outside the Premises, or (c) any Hazardous Materials brought onto the Premises during the term of this Lease by the District or any of the District’s employees, contractors, subcontractors, consultants, agents, representatives, invitees, licensees, tenants (other than Tenant), or permittees (collectively, the “**District Representatives**”). The Lease is subject to no contingencies whatsoever in favor of Tenant.

Initials by Tenant: _____

2. Use.

2.1 Permitted Use. Tenant shall only use the Premises for the Business Objective and shall comply with the Entitlements (as defined below), all Existing Conditions (including any and all easements), all applicable Laws, all Permits (as defined below), and the provisions of this Lease (the “**Permitted Use**”).

2.2 Prohibited Use. Tenant shall not use the Premises for any purpose other than the Permitted Use. Tenant shall not conduct or permit to be conducted any public or private nuisance in, on, or from the Premises. Tenant shall not engage in any activities that involve the discharge or storage of Hazardous Materials except only as expressly provided in this Lease. Tenant shall not conduct any business on the Premises in violation of the terms of this Lease, or any applicable Laws or Existing Conditions.

2.3 Prohibited Items. Tenant shall not transport or permit to be transported to or from the Premises any Controlled Substance (as defined in 21 U.S.C. §802), cannabis (in any form) or any Hazardous Materials, except only for Authorized Hazardous Products (as defined below). In addition, Tenant shall not (i) possess, or permit any person or entity to possess, at the Premises any cannabis, marijuana or cannabinoid product or compound (collectively “**Cannabis**”), or any substance regulated under any state or federal Law (“**Regulated Substances**”), or (ii) use the Premises (or any portion thereof), or permit the Premises (or any portion thereof) to be used, for the growing, cultivation, manufacturing, administration, distribution (including without limitation, any retail sales), possession, use or consumption of any Cannabis or any Regulated Substance.

2.4 Entitlements. Tenant represents and confirms that it has received and reviewed the following documents: the CUP and the Final Environmental Impact Report for DART, State Clearinghouse No. 98111055 (“**FEIR**”) (collectively the “**Entitlements**”). Except as set forth in Section 19, District shall not, without the prior written consent of Tenant (not to be unreasonably withheld), seek or obtain any new entitlements nor amend any of the Entitlements nor intentionally take any action which would jeopardize Tenant’s ability to legally use the Premises for the Business Objective during the Term.

2.5 Permits. From and after the Commencement Date (as defined below) and until Tenant obtains all permits necessary to conduct its Business Objective in its name (the “**Interim Operation Period**”), Tenant shall comply with the terms, provisions and requirements of

all Existing Permits,, including, without limitation, paying all fees in connection therewith. Tenant acknowledges that the Existing Permits may not be inclusive of all permits or governmental approvals necessary for Tenant to conduct its Business Objective or to perform its operations at the Premises.

- 2.5.1 Except as otherwise specified herein, no later than two months following the Commencement Date, Tenant shall submit applications to transfer to Tenant or obtain replacements for any and all Existing Permits.
- 2.5.2 The District makes no representations or warranties concerning the timing of, or approval of the transfer of the Existing Permits to Tenant or if Tenant will be able to secure replacement permits or cause the Existing Permits to be transferred to Tenant. The District shall reasonably cooperate with Tenant in connection with (a) the transfer of the Existing Permits, (b) the replacements of the Existing Permits with new permits, and (c) obtaining any other permits, entitlements, governmental approvals, or similar certifications that Tenant must procure to conduct the Business Objective at the Premises, provided that such cooperation is at no out-of-pocket cost to the District. Any new or additional mitigation that may be required during the Term in connection with the transfer of the Existing Permits or the issuance of new permits shall be the sole and absolute responsibility of Tenant at its sole cost and expense (except to the extent resulting from any prior violation of the Existing Permits by District). The District shall have no obligation to provide funding for any additional mitigation which is the responsibility of Tenant hereunder.
- 2.5.3 In diligently pursuing the transfer of Existing Permits and the replacement of Existing Permits, Tenant shall be obligated, without limitation, to promptly respond to any request from any governmental agency or regulator (it being understood that Tenant shall provide a response to any request from a governmental agency or regulator for information or documentation within the earlier to occur of 2 weeks after such request or the date on which the governmental agency or regulator specifies that such response must be submitted, to the extent commercially reasonable). Tenant shall provide copies of all Tenant's applications for transfer of Existing Permits or the replacement of Existing Permits, to the District as well as reasonable evidence of Tenant's timely response to requests from any governmental agency or regulator. Commencing on the Commencement Date and continuing on the first day of each month thereafter, Tenant shall provide to the District written detailed summaries of the status of the transfer of the Existing Permits and/or the replacement of Existing Permits and all steps taken in connection therewith. In addition, within 5 days after the District's request, Tenant shall provide such non-confidential or privileged information or documentation concerning the transfer of Existing Permits and/or the replacement of Existing Permits as reasonably requested by the District.
- 2.5.4 Interim Operation Period, the District will be responsible for all reporting under the Existing Permits, including to CalRecycle and the Los Angeles County LEA, as necessary. Tenant shall cooperate with the District in a timely and expeditious manner in connection with such reporting, including, without limitation, providing information, documentation, and data regarding its operations and/or any aspect of the Premises, to the District immediately upon request. In the event any of the Existing Permits is the subject of investigation for suspected or actual violations that occur during the Interim Operation Period, Tenant shall immediately inform the District of any such violations and shall bear all costs of investigating and remediating any violations and shall be responsible for payment of all fees, fines,

costs or penalties associated with any violation to the extent occurring during the Interim Operation Period and resulting remediation efforts.

- 2.5.5 If Tenant does not provide copies to the District of all applications it has submitted to regulatory agencies in order to transfer the Existing Permits within two months from the Commencement Date (the “**Two-Month Period**”) then the District may, at the District’s discretion, increase the Base Rent automatically by \$25,000 per month (the “**Application Penalty**”) commencing immediately upon the expiration of the Two Month Period until Tenant provides copies to the District of all applications it has submitted to regulatory agencies in order to transfer the Existing Permits. The Application Penalty shall expire and Base Rent shall be reduced to the original amount commencing on the first day of the month following the date that Tenant provides copies to the District of all applications it has submitted to regulatory agencies in order to transfer the Existing Permits. There shall be no daily proration of the Application Penalty, it being understood that such amount shall be due and payable in full along with the Base Rent on the first day of the month following the expiration of the Two-Month Period, even if Tenant provides such applications to the District at any time after the first of the month following the Two-Month Period. Further, if at any time after submittal of the applications, Tenant fails to provide District evidence that Tenant is using diligent commercially reasonable efforts to transfer the Existing Permits to Tenant, then, the District may elect, at District’s discretion, to increase the monthly Base Rent by \$25,000 per month (the “**Diligent Pursuit of Transfer Penalty**”) (without proration) until all Existing Permits are transferred to Tenant, the Existing Permits are replaced, and the District is no longer named as the permittee under any Existing Permits. In no event will the Diligent Pursuit of Transfer Penalty and the Application Penalty be assessed during the same month such that the Base Rent increases pursuant to this Section 2.5.5 by more than \$25,000 per month in the aggregate.
- 2.5.6 References to “**Permits**” in this Lease shall mean and refer to the Existing Permits, all Existing Permits that have been transferred or issued to Tenant, and any and all additional permits, governmental approvals, or certifications that Tenant has obtained to conduct its Business Objective and any other operations at the Premises, as well as any amendments thereto (excepting any permits or governmental approvals not required for Tenant’s operations at the Premises).
- 2.5.7 Tenant shall obtain, comply with, and keep in force at all times, at Tenant’s sole cost and expense, all Permits. Tenant shall provide a copy of each Permit it obtains to the District within 10 days after final approval or issuance by the respective regulatory entity (excepting any Permit applicable to Tenant’s business generally, rather than specific to Tenant’s operation at the Premises, such as trademarks). Tenant shall promptly provide copies to the District of all notices of violation, enforcement actions or other written correspondence concerning Tenant’s non-compliance from any regulator or governmental agency relating to any Permit related to the Premises.

- 2.6 City of Downey Fee. Pursuant to City of Downey Municipal Code Section 6251.2, an annual fee must be paid to the City of Downey based on the weight of solid waste processed at Premises by the Tenant. Tenant shall calculate and pay this fee directly to the City of Downey, attention to City Manager, by November 30 of each year.

3. Term.

- 3.1 Initial Term. The term of this Lease commences on August 1, 2022 (the “**Commencement Date**”) and expires on July 31, 2032 (the “**Expiration Date**”) (the “**Initial Term**”).

- 3.2 Grant of Option. In accordance with the provisions of the Lease, Tenant shall have the option to extend (“**Extension Option**”) the Initial Term of this Lease for two additional periods of five years each. The option periods (“**Option Periods**”) will commence upon the Expiration Date or the expiration of the previous Option Period, as applicable. The Extension Option will be for the entire Premises and upon the same terms and conditions as set forth in the Lease, except that the Base Rent shall be revised as set forth below.
- 3.3 Exercise of Extension Option. Tenant may give District written notice of its intent to exercise its Extension Option (an “**Exercise Notice**”) not earlier than 36 months and not later than 30 months prior to the commencement of an applicable Option Period. If Tenant fails to exercise its Extension Option in strict accordance with the provisions of this Section 3, then the Extension Option will terminate immediately, unconditionally, automatically, and without notice, and be of no further force or effect. If the Initial Term of this Lease is extended pursuant to the provisions of this Section 3 then references in this Lease to the “**Term**” will be deemed to include the Initial Term and the Option Period(s), except as otherwise expressly provided. Notwithstanding anything to the contrary in this Lease, Tenant has no right to exercise the Extension Option (i) during the period commencing with the giving of any notice of default and continuing until said default is cured, or (ii) during the period of time any rent is unpaid (without regard to whether notice thereof is given to Tenant).
- 3.4 District Right. The District shall have the right, by providing written notice to Tenant (the “**Termination Notice**”) no later than the date that is 36 months prior to the expiration of the then-current Term to terminate Tenant’s Extension Option(s) (including voiding any previously delivered Exercise Notice for an Option Period which has not commenced) for any reason (in its sole and absolute discretion). Upon delivery of the Termination Notice, any previously delivered Exercise Notice applicable to an Option Period that has not commenced will be deemed null and void, Tenant’s Extension Option shall be deemed terminated, and this Lease shall thereafter terminate without further notice on the Expiration Date (if the Termination Notice is delivered prior to the seventh Commencement Date Anniversary) or on the expiration of the first Option Period (if the Termination Notice is delivered between the seventh Commencement Date Anniversary and the twelfth Commencement Date Anniversary), and, thereafter, the Parties shall have no further obligations to each other except only those obligations that accrued prior to such termination and those obligations that expressly survive the termination of this Lease. By way of example only, if the District provides a Termination Notice to Tenant on June 30, 2029 (which is 90 days before the seventh Commencement Date Anniversary), then the Lease shall terminate on the Expiration Date and Tenant shall have no right to exercise its Extension Options.

4. Rent.

- 4.1 Rent. Commencing on the Commencement Date and continuing on the 1st day of each month thereafter Tenant shall pay to the District rent of \$225,000 per month (the “**Base Rent**”), subject to annual adjustments as set forth below. Tenant shall make its payments of rent (including, without limitation Base Rent and annual adjustments) to “County Sanitation District No. 2 of Los Angeles County” and shall send all payments to the address provided in Section 24 (or such other address as the District may designate in writing from time to time) or may pay by wire transfer or other direct transfer. All payments of rent are due and payable on the 1st day of each month commencing on the Commencement Date without offset, grace, notice, or deduction, except only as expressly provided in this Lease.
- 4.2 Increases in Rent. Commencing on August 1, 2027 and on each anniversary thereafter, including during the Option Period(s) (the “**Commencement Date Anniversary**”), the Base Rent will be adjusted by the percentage change in the Consumer Price Index (the “**CPI**”) as described below. For purposes of this Lease, the CPI is the All Urban

Consumers (CPI-U): Selected areas, all items index [1982-84=100, unless otherwise noted] for the Los Angeles-Long Beach-Anaheim, California promulgated by the Bureau of Labor Statistics, U.S. Department of Labor Consumer Price Index. The adjustment in the Base Rent will be calculated as follows: the Base Rent payable for the month immediately preceding the Commencement Date Anniversary will be multiplied by the percentage change in the CPI for the 12-month period ending 3 months prior to the Commencement Date Anniversary (the “**Annual Adjustment**”), except if Tenant exercises the first Extension Option as described below. By way of illustration, if the percentage change in the CPI for the 12-month period ending 3 months prior to the Commencement Date Anniversary is 3.5%, the new Base Rent = 1.035 x current Base Rent). If Tenant exercises the first Extension Option, the initial Base Rent will be multiplied by the percentage change in the CPI for the 120 month period since the Commencement Date, ending 3 months prior to the Commencement Date Anniversary (the “**First Option Adjustment**”) (e.g., if the percentage change in the CPI for the 120 month period ending 3 months prior to the tenth Commencement Date Anniversary is 35%, the new Base Rent = 1.35 x \$225,000). Following the First Option Adjustment, Annual Adjustments shall resume and will be applied on each Commencement Date Anniversary until the Lease expires or is terminated. If the compilation and/or publication of the CPI is transferred to any other governmental department or bureau or agency or is discontinued, then the index most nearly the same as the CPI, as determined by the District, shall be used to make such calculation. Such adjustments shall be made as soon as specific Bureau of Labor Statistics figures become available, and shall be adjusted retroactive to the beginning of the respective Option Period. When the adjustment is determined, the District shall give Tenant written notice showing how the new Base Rent was computed. If the District inadvertently fails to adjust the Base Rent on any Commencement Date Anniversary, then such failure will not be deemed a waiver by the District of that particular rental adjustment or back charges, provided such Annual Adjustment or First Option Adjustment is made prior the commencement of the subsequent Commencement Date Anniversary. For the convenience of the Parties only, Table 1 below provides an overview of the Base Rent throughout the Term.

Table 1

Lease Year	Base Rent
1	\$225,000
2	\$225,000
3	\$225,000
4	\$225,000
5	\$225,000
6	\$225,000 + Annual Adjustment
7	Lease Year 6 Base Rent + Annual Adjustment
8	Lease Year 7 Base Rent + Annual Adjustment
9	Lease Year 8 Base Rent + Annual Adjustment
10	Lease Year 9 Base Rent + Annual Adjustment
11	\$225,000 + First Option Adjustment
12	Lease Year 11 Base Rent + Annual Adjustment
13	Lease Year 12 Base Rent + Annual Adjustment
14	Lease Year 13 Base Rent + Annual Adjustment
15	Lease Year 14 Base Rent + Annual Adjustment
16	Lease Year 15 Base Rent + Annual Adjustment
17	Lease Year 16 Base Rent + Annual Adjustment
18	Lease Year 17 Base Rent + Annual Adjustment
19	Lease Year 18 Base Rent + Annual Adjustment
20	Lease Year 19 Base Rent + Annual Adjustment

4.3 Charges for Late Payment. Tenant acknowledges that the late payment of rent under this Lease will cause the District to incur costs not contemplated by this Lease, the exact amount

of which is difficult to ascertain. Costs include, but are not limited to, administrative processing of delinquency notices and increased accounting costs. Accordingly, if any payment of rent, or any other sum due to the District under this Lease is not paid by the due date, a late charge equal to five percent of each such overdue amount will be added to the payment, and the total sum will become immediately due and payable to the District. The late charge represents a fair and reasonable estimate of the costs that the District will incur by reason of Tenant's late payment. The District's acceptance of late charges or any portion of the overdue payment will not constitute a waiver of Tenant's default with respect to the overdue payment or prevent the District from exercising any of its other rights and remedies under this Lease, at law or equity.

4.4 Interest. Any amount payable to the District pursuant to this Lease, other than late charges, that is not received by the District within 30 calendar days following the date on which it was due will bear interest starting on the 31st day after it was due. The interest charged will be equal to the prime rate reported in the Wall Street Journal as published closest prior to the date when due plus two percent, but will not exceed the maximum rate allowed by law ("**Interest**"). Interest is payable in addition to the potential late charge provided for in this Lease.

4.5 Tenant Improvement Allowance. Tenant shall complete the following improvements at the Premises: repair roof leaks, replace and install new ceiling tiles in the offices, and install a new air conditioning unit on second story of Premises (the "**Tenant Improvements**"). Tenant shall use reasonable efforts to complete the Tenant Improvements by October 1, 2022. Tenant shall obtain any and all permits and governmental approvals necessary for its performance of the Tenant Improvements (the "**TI Permits**"). In addition, Tenant shall perform the Tenant Improvements work in a good and workmanlike manner, in compliance with all applicable Laws, Permits, and TI Permits, and to the reasonable satisfaction of the District. District shall reasonably cooperate with Tenant in connection with the performance of the Tenant Improvements and obtaining the TI Permits, including timely providing any signatures of District which may be required in connection with the TI Permits. Upon completion of the Tenant Improvements, Tenant shall furnish to the District signed mechanics' and materialmen's lien releases, in form and content reasonably acceptable to the District, from all persons who furnish labor, services and/or materials for the Tenant Improvements. District will inspect the Tenant Improvements within fifteen (15) business days following Tenant's written notice to District that the Tenant Improvements have been completed. District's failure to timely inspect the Tenant Improvements will be deemed District's satisfaction with the Tenant Improvements. Additionally, as conditions precedent to Tenant's right to receive any allowance from the District for the Tenant Improvements, District shall have inspected (or be deemed to have inspected) the Tenant Improvements (the "**Tenant Improvement Allowance Conditions**"). Within thirty (30) after receipt of proof of payment of itemized invoice(s) from Tenant for the Tenant Improvements, District shall credit the sum of the actual cost expended by Tenant for the Tenant Improvements (but no more than \$48,760) against the Base Rent for the month immediately following the satisfaction of the Tenant Improvement Allowance Conditions. The District shall have no obligation whatsoever with respect to the planning, permitting, performance or completion of the Tenant Improvements or any part or aspect thereof.

