

EXCLUSIVE NEGOTIATION AGREEMENT
Between Renewable Sonoma and City of Santa Rosa
regarding
Laguna Treatment Plant Biosolids Program
Sonoma County Waste Management Agency Organics Processing Project

THIS EXCLUSIVE NEGOTIATION AGREEMENT (“ENA”), dated as of February 20, 2019, is by and between the City of Santa Rosa (“City”) and Renewable Sonoma, a California limited liability company located at 10 Fourth St., Petaluma, CA (“Renewable Sonoma”); each may be referred to as a “Party” or together as the “Parties.”

RECITALS

I. The purpose of this ENA is to allow City and Renewable Sonoma to enter into exclusive negotiations with one another for the location, leasing, development and operation of a regional organics processing facility on City-owned property (the “Project”) and to set forth certain principal terms and conditions to guide the negotiation of a Site Lease Agreement (“Site Lease”) and project agreement(s) (“Project Agreement(s)”) for the development and operation of the Project.

II. Renewable Sonoma proposes to develop the Project on City-owned property and potentially to integrate operation of the Project with the City’s Laguna Treatment Plant (“LTP”), all as described in greater detail herein. Renewable Sonoma proposes to develop the Project in phases as follows:

- A. Phase 1 (Near Term LTP Biosolids Management Program) See §4 & Attachment A
- B. Phase 2 (Organics Project) See §4
- C. Phase 3 (Regional Biosolids Facility) See §4 and Attachment B

III. The Project will seek to provide multiple synergistic use opportunities to the City and the other Sonoma County customers served by LTP, including but not limited to:

- A. Potential to reduce the City’s current cost incurred to compost and landfill biosolids;
- B. Potential to allow the City to avoid capital expenditure to upgrade and extend the life of the current LTP compost facility (“LTP Compost Facility”);
- C. Using locally discarded organic materials (“Organic Materials”) as feedstock to produce energy for LTP with a negative carbon footprint;
- D. Potential to increase the City’s benefits from the LTP Microgrid Project (“MGP”) and
- E. Restoring the local production of organic compost that has been absent since the closure of Sonoma Compost in 2015.

IV. The Project further proposes to meet the interests of the City, County and Sonoma County Waste Management Agency ("SCWMA") simultaneously in the local management of their Organic Materials achieve multiple benefits from the reuse of these Organic Materials, meet the state mandate to divert 75% of Organic Materials from landfill, and contribute to meeting greenhouse gas reduction goals and obligations.

V. Renewable Sonoma has received exclusive negotiating rights from the SCWMA to develop the Project pursuant to vote taken at a duly noticed public hearing August 15, 2018 ("Public Hearing").

AGREEMENT

During the term of this ENA, the parties hereby agree to exclusively negotiate with one another in good faith to reach agreement on the terms of a Site Lease and one or more Project Agreements that will seek to optimize the configuration of the Project to produce maximum synergistic benefits to the City and the MGP consistent with the expectations of SCWMA and the requirements of a privately owned and financed project. The parties acknowledge and agree that nothing in this ENA shall obligate City to approve discretionary actions nor obligate the Parties to enter into a Site Lease or Project Agreement(s). The anticipated agreements would allow Renewable Sonoma to (i) receive and process Organic Materials, which may include the production of biogas for use in LTP engine/generators ("LTP Generators"), (ii) produce compost for sale to the Sonoma County public, and (iii) treat and/or dispose of LTP biosolids for beneficial reuse. The Project will be developed in phases. Each phase is intended to set the stage for the next stage to follow, with financial benefits to the City beginning as early as the first year and increasing at each phase.

1. Exclusive Negotiation Period. The Parties shall exclusively negotiate with one another in good faith regarding the items set forth herein for a period of One Hundred and Eighty (180) days, commencing on the Effective Date (as defined below). (the "Exclusive Negotiation Period"). This ENA may be extended by agreement of the Parties.

2. Due Diligence. Renewable Sonoma may conduct, at its sole cost and expense, all due diligence investigation in connection with the siting of the Organics Project on City-owned property and its suitability for development of the Project as Renewable Sonoma deems appropriate and necessary in its absolute and sole discretion. City will reasonably cooperate with Renewable Sonoma as required in connection with its due diligence investigations.