5. **Security Deposit.** Tenant shall deliver to the District, at least 5 days prior to the Commencement Date, a security deposit in the amount of \$450,000 ("**Security Deposit**") in immediately available funds and a letter of credit ("**Letter of Credit**") in the amount of \$300,000 and in the form attached hereto as Exhibit F. The District's interest in the Security Deposit will be deemed perfected under California law upon receipt by the District. The District may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due to the District or to reimburse or compensate the District for any liability, expense, loss or damage related to this

Lease or Tenant's occupancy of the Premises which the District may suffer or incur by reason thereof, conditioned expressly upon the District's delivery to Tenant of written notice no less than 10 days prior to the application of such Security Deposit, which notice shall include an accounting of the Security Deposit and amounts to which the District intends to apply said Security Deposit. If the District uses or applies all or any portion of said Security Deposit, Tenant shall within twenty days after written request therefore deposit monies with the District sufficient to restore said Security Deposit to the full amount required by this Lease. Pursuant to this Lease and all applicable Laws, all or any portion of the unused Security Deposit at the expiration or earlier termination of this Lease shall be refunded to Tenant within the time period prescribed under California law. No part of the Security Deposit will be considered to be held in trust, to bear interest, or to be prepayment for any monies to be paid by Tenant under this Lease. The District is not required to keep the Security Deposit separate from its general accounts.

5.1 Letter of Credit Requirements. The following requirements (collectively, "**Letter of Credit Requirements**") shall apply to any replacement Letters of Credit:

- 5.1.1 Tenant shall submit a proposed sample of each Letter of Credit to the District, at least thirty (30) days prior to the date that Tenant is required to deliver the Letter of Credit to the District under the terms of this Lease for the District's review and approval in its sole and absolute discretion. Any submission of a proposed sample Letter of Credit to the District shall include the name and contact information of a bank officer at the proposed issuer. Tenant authorizes the District to contact and negotiate with the proposed issuing bank regarding any proposed Letter of Credit.
- 5.1.2 The issuer of the Letter of Credit shall be a solvent US bank or financial institution under the supervision of the Superintendent of Banks of the State of California, or a National Banking Association having a long term senior debt rating of not less than "AA" Rating from at least one major credit rating agency and shall have a full service branch located in the County of Los Angeles, California capable of honoring the presentation of a sight draft on any business day.
- 5.1.3 The Letter of Credit shall be perpetual (evergreen) with an initial expiration of 3 months after the Expiration Date of this Lease.
- 5.1.4 The Letter of Credit shall be irrevocable by Tenant.
- 5.1.5 The Letter of Credit shall name the District as sole beneficiary.
- 5.1.6 The Letter of Credit shall incorporate and shall be interpreted using International Standby Practices 1998 (ISP98), International Chamber of Commerce Publication No. 590 and the law of the State of California.
- 5.1.7 The Letter of Credit shall permit full or partial draws at any time, and from time to time, by a representative of the District, without condition or charge
- 5.1.8 The term of the Letter of Credit shall initially be one year and shall be automatically extended for successive one year periods thereafter.
- 5.1.9 The Letter of Credit shall obligate the issuer to, at the request of the District (and without notice to or the consent of Tenant), issue a replacement Letter of Credit to the District, meeting all of the Letter of Credit Requirements and on the same terms as the then-current Letter of Credit (including all amendments thereto), if the District either returns a mutilated Letter of Credit to the issuer, or certifies to the issuer that the Letter of Credit has been lost, stolen, or destroyed. The Letter of Credit shall require the issuer to issue the replacement Letter of Credit no later than twenty (20) days from the date of the District's request, but in no event later than

one (1) business day prior to the expiration date. Tenant shall, at its sole cost and expense, cooperate with the District and take such actions as the District may request to replace any lost, stolen, or mutilated Letter of Credit. Tenant hereby grants the District the power, coupled with an interest, to cause the issuer to replace a lost, stolen, or mutilated Letter of Credit. The Letter of Credit shall be otherwise acceptable to the District in its sole and absolute discretion.

- 5.2 Draws by District. In the event of an Event of Default, as described below in this Lease, on the part of Tenant under the Lease, District may, but without obligation to do so, draw upon the Letter of Credit, in part or in whole, to cure any Event of Default of Tenant and/or to compensate the District for any and all damages of any kind or nature sustained or which may be sustained by the District resulting from such Event of Default conditioned expressly upon the District's delivery to Tenant of written notice no less than 10 days prior to the draw upon the Letter of Credit, which notice shall include an accounting of the amount of the draw and amounts to which the District intends to apply said Security Deposit. Tenant agrees not to interfere in any way with payment to the District of the proceeds of the Letter of Credit, either prior to or following a "draw" by the District of any portion of the Letter of Credit, regardless of whether any dispute exists between Tenant and the District as to the District's right to draw from the Letter of Credit. No condition or term of the Lease shall be deemed to render the Letter of Credit conditional to justify the issuer of the Letter of Credit in failing to honor a drawing upon such Letter of Credit in a timely manner.
- 5.3 Replacement Letter of Credit. If, at any time, any Letter of Credit shall fail to satisfy the Letter of Credit Requirements or if the issuer shall send a notice of non-renewal, then within thirty (30) days from the District's demand, but in no event later than ten (10) business days prior to the then-current expiration date, Tenant shall replace the Letter of Credit with either: (a) a replacement Letter of Credit that satisfies the Letter of Credit Requirements, or (b) cash equal to the face amount of the Letter of Credit (which shall be treated as a cash Security Deposit under Section 5. If Tenant fails to timely replace the Letter of Credit with either cash security or a replacement Letter of Credit as set forth above, then: (x) the District shall have the right to draw down the full amount of the Letter of Credit; and (y) at the sole and absolute option of the District, an Event of Default shall be deemed to have occurred on the part of Tenant under this Lease.
- 5.4 Tenant Acknowledgements. With respect to any Letters of Credit, Tenant acknowledges, covenants, warrants, and agrees as follows: (a) Tenant is not a third-party beneficiary of the Letter of Credit, (b) Tenant shall not assign or encumber all or any part of the Letter of Credit and neither the District nor its successors and assigns shall be bound by any assignment or encumbrance by Tenant, (c) no portion of the Security Deposit held in the form of a Letter of Credit shall earn interest, (d) when making a draw request, the District shall not be required to produce or present to the issuer any documents, instruments, or certificates, other than as expressly set forth in the Letter of Credit and shall not be required to produce or present any copies or other documents regarding the draw request to Tenant (excepting only the notice described in Section 5.2 above), (e) Tenant shall not take any action or fail to take any action which might, directly or indirectly, interfere with or delay the presentation or honoring of a sight draft, (f) Tenant shall, at its sole cost and expense, cooperate with the District and take such actions as the District may request with respect to the Letter of Credit including: (i) notifying the District if Tenant has knowledge that any Letter of Credit no longer satisfies the Letter of Credit Requirements; (ii) using best efforts to cause the issuance of a replacement Letter of Credit if required pursuant to any provision of this Lease; (iii) delivering any amendments, modifications, documents, certificates, or affidavits requested by The District to give effect to the provisions of this Section 5.

6. Taxes. Tenant acknowledges that its leasehold interest in the Premises is a possessory interest that may be subject to the imposition of taxes ("**Possessory Interest Taxes**"). Tenant shall pay

any and all Possessory Interest Taxes to the Los Angeles County Treasurer-Tax Collector (or other applicable governmental authority) in a timely manner. Tenant shall pay, prior to delinquency, all taxes assessed against and levied upon the Tenant's personal property, Trade Fixtures, all furnishings, equipment, and other property of Tenant, and any and all Alterations (collectively, "**Other Property Taxes**"). The District will not be obligated to pay Tenant's delinquent Other Property Taxes or Possessory Interest Taxes; but, if Tenant fails to pay any delinquent Other Property Taxes or Possessory Interest Taxes within 20 days following written notice from the District, then the District shall have the right to pay the delinquent Other Property Taxes or Possessory Interest Taxes, and Tenant shall immediately pay the District the full amount of Tenant's delinquent Other Property Taxes and/or Possessory Interest Taxes, including any late charges, penalties, or interest; provided, however, that the District shall have no right to pay taxes provided that Tenant is lawfully withholding in connection with a tax contest and Tenant has informed the District in writing of same.

7. **Utilities.** The District represents that as of the Effective Date, the Premises has existing electrical, potable water, wastewater, and data and telecommunications utilities. Tenant shall be responsible for paying for all existing utility services that Tenant elects to use, and for establishing, furnishing, and paying for any new utility connections and services, at its sole cost and expense.
8. **Pass-Through Fees.** Pursuant to the Existing Permits, Tenant shall be responsible for payment of certain fees that are charged by regulators based on tonnage Tenant processed at DART ("**Pass-Through Fees**"). These Pass-Through Fees include, but are not limited to, the Los Angeles County LEA fee and the Los Angeles County Solid Waste Management fee. During the Interim Operation Period, the District will bill to Tenant on a monthly basis these Pass-Through Fees without any markup, based on Tenant's weigh receipts. Tenant shall pay the District for these Pass-Through Fees pursuant to the immediately preceding sentence, on a monthly basis, no later than 30 days after receipt of an invoice from the District. Once all Existing Permits are replaced or transferred to Tenant and the District is no longer named as the permittee under any Existing Permits, the District will no longer charge Pass-Through Fees to Tenant.
9. **Signage.** Tenant shall not construct, maintain, or allow any signs (except signs related to safety measures), banners, flags or similar signage upon the Premises without the District's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Unapproved signs, banners, flags, or similar signage may be removed by the District at its discretion without prior notice to Tenant. Sign rights granted to Tenant pursuant to this Lease will be personal to Tenant and may not be assigned. Tenant shall ensure that any approved signage and the installation and maintenance thereof complies with all applicable Laws, Entitlements and Existing Conditions.
10. **Maintenance and Repair.**

10.1 Tenant's Obligations.

- 10.1.1 **Tenant's Maintenance and Repair Obligations.** Tenant, at its sole cost shall maintain in good order and condition and perform repair and preventive maintenance of all aspects of the Premises (including, without limitation, the improvements and fixtures listed in Recital A, the roof, plumbing, heating, ventilating, air-conditioning, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), foundations, ceilings, floors, windows, doors, plate glass, landscaping, driveways, parking lots, fences, retaining walls, signs, stormwater improvements, sidewalks and parkways) in accordance with original equipment manufacturer's manuals and requirements, the District's standards, applicable Laws, Existing Conditions, and all Permits. Tenant shall provide all preventive maintenance and repairs records of items listed in Recital A semi-annually (on January 1st and July 1st of each year) to the District for review and anytime upon District's request within 48 hours. District agrees to

assign to Tenant any third party warranties applicable to the Premises or any fixtures therein.

10.1.2 Tenant shall ensure compliance with all Permits applicable to the Premises or Tenant's operations therein and with all Environmental Laws including, without limitation, all site-specific conditions, stormwater Best Management Practices ("BMPs"). All rubbish and litter shall be placed in Tenant's residual pile and shall be transported by Tenant to a landfill. Tenant shall not conduct any activities on the Premises that have the potential to contribute pollutants to stormwater in violation of applicable law and shall place stormwater BMPs where appropriate, including, without limitation, loading dock ramps. Tenant shall immediately clean any leaks from its trucks, forklifts or other vehicles. Tenant shall, at Tenant's sole cost and expense, procure and maintain contracts, with copies to the District, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) fire extinguishing systems, including fire alarm and/or smoke detection, (iii) landscaping and irrigation systems, (iv) roof covering and drains, (v) driveways and parking lots, (vi) stormwater improvements, (vii) basic utility feed to the perimeter of the MRF, and (viii) any other equipment, if reasonably required by the District. Tenant shall provide to the District all preventive maintenance and repair records of maintenance required by Permits applicable to the Premises as well as for the Baler semi-annually (on January 1st and July 1st of each year), and at any time within 48 hours after District's request.

10.1.3 Compliance with Prevailing Wage Laws. Tenant shall ensure that any repairs, construction or maintenance performed, or caused to be performed, by Tenant to any aspect of the Premises including without limitation those obligations set forth in this Section 10 and Section 19 below comply with the California Labor Code and Prevailing Wage laws referenced in Exhibit E attached hereto and made a part hereof.

10.2 District's Obligations. It is intended by the Parties hereto that the District have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Tenant except as set forth in Section 10.2.1 and 10.3 below. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to the maintenance and repair of the Premises, and they expressly waive the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

10.2.1 Compliance with Laws. District, at District's sole cost, shall cause the Premises to comply with the Americans with Disabilities Act ("ADA") during the Term and shall be solely responsible for any claims related to noncompliance with ADA, in each event except to the extent such non-compliance is the result of (a) Tenant's specific use of the Premises and (b) Tenant's installation or construction of Alterations.

10.3 Capital Repairs. In the event that it is reasonably determined by the Parties that any capital item (including, but not limited to, the roof) but excluding the Extra Processing Line (as defined below) and the Baler, needs to be replaced in whole or in substantial part and is no longer reasonably subject to ordinary repair (a "**Capital Replacement**"), then Tenant, subject to the District's reasonable discretion and with prior written approval, in accordance with the provisions of Section 19 and at Tenant's sole cost and expense subject to reimbursement as set forth herein, shall replace the same (or cause the same to be replaced). At the expiration or sooner termination of the Lease, and provided Tenant has consistently complied with Tenant's obligations under Section 10.1 above in connection

with the applicable Capital Replacement, District will reimburse Tenant for a portion of Tenant's out-of-pocket costs for any Capital Replacements equal to the value of such Capital Replacements as of the Expiration Date, calculated by amortizing (without interest) the cost of each Capital Replacement over the useful life of the applicable Capital Replacement (as reasonably determined by District, in accordance with generally accepted accounting principles, consistently applied).

11. Entry and Inspection. The District and its authorized agents may, after notice that is reasonable under the circumstances, at all reasonable times during normal business hours and at any time without notice in the event of an emergency, enter upon the Premises for the purposes of (a) inspecting the same, confirming that Tenant is complying with its obligations under this Lease, and protecting the interest therein of District and (b) posting notices of non-responsibility, all without abatement of rent to Tenant for any loss of occupancy or quiet enjoyment of the Premises, or damage, injury or inconvenience resulting from such actions. The District shall take commercially reasonable measures to reduce any impact to Tenant's operations due to such access. If Tenant obtains its own keycard system and/or implements or installs any security devices to access the Premises, Tenant shall immediately provide to the District copies of such keys, keycards, or security codes, so that the District is able to access the Premises pursuant to the provisions of this Lease and applicable Law.

11.1 Emergencies. The District may also enter upon the Premises with written notice at least 24 hours prior to such entry or as much notice as is practical in case of emergency or for any purpose related to protecting the Premises. If Tenant is not personally present when such an entry by the District is necessary, the District may enter by any means without liability to Tenant except for any failure to exercise reasonable care for Tenant's property. Except only in the event of the District's gross negligence or willful misconduct committed in bad faith, the District has no responsibility or liability to Tenant or any Tenant Party (as defined below) for any damages, injuries, or losses sustained by Tenant or any Tenant Party in connection with the entry into the Premises by the District in the event of an emergency.

11.2 Miscellaneous. The District's actions under this Section 11 will not constitute an actual or constructive eviction or relieve Tenant of any obligation with respect to making any repair, replacement, or improvement or complying with any Laws, order, or requirement of any government or other authority. Except as expressly set forth herein, no provision of this Section 11 may be construed as obligating the District to perform any repairs, testing, alterations, or other improvements. Tenant acknowledges that the Premises are subject to inspection by various entities, including, without limitation, the Los Angeles County LEA, Los Angeles County Fire Department, City of Los Angeles, and South Coast Air Quality Management District, which may enter upon the Premises with or without notice. Tenant agrees to cooperate with such inspections and inspectors and shall permit such entities to perform inspections as necessary. In addition, Tenant shall cooperate with any utility easement holders in connection with their periodic inspections of, and activities on, their easement areas.

12. Insurance. Tenant shall procure, carry and maintain in full force and effect at all times throughout the duration of this Lease, at Tenant's sole cost and expense, the following insurance coverage with the following limits of insurance, which must be maintained with insurers and under forms or policies satisfactory to the District. The insurance must be written as "occurrence" type policies, must provide for defense costs "ex-limits," and must protect Tenant and the District, and any other persons, firms, or corporations as are designated by the Chief Engineer (collectively, "**Insured Parties**") as having an interest in the Premises, in the manner and at the amounts set forth below:

12.1 Commercial General Liability Insurance. Tenant shall procure, carry, and maintain commercial general liability insurance to include coverage for all operations of Tenant under this Lease, including, but not limited to the following: (a) premises, operations, and

mobile equipment liability; (b) completed operations and products liability; (c) contractual liability; (d) explosion, collapse, and underground hazards (XCU); (e) personal injury liability. Tenant shall provide the Commercial General Liability Insurance with limits not less than the following: (i) \$50,000,000 each occurrence, or for a combined occurrence of bodily injury and Premises damage; (ii) \$3,000,000 completed operations and products liability; and (iii) \$50,000,000 personal and advertising injury. Tenant shall provide the policy with an endorsement for a general aggregate limit per project. If any Excess or Umbrella Liability policies are used to meet the limits of liability required by this Lease, then said policies shall be “following form” of the underlying policy coverage, terms, conditions, and provisions and shall meet all of the insurance requirements stated in this Lease.