During the term of this ENA, Renewable Sonoma and its representatives may, during normal business hours and upon not less than one (1) business day prior notice (which may be oral notice) to City enter upon the City-owned properties to conduct such inspections, investigations and tests (including, but not limited to geologic, soil and water testing) as Renewable Sonoma deems appropriate in its sole and absolute discretion. Prior to such entry, Renewable Sonoma shall obtain a separate Right of Entry in compliance with City's standard requirements and prior to conducting any invasive or destructive testing, including without limitation a Phase II environmental survey or any testing or investigation that might disrupt or materially interfere with City's normal use of its property Renewable Sonoma will obtain City's written approval of a written scope of work and

protocol prepared by Renewable Sonoma for conducting such invasive or destructing testing. Any such testing shall be conducted only in accordance with such approved protocol. Upon the conclusion of Renewable Sonoma's inspections, investigations and tests, Renewable Sonoma shall promptly restore the property to substantially the same condition as it was in prior to such inspections, investigations and tests at Renewable Sonoma's sole cost and expense.

All inspections, investigations and tests shall be conducted (i) in a safe and professional manner, (ii) so as not to create any dangerous or hazardous condition on City-owned property, and (iii) in compliance with all applicable laws and only after obtaining all permits required to be obtained with respect to such activities. Renewable Sonoma shall have no obligation to repair any problems or defects disclosed by Renewable Sonoma's inspections, investigations and tests. Upon City's request therefore, Renewable Sonoma shall provide copies of all tests and reports generated in connection with Renewable Sonoma's investigation activities, at no cost to City.

3. Limitation of Remedies. Neither Party would have agreed to any part of this ENA if it were to be liable to the other Party for any amount of monetary damages. Accordingly, both Parties acknowledge and agree each Party's exclusive right and remedy upon any breach or default of the other party to negotiate in good faith, as set forth in this ENA, is to terminate this ENA or seek dispute resolution pursuant to Section 9 herein, as applicable.

4. Proposed Project Components.

Phase 1 (Near Term LTP Biosolids Management Program)

A. The Parties acknowledge that currently the City's land application of biosolids is the lowest cost method of reusing LTP biosolids and that City desires to continue to use land application of biosolids as long as such use is allowed by regulation and remains cost-effective. Current limitations on land application require City to compost approximately 8,500 wet tons per year in its existing LTP Compost Facility and landfill approximately 1,500 wet tons per year. Phase 1 is intended to address alternatives to the approximately 10,000 wet tons per year that are either composted or landfilled, which will be referred to herein as "Phase 1 Biosolids."

B. Within 60 days of signing this ENA, Renewable Sonoma will present to City an evaluation of options for near term management of Phase 1 Biosolids as described in more detail in Attachment A hereto.

C. The evaluation will include a recommended approach from one or more persons or firms with the appropriate technical qualifications for assessing odor issues related to the Organics Project, which may include a baseline odor assessment as well as the identification of standards and objective criteria for determining compliance with any established standards. Additional performance standards to be addressed in the negotiation of the Site Lease and Project Agreement(s) will be appropriate criteria for nuisance traffic, noise, and dust control, measurement, and procedures for redress in the event of failure to meet established performance standards.

Phase 2 (Organics Project)

Renewable Sonoma will, at its own expense, design, develop, finance, build, commission, own, operate and maintain an Organic Materials Processor for Sonoma County ("Organics Project") consisting of a receiving and processing facility ("Receiving Station"), an anaerobic digester and biogas conditioning facility ("AD Facility") and a compost production and sales facility ("Renewable Compost Facility"). The Project may also include a solar and energy storage facility ("Renewable Microgrid") if determined to be cost-effective. The Project will be located on City-owned property near or around the LTP with consideration of the site on which the LTP Compost Facility is currently located.

A. The Receiving Station will be located on City-owned property near or around the LTP with consideration of the site on which the LTP Compost Facility is currently located, including the screening area. If the LTP Compost Facility is chosen as a site for the all or a portion of the Organics Project, Renewable Sonoma will:

- i. Restore and make necessary capital improvements to the Compost building, saving City all such costs;
- ii. Remove the existing composting bunkers and replace them with facilities to receive and process approximately 120,000 TPY of Organic Materials to be anaerobically digested or composted;
- iii. Retain, to the extent possible, or replace the negative air pressure system, which will exhaust air to a new biofilter to be installed by Renewable Sonoma; and
- iv. Negotiate terms with the SCWMA and its member jurisdictions for the delivery of approximately 70,000 TPY of the Organic Materials and approximately 20,000 TPY of commercial food scraps (See §5 below) while also receiving self-haul organics.