- 12.2 Fire Insurance. Tenant, at no cost or expense to District, shall obtain and keep in full force and effect during the entire Lease term for the benefit of District, standard fire and extended coverage insurance insuring the full replacement cost of the Premises, against loss or damage by fire and lightning, vandalism and other risks customarily covered for similar facilities in Los Angeles County. Such policy shall have a deductible not to exceed \$100,000 per occurrence (unless otherwise agreed in writing by the District).
- 12.3 Automobile Liability Insurance. Tenant shall procure, carry, and maintain automobile liability insurance to include coverage for any owned, non-owned, or hired vehicle(s) brought by Tenant or its agents or other invitees on to the Premises. The automobile liability insurance policy must have limits of not less than \$2,000,000 combined single limits for bodily injury and Premises damage.
- 12.4 Workers’ Compensation and Employer’s Liability Insurance. Tenant shall procure, carry, and maintain a policy of workers’ compensation insurance as required by any applicable law, regulation or statute. The employer’s liability insurance must be provided with limits not less than the following: (i) \$1,000,000 each accident; (ii) \$1,000,000 disease – policy limits; and (iii) \$1,000,000 disease – each employee. The Workers’ Compensation and Employer’s Liability and Insurance Policy must contain a waiver of subrogation rights against the District and other Insured Parties. Tenant shall provide the District with a copy of an endorsement to the policies reflecting this waiver.
- 12.5 Policies. At least 3 days prior to Tenant’s entry upon the Premises pursuant to the Entry Permit, Tenant shall provide true, correct, and complete policies, relevant endorsements, and certificates of insurance to the District evidencing the following:
- 12.5.1 The insurance policies referred to subsections 12.1 through 12.4 inclusive are in place.
- 12.5.2 The District is to receive prior written notice of a policy cancellation for any reason. In that regard, Tenant shall not deliver any certificate that simply contains words to the effect that the insurer will “endeavor” to notify the District of the cancellation of the policy or that “the failure to mail the notice will impose no obligation of any kind upon the company, its agents or representatives.”
- 12.5.3 An endorsement has been made to the policies naming Insured Parties as additional insureds. The endorsement must be duly-executed and must be in a form acceptable to the District. The endorsement must also provide that the insurance afforded to all of the Insured Parties and the additional insureds is primary insurance and that any insurance carried by or afforded to District, its directors, officers, and employees and other Insured Parties is excess and not contributing to the insurance required by this Lease.

- 12.5.4 Each of the policies of insurance required by this Lease must contain “Cross Liability” or “Severability of Interest” clauses. No policy may contain any exclusion regarding loss or damage to Premises caused by explosion, collapse of buildings or structures or damage to Premises underground, premises-operation, completed operations, contractual insurance, and independent District’s coverages. Each of the policies required by this Lease must contain a provision or endorsement stating that the insurance, subject to all of its other terms and conditions, applies to the liability assumed by Tenant under this Lease. Any endorsement must be in a form acceptable to the District.
- 12.5.5 Tenant may satisfy minimum coverage amounts listed in Section 12.1 to 12.4 inclusive above by a combination of one or more primary insurance policies and umbrella or excess coverage policies on which Tenant is the named insured. Tenant may also use those policies in connection with satisfying the requirements of this Section 12.5.
- 12.6 Insurers. Tenant shall provide said insurance coverages through insurers that have at least an “A” policyholders rating and an “X” financial rating in accordance with the current Best’s Key Rating Guide. In the event the coverage evidenced by any certificate is canceled or reduced, Tenant shall procure and furnish to the District new certificates of insurance and policies conforming to the above requirements at least five calendar days before the effective date of cancellation. If Tenant fails to procure and maintain any insurance required by this Lease, the District may procure the insurance and charge the expense to Tenant as additional rent or the District may terminate this Lease upon failure of Tenant to procure the insurance within 48 hours written notice demanding Tenant do so, at its sole discretion. The District’s failure to enforce any provision of this Section 12 will not act as a waiver of Tenant’s obligation to procure the required insurance or as a waiver of enforcement of any of the provisions of this Section 12 at a later date. The District is not obligated to procure or maintain the above required insurance if Tenant fails to do so. All requirements of this Section 12 apply to Tenant’s operators at the Premises, contractors and sub-contractors, and Tenant shall cause all of its operators at the Premises, contractors and sub-contractors to comply with the provisions of this Section 12 and be responsible to the District for compliance. The foregoing requirements constitute Tenant’s minimum insurance requirements.
- 12.7 Waiver and Release. Tenant waives and releases the District from any damages resulting from any interruption of Tenant’s business, including but not limited to, damages resulting from any loss of income or business resulting from the District’s actions relating to the cancellation, termination, or expiration of Tenant’s insurance policies. Tenant further releases and relieves each of the Insured Parties and waives its entire right of recovery for loss or damage arising out of or incident to the perils insured against which perils occur in, on or about the Premises, whether due to the negligence of the Insured Party or Tenant, or their agents, employees, contractors, and/or invitees. This is a waiver of subrogation clause and Tenant shall, upon obtaining the policies of insurance required by this clause, give notice to the insurance carrier or carriers that the foregoing waiver of subrogation is contained in this Lease. The District will procure a waiver of subrogation on Tenant’s behalf with respect to any insurance policies that the District obtains to cover the Premises.
- 12.8 Personal Property. Tenant warrants and represents to the District that Tenant maintains insurance in adequate amounts for all personal property of Tenant located in or at the Premises, including, without limitation, fixtures, furnishings, equipment, and furniture (“**Personal Property**”). The District will not be liable for injury or damage to the goods, wares, merchandise, fixtures, furnishings, equipment, furniture, or other Premises of Tenant, Tenant’s employees, contractors, invitees, customers, or any other person in or

about the Premises whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain or from any other cause.

- 12.9 District's Insurance. Any and all insurance policies held by the District will be in excess and not contributing to the insurance required to be obtained and maintained by Tenant pursuant to the terms of this Lease.

13. Indemnification.

- 13.1 Tenant's Indemnification of District. Tenant shall indemnify, protect, defend and hold harmless the District and all other County Sanitation Districts of Los Angeles County, and their respective successors, assigns, partners, directors, officers, trustees, beneficiaries, members, employees, agents, lenders, and affiliates (collectively, the "**District Indemnified Parties**") and individually a "**District Indemnified Party**") from and against any and all claims, injuries, loss of rents, damages, liens, losses, suits, causes of action, judgments, penalties, attorneys' and consultants' fees, expenses and liabilities (collectively, "**Claims**") to the extent arising out of the negligence or any act or omission of Tenant or any Tenant Party or Event of Default (as defined below) on the part of Tenant under this Lease, any misrepresentation on the part of Tenant under this Lease, the occupancy or use of the Premises (or any part thereof) by Tenant or any Tenant Party, any actions brought or initiated by the City of Downey for failure to comply with the terms, conditions and requirements of the Entitlements following the Commencement Date, any notices of violation or actions brought by an enforcing agency for non-compliance with any of the Permits following the Commencement Date, or the entry by Tenant or any Tenant Party onto the Premises, including failure by Tenant or any Tenant Party to comply with prevailing wage laws applicable to District property, pursuant to the California Labor Code and under the decision in *Kaanaana v. Barrett Business Services, Inc., et al.* (2021) 11 Cal.5th 158. If any action or proceeding is brought against a District Indemnified Party, by reason of any of the foregoing matters, Tenant shall, upon written notice from the District Indemnified Party, defend that District Indemnified Party, at Tenant's sole expense, by counsel reasonably satisfactory to such District Indemnified Party. The District Indemnified Party need not have first paid any such claim in order to be defended or indemnified. All indemnities in favor of District under this Lease survive the expiration or termination of the Lease as to Claims arising during Tenant's occupancy of the Premises. In no event does the Indemnified Parties' status as the landowner of the Premises negate, minimize or provide any defense to the Tenant's obligation to protect, defend and hold harmless the District.

- 13.2 District's Indemnification of Tenant. District shall indemnify, protect, defend and hold harmless Tenant and its successors, assigns, partners, directors, officers, shareholders, trustees, beneficiaries, members, lenders, affiliates, employees, and agents (collectively, the "**Tenant Indemnified Parties**") and individually a "**Tenant Indemnified Party**") from and against any and all Claims arising out of the negligence or any act or omission of the District or any default or breach of this Lease on the part of the District. If any action or proceeding is brought against a Tenant Indemnified Party, by reason of any of the foregoing matters, the District shall, upon written notice from the Tenant Indemnified Party, defend that Tenant Indemnified Party, at the District's sole expense, by counsel reasonably satisfactory to such Tenant Indemnified Party. The Tenant Indemnified Party need not have first paid any such claim in order to be defended or indemnified. All indemnities in favor of Tenant under this Lease survive the expiration or termination of the Lease as to Claims arising during the Term of the Lease.

14. Environmental.

- 14.1 Definitions. The following defined terms are made a part of this Lease.

- 14.1.1 “**Environmental Laws**” means any federal, state or local statute, regulation or ordinance or any judicial or administrative decree or decision, whether now existing or hereafter enacted, promulgated or issued, with respect to any Hazardous Materials, groundwater, surface water, wetlands, landfills, open dumps, storage tanks, underground storage tanks, waste including solid waste, wastewater, storm water runoff, or air emissions. Without limiting the generality of the foregoing, the term encompasses each of the following statutes, and regulations, orders, decrees, permits and licenses now or hereafter promulgated thereunder, and amendments and successors to such statutes and regulations as may be enacted and promulgated from time to time during the term of this Lease: (A) the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. Sections 9601 et seq.) (“**CERCLA**”) and its amendments; (B) the Resource Conservation and Recovery Act (42 U.S.C. Sections 6901 et seq.); (C) the Hazardous Materials Transportation Act (49 U.S.C. Sections 5101 et seq.); (D) the Toxic Substances Control Act (15 U.S.C. Sections 2601 et seq.); (E) the Federal Water Pollution Control Act (“**Clean Water Act**”) (33 U.S.C. Sections 1251 et seq.); (F) the Clean Air Act (42 U.S.C. Sections 7401 et seq.); (G) the Safe Drinking Water Act (42 U.S.C. Sections 300f et seq.); (H) the Uranium Mill Tailings Radiation Control Act (42 U.S.C. Sections 7901 et seq.); (I) the Occupational Safety and Health Act (29 U.S.C. Sections 655 et seq.); (J) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Sections 136 et seq.); (K) the Noise Control Act (42 U.S.C. Sections 4901 et seq.); and (L) the Emergency Planning and Community Right to Know Act (42 U.S.C. Sections 11001 et seq.); and all similar or equivalent statutes and regulations enacted by the State of California or local agencies (e.g., the Porter-Cologne Water Quality Control Act, Cal. Water Code Sections 13000 et seq., California’s equivalent to the federal Clean Water Act).
- 14.1.2 “**Governmental Authority**” means the United States, the State of California and any political subdivision thereof, and any and all agencies, departments, commissions, boards, bureaus, bodies, councils, offices, authorities, or instrumentality of any of them (federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.
- 14.1.3 “**Hazardous Materials**” means each and every element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, determined or identified as hazardous or toxic under any Environmental Laws. Without limiting the generality of the foregoing, the term will mean and include:
- (a) Hazardous Substances or Hazardous Substance as defined in CERCLA, the Superfund Amendments and Reauthorization Act of 1986, Title III of the Superfund Amendment and Reauthorization Act, or California’s Hazardous Waste Control Law (HWCL) each as amended, and regulations promulgated thereunder including, but not limited to, asbestos or any substance containing asbestos, polychlorinated biphenyls, any explosives, radioactive materials, chemicals known or suspected to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions, infectious wastes, any petroleum or petroleum-derived waste or product or related materials and any items defined as hazardous, special or toxic materials, substances or waste, lead or lead-containing materials, urea formaldehyde foam insulation and polyfluoroalkyl substances, perfluorooctanoic acid, and perfluorooctane sulfonate.

- (b) Hazardous Waste as defined in the Resource Conservation and Recovery Act of 1976, as amended, and regulations promulgated thereunder.
- (c) Materials defined as Hazardous Materials in the Hazardous Materials Transportation Act, as amended, and regulations promulgated thereunder.
- (d) Chemical Substance or Mixture as defined in the Toxic Substances Control Act, as amended, and regulations promulgated thereunder.

14.1.4 **“Release”** or **“Released”** will mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, storing, escaping, leaching, dumping, discarding, burying, abandoning, or disposing into the environment that is not authorized by Environmental Law.

14.1.5 **“Remediation”** or **“Remediate”** means the cleanup or removal of Hazardous Materials Released, such actions as may be necessary to take in the event of the Release or the threat of Release of Hazardous Materials, such actions as may be necessary to comply with any Environmental Laws, or required by the District or any Governmental Authority to monitor, assess, and evaluate the Release or threat of Release of Hazardous Materials, the disposal of removed material, or the taking of such other actions as may be necessary to prevent, minimize, or mitigate damage to the public health or welfare or to the environment, which may otherwise result from a Release or threat of Release of Hazardous Materials.

14.2 Environmental Laws.

14.2.1 Tenant shall comply with all Environmental Laws and shall defend, indemnify and hold harmless the District Indemnified Parties from and against all Claims arising from or related to the use, storage, disposal, transport or handling, or the emission, discharge or Release of any Hazardous Material from, or any alleged violation of any Environmental Law, on or at the Premises to the extent resulting from any act, omission, or negligence on the part of Tenant or any Tenant Party. Notwithstanding the foregoing, this indemnity will not apply to Claims arising solely from (a) Pre-Existing Environmental Contamination, (b) the migration of any Hazardous Materials onto the Premises from outside the Premises, or (c) any Hazardous Materials brought onto the Premises during the term of this Lease by the District.

14.3 Compliance. Tenant shall ensure that all of its directors, officers, shareholders, employees, agents, representatives, contractors, invitees, licensees, and permittees and other individuals or entities entering upon the Premises at the request or invitation of Tenant (collectively, the **“Tenant Parties”**) do not bring onto, maintain upon, use or Release in or about the Premises any Hazardous Materials except as provided herein. Tenant agrees that it shall not use, or permit any Tenant Party to use, the Premises or any other part of the Premises for the unlawful production, generation, manufacture, treatment, transportation, storage or disposal of any Hazardous Substance.

14.3.1 Authorized Hazardous Products. Tenant’s employees, agents, and other individuals or entities entering upon the Premises at the request or invitation of Tenant may bring into and maintain upon or about the Premises Hazardous Materials only if:

- (a) Those specific Hazardous Materials have been approved in advance, in writing by the District (**“Authorized Hazardous Products”**), and

- (b) The Authorized Hazardous Products are maintained only in quantities reasonably necessary for Tenant's operations at the Premises, and
- (c) The Authorized Hazardous Products and any equipment that generates the Authorized Hazardous Products are used and stored strictly in accordance with all applicable Laws (including Environmental Laws), the standards prevailing in the industry for those Authorized Hazardous Products and the manufacturers' instructions, and
- (d) The Authorized Hazardous Products are not disposed of in or about the Premises and are not used in a manner that would constitute a Release of those substances, and
- (e) All the Authorized Hazardous Products and any equipment that generates or holds Authorized Hazardous Products are removed from the Premises by Tenant prior to the expiration or earlier termination of this Lease.

14.4 Clean-up Obligations. Tenant shall furnish to the District immediately, and in any case no later than 3 calendar days after Tenant's receipt, copies of all notices and other communications received by Tenant with respect to any actual or alleged Release of any Hazardous Material in or about the Premises. Tenant shall, whether or not Tenant receives any notice or communication, notify the District in writing of any discharge or Release of Hazardous Material on the Premises that comes to Tenant's attention. In the event that Tenant is required to maintain any Hazardous Materials license or permit in connection with any use conducted by Tenant or any equipment operated by Tenant at the Premises, Tenant shall provide copies of each license or permit, each renewal of any license or permit, and any communication relating to suspension, renewal, or revocation of any license or permit. Copies of those documents must be furnished to the District within 10 calendar days after receipt of or submission by Tenant. Tenant's compliance with the immediately preceding sentences will not relieve Tenant of any obligation of Tenant under this Lease. With respect to the Premises, Tenant shall diligently and promptly commence, prosecute, and complete the clean-up and removal of all Hazardous Materials introduced into or on the Premises by Tenant or any Tenant Party. Except for any violation of Environmental Laws that relates to the migration of Hazardous Materials from outside of the Premises or any Remediation as a result thereof, or any Release of Hazardous Materials to the extent caused by the District or any of its agents, contractors, employees, representatives, invitees or any third party, or any Pre-Existing Environmental Contamination, Tenant at its sole expense shall Remediate the impacted areas to all applicable regulatory standards. Tenant shall undertake all testing and investigation required by any Governmental Authorities, promptly prepare and implement any remedial action plan required by any Governmental Authorities, and obtain all regulatory approvals for verification and closure. Tenant shall conduct all Remediation under this section to the reasonable satisfaction of the District and all applicable Governmental Authorities. Tenant shall inform the District (in writing on a weekly basis) of its progress, and the District may participate in all communications and meetings related to any Remediation undertaken by Tenant. Tenant shall promptly provide to District copies of all studies, consultant reports, and correspondence related to any testing or clean-up actions undertaken by or on behalf of Tenant. Subject to the terms and conditions of this Lease, the District may enter, inspect, and test the Premises for violations of Tenant's obligations under this section. If Tenant removes any soils from the Premises for any reason, then Tenant shall promptly fill the Premises to an at-grade level with clean fill compacted at the level of prior compaction, all to the satisfaction of District.

14.5 Pre-Existing Environmental Conditions. The District agrees to assume the cost and expense for any and all Remediation that may be required during the term of this Lease by any Governmental Authority (including, without limitation, any federal or state court, any federal, state or local agency with jurisdiction over the Premises) or any third party

(including, without limitation, an owner of land in the vicinity of the Premises) for any and all materials, pollutants, irritants, contaminants and Hazardous Materials existing in, on, under, or emanating from the soil, surface water, groundwater or subsurface at the Premises, in each case that existed at the Premises solely prior to the Commencement Date (“**Pre-Existing Environmental Contamination**”).

14.6 **District Indemnity.** The District shall defend, indemnify and hold Tenant harmless from and against any Claims to the extent arising out of (a) Pre-Existing Environmental Contamination, or (b) any Hazardous Materials brought onto the Premises during the term of this Lease by the District or any District Representative. As used in this Section 14.6, Hazardous Materials shall be deemed to include Pre-Existing Environmental Contamination.

15. **Surrender, Restoration and Holding Over.** Upon the expiration or sooner termination of this Lease, Tenant shall surrender the Premises (including, without limitation, the improvements, equipment, and fixtures described in Recital A) to the District in in good operating order and repair, and with all Alterations removed which District notified Tenant must be removed pursuant to Section 19 below and Tenant shall repair any damage resulting from such removal. Tenant shall be entitled to remove any of Tenant’s property located in the Premises and any upgrades made to the Extra Sorting Line. In addition, Tenant shall promptly surrender all keys and keycards for the Premises to the District and shall provide to the District any and all security codes or combinations to access the Premises or to unlock any locks or safes therein. If Tenant fails to surrender the Premises or fails to restore the Premises upon expiration or termination of this Lease, Tenant shall be in breach of this Lease. Notwithstanding anything to the contrary contained in this Lease, if Tenant continues in possession of the Premises following the date that is 15 days following the expiration or termination of this Lease, the monthly Base Rent will increase, automatically and without notice, to an amount equal to 150% of the Base Rent paid by Tenant immediately prior to such holdover commencing. The Parties agree that the foregoing amount of Base Rent payable during any hold over by Tenant is a reasonable amount. Tenant shall indemnify, defend, protect and hold harmless all District Indemnified Parties from and against any and all Claims whether direct or indirect, known or unknown, or foreseen or unforeseen, which may arise from or be related to Tenant’s continued possession of the Premises. Notwithstanding anything in this Lease to the contrary, the foregoing increased rent shall be the District’s sole and exclusive remedy in the event Tenant continues to occupy the Premises at the end of the Term; provided, however, that the District shall retain the right to terminate this Lease or otherwise terminate Tenant’s possession of the Premises at the end of the Term or upon earlier termination of this Lease by any legal means including, without limitation, by bringing an action for unlawful detainer. Any work performed, or caused to be performed, by Tenant to restore District property at the Premises under this Section 15 must comply with the California Labor Code and Prevailing Wage laws referenced in Exhibit E.

16. **Assignment and Subletting.**

16.1 Tenant shall not, without the prior written consent of District (not to be unreasonably withheld) sublease the Premises or any part thereof, or sell, transfer, convey, exchange, assign, mortgage, pledge, hypothecate, dispose of, or encumber, voluntarily, involuntarily, by operation of law or otherwise the Premises or any part thereof, this Lease (or any portion thereof) or its rights hereunder, or permit the use of the Premises by any individuals or entities other than Tenant and its employees (all of the foregoing are hereinafter sometimes referred to collectively as “**Transfer**”). Any person or entity to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a “**Transferee**.” Any assignment for the benefit of creditors or any sale, assignment, conveyance, exchange, transfer, disposition, pledge, hypothecation or encumbering of all or any part of the beneficial or ownership interest, or voting shares, of Tenant, whether voluntarily,

involuntarily, by operation of law, or otherwise is deemed to constitute a Transfer requiring the District's prior written consent under this Lease.

- 16.2 If Tenant desires that the District consent to any Transfer, Tenant shall notify the District in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be less than 60 days nor more than 120 days after the date of delivery of the Transfer Notice, (ii) all of the terms of the proposed Transfer and the consideration therefor (including, without limitation, any "excess rent" or Bonus Value as described in section 16.4 below), including the name and address of the proposed Transferee, and a copy of all existing and/or proposed documentation pertaining to the proposed Transfer, (iii) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, and (iv) such other information or documentation as the District may require. Any Transfer made without the District's prior written consent shall, at the District's option, be null, void and of no effect, and shall, at the District's option, constitute an Event of Default on the part of Tenant.
- 16.3 The Parties hereby agree that it shall be deemed to be reasonable under this Lease for the District to withhold consent to any proposed Transfer where one or more of the following apply, without limitation as to other reasonable grounds for withholding consent: (a) the Transferee is engaged in a business which is not consistent with the District's work, mission, and guiding principles; (b) the Transferee's intended use of the Premises is not permitted under this Lease; (c) the Transferee does not have financial worth and financial stability similar to the financial worth and financial stability of Tenant as of the Commencement Date; and (d) the Transferee does not have experience in waste collection and recycling which is similar to the experience of Tenant. Any sublease of the Premises (or portion thereof) shall not relieve Tenant of any liability hereunder, and Tenant shall be primarily liable for any breach of this Lease resulting from any act or omission of any subtenant of Tenant.
- 16.4 It is the intent of the Parties that this Lease shall confer upon Tenant the right to use and occupy the Premises, and to exercise such other rights as are conferred upon Tenant by this Lease. The parties agree that this Lease is not intended to have a "**Bonus Value**", as defined below, nor to serve as a vehicle whereby Tenant may profit by future Transfer of this Lease or the right to use or occupy the Premises as a result of any favorable terms contained herein or any future changes in the market for leased space. The Parties agree that fifty percent (50%) of any such Bonus Value that may attach to the Lease shall be and remain the exclusive property of the District. For purposes of this Lease, "Bonus Value" shall mean and refer to any and all amounts received by Tenant in excess of the rentals paid or payable by Tenant under this Lease for the Premises or the use thereof, or any portion thereof. As such, as an additional condition to the District's consent in the event of a Transfer by Tenant, the District shall have the right to require that fifty percent (50%) of any and all "excess rent", as defined below, paid by the proposed Transferee, including, but not limited to, any rent in excess of the rentals to be paid under the Lease, shall be paid directly to the District at the time and place specified in this Lease. For purposes of this paragraph, the term "excess rent" shall include any consideration of any kind received, or to be received, by Tenant from the proposed Transferee, if such sums are related to Tenant's interest in this Lease or in the Premises.

17. Casualty/Condemnation.

17.1 Casualty If Tenant causes damage to or the destruction of facilities or improvements located within the Premises, if facilities or improvements located within the Premises are declared unsafe or unfit for use or occupancy by a public entity with jurisdiction or if the Premises is damaged or destroyed through no negligence, act, or omission of Tenant or any Tenant Party and, as a result of such damage or destruction, the Premises is not suitable for the Business Objective, then Tenant shall commence repair or replacement of the improvements as required or permitted under this section as soon as practical, but no later than 90 calendar days after the event that caused the damage or destruction. Tenant shall diligently perform such repairs to completion. If Tenant does not commence the repairs within 90 calendar days, the District may undertake the repairs. Tenant shall reimburse the District for the actual and documented cost of any such repair costs undertaken by the District. If Tenant does not reimburse the District for repair costs, the District will deliver a notice of nonpayment requiring Tenant to pay within 5 business days. Upon the passage of the 5 business days, the District will be authorized to withdraw this cost from the Security Deposit; provided, however, the District's withdrawal of such cost from the Security Deposit will not be deemed to constitute a waiver of any default or Event of Default under this Lease on the part of Tenant for Tenant's failure to reimburse District for the repair costs as referred to above. Tenant shall diligently and timely repair and restore in a good and workmanlike manner all aspects of the Premises in accordance with the provisions of this Lease and applicable Laws and to the reasonable satisfaction of the District. In addition, Tenant shall obtain and maintain any and all permits and governmental approvals required to perform such repairs. Only if the Premises is damaged or destroyed through no negligence, act or omission of Tenant or any Tenant Party and, as a result of such damage or destruction, the Premises is not suitable for the Business Objective, then rent (including, without limitation, the Base Rent) will abate during restoration and repair of the Premises in direct proportion to the percentage of the Premises which is unusable by Tenant, as determined by the District; provided that Tenant is diligently proceeding with such repairs and restoration. The District has no obligation to restore or repair the Premises in the event of damage or destruction to the Premises regardless of cause.

17.2 Eminent Domain. If greater than 25% of the area of the Premises is taken under power of eminent domain, this Lease will terminate as of the date of that condemnation, or as of the date possession is taken by the condemning authority, whichever first occurs. No award for any taking will be apportioned, and Tenant hereby assigns to the District any award made in such taking or condemnation together with all rights of Tenant in or to the same or any part of the Premises. The District shall not retain any interest in or require Tenant to assign to the District any award made to Tenant for the taking of the personal Premises and fixtures of Tenant, the value of Tenant's leasehold estate, or the goodwill of Tenant's business, or for the interruption of or damage to Tenant's business, provided that the award does not diminish any award to the District. The District may, without any obligation to Tenant, agree to sell or convey the Premises, or any portion of the Premises, to the condemning authority free from the Lease, and the rights of Tenant under the Lease otherwise will terminate without the institution of any action or proceeding by the District. The District's agreement to sell or convey any portion of the Premises will not prejudice or impair Tenant's statutory right to recover relocation benefits and business interruption losses.

18. Trade Fixtures, Machinery, Equipment and Premises. The District agrees that all trade fixtures, machinery, equipment, furniture, or other property of any kind and nature kept or installed upon the Premises by Tenant (including all waste transported to the Premises for handling or storage) will not become the property of the District or a part of the realty no matter how affixed to the Premises and may be removed by Tenant at any time.

19. Alterations and Trade Fixtures.

- 19.1 Approval. Any alterations, removal of affixed equipment or other fixtures (including, without limitation, the improvements, equipment, and fixtures described in Recital A), additions, or improvements made by or on behalf of Tenant to the Premises (“**Alterations**”) are subject to the District’s prior written consent which consent may be withheld in the District’s sole and absolute discretion. District hereby consents to Tenant’s installation of the Tenant Improvements. If Tenant proposes to make Alterations as provided in this section, Tenant, at its sole cost and expense, shall cause plans and specifications (“**Plans and Specifications**”) to be prepared for such Alterations. Tenant shall submit the Plans and Specifications to the District for review and approval and shall not undertake any Alterations unless and until such Plans and Specifications have been approved, in writing, by the District. Tenant shall pay the District’s reasonable costs for review of the Plans and Specifications for the proposed Alterations. Tenant shall be solely responsible for constructing any Alterations. Tenant shall construct the Alterations in accordance with the approved Plans and Specifications. Any and all Alterations made by Tenant to the Premises shall be solely for the benefit of Tenant.
- 19.2 Standard of Construction. Tenant shall construct and perform all Alterations its sole cost and expense, in a good and workmanlike manner that conforms to all applicable Laws, and by contractors reasonably acceptable to the District. Tenant shall only use good grades of materials. The District may monitor construction of the Alterations. The District’s right to review Plans and Specifications and to monitor construction will be solely for its own benefit, and District shall have no duty to ensure that such Plans and Specifications or construction or performance comply with applicable Laws. Tenant shall obtain and maintain any and all applicable permits and governmental approvals with respect to all Alterations performed by Tenant and shall immediately provide to the District copies thereof upon receipt.
- 19.3 Payment by Tenant. Tenant shall provide District with sufficient notice prior to the commencement of construction such that District may post on and about the Premises notices of non-responsibility pursuant to applicable Law. Tenant shall provide certificates of insurance for worker’s compensation and other coverage in amounts and from an insurance company satisfactory to the District protecting the District against liability for personal injury or Premises damage during construction.
- 19.4 Alterations and Improvements upon Surrender. Upon surrender of the Premises, and subject to the District’s obligation to reimburse Tenant for Capital Replacements, all Alterations and any leasehold improvements constructed by Tenant shall remain on the Premises as the District’s property, except to the extent District, at the time that it approved such Alteration, notified Tenant in writing that it would require removal, at Tenant’s expense, of any such items or the District and Tenant have otherwise agreed in writing in connection with the District’s consent to any Alterations. Prior to the expiration or termination of this Lease, Tenant, at its sole expense, shall repair any and all damage caused by such removal and restore the Premises to its condition existing upon the Commencement Date, normal wear and tear excepted.
- 19.5 Trade Fixtures. Tenant, at its own cost and expense and without the District’s prior approval, but upon prior written notice to the District, may erect such shelves, bins, machinery and trade fixtures (collectively “**Trade Fixtures**”) in support of its Business Objective provided that such items do not alter the basic character of the Premises, do not overload or damage the structural integrity of the Premises, and may be removed without damage to the Premises, and the construction, erection, and installation thereof complies with all applicable Laws and with the District’s requirements set forth in this Lease. Trade Fixtures do not include the equipment identified in Recital A above.

19.6 Obsolete Processing Line. As of the Effective Date, the Premises includes a processing line which is out of use (the “**Extra Processing Line**”). Tenant may, in Tenant’s discretion use such Extra Processing Line in connection with the Business Objective, or may elect to remove the Extra Processing Line. If Tenant elects to use the Extra Processing Line, any upgrades which Tenant may make to such Extra Processing Line will be Alterations and subject to District’s approval as set forth herein, provided Tenant shall be required to remove such upgrade prior to Tenant’s surrender of the Premises. If Tenant elects to remove the Extra Processing Line, Tenant shall prior to such removal present to District a written proposal for the removal of the Extra Processing Line, which proposal shall describe whether Tenant intends to sell or to store the Extra Processing Line. District shall have the right to elect to require Tenant to either sell or store the Extra Processing Line. If District elects to require Tenant to sell the Extra Processing Line, the proceeds of such sale shall belong to District. If District requires Tenant to store the Extra Processing Line, then Tenant shall be required to reinstall the Extra Processing Line prior to Tenant’s surrender of the Premises.

20. Default.

20.1 Tenant Default. The following events constitute events of default (an “**Event of Default**”) on the part of Tenant under this Lease:

20.1.1 Tenant’s failure to pay rent within three (3) business days after notice of non-payment received from District.

20.1.2 Tenant’s failure to establish and maintain a Security Deposit or Letter of Credit in sufficient amount as described in Section 5 above.

20.1.3 In case of or in anticipation of bankruptcy, insolvency, or financial difficulties:

(a) The making by Tenant of any general assignment for the benefit of creditors;

(b) A case is commenced by or against Tenant under Chapters 7, 11, or 13 of the Bankruptcy Code, Title 11 of the United States Code as now in force or hereafter amended and if so, commenced against Tenant, the same is not dismissed within 60 calendar days;

(c) The appointment of a trustee or receiver to take possession of substantially all of Tenant’s assets located at the Premises or of Tenant’s interest in this Lease, where such seizure is not discharged within thirty (30) calendar days; or

(d) Tenant’s convening of a meeting of its creditors or any class of its creditors for the purpose of affecting a moratorium upon or composition of its debts.

20.1.4 Tenant’s failure to perform any other obligation under this Lease within thirty (30) calendar days following receipt of written notice from the District; provided, however, that if due to the nature of such breach, cure is not reasonably possible within such 30-day period, Tenant shall not be deemed in breach if cure is commenced within the initial 30-day period and diligently pursued to completion.

20.1.5 A material misrepresentation by Tenant under this Lease.

21. District's Remedies.

21.1 Rights and Remedies. Upon the occurrence of any Event of Default on the part of Tenant, the District shall have the following rights and remedies, in addition to those allowed by law or in equity, any one or more of which may be exercised or not exercised without precluding the District from exercising any other remedy provided in this Lease or otherwise allowed by law or in equity:

21.1.1 Termination. The District may terminate this Lease and all rights of Tenant under this Lease by giving written notice of termination to Tenant. In the event that the District elects to terminate this Lease, the District may recover from Tenant:

- (a) Damages permitted by California Civil Code Sec. 1951.2(a), including the worth at the time of award of the unpaid rent which had been earned at the time of termination; the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Tenant proves could have been reasonably avoided; the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; and any other amount necessary to compensate the District for all the detriment proximately caused by the Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, without limitation, the cost of recovering possession of the Premises, expenses of reletting (including necessary repair, renovation, and alteration of the Premises), brokers' fees incurred, reasonable attorneys' fees, and any other reasonable fees and costs; and
- (b) At the District's election, such other sums in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law. The "worth at the time of award" of the amounts due prior to and after the date of award will be computed by allowing interest at the rate of the highest rate permitted by Law from the date such amounts accrued to the District. The worth at the time of award of amounts due after the date of award will be computed by discounting those amounts at one (1%) percentage point above the discount rate of the Federal Reserve Bank of San Francisco at the time of award.

21.1.2 Reletting. Without terminating or effecting a forfeiture of this Lease or otherwise relieving Tenant of any obligation under this Lease in the absence of express written notice of the District's election to do so, the District may enter and relet the Premises or any portion thereof at any time or from time to time and for such term(s) and upon such condition(s) and at such rental as the District deems proper. Whether or not the Premises are relet, Tenant shall pay to the District all amounts required under this Lease up to the date that the District terminates Tenant's right to possession, and thereafter Tenant shall pay to the District, until the end of the Term of the Lease, all rent and additional rent required under the terms of this Lease. Payments by Tenant will be due at the times provided in this Lease, and the District need not wait until the termination of this Lease to recover them. Reletting of the Premises or any portion of the Premises will not relieve Tenant of any obligation under this Lease. Proceeds received by the District from such reletting will be applied: first, to any indebtedness other than rent due from Tenant; second, to costs of reletting; third, to the cost of any alterations and repairs to the Premises; fourth, to rent due and unpaid hereunder. Any residual will be held by the District and applied in payment of future rent as the same becomes due under

this Lease. Should that portion of the proceeds received by the District from reletting applied to payment of rent be less than the rent payable by Tenant during any month, Tenant shall pay such deficiency to the District immediately upon demand. The District may execute any lease under this section in its own name, and the tenant under such lease will have no obligation to see to application by the District of proceeds received by the District, nor will Tenant have any right to collect such proceeds. The District will not by any re-entry or other act be deemed to accept any surrender by Tenant of the Premises or be deemed to terminate this Lease or to relieve Tenant of any obligation under this Lease, unless the District gives Tenant express written notice of the District's election to do so.

- 21.2 Lease to Remain in Effect. The District shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue the lease in effect after lessee's breach and abandonment and recover Rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Notwithstanding the District's right to terminate this Lease, to the extent permitted pursuant to applicable Law, the District may, at its option, even though Tenant has breached this Lease and abandoned the Premises, continue this Lease in full force and effect and not terminate Tenant's right to possession, and enforce all of the District's rights and remedies under this Lease. Further, in such event the District shall be entitled to recover from Tenant all costs of maintenance and preservation of the Premises, and all costs, including attorneys' fees and receivers' fees, incurred in connection with appointment of and performance by a receiver to protect the Premises and the District's interest under this Lease. No re-entry or taking possession of the Premises by the District shall be construed as an election to terminate this Lease unless a notice (signed by a duly authorized representative of the District) of intention to terminate this Lease is given to Tenant.
- 21.3 All Sums Collectible as Rent. All sums due and owing to the District by Tenant under this Lease will be collectible by District as rent.
- 21.4 No Surrender. No act or omission by the District or its agents during the Term will be an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises will be valid unless made in writing and signed by a duly authorized representative of the District. The District shall be entitled to a restraining order or injunction to prevent Tenant from defaulting under any of its obligations other than the payment of rent or other sums due hereunder.
- 21.5 Effect of Termination. Neither the termination of this Lease nor the exercise of any remedy under this Lease or otherwise available at law or in equity will affect the District's rights of indemnification set forth in this Lease, and all rights to indemnification and other obligations of Tenant intended to be performed after termination or expiration of this Lease will survive termination or expiration of this Lease.
- 21.6 No Waiver. No delay or omission of the District to exercise any right or remedy will be construed as a waiver of such right or remedy of any default by Tenant under this Lease. The acceptance by the District of rent or any other sums under this Lease will not be:
- (a) A waiver of any preceding Event of Default or default by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular rent or sum accepted, regardless of the District's knowledge of such preceding Event of Default or default at the time of acceptance of such rent or sum or,
 - (b) A waiver of the District's right to exercise any remedy available to the District by virtue of such Event of Default or default. No act or thing done by the District or the District's agents during the term of this Lease

will be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender will be valid unless in writing and signed by the District.