B. It is proposed that the AD Facility may be located adjacent to the north of the Receiving Station.

- i. After receipt and processing, low-solids Organic Materials, which constitute approximately 40% of the residential green can material, and all of the commercial food scraps, will be piped to the AD Facility where they will be anaerobically digested to produce biogas.
- ii. The biogas will be conditioned to meet specifications required for use in the LTP generators. The Project Agreement(s) will include details regarding:
 - a. Specifications, volume and scheduling of biogas deliveries to the LTP generators,
 - b. Delivery of make-up water from LTP and waste heat from the LTP generators to the AD Facility, and
 - c. Pricing and mutual obligations of the Parties regarding biogas, make-up water and waste heat.
- iii. As a possible alternative to using the conditioned biogas in LTP generators, the Parties may consider the economic potential of upgrading the biogas to pipeline

quality and entering into long-term contracts for the sale of the renewable natural gas.

iv. The digestate from the AD Facility will be returned to the Receiving Station to be blended with the remaining 60% of the residential green can material, the high-solids Organic Materials.

v. The blended materials will be transferred by loader or conveyor to the Compost Facility (See subparagraph C. below).

C. It is proposed that the Renewable Compost Facility may be located adjacent to the north of the AD Facility.

i. The Renewable Compost Facility will employ state-of-the-art Covered Aerated Static Pile (“CASP”) technology to produce the highest quality compost products with excellent odor control.

ii. The Renewable Compost Facility will include two phases of composting bunkers:

a. The first (“Primary”) phase will have a residence time of approximately 25 days. Phase 1 is the active compost phase where the greatest biological activity takes place to decompose the organics. During the primary phase, most of the rapidly available organic compounds will be composted through microbial action. As a result, most odiferous compounds will have been destroyed and a more stable product will be transferred to the secondary phase: curing.

b. Partially composted material will be moved by loader or conveyor to the second (“Secondary”) phase where it will have a residence time of approximately 30 days. During this curing phase pathogen reduction (regulatory requirement for disease control) will be achieved. In the secondary phase, organic materials decompose until a stable, mature, odor-free compost has formed.

c. Both phases will have reversible air flow for maximum odor control.

iii. Exhaust air from the CASP system will be blended with exhaust air from the Receiving Station in the new biofilter to be installed by Renewable Sonoma in the general vicinity of the current LTP biofilter.

iv. Mature compost will be transported by loader or conveyor to the storage and sales yard where there will be a small (~200 sq.ft.) building from which compost sales will be arranged.

D. Renewable Sonoma also proposes the consideration of a Microgrid (“Renewable Microgrid”), if determined to be feasible and cost-effective, which could consist of solar photovoltaic panels, an energy storage system (batteries, flywheels or other appropriate technology), electrical interconnection switchgear and software to manage the system’s interaction with the utility electric grid.

- i. Solar panels would be installed on the roof of the Receiving Station, above the composting bunkers, and above the compost storage and sales yard as determined to be cost-effective.
- ii. Switchgear would be located on the Organics Project site.
- iii. Location of the energy storage system would be determined based on engineering evaluation and may be on either or both the Organics Project site or at LTP.
- iv. The software system would be selected to maximize the benefits to the Organics Project and LTP and would be capable, to the extent reasonably practicable, of controlling the Renewable Microgrid to manage load and capacity availability, reactive power, voltage regulation and frequency regulation, among other services that are and may in the future become valued by the California Independent System Operator (CAISO) or its successors.

Phase 3 (Regional Biosolids Facility)

Renewable Sonoma and City will collaborate in the longer-term development of a “Regional Biosolids Facility” that will have the capacity to treat biosolids from other jurisdictions in Sonoma County not served by LTP and possibly from other counties. The scope of the Regional Biosolids Facility will be determined based on an evaluation conducted as described in Attachment B hereto.

5. Site Lease.

Renewable Sonoma will enter into a Site Lease with City for the Project for an initial term (“Lease Term”) of up to 30 years.