- (c) In any action for unlawful detainer, the reasonable rental value of the Premises for the period of the unlawful detainer will be the rent and additional rent reserved in this Lease for such period, unless the District or Tenant proves to the contrary by competent evidence.
- (d) The rights and remedies reserved to the District in this Lease, including those not specifically described, will be cumulative, and, except as otherwise provided by California statutory law in effect at the time, the District may pursue any or all of such rights and remedies, at the same time or otherwise.
- (e) No delay or omission of the District to exercise any right or remedy will be a waiver of such right or remedy or of any default by Tenant under this Lease.

22. Tenant Remedies.

- 22.1 District's Cure Period. Subject to the remedies set forth elsewhere herein, if the District fails to perform any of its obligations under this Lease, and the District does not perform such obligation within 30 days after receipt of written notice from Tenant, Tenant shall be entitled to exercise all remedies available to Tenant at law or in equity. Notwithstanding the foregoing, if due to the nature of such default, cure is not reasonably possible within such 30-day period, District shall not be deemed in breach if cure is commenced within the initial 30-day period and diligently pursued to completion.
- 22.2 Tenant's Self-Help Right. In addition to the rights set forth in Section 22.1, above, in the event that District fails to make any repair or replacement or perform any maintenance which is the District's obligation to make or perform hereunder and such failure of the District to make such repair materially and adversely affects Tenant's ability to conduct its Business Objective at the Premises, Tenant may deliver written notice thereof to the District, which written notice will state that if the District fails to commence such repair, replacement or maintenance within fifteen (15) business days, Tenant will perform such repair, replacement or maintenance at the District's cost. If the District does not commence such repair, replacement or maintenance within such fifteen (15) business day period, Tenant may commence such repair, replacement or maintenance at the District's sole cost and expense. The District will reimburse Tenant for all reasonable out of pocket costs in connection with such repair, replacement or maintenance within forty-five (45) days following the District's receipt of an invoice and accounting therefor.

23. ADA Accessibility.

- 23.1 CASp Statement. The District makes the following statement based on District's actual knowledge in order to comply with California Civil Code Section 1938: The Premises has not undergone an inspection by a Certified Access Specialist ("CASp").
- 23.2 No Representations. Subject to Section 10.2.1, District makes no warranty or representation as to compliance of the Premises with the ADA or any similar legislation.
- 23.3 Right to CASp. A CASp can inspect the Premises and determine whether the Premises comply with all of the applicable construction-related accessibility standards under California law. Although California law does not require a CASp inspection of the Premises, the District may not prohibit Tenant from obtaining a CASp inspection of the

Premises for the occupancy or potential occupancy of the Tenant, if requested by Tenant. The Parties shall mutually agree on the arrangements for the time and manner of the CASp inspection.

23.4 Fee for CASp. The District and Tenant hereby mutually agree that in the event a CASp inspection is requested by Tenant, the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards noted in the CASp inspection shall be paid solely by Tenant.

24. Notice. Any notices or invoices relating to this Lease, and any request, demand, statement or other communication required or permitted hereunder must be in writing and delivered by overnight service (such as FedEx, UPS, etc.), hand delivery, or U.S. Mail, with a courtesy copy by email to the email address set forth below. Each of the Parties shall promptly notify each other of any change of contact information. A notice will be deemed to have been received on (a) the date of delivery, if delivered by hand during regular business hours or if delivered overnight service; or (b) on the third business day following mailing by U.S. mail to the address set forth below.

If to District: Los Angeles County Sanitation Districts
Attn: Supervisor, Property Management Group
1955 Workman Mill Road
Whittier, CA 90601
(562) 908-4288, extension 2762
property@lacsds.org

If to Tenant: Arakelian Enterprises, Inc., d/b/a Athens Services
Attn: Mr. Anthony Bertrand
14048 Valley Boulevard
City of Industry, CA 91746
(888) 336-6100 office
ABertrand@athensservices.com

25. Security. Tenant shall maintain in good working order and repair the structural condition and aesthetic condition of the existing perimeter walls as currently installed around the Premises. The District shall have no obligation to provide security service with respect to the Premises. The District makes no warranties, express or implied, relating to the security of the Premises, except for the negligence, willful misconduct, or breach of Lease on the part of the District or its agents or employees. .

26. Health and Safety. Tenant represents that it has developed health and safety procedures for recycling facilities and has a safe work history operating recycling facilities similar to the Premises. Tenant shall provide to all Tenant Parties, at its sole cost, all required training and protective devices, personal protective equipment, and other safety equipment necessary to properly protect all Tenant Parties from injury and other potential workplace exposures. Tenant shall ensure that required safety equipment is being used by all Tenant Parties and that all Tenant Parties are properly trained to perform their assigned work.

27. Relations. Tenant, at its sole expense, shall be responsible to provide and manage properly trained labor at the Premises to perform the Business Objective. Tenant shall exercise complete and exclusive control over and responsibility for all aspects of hiring, employment, supervision, direction, hours, working conditions, compensation, discipline and discharge for all of Tenant's employees (including, without limitation, contractors or temporary employees), agents, and representatives who work at the Premises.

28. Miscellaneous.

- 28.1 Mechanic's Liens. Tenant has no express or implied authority to create or place any lien or encumbrance of any kind upon, or in any manner to bind the interest of the District or Tenant in, the Premises or to charge the rent payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs. The District may record, at its election, notices of non-responsibility pursuant to California Civil Code Section 8444 in connection with any work performed by Tenant. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises and that it will save and hold the District harmless from all loss, cost or expense based on or arising out of asserted claims or liens against the leasehold estate or against the interest of the District in the Premises or under this Lease. Tenant shall give the District immediate written notice of the placing of any lien or encumbrance against the Premises and cause such lien or encumbrance to be discharged within 30 days of the filing or recording thereof; provided, however, Tenant may contest such liens or encumbrances as long as such contest prevents foreclosure of the lien or encumbrance and Tenant causes such lien or encumbrance to be bonded or insured over in a manner satisfactory to the District within such 30 day period. Without limiting any other rights or remedies of the District, if Tenant fails for any reason to cause a lien or encumbrance to be discharged within 30 days of the filing or recording thereof, then the District may take such action(s) as it deems necessary to cause the discharge of the same (including, without limitation, by paying any amount demanded by the individual or entity who has filed or recorded such lien or encumbrance, regardless of whether the same is in dispute), and Tenant shall reimburse the District for all reasonable costs and expenses incurred by the District in connection therewith within ten days following written demand therefor.
- 28.2 Invalidity. If any term or provision of this Lease or portion thereof will be found invalid, void, illegal, or unenforceable generally or with respect to any particular Party, by a court of competent jurisdiction, it will not affect, impair or invalidate any other terms or provisions or the remaining portion thereof, or its enforceability with respect to any other Party.
- 28.3 Construction. The headings used in this Lease are for convenience of reference only and will not be considered or referred to in resolving questions of interpretation. This Lease will be construed neither for nor against the drafting Party but will be given a fair and reasonable interpretation in accordance with the meaning of its terms.
- 28.4 Non-Waiver. No provision of this Lease will be deemed waived by either Party unless expressly waived in writing by the waiving Party.
- 28.5 Modification. This Lease sets forth all of the agreements and understandings of the Parties with regard to its subject matter and any amendment or modification must be written and properly executed by both Parties.
- 28.6 Quiet Enjoyment. The District agrees that so long as Tenant complies with the terms and conditions of this Lease, Tenant shall hold the Premises during the Term, free of claims by any party acting by or through the District or claiming paramount title, subject to all other terms and provisions of this Lease. In no event will District permit the recording against the Premises of any matters of title which would affect to more than a de minimis extent the ability of Tenant to operate in the Premises consistent with the Business Objective. This Lease shall be deemed prior in priority to any lien, lease, mortgage, or deed of trust upon or including the Premises or any portion thereof recorded following the Effective Date. The subordination of the Lease to any future mortgage, deed of trust or ground lease encumbering the Premises after the Effective Date is expressly conditioned upon the party

holding such mortgage, deed of trust or lease, executing a subordination, non-disturbance and attornment agreement (an “SNDA”) in favor of Tenant in a form reasonably acceptable to Tenant and District’s lender.

- 28.7 Authorization. The individuals executing this Lease on behalf of the District and Tenant represent and warrant they have authority and power to execute this Lease on behalf of the District and Tenant, respectively.
- 28.8 Governing Law. This Lease will be interpreted and governed by the laws of the State of California with venue for any dispute in Los Angeles County.
- 28.9 Covenants and Conditions. All of Tenant’s obligations under this Lease are covenants and conditions.
- 28.10 Rent. All monetary obligations of Tenant under this Lease (including, without limitation, Base Rent) are deemed to be “rent” or “Rent” and must be paid on the due date specified in this Lease without notice, grace, offset or deduction except as expressly set forth in this Lease.
- 28.11 Entire Agreement; Counterparts. This Lease contains all of the agreements of the Parties hereto with respect to any matter covered or mentioned in this Lease, and all prior agreements and/or understandings, whether written or oral, are superseded hereby. This Lease may be executed in one or more counterparts, which when taken together, will constitute one and the same original.
- 28.12 Delegation to the Chief Engineer. The District’s Chief Engineer and General Manager is authorized to take all actions on behalf of the District in connection with any approvals, consents, or actions required of or by the District under this Lease.
- 28.13 District Exculpation. The liability of the District and the Indemnified Parties to Tenant for any default or other wrongful act by the District relating to the Premises is limited solely and exclusively to an amount which is no more than the net interest of the District in the Premises. None of the District Indemnified Parties will have any personal liability for any act, negligence or omission of the District, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. None of the Tenant Indemnified Parties will have any personal liability for any act, negligence or omission of the Tenant, and the District hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant.
- 28.14 Mutual Waiver of Consequential Damages. Notwithstanding anything to the contrary in this Lease, neither Party nor any District Indemnified Party or Tenant Indemnified Party shall be liable hereunder to the other Party under any circumstances for loss of profit, loss of rents or other revenues, loss of business opportunity, loss of good will or loss of use, or other similar forms of consequential damages, in each case however occurring, excepting only to the extent set forth in Section 13 (Indemnification) or any claim by District in connection with Tenant’s holdover as set forth in Section 15.
- 28.15 Attorney’s Fees. In the event any action is instituted by a Party to interpret or enforce this Lease, the prevailing Party in such action (as determined by the court, agency or other authority before which such suit or proceeding is commenced), will be entitled to such reasonable attorneys’ fees, costs and expenses as may be fixed by the decision maker.
- 28.16 Public Records. Tenant acknowledges that any and all written information submitted to or obtained by the District from Tenant or any other person or entity having to do with or related to this Lease or the Premises, either pursuant to this Lease or otherwise may be

treated as a public record open to inspection by the public pursuant to the California Public Records Act (California Government Code Section §§ 6250 through 6276.48) as now in force or as may be amended (the “Act”). Tenant hereby waives, for itself, its agents, employees, subtenants, and any person claiming by, through, or under Tenant, any right or claim that any such information is not a public record or that the same is a trade secret or confidential information and hereby agrees to indemnify, defend, and hold the District and the District Indemnified Parties harmless from any and all Claims arising out of or resulting from a claim by Tenant that such information is a trade secret, or confidential, or is not subject to inspection by the public, including without limitation reasonable attorney's fees and costs.

- 28.17 Partnership. Nothing contained in this Lease will be construed to make the District and Tenant partners or joint venturers, or to render either Party liable for the debts or the obligations of the other.
- 28.18 Estoppel Certificate. Within 30 days after request by the other party, each party shall execute, acknowledge, and deliver to the requesting party an Estoppel Certificate confirming and certifying the accuracy of such reasonable statements and information as may be requested by the requesting party; provided, however, in no event shall either Party request an Estoppel Certificate more than once per calendar year.
- 28.19 Time. Time is of the essence with respect to the Parties performance of their respective obligations under this Lease.
- 28.20 Tenant Authority and Additional Representations. Tenant represents and warrants for the benefit and reliance of the District as follows: (a) Tenant has the legal power, right and authority to enter into this Lease, (b) all requisite corporate action has been taken by Tenant in connection with entering into this Lease, (c) there is not pending against or affecting Tenant nor is there threatened, any action, suit or proceeding at law, or in equity, or any investigation by or before any administrative agency or any other private or governmental proceeding against or with respect to Tenant that would materially adversely affect Tenant’s ability to perform the obligations set forth in this Lease, (d) to Tenant’s actual knowledge, Tenant is not in default, and will not be in default, with respect to any order, writ, injunction, decree or demand of any court, arbitrator, tribunal, government or local authority in any manner that would materially affect Tenant’s ability to perform its obligations set forth in this Lease, and (e) Tenant is not acting, directly or indirectly, for, or on behalf of, any group, entity or nation named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, “Specially Designated National and Blocked Person,” or other banned or blocked person, entity, or nation pursuant to any law that is enforced or administered by the Office of Foreign Assets Control. Tenant is not engaging in the transaction contemplated by this Lease (this “**Transaction**”), directly or indirectly, on behalf of, or instigating or facilitating this Transaction, directly or indirectly, on behalf of, any such person, group, entity or nation. Tenant not engaging in this Transaction, directly or indirectly, in violation of any laws relating to drug trafficking, money laundering or predicate crimes to money laundering.
- 28.21 District Representations. The District represents and warrants for the benefit and reliance of Tenant as follows (a) the District has the legal power, right and authority to enter into this Lease, (b) all requisite action has been taken by the District in connection with entering into this Lease, and (c) no approval of any third party is required as a condition to the effectiveness of this Lease.
- 28.22 Commission. Tenant and the District each represent and warrant to the other that it has had no dealing with any person, firm, broker or finder in connection with the negotiation

of this Lease. Each Party shall hold the other Party harmless from all damages, claims, liabilities or expenses, including reasonable and actual attorneys' fees (through all levels of proceedings), resulting from any claims that may be asserted against the other Party by any real estate broker or finder with whom the indemnifying Party either has or is purported to have dealt with in the negotiation of this Lease.

28.23 Severability. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect by a court, arbitrator or administrative agency having jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

28.24 Consultation. The Parties hereto hereby represent and warrant to one another that each of them has had the full opportunity of consulting counsel of their own choosing in connection with the preparation of this Lease, that each of them has read and understood the provisions of this Lease and is fully aware of the contents and legal effect thereof.

28.25 Force Majeure.

28.25.1 Force Majeure Events. Except only as expressly set forth to the contrary in this Lease, any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, civil commotions, casualty, actual public health emergency (including, without limitation, epidemic, pandemic, famine, disease, plague, quarantine, and other significant public health risk), governmental edicts, actions, orders, declarations or restrictions (including (i) any states of emergency and quarantines imposed by a governmental entity or agency, and (ii) any government imposed shelter-in-place orders, stay at home orders and/or restrictions on travel related thereto that preclude Tenant, its agents, contractors or its employees from accessing the Premises), breaches in cybersecurity, and other causes beyond the reasonable control of the Party obligated to perform regardless of whether such other causes are foreseeable or unforeseeable (collectively, "**Force Majeure**") shall excuse the performance of such Party for a period equal to any such prevention, delay or stoppage. If this Lease specifies a time period for performance of an obligation of either Party, then that time period shall be extended by the period of any delay in such Party's performance caused by a Force Majeure, and the other Party to this Lease shall not be entitled to compensation for any inconvenience or nuisance caused thereby. Notwithstanding anything to the contrary in this Lease, no event of Force Majeure shall (1) excuse or delay Tenant's obligations to pay rent (including Base Rent) or other charges as and when due pursuant to this Lease, (2) be grounds for Tenant to abate any portion of rent (including, Base Rent) due pursuant to this Lease, or entitle either Party to terminate this Lease, (3) excuse either Party's obligations to obtain and maintain insurance as required under this Lease; provided, however, if Tenant is materially frustrated in its performance of required work or operations at the Premises due to a Force Majeure event, then Tenant's obligation to pay Base Rent shall abate, no more than once during any 60 month period, for the lesser of (a) a period of 3 consecutive months commencing upon the event of Force Majeure (as determined by the District) or (b) the duration of the Force Majeure event. If the Lease is scheduled to expire or terminate during the Force Majeure event, and Tenant is unable to access the Premises and surrender in accordance with the provisions of this Lease directly as a result of such Force Majeure event, then the Lease will remain in effect until Tenant is able to access the Premises and surrender in accordance with the provisions of this Lease (as determined by the District).

Upon cessation of the Force Majeure event, as determined by the District, then Tenant shall have 30 days from such cessation to vacate the Premises in accordance with the terms and conditions of this Lease. Upon the expiration of such 30-day period, the Lease shall terminate or expire (as applicable). In addition, any delays or failures to perform by either Party resulting from lack of funds shall not be deemed a Force Majeure. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1511 of the California Civil Code, and hereby agrees that this Section 28.25.1 is an express provision to the contrary

28.25.2 Extraordinary Adjustments. In addition to and notwithstanding anything to the contrary set forth in Section 28.25.1, Tenant may request adjustments or abatements of Rent or reductions in the Term of the Lease at reasonable times for extraordinary changes in the cost of performance in furtherance of the Business Objective (“**Extraordinary Adjustments**”). Extraordinary changes shall not include changes in the market value of recyclables from the values assumed in Tenant’s proposal submitted in response to the District’s Request for Proposal, increases in the costs of the District’s insurance passed through to Tenant hereunder, or inaccurate estimates by the Tenant of its proposed cost of operations. For each such request, the Tenant shall prepare a schedule documenting its historical cost of operation and the effect of the extraordinary event (both increases and decreases) on its costs. Such request shall be prepared in a form acceptable to the District with support for assumptions made by the Tenant in preparing the estimate. The District shall review the request and, in the District’s sole and absolute discretion and judgment, make the final determination on the appropriate amount of the Extraordinary Adjustment, if any.

28.26 Recitals. The recitals set forth in Sections A through G on pages 1 and 2 of this Lease are incorporated herein by reference and made a part hereof.

28.27 Days and Time. Unless otherwise specifically indicated to the contrary, the word “days” as used in this Lease means and refers to calendar days. All time references shall refer to the local time in Los Angeles, California.

28.28 Notice of Sale. District agrees to give Tenant written notice 60 days prior to the sale of the Premises and will provide to Tenant a copy of any Request for Proposal applicable to the sale, ground lease, or other transfer of District’s interest in the Premises at the time of issuances of such Request for Proposal.

28.29 Attachments to Lease. This Lease includes the following exhibits, which are attached to this Lease and made a part of this Lease:

Exhibit A – Overview and Access

Exhibit B – Site Plan

Exhibit C – Entry Permit

Exhibit D – Existing Permits

Exhibit E – Prevailing Wage Addendum

Exhibit F – Letter of Credit

[Signature Page Immediately Follows]

The Parties are signing this Lease as of the Effective Date.

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY**

By: _____
Chairperson, Board of Directors

ATTEST:

Secretary to the Board

APPROVED AS TO FORM:
Lewis Brisbois Bisgaard & Smith, LLP

By: _____
District Counsel

ARAKELIAN ENTERPRISES, INC., a California corporation, d/b/a Athens Services

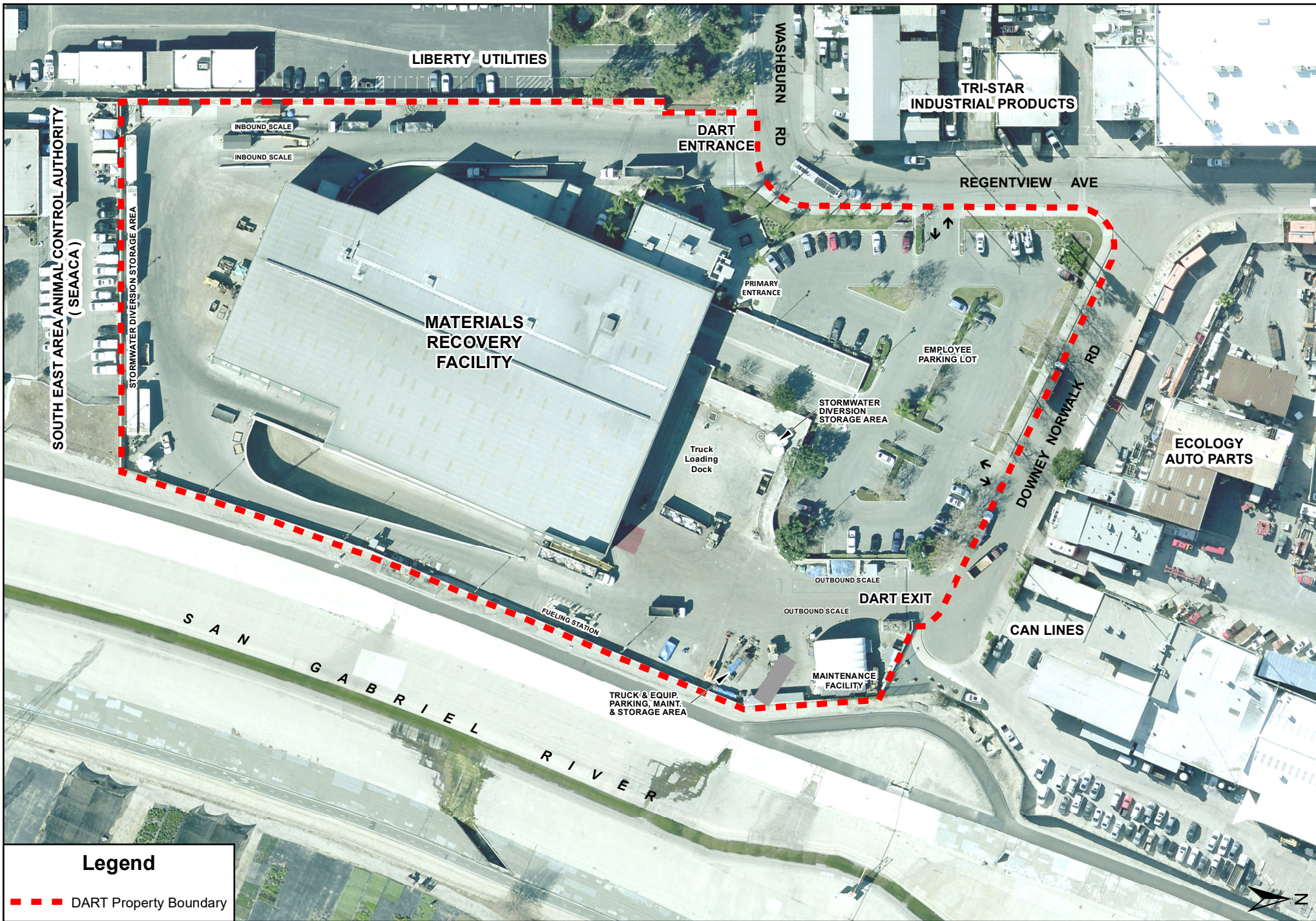
By: _____

Name: _____

Title: _____

EXHIBIT A

Overview and Access



DART - Overview and Access

Exhibit A

Date: 6/14/2022

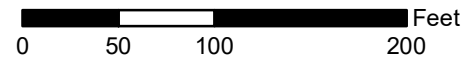
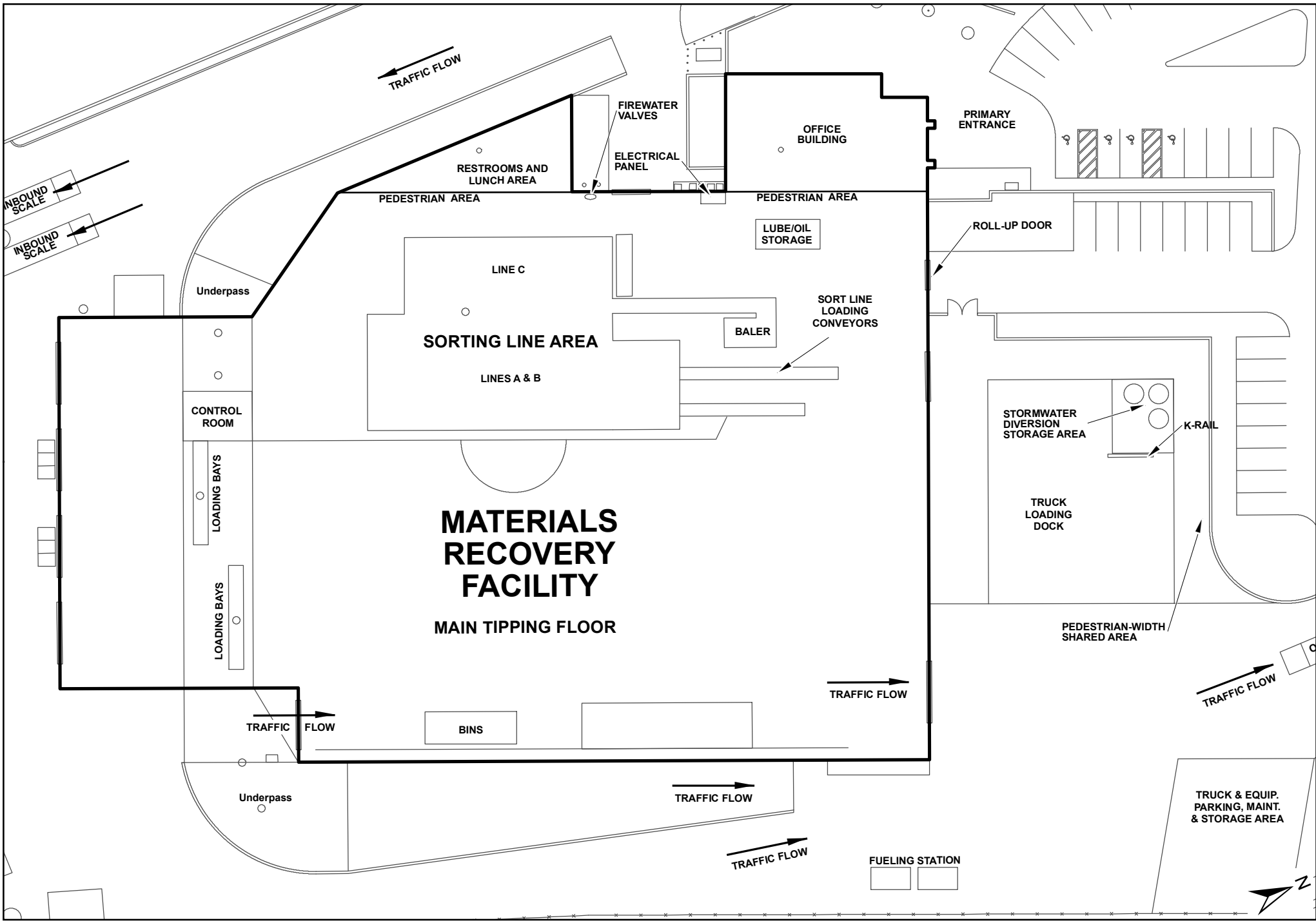


EXHIBIT B

Site Plan



DART - Site Plan

Exhibit B

Date: 6/14/2022

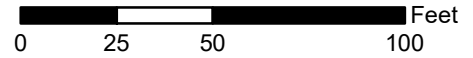


EXHIBIT C

ENTRY PERMIT NO. 347 (the "Permit")

COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY, a county sanitation district organized and existing under provisions of the County Sanitation District Act, California Health and Safety Code Section 4700 *et seq.* (the "District"), hereby grants permission to **ARAKELIAN ENTERPRISES, INC.**, a California corporation, d/b/a Athens Services ("Permittee"), its officers, agents, contractors and employees, to enter upon the District's Downey Area Recycling and Transfer Facility property, located at 9770 E. Washburn Road, City of Downey, California 90241 (the "Premises") for the purposes described below and subject to the provisions set forth below. This permission is given under and subject to the following terms and conditions, which Permittee agrees to by acceptance of this Permit:

1. **Lease Agreement** – The District and Permittee have entered into a Lease Agreement, dated _____, 2022 concerning lease of the Premises to Permittee. The Lease Agreement commences on _____, 2022 (the "Lease Commencement Date"). Permittee desires to access to the Premises prior to the Lease Commencement Date to conduct certain activities, as described in Section 2 below, that will facilitate its occupancy of the Premises.
2. **Permitted Use** – Upon prior notification to the District as described in Section 4 below, Permittee shall have the right to enter upon the Premises to perform (a) IT infrastructure activities such as upgrades, (b) office improvements (c) Tenant Improvements as defined in the Lease, and (d) and visual inspections (collectively the "Permitted Use").
3. **Term** – This Permit is valid from the date of issuance by the District and shall expire on the Lease Commencement Date.
4. **Prior Notification** – At least two (2) business days prior to accessing the Premises to conduct the Permitted Use, Permittee shall notify Mr. Cruz Guerrero, the District's Premises Superintendent, at (562) 254-8919 and Ms. Danni Maurizio, Supervising Engineer in the District's Solid Waste Operations Section, at (562) 908-4288, extension 6009.
5. **Entry** – Permittee shall comply with all reasonable directives of the District in entering upon the Premises and performing the activities allowed under this Permit. Permittee acknowledge that certain areas of the Premises may not be accessed by Permittee, including the area occupied by a current tenant of the District. The District shall have the right to have a representative accompany Permittee during any entry onto the Premises.
6. **Access Hours** – Permittee may only access the Premises between 7 a.m. and 5 p.m., Monday to Friday, and between 7 a.m. and 1 p.m. on Saturday, excluding holidays. Additionally, Permittee may access the Premises between 7 a.m. and 11:59 p.m. on the day prior to the Lease Commencement Date.
7. **Cost** – This Permit is issued to Permittee at no cost.
8. **Miscellaneous**
 - a. Permittee shall promptly repair any damage to the Premises, or any other property of the District or other parties resulting from Permittee's activities under this Permit. Permittee shall promptly pay all costs of all activities conducted at the Premises and shall not permit any liens to attach to the Premises by reason of the exercise of its rights under this Permit. The foregoing obligations in this Section 8(a) shall survive the expiration or termination of this Permit.
 - b. Permittee shall strictly comply with all of the terms and conditions of this Permit. Permittee shall not engage in, or permit any other party to engage in, any activity at the Premises that

violates federal, state, or local laws, codes, ordinances, rules, or regulations, including any laws pertaining to hazardous, toxic, or infectious material or waste (collectively, "Laws") and shall be responsible for complying with all Laws.

c. Permittee's use of the Premises is at its own risk. The District is not responsible for the security or safety of Permittee's activities at the Premises as allowed under this Permit.

d. Permittee shall keep a fully-executed copy of this Permit on hand at all times while on the Premises and present it to any District's staff member upon request.

e. Permittee agrees that Permittee shall be solely responsible for any injury or damage to property or persons that arise from Permittee, its agents, employees, representatives, consultants or contractors conducting the Permitted Use at the Premises.

f. This Permit shall not be assigned, transferred, sold, or conveyed (whether directly, indirectly, by operation of law or otherwise) by Permittee to any person or entity without the prior written consent of the District which consent may be withheld in the District's sole and absolute discretion.

g. Permittee shall be liable for injury or damage to the person or property of Permittee or its agents, employees, representatives, consultants or contractors whatsoever, from any cause, whether the said injury or damage results from conditions at the Premises. Permittee acknowledges and agrees that it is entering upon and performing the activities permitted pursuant to this Permit on an "as is" and "with all faults" basis. Permittee further acknowledges and agrees that neither the District, nor any of the District Parties (as defined below) has made, or shall make, any representation or warranty whatsoever as to the Premises or any aspect thereof, including, without limitation, its physical, environmental, title, leasing, regulatory, or financial condition.

h. This Permit shall be construed to constitute a permit only for the limited purpose of entering upon the Premises for the Permitted Use subject to the provisions of this Permit. This Permit shall not be construed to be a lease, a joint venture, or any other business or legal relationship between the parties.

i. In entering upon the Premises pursuant to this Permit, Permittee shall not disrupt or interfere with District's business or any activities conducted by the District at the Premises or the business of any tenant of the District at the Premises.

j. Permittee shall indemnify, defend and hold harmless the District and all other County Sanitation Districts of Los Angeles County and their respective directors, officers, members, employees, agents, attorneys, successors, assigns, and affiliates (collectively, "District Parties") from and against any and all losses, liabilities, claims, causes of action, damages, injuries, suits, proceedings, liens, encumbrances, fees and costs (including, without limitation, attorneys' fees and costs) (collectively, "Claims" or individually a "Claim") arising from or related to (a) entry onto the Premises (b) the Permitted Use, or (c) any breach of this Permit or any negligence, act, or omission on the part of Permittee or any of its agents, employees, or representatives. The foregoing indemnification obligation excludes Claims arising solely and directly out of the mere discovery of any pre-existing condition at the Premises or any willful misconduct of the District. The foregoing indemnity survives the expiration or termination of this Permit.

k. If any action is instituted by a party to interpret or enforce this Permit, the Parties shall each bear their respective costs and attorneys' fees related to such action.

l. Neither this Permit, nor any short form or memorandum thereof, shall be recorded.

m. Each individual signing this Permit warrants and represents that he or she has the full authority to execute this Permit on behalf of the party on whose behalf he or she so signs, and that he or she is acting within the scope of such authority.

n. This Permit may be executed in two or more counterparts, each of which shall be deemed

an original and all of which together shall constitute the same agreement, whether or not all parties execute each counterpart. Signatures transmitted by email shall have the same effect as original ink signatures.

o. This Permit shall be binding upon the parties, their personal representatives, successors and permitted assigns and shall be governed by the laws of the State of California.

p. Nothing in this Permit modifies, amends, alters, or changes the terms and conditions of the Lease Agreement. In the event of any conflict or inconsistency between the terms of this Permit and the terms of the Lease Agreement, the terms of the Lease Agreement shall prevail.

ACCEPTED AND AGREED TO BY:

ARAKELIAN ENTERPRISES, INC., a California corporation, d/b/a Athens Services

By: _____ Date: _____

Name: _____

Title: _____

Email: _____

Phone: _____

ISSUED BY:

COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY

By: _____ Date: _____

Stan Pegadiotes, P.E.
Section Head, Planning and Property Management
spegiotes@lacs.d.org
(562) 908-4288, ext. 2762

EXHIBIT D

Existing Permits

1. CalRecycle Solid Waste Facility Permit No. 19-AA-0801 (District DOC 4200325)
Tenant shall submit documentation to the Los Angeles County Local Enforcement Agency and CalRecycle in accordance with Title 27 of the California Code of Regulations, Section 26130(b), including an amended Report of Facility Information (RFI) containing a revised Alternative Odor Management Plan (Appendix C of Transfer/Processing Report, District DOC 6446202)
2. State Water Resources Control Board NPDES Industrial Stormwater General Permit No. CAS000001 (District DOC 2941762) (“Industrial Stormwater General NPDES Permit”) and Industrial Activities Stormwater Pollution Prevention Plan WDID No. 4-19I016727 (District DOC 3264080) (“SWPPP”)
On or before August 1, Tenant shall file with the State Water Resources Control Board its Notice of Intent (“NOI”) and associated documentation for Tenant’s operations to be regulated by the Industrial Stormwater General NPDES Permit, including submittal of a SWPPP. Tenant shall provide the District with a copy of the filed NOI and supporting materials on the same day the NOI and supporting materials are submitted. The new WDID number assigned by the State Water Resources Control Board for Tenant’s operation shall be provided to the District upon receipt.
3. Los Angeles County Certified Unified Program Agency Spill Prevention, Control and Countermeasure Plan (SPCC Plan) (District DOC 1687668) and Hazardous Materials Business Plan (HMB Plan) (District DOC 5978581)
Tenant shall submit a request to transfer DART to Tenant’s name in the California Environmental Reporting System database and submit supporting documents, including an SPCC Plan and HMB Plan for Tenant’s operations at the Premises.
4. Joint City of Downey and Los Angeles County Sanitation Districts Industrial Wastewater (IW) Discharge Permit No. 15743 (District DOC [4735093](#))
Tenant shall submit an IW Discharge Permit application to obtain a permit for Tenant’s operations at the Premises.