- A. In the Renewable Sonoma proposal to City (“RS Proposal”), Renewable Sonoma proposed a Lease Term of 20 years, with up to two options to extend for five years each. That proposed Lease Term was consistent with the proposed term of agreement that was initially proposed by SCWMA. At the Public Hearing, SCWMA Board members suggested that an agreement with an initial term of 30 years might result in a lower tip fee at the Organics Project.
 - i. Renewable Sonoma intends to pursue an initial 30-year term of agreement with SCWMA, in conjunction with a tip fee lower than Renewable Sonoma proposed to SCWMA.
 - ii. If Renewable Sonoma and SCWMA agree to a 30-year initial term of agreement, Renewable Sonoma intends to seek a similar Lease Term with City.
- B. The Site Lease will define all interfaces between the Project and LTP, including, but not limited to water, wastewater, storm water, electric power, biogas, solids materials handling, system controls, traffic planning and will further define the mutual responsibilities of each Party to the other at each defined interface.

- C. The Parties are informed and believe that the Project site may have California Tiger Salamander (“CTS”) impacts on some or all of the sites proposed in the RS Proposal but may not have CTS impact on the existing LTP Compost Facility site; Renewable Sonoma will endeavor to validate this to their mutual satisfaction prior to entering into the Site Lease.
- i. To the extent the Project site requires some mitigation of CTS impacts, the Parties will work collaboratively to identify one or more cost-effective measures to minimize and/or mitigate CTS impacts. Renewable Sonoma will be responsible as part of the Organics Project for all costs and requirements of CTS avoidance and any required mitigation.
 - ii. The Parties acknowledge that the cost of such CTS mitigation on the existing LTP Compost Facility property may be less than the cost of mitigating CTS impacts on the parcels on which Renewable Sonoma initially proposed to locate the Project in the RS Proposal. Accordingly, the Parties will work to negotiate a Lease rate appropriately higher than initially proposed in the RS Proposal, or lower tip fee for LTP participant jurisdictions.
- D. The Parties acknowledge that City has existing land use, environmental and regulatory approvals for some portion of the possible Organics Project site in conjunction with the LTP Composting Facility. To the extent the Parties may agree to modify existing City permits for the Organics Project, or any part thereof, such that costs can be saved, the Parties will negotiate a Lease rate appropriately higher than initially proposed in the RS Proposal, or lower tip fee for LTP participant jurisdictions.
- E. In the RS Proposal, Renewable Sonoma proposed to pay a Lease rate based on its study of the market for undeveloped land requiring CTS mitigation. To the extent that the Organics Project uses parts of the existing LTP Compost Facility as-is or with modification instead of new construction, the Parties will negotiate a Lease rate higher than initially proposed in the RS Proposal, or lower tip fee for LTP participant jurisdictions.
- F. It is initially proposed that any Rent due and payable under the Site Lease will commence on the date first to occur of commencement of the Organics Project, or 12 months after Notice to Proceed with construction of Phase 2 of the Project. It is further proposed that any Rent be subject to escalation to be negotiated pursuant to this Agreement.

6. Sources of Organic Materials.

Renewable Sonoma will enter into agreements with SCWMA and others for the supply of the Organic Materials.

- A. Each of SCWMA’s member jurisdictions has flow control over its Organic Materials. SCWMA, with the cooperation of Renewable Sonoma, will work to have all or most of its members jurisdictions direct their Organic Materials, including residential green

can and commercial food scraps, to the Organics Project on terms to be agreed with SCWMA.

- B. Renewable Sonoma will initiate discussions with other sources of Organic Materials in Sonoma County that are suitable for AD and composting with the intention of being able to increase the benefits it provides to SCWMA and City in a mutually beneficial way.

7. Land Use and Environmental Approvals.

Renewable Sonoma will be responsible for obtaining, at its own expense, all necessary land use and environmental approvals and all building and other required permits.

- A. Renewable Sonoma will reimburse City for City's costs incurred in cooperating with Renewable Sonoma to modify City's existing approvals, permits and licenses to accommodate the Project, to the extent agreed to as part of the Project Agreement(s).
- B. Renewable Sonoma will comply with all applicable federal, state and local environmental and utility rules and regulations and state and local permits applicable to the Project.
- C. The Parties will address the appropriate land use entitlements as part of the negotiations hereunder as well as all steps and requirements for compliance with the California Environmental Quality Act. City anticipates that the Project will be considered a public/private partnership for purposes of requisite land use approvals.