EXHIBIT E

Obligation to Comply with Prevailing Wage Laws

All references to "Tenant" in this Exhibit include Tenant, as well as Tenant's contractors and subcontractors who may be employed to perform work requiring compliance with prevailing wage laws under the Lease.

1 **Application of Prevailing Wage**

1.2 **Wage Rates, Travel, and Subsistence.**

1.2.1 **Wage Rates.** Pursuant to the provisions of Article 2 Chapter 1, Part 7, Division 2, of the Labor Code (section 1770, *et seq.*), Tenant must obtain the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which this work is to be performed for each craft, classification, or type of worker needed to provide the work contemplated under Sections 12 and 19 of this Lease ("Covered Work") from the Director of the Department of Industrial Relations ("DIR") cause such wage rates to be posted at the Premises as required by the Labor Code.

For any worker employed to perform Covered Work, where such work is not addressed by any classification listed in the published general prevailing wage rates determinations or per diem wages determined by the DIR, said worker shall be paid not less than the minimum rate of wages specified in the classification which most nearly corresponds to the employment of such person in such classification.

1.2.2 **Holiday and Overtime Pay.** Holiday and overtime work, when permitted by law, shall be paid for at a rate set forth in the prevailing wage determinations issued by the DIR or at least one and one-half (1½) times the specified basic rate of per diem wages, plus employer payments, unless otherwise specified in this Agreement, or authorized by law.

1.2.3 **Wage Rates Not Affected By Other Contracts.** Tenant shall pay and shall cause to be paid to each employee to whom prevailing wage rates apply not less than the general prevailing rate of per diem wages determined by the DIR, regardless of any contractual relationship which may be alleged to exist between Tenant and employee.

1.2.4 **Travel And Subsistence.** Tenant shall pay and shall cause to be paid to each employee performing Covered Work travel and subsistence payments, as such travel and subsistence payments are defined by the DIR and in accordance with Labor Code section 1773, *et seq.*, including but not limited to Labor Code section 1773.1.

1.2.5 **Change In Prevailing Wage During Bid or Construction.** If the DIR issues a change in any prevailing rate of per diem wages in the locality in which this public work is to be performed, Tenant must comply with current prevailing wages at all times pursuant to determinations by the DIR and Labor Code section 1773, *et seq.* Prevailing wage determination rates are issued twice a year, in February and August and, as of the date of this agreement, the effective date of a determination is

10 days after the issue date of the determination. So, for example, if the prevailing wage determination is issued February 22, the effective dates for implementing said new rate is March 3rd in leap years, and March 4th in non-leap years.

- 1.2.6 **Minimum Wage Rates.** Any worker employed to perform Covered Work, which work is not covered by any craft or classification listed in the general prevailing rate of per diem wages determined by the DIR, shall be paid not less than the minimum rate of wages specified therein for the craft or classification which most nearly corresponds to the work to be performed by them, and such minimum wage rate shall be retroactive to time of initial employment of such person in such craft or classification.
- 1.2.7 **Per Diem Wages.** Tenant shall pay and shall cause to be paid to each employee performing Covered Work per diem wages including, but not limited to, employer payments for health and welfare, pension, vacation, travel time, and subsistence pay as provided for in Labor Code section 1773.1.s
- 1.2.8 **Posting of Wage Rates.** Prior to commencing any Covered Work, Tenant shall post the required notice/poster required under the California Code of Regulations and Labor Code section 1771.4 in both English and Spanish at a conspicuous, weatherproof area at the Premises. The required notice/poster is available on the Labor Commissioner's website.
- 1.2.9 **Forfeiture and Payments.** Pursuant to Labor Code section 1775, Tenant shall forfeit to District not more than Two Hundred Dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the prevailing rate of per diem wages, determined by the DIR, for such craft or classification in which such worker is employed for any Covered Work performed. The amount of the penalty shall be determined by the Labor Commissioner and shall be based on consideration of Tenant's mistake, inadvertence, or neglect in failing to pay the correct prevailing rate of per diem wage, the previous record of Tenant in meeting his or her prevailing rate of per diem wage obligations, or Tenant's willful failure to pay the correct prevailing rate of per diem wages. A mistake, inadvertence, or neglect in failing to pay the correct prevailing rate of per diem wage is not excusable if Tenant had knowledge of it or the obligations under this part. The difference between such prevailing rate of per diem wage and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing rate of per diem wage shall be paid to each worker by Tenant.
- 1.2.10 **Monitoring and Enforcement by Labor Commissioner.** Monitoring and enforcement of the prevailing wage laws and related requirements will be performed by the Labor Commissioner/Department of Labor Standards Enforcement (DLSE). Tenant shall be required to furnish, at least monthly, certified payroll records directly to the Labor Commissioner in accordance with Labor Code section 1771.4. All payroll records shall be furnished in a format required by the Labor Commissioner. Tenant must sign up for, and utilize, the Labor Commissioner's electronic certified payroll records submission system. The District will have direct and immediate access to all CPRs for

Covered Work performed under this Agreement that are submitted through the Labor Commissioner's system. The District can use this information for any appropriate purpose, including monitoring compliance, identifying suspected violations, and responding to Public Records Act requests.

The Labor Commissioner and DLSE may conduct various compliance monitoring and enforcement activities including, but not limited to, confirming the accuracy of payroll records, conducting worker interviews, conducting audits, requiring submission of itemized statements prepared in accordance with Labor Code section 226, and conducting random in-person inspections of the work site ("On-Site Visits"). On-Site Visits may include inspections of records, inspections of the work site and observation of work activities, interviews of workers and others involved with the work site, and any other activities deemed necessary by the Labor Commissioner/DLSE to ensure compliance with prevailing wage requirements. The Labor Commissioner/DLSE shall have free access to any construction site or other place of labor and may obtain any information or statistics pertaining to the lawful duties of the Labor Commissioner/DLSE.

Any lawful activities conducted or any requests made by the Labor Commissioner/DLSE shall not be the basis for any delays, claims, costs, damages or liability of any kind against the District by Tenant. Tenant and all employees shall cooperate and comply with any lawful requests by the Labor Commissioner/DLSE. The failure of the Labor Commissioner, DLSE, or any other entity related to the Department of Industrial Relations to comply with any requirement imposed by the California Code of Regulations, Title 8, Chapter 8 shall not of itself constitute a defense to the failure to pay prevailing wages or to comply with any other obligation imposed by Division 2, Part 7, Chapter 1 of the Labor Code.

1.3 **Records of Wages: Certified Payroll Submissions and Inspections.**

1.3.1 **Payroll Records.**

- a. Pursuant to section 1776 of the Labor Code, Tenant shall keep an accurate payroll record showing the name, address, social security number, work classification and straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by Tenant in connection with the Covered Work.
- b. All payroll records as specified in Labor Code section 1776 of Tenant shall be certified and furnished directly to the Labor Commissioner in accordance with Labor Code section 1771.4(a)(3) on a monthly basis (or more frequently if required by the District or the Labor Commissioner) and in a format prescribed by the Labor Commissioner. Payroll records as specified in Labor Code section 1776 shall be certified and submitted to the District in hard copy (not electronic) with each application for payment or invoice. All payroll records shall be available for inspection at all reasonable hours at the principal office of Tenant on the following basis:

- i. A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.
 - ii. A certified copy of all payroll records shall be made available for inspection or furnished upon request to a representative of the District, the Division of Labor Standards Enforcement or the Division of Apprenticeship Standards of the Department of Industrial Relations.
 - iii. A certified copy of all payroll records shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through the District, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to Paragraph (2) above, the requesting party shall, prior to being provided the records, reimburse the costs, according to law for the preparation by Tenant, and the entity through which the request was made. The public shall not be given access to such records at the principal office of Tenant.
- c. The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the Division of Labor Standards Enforcement.
 - d. Tenant shall file a certified copy of all payroll records with the entity that requested such records within 10 calendar days after receipt of a written request.
 - e. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the District, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement shall be marked or redacted to prevent disclosure of an individual's name, address and social security number. The name and address of the contractors or subcontractors awarded the Covered Work shall not be marked or redacted. Any copy of records made available for inspection by, or furnished to, a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (Section 175a of Title 29 of the United States Code) shall be marked or redacted only to prevent disclosure of an individual's name and social security number. Notwithstanding any other provision of law, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to Section 329 of the Unemployment Insurance Code and other law enforcement agencies investigating violations of law shall, upon request, be provided non-redacted copies of certified payroll records.

- f. Tenant shall inform the District of the location of all payroll records, including the street address, city and county, and shall provide notice of a change of location and address within five (5) days of same.
- g. Tenant shall have 10 calendar days in which to comply subsequent to receipt of a written notice requesting payroll records. In the event that Tenant fails to comply within the 10-day period, the Tenant shall, as a penalty to the District, forfeit One Hundred Dollars (\$100.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from payments then due to Tenant.
- h. Responsibility for compliance with this Article shall rest upon Tenant.

1.4 **Apprentices.**

1.4.1 **Apprentice Wages and Definitions.** All apprentices employed by Tenant to perform Covered Work shall be paid the standard wage paid to apprentices under the regulations of the craft or trade for which he or she is employed, as determined by the DIR, and shall be employed only at the work of the craft or trade to which he or she is registered. Only apprentices, as defined in section 3077 of the Labor Code, who are in training under apprenticeship standards that have been approved by the chief of the Division of Apprenticeship Standards and who are parties to written apprenticeship agreements under Chapter 4 (commencing with section 3070) of Division 3, are eligible to be employed under this Agreement. The employment and training of each apprentice shall be in accordance with the apprenticeship standards and apprentice agreements under which he or she is training, or in accordance with the rules and regulations of the California apprenticeship Council.

1.4.2 **Apprentice Labor Pool.** When Tenant employs workers in any apprenticeable craft or trade, Tenant shall apply to the joint apprenticeship committee administering the apprenticeship standards of the craft or trade in the area of the Site of the Covered Work, for a certificate approving the Tenant under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, approval as established by the joint apprenticeship committee or committees shall be subject to the approval of the Administrator of Apprenticeship. The joint apprenticeship committee or committees, subsequent to approving Tenant, shall arrange for the dispatch of apprentices to Tenant in order to comply with this section. Tenant shall submit the contract award information to the applicable joint apprenticeship committee which shall include an estimate of journeyman hours to be performed under the Lease, the number of apprentices to be employed, and the approximate dates the apprentices will be employed. There shall be an affirmative duty upon the joint apprenticeship committee or committees administering the apprenticeship standards of the crafts or trade in the area of the Premises, to ensure equal employment and affirmative action and apprenticeship for women and minorities. Tenant shall not be required to submit individual applications for approval to local joint apprenticeship

committees provided they are already covered by the local apprenticeship standards. The ratio of work performed by apprentices to journeymen, who shall be employed in the craft or trade at the job site, may be the ratio stipulated in the apprenticeship standards under which the joint apprenticeship committee operates, but, except as otherwise provided in this section, in no case shall the ratio be less than one (1) hour of apprentice work for every five (5) hours of labor performed by a journeyman. However, the minimum ratio for the land surveyor classification shall not be less than one (1) apprentice for each five (5) journeymen.

1.4.4 **Journeyman/Apprentice Ratio; Computation of Hours.** Any ratio shall apply during any day or portion of a day when any journeyman, or the higher standard stipulated by the joint apprenticeship committee, is employed at the job site and shall be computed on the basis of the hours worked during the day by journeymen so employed, except for the land surveyor classification. Tenant shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the job site. Where an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Division of Apprenticeship Standards, upon application of a joint apprenticeship committee, may order a minimum ratio of not less than one (1) apprentice for each five (5) journeymen in a craft or trade classification.

1.4.5 **Apprenticeable Craft or Trade.** "Apprenticeable craft or trade" as used in this Article means a craft or trade determined as an apprenticeable occupation in accordance with the rules and regulations prescribed by the Apprenticeship Council. The joint apprenticeship committee shall have the discretion to grant a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting Tenant from the 1-to-5 ratio set forth in this Article when it finds that any one of the following conditions is met:

- a. Unemployment for the previous three-month period in the area exceeds an average of fifteen percent (15%).
- b. The number of apprentices in training in such area exceeds a ratio of 1-to-5.
- c. There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth (1/30) of its journeymen annually through the apprenticeship training, either on a statewide basis or on a local basis.
- d. Assignment of an apprentice to any Covered Work performed under this Agreement would create a condition which would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large or if the specific task to which the apprentice is to be assigned is of such a nature that training cannot be provided by a journeyman.

1.4.6 **Ratio Exemption.** When exemptions are granted to an organization which represents Tenant in a specific trade from the 1-to-5 ratio on a local or statewide basis, the member Tenants or Tenants' contractors and

subcontractors will not be required to submit individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards.

- 1.4.7 **Apprentice Fund.** If Tenant employs journeymen or apprentices in any apprenticeable craft or trade and is not contributing to a fund or funds to administer and conduct the apprenticeship program in any such craft or trade in the area of the site of the Covered Work, to which fund or funds other contractors in the area of the site of the Covered Work are contributing, Tenant shall contribute to the fund or funds in each craft or trade in which he or she employs journeymen or apprentices on the project in the same amount or upon the same basis and in the same manner as the other contractors do, but if the trust fund administrators are unable to accept the funds, Tenant shall pay a like amount to the California Apprenticeship Council. Tenant may add the amount of the contributions in computing its bid for the contract. The Division of Labor Standards Enforcement is authorized to enforce the payment of the contributions to the fund or funds as set forth in the Labor Code section 227.
- 1.4.8 **Contractor Compliance.** The responsibility of compliance with paragraph 1.12.3 and section 1777.5 of the Labor Code for all apprenticeable occupations is with Tenant.
- 1.4.9 **Decisions Of Joint Apprenticeship Committee.** All decisions of the joint apprenticeship committee under this paragraph 1.4 and Labor Code section 1111.5 are subject to Labor Code section 3081.
- 1.4.10 **No Bias.** It shall be unlawful for an employer or a labor union to refuse to accept otherwise qualified employees as registered apprentices on any public works on the grounds of race, religious creed, color, national origin, ancestry, sex, or age, except as provided in the Labor Code section 3077.
- 1.4.11 **Violation of Labor Code.** Pursuant to Labor Code section 1777.7, in the event Tenant willfully fails to comply with the provisions of this paragraph 1.4 and Labor Code section 1777.5:
- a. The DIR shall deny to Tenant the right to bid on, or to receive, any public works contract for a period of up to one year for the first violation and for a period of up to three years for the second and subsequent violations. Each period of debarment shall run from the date the determination of noncompliance by the Administrator of Apprenticeship becomes an order of the California Apprenticeship Council
 - b. If Tenant violates Section 1777.5 it shall forfeit as a civil penalty the sum of two hundred dollars (\$200) for each calendar day of noncompliance. Notwithstanding section 1727, upon receipt of a determination that a civil penalty has been imposed, District shall withhold the amount of the civil penalty from the contract progress payments then due or to become due.
 - c. In lieu of the penalty provided for in subdivision (a) or (b), the DIR may for a first time violation and with the concurrence of the

joint apprenticeship committee, order Tenant to provide apprentice employment equivalent to the work hours that would have been provided for apprentices during the period of noncompliance.

- d. Any funds withheld by District pursuant to this section shall be deposited in the General Fund if the awarding body is a state entity, or in the equivalent fund of an awarding body if the awarding body is an entity other than the state.
- e. The interpretation and enforcement of section 1777.5 and this section shall be in accordance with the rules and procedures of the California Apprenticeship Council.

1.5 **DIR Registration.**

1.5.1 **Registration by Contractor and All Subcontractors of Any Tier.** Strict compliance with all DIR registration requirements in accordance with Labor Code sections 1725.5 and 1771.1 is a material obligation of Tenant under the Lease. The foregoing includes, without limitation, compliance with DIR registration requirements at all times during performance of the Covered Work by Tenant. The failure of Tenant to be properly registered with DIR at all times during performance of Covered Work is a material breach of the Lease and subject to termination for cause. An affirmative and ongoing obligation of Tenant under Lease the Lease is the verification that all contractors and subcontractors of any tier are at all times during performance of Covered Work in full and strict compliance with the DIR registration requirements. Tenant shall not permit or allow any contractors and subcontractors of any tier to perform any Covered Work without Tenant's verification that all contractors and subcontractors are in full and strict compliance with the DIR registration requirements. Any contractors and subcontractors of any tier not properly registered with DIR shall be substituted in accordance with Labor Code section 1771.1. Tenant or its contractors and subcontractors of any tier shall not be entitled to any costs or time arising from or in any way related to compliance with the DIR registration requirements.

EXHIBIT F

Letter of Credit



Wells Fargo Bank, N.A.
 U.S. Trade Services
Standby Letters of Credit
 794 Davis Street, 2nd Floor
 MAC A0283-023,
 San Leandro, CA 94577-6922
 Phone: 1(800) 776-3862 Option 2
 E-Mail: sblc-new@wellsfargo.com

THIS SAMPLE WORDING IS PRESENTED WITHOUT ANY RESPONSIBILITY ON OUR PART. THIS PROFORMA IS PROVIDED TO YOU AT YOUR REQUEST ONLY AS SUGGESTED WORDING FOR THE LETTER OF CREDIT. PLEASE NOTE THAT THE LETTER OF CREDIT IS IN DRAFT FORM ONLY AND REMAINS UNISSUED AND IS NOT AN ENFORCEABLE INSTRUMENT.

BANK MAY, IN ITS SOLE DISCRETION, ACCEPT A PHOTOCOPY, FACSIMILE, ELECTRONICALLY TRANSMITTED, OR OTHER REPRODUCTION OF A SIGNED COPY OF THIS PROFORMA (INCLUDING A PDF VERSION RECEIVED VIA EMAIL) OR AN ELECTRONICALLY EXECUTED COPY OF THIS PROFORMA (INCLUDING VIA SWIFT OR DOCUSIGN) AS THE BINDING AND EFFECTIVE RECORD OF THIS PROFORMA, IN EACH CASE WITH THE SAME EFFECT AS AN ORIGINAL MANUALLY SIGNED PROFORMA, WHETHER OR NOT AN ORIGINAL MANUALLY SIGNED PROFORMA IS ALSO RECEIVED BY BANK FROM APPLICANT. APPLICANT REPRESENTS TO BANK THAT THE SIGNATURE (WHETHER A PHOTOCOPY, FACSIMILE, ELECTRONICALLY TRANSMITTED COPY OR REPRODUCTION OF AN INK SIGNATURE OR AN ELECTRONIC SIGNATURE) THAT APPEARS ON THE PROFORMA THAT IS TRANSMITTED BY APPLICANT TO BANK IN ANY MANNER IS INTENDED BY APPLICANT TO AUTHENTICATE THE PROFORMA AND EVIDENCE APPLICANT'S AGREEMENT WITH ITS TERMS NOTWITHSTANDING THAT SUCH SIGNATURE MAY NOT BE AN ORIGINAL MANUAL SIGNATURE. APPLICANT FURTHER AGREES THAT ANY SUCH PROFORMA RECEIVED BY BANK SHALL CONSTITUTE AN ORIGINAL DOCUMENT FOR ALL PURPOSES, INCLUDING ESTABLISHING THE PROVISIONS OF THE PROFORMA, SHALL BE BINDING ON AND ENFORCEABLE AGAINST APPLICANT, AND SHALL BE LEGALLY ADMISSIBLE UNDER THE BEST EVIDENCE RULE.

APPLICANT(S) HEREBY AGREE WITH THE FORM AND WORDING OF THE FOLLOWING PROFORMA LETTER OF CREDIT, AND REQUEST THAT WELLS FARGO BANK, N.A. ISSUE THE LETTER OF CREDIT WITH SUCH FORM AND WORDING. IF THERE ARE MULTIPLE APPLICANTS FOR THE LETTER OF CREDIT, THE SIGNATURE OF ONE APPLICANT DENOTES APPROVAL BY ALL APPLICANTS AND BINDS ALL APPLICANTS.

BY: _____ DATE: _____
 NAME AND TITLE:

THIS PROFORMA LETTER OF CREDIT IS AN INTEGRAL PART OF THE APPLICATION AND AGREEMENT FOR THE ISSUANCE OF THE LETTER OF CREDIT. THE LETTER OF CREDIT CANNOT BE ISSUED UNTIL THE PROFORMA LETTER OF CREDIT IS RETURNED TO US WITH THE APPLICANT'S SIGNATURE ABOVE.

Irrevocable Standby Letter Of Credit

Number : IS000294338U
Issue Date : June 15, 2022

BENEFICIARY

APPLICANT

COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY
 1955 WORKMAN MILL ROAD

ARAKELIAN ENTERPRISES, INC.
 14048 VALLEY BLVD.



WHITTIER, CALIFORNIA 90601

CITY OF INDUSTRY, CALIFORNIA 91746

LETTER OF CREDIT ISSUE AMOUNT USD 300,000.00 EXPIRY DATE JUNE 15, 2023

LADIES AND GENTLEMEN:

AT THE REQUEST AND FOR THE ACCOUNT OF THE ABOVE REFERENCED APPLICANT, WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT (THE "WELLS CREDIT") IN YOUR FAVOR IN THE AMOUNT OF USD THREE HUNDRED THOUSAND AND 00/100 UNITED STATES DOLLARS AND TOLERANCE IF APPLICABLE (USD 300000.00 AND TOLERANCE IF APPLICABLE) AVAILABLE WITH US AT OUR ABOVE OFFICE BY PAYMENT AGAINST PRESENTATION OF THE FOLLOWING DOCUMENTS:

1. A DRAFT DRAWN ON US AT SIGHT MARKED "DRAWN UNDER WELLS FARGO BANK, N.A. STANDBY LETTER OF CREDIT NO. IS000294338U."
2. THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT PLUS ANY AMENDMENTS THERETO.

THIS LETTER OF CREDIT EXPIRES AT OUR ABOVE OFFICE ON 06/15/2023. IT IS A CONDITION OF THIS LETTER OF CREDIT THAT SUCH EXPIRATION DATE SHALL BE DEEMED AUTOMATICALLY EXTENDED, WITHOUT WRITTEN AMENDMENT, FOR ONE YEAR PERIODS TO JUNE XX IN EACH SUCCEEDING CALENDAR YEAR, UNLESS AT LEAST 30 CALENDAR DAYS PRIOR TO SUCH EXPIRATION DATE WE SEND WRITTEN NOTICE TO YOU AT YOUR ADDRESS ABOVE BY OVERNIGHT COURIER OR REGISTERED MAIL THAT WE ELECT NOT TO EXTEND THE EXPIRATION DATE OF THIS LETTER OF CREDIT BEYOND THE DATE SPECIFIED IN SUCH NOTICE.

MULTIPLE AND PARTIAL DRAWING(S) ARE PERMITTED UNDER THIS LETTER OF CREDIT; PROVIDED, HOWEVER, THAT THE TOTAL AMOUNT OF ANY PAYMENT(S) MADE UNDER THIS LETTER OF CREDIT WILL NOT EXCEED THE TOTAL AMOUNT AVAILABLE UNDER THIS LETTER OF CREDIT.

IF ANY INSTRUCTIONS ACCOMPANYING A DRAWING UNDER THIS LETTER OF CREDIT REQUEST THAT PAYMENT IS TO BE MADE BY TRANSFER TO AN ACCOUNT WITH US OR AT ANOTHER BANK, WE AND/OR SUCH OTHER BANK MAY RELY ON AN ACCOUNT NUMBER SPECIFIED IN SUCH INSTRUCTIONS AS THAT OF THE BENEFICIARY'S WITHOUT ANY FURTHER VALIDATION.

WE HEREBY ENGAGE WITH YOU THAT EACH DRAFT DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT WILL BE DULY HONORED IF PRESENTED TOGETHER WITH THE DOCUMENTS SPECIFIED IN THIS LETTER OF CREDIT AT EITHER OF OUR FOLLOWING LOCATIONS LOCATED AT 794 DAVIS STREET, 2ND FLOOR, SAN LEANDRO, CA. 94577-6922 OR EL MONTE TRADE OPERATIONS, 9000 FLAIR DRIVE, 3RD FLOOR, EL MONTE, CALIFORNIA 91731, MAC E2002-031 ON OR BEFORE THE ABOVE STATED EXPIRY DATE, OR ANY EXTENDED EXPIRY DATE IF APPLICABLE.

PRESENTATION OF DRAWING(S) MAY BE MADE BY FAX TRANSMISSION, ACCOMPANIED BY A COPY OF THIS LETTER OF CREDIT, TO FAX NUMBER 844-879-5593 (EACH SUCH DRAWING, A "FAX DRAWING"); PROVIDED, HOWEVER, THAT A FAX DRAWING WILL NOT BE EFFECTIVELY PRESENTED UNTIL YOU CONFIRM BY TELEPHONE OUR RECEIPT OF SUCH FAX DRAWING BY CALLING US AT TELEPHONE NUMBER 1-800-776-3862 (OPTION 2). IF YOU PRESENT A FAX DRAWING UNDER THIS STANDBY LETTER OF CREDIT, YOU DO NOT NEED TO PRESENT THE ORIGINAL OF ANY DRAWING DOCUMENTS AND, IF WE RECEIVE ANY SUCH ORIGINAL DRAWING DOCUMENTS, THEY WILL NOT BE EXAMINED BY US. IN THE EVENT OF A FULL OR FINAL



DRAWING, THE ORIGINAL STANDBY LETTER OF CREDIT MUST BE RETURNED TO US BY OVERNIGHT COURIER.

THIS LETTER OF CREDIT IS TRANSFERABLE ONE OR MORE TIMES, BUT IN EACH INSTANCE ONLY TO A SINGLE TRANSFEREE AND ONLY IN THE FULL AMOUNT AVAILABLE TO BE DRAWN UNDER THE LETTER OF CREDIT AT THE TIME OF SUCH TRANSFER. ANY SUCH TRANSFER MAY BE EFFECTED ONLY THROUGH WELLS FARGO BANK, N.A. AND ONLY UPON PRESENTATION TO US AT OUR PRESENTATION OFFICE SPECIFIED HEREIN OF A DULY EXECUTED TRANSFER REQUEST IN THE FORM ATTACHED HERETO AS EXHIBIT A, WITH INSTRUCTIONS THEREIN IN BRACKETS COMPLIED WITH, TOGETHER WITH THE ORIGINAL OF THIS LETTER OF CREDIT AND ANY AMENDMENTS THERETO. EACH TRANSFER SHALL BE EVIDENCED BY OUR ENDORSEMENT ON THE REVERSE OF THE ORIGINAL OF THIS LETTER OF CREDIT, AND WE SHALL DELIVER SUCH ORIGINAL TO THE TRANSFEREE. THE TRANSFEREE'S NAME SHALL AUTOMATICALLY BE SUBSTITUTED FOR THAT OF THE BENEFICIARY WHEREVER SUCH BENEFICIARY'S NAME APPEARS WITHIN THIS STANDBY LETTER OF CREDIT. ALL CHARGES IN CONNECTION WITH ANY TRANSFER OF THIS LETTER OF CREDIT ARE FOR THE APPLICANT'S ACCOUNT.

WE WILL NOT BE LIABLE FOR DELAY, NON-RETURN OF DOCUMENTS, NON-PAYMENT, OR OTHER ACTION OR INACTION COMPELLED BY A LAW, EXECUTIVE OR JUDICIAL ORDER OR GOVERNMENT REGULATION APPLICABLE TO US.

THIS IRREVOCABLE STANDBY LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING. THIS UNDERTAKING IS INDEPENDENT OF AND SHALL NOT IN ANY WAY BE MODIFIED, AMENDED, AMPLIFIED OR INCORPORATED BY REFERENCE TO ANY DOCUMENT, CONTRACT OR AGREEMENT REFERENCED HEREIN OTHER THAN THE STIPULATED ICC RULES AND GOVERNING LAWS.

EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 ("ISP98"). AS TO MATTERS NOT COVERED BY THE ISP, THIS LETTER OF CREDIT SHALL BE SUBJECT TO AND GOVERNED BY THE STATE LAWS OF CALIFORNIA AND JURISDICTION VENUE IN LOS ANGELES.

Very Truly Yours,

WELLS FARGO BANK, N.A.

By: _____
Authorized Signature

The original of the Letter of Credit contains an embossed seal over the Authorized Signature.

Please direct any written correspondence or inquiries regarding this Letter of Credit, always quoting our reference number, to **Wells Fargo Bank, National Association**, Attn: U.S. Standby Trade Services

at either 794 Davis Street, 2nd Floor
MAC A0283-023,
San Leandro, CA 94577-6922

or 401 N. Research Pkwy, 1st Floor
MAC D4004-017,
WINSTON-SALEM, NC 27101-4157

Phone inquiries regarding this credit should be directed to our Standby Customer Connection Professionals

1-800-776-3862 Option 2
(Hours of Operation: 8:00 a.m. PT to 5:00 p.m. PT)

1-800-776-3862 Option 2
(Hours of Operation: 8:00 a.m. EST to 5:00 p.m. EST)



EXHIBIT A

REQUEST FOR FULL TRANSFER OF LETTER OF CREDIT

TO: WELLS FARGO BANK, N.A.

DATE: _____

STANDBY LETTER OF CREDIT DEPARTMENT
794 DAVIS STREET, 2ND FLOOR, MAC A0283-023
SAN LEANDRO, CA 94577-6922

STANDBY LETTER OF CREDIT DEPARTMENT
401 NORTH RESEARCH PARKWAY, 1ST FLOOR,
MAC D4004-012 WINSTON-SALEM, NC 27101-4157

LETTER OF CREDIT NUMBER: IS000294338U WELLS FARGO REF NUMBER (IF DIFFERENT): _____

ISSUING BANK: _____

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY OF THE ABOVE REFERENCED LETTER OF CREDIT (THE "TRANSFEROR") HEREBY IRREVOCABLY TRANSFERS ALL ITS RIGHTS UNDER THE LETTER OF CREDIT AS AMENDED TO THIS DATE (THE "CREDIT") TO THE FOLLOWING TRANSFEREE (THE "TRANSFEREE"):

TRANSFEREE NAME: _____

ADDRESS: _____

PHONE NUMBER: _____

BY THIS TRANSFER, ALL RIGHTS OF TRANSFEROR IN THE LETTER OF CREDIT ARE TRANSFERRED TO THE TRANSFEREE, AND THE TRANSFEREE SHALL BE THE SOLE BENEFICIARY OF THE LETTER OF CREDIT, POSSESSING ALL RIGHTS PERTAINING THERETO, INCLUDING, BUT NOT LIMITED TO, SOLE RIGHTS RELATING TO THE APPROVAL OF ANY AMENDMENTS MADE AFTER THE DATE HEREOF. YOU ARE HEREBY IRREVOCABLY INSTRUCTED TO ADVISE FUTURE AMENDMENT(S) TO THE LETTER OF CREDIT TO THE TRANSFEREE WITHOUT THE TRANSFEROR'S CONSENT OR NOTICE TO THE TRANSFEROR.

ENCLOSED ARE THE ORIGINAL LETTER OF CREDIT AND THE ORIGINAL OF ALL AMENDMENTS ISSUED TO DATE WHICH WE REQUEST THAT WELLS FARGO SEND TO THE TRANSFEREE AFTER NOTING THIS TRANSFER ON THE CREDIT. ALSO, WITH REGARD TO PAYMENT OF WELLS FARGO'S TRANSFER COMMISSION OF 1/4% OF THE TRANSFER AMOUNT WITH A MINIMUM OF \$250.00 AND A MAXIMUM OF \$1500.00:

_____ WE ENCLOSE AN OFFICIAL OR CERTIFIED CHECK IN THE AMOUNT OF \$(INSERT FIELD).



_____ WE AUTHORIZE YOU TO DEBIT OUR ACCOUNT NUMBER (INSERT FIELD) WITH YOU FOR THE AMOUNT OF YOUR TRANSFER COMMISSION.

_____ PER THE TERMS AND CONDITIONS STATED IN THE CREDIT, THE APPLICANT HAS AGREED TO PAY YOUR TRANSFER COMMISSION.

WE REPRESENT AND WARRANT TO WELLS FARGO THAT THIS TRANSFER AND THE TRANSACTION(S) THEREUNDER DO NOT VIOLATE ANY LAW OR REGULATION.

PLEASE NOTIFY THE TRANSFEREE OF THIS TRANSFER AND OF THE TERMS AND CONDITIONS OF THE LETTER OF CREDIT AS TRANSFERRED. THIS TRANSFER WILL BECOME EFFECTIVE UPON WELLS FARGO BANK, N.A.'S WRITTEN NOTIFICATION TO THE TRANSFEREE THAT SUCH TRANSFER WAS EFFECTED.

[TRANSFEROR'S NAME]

BY: _____

PRINTED NAME: _____

TITLE: _____

PHONE NUMBER: _____



THE BANK SIGNING BELOW GUARANTEES THAT THE TRANSFEROR'S SIGNATURE IS GENUINE AND THAT THE INDIVIDUAL SIGNING THIS TRANSFER REQUEST HAS THE AUTHORITY TO DO SO:

[BANK'S NAME]

BY: _____

PRINTED NAME: _____

TITLE: _____

AS AN ALTERNATIVE TO THE ABOVE REQUIREMENT FOR A BANK'S SIGNATURE GUARANTEE, THE FOLLOWING AUTHORIZED SIGNER CERTIFICATION MAY BE COMPLETED:

I, THE UNDERSIGNED DO HEREBY CERTIFY THAT I HOLD THE TITLE OF __ SECRETARY, __ ASSISTANT SECRETARY, __ CHIEF FINANCIAL OFFICER, __ CHIEF EXECUTIVE OFFICER, __ PRESIDENT, __ VICE PRESIDENT, __ TREASURER, __ MANAGING MEMBER, __ MANAGER, OR __ OTHER _____ AND I AM AUTHORIZED TO CERTIFY ON BEHALF OF THE BENEFICIARY, AS OF THE DATE OF THIS AUTHORIZED SIGNER CERTIFICATION, THAT THE PERSON(S) SIGNING AS TRANSFEROR ABOVE PRESENTLY HOLDS THE TITLE SPECIFIED IN THE TRANSFEROR SIGNATORY SECTION AND THE SIGNATURE IS GENUINE OF SUCH PERSON.

THAT SUCH PERSON SIGNING ABOVE AS TRANSFEROR IS AUTHORIZED ON BEHALF OF THE BENEFICIARY TO ENTER INTO OR EXECUTE AND DELIVER THIS REQUEST TO TRANSFER A LETTER OF CREDIT ISSUED BY WELLS FARGO BANK, N.A. INCLUDING THE ABOVE TERMS AND CONDITIONS IN SUCH REQUEST FOR FULL TRANSFER OF LETTER OF CREDIT.

WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY NAME THIS DAY OF , 20 .

*BY: _____ (SIGNATURE)

PRINTED NAME: _____

*THE PERSON MAKING THIS CERTIFICATION MAY NOT BE THE AUTHORIZED SIGNATORY ON THE REQUEST FOR FULL TRANSFER OF LETTER OF CREDIT.