8. General.

- A. Financial Investment. City and Renewable Sonoma, in entering into this ENA, have directed their respective representatives to undertake good faith negotiations regarding the Project to accomplish the purposes of this ENA.
- B. Right to Additional Information. Each Party reserves the right, during the term of this ENA, to request reasonable additional information and data from the other Party necessary for review and evaluation of the Project. Each Party agrees to provide such additional information or data as requested in a timely manner. All information regarding the Renewable Sonoma's business which may be provided to City shall remain confidential to the extent permitted by law.
- C. Change in Ownership or Control of Renewable Sonoma. Renewable Sonoma understands City is entering into this ENA based on the prior experience and qualifications of Renewable Sonoma. Therefore, Renewable Sonoma shall not assign, sell or otherwise transfer any or all of its rights under this ENA to any party not owned, in the majority, or controlled by Renewable Sonoma without the prior written approval of City.
- D. Governing Law. This ENA shall be interpreted and enforced in accordance with the provisions of California law in effect at the time it is executed, without regard to conflicts of laws provisions.
- E. No Third-Party Beneficiaries. City and Renewable Sonoma expressly acknowledge and

agree they do not intend, by their execution of this ENA, to benefit any persons or entities not signatory to this ENA, including, without limitation, any brokers representing the parties to this transaction. No person or entity not a signatory to this ENA shall have any rights or causes of action against either City or Renewable Sonoma arising out of or due to City's or Renewable Sonoma's entry into this ENA.

F. Ownership of all Plans. All plans, drawings, and specifications prepared for the Project prepared by Renewable Sonoma shall remain Renewable Sonoma's property, except as may otherwise may be agreed by the Parties in writing.

G. Force Majeure. The Parties acknowledge and agree that a Party will not be liable for any failure to timely perform any obligation under this ENA if such failure is substantially due, directly or indirectly, to any fire, earthquake, flood, war, riot, civil disturbance, act of God, third party litigation, or any other occurrence which would generally be considered an event of force majeure.

H. Counterpart Originals. This ENA may be executed in two (2) counterpart originals which, having been delivered, shall constitute one and the same instrument when taken delivered.

I. Parties. For purposes of this ENA, the capitalized term "Parties" shall be defined as City and Renewable Sonoma and the capitalized term "Party" shall be defined as either City or Renewable Sonoma.

J. Effective Date. The effective date of this ENA shall be the date it is signed on behalf of City (the "Effective Date").

K. Notices.

1. Any notice, request, approval or other communication to be provided by either party shall be in writing and dispatched by first class mail, registered or certified mail, postage prepaid, return-receipt requested, or by electronic facsimile transmission (including scanned documents sent by email) followed by delivery of a "hard" copy, or by personal delivery (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), to the addresses of City and Renewable Sonoma set forth below. Such written notices, requests, approvals or other communication may be sent in the same manner to such other addresses as either party may from time to time designate.

2. Any notice that is transmitted by electronic facsimile transmission (including scanned documents sent by email) followed by delivery of a "hard" copy, shall be deemed delivered upon its verifiably successful transmission; any notice personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by registered or certified mail, postage prepaid, return-receipt requested shall be deemed received on the date of receipt thereof.

If to City:

City of Santa Rosa
Attn: Director of Water
69 Stony Circle - South
Santa Rosa, CA 95401

With a copy to:

City of Santa Rosa
Attn: Santa Rosa City Attorney
100 Santa Rosa Ave., Room 8
Santa Rosa, CA 95404

If to Renewable Sonoma:

Renewable Sonoma
Attn: Roy Alper
10 Fourth St.
Petaluma, CA 94952
roy@renewablesonoma.com

With a copy to:

Renewable Sonoma
Attn: Will Bakx or Alan Siegle

will@renewablesonoma.com
alan@renewablesonoma.com

9. Dispute Resolution

9.1 Meet and Confer: In the event of any dispute arising out of or relating to this Agreement, the Parties to the dispute shall meet and confer in good faith within ten (10) business days after the event or circumstance giving rise to the dispute.

9.2 Mediation: In the event meeting and conferring on a dispute fails to resolve the dispute, the parties shall immediately submit the dispute ("Dispute") to mediation before a neutral independent mediator, at a location in Sonoma County (unless otherwise agreed by the parties) under the JAMS Rules. In the event that the Parties cannot agree upon a mediator within thirty (30) days of the Dispute being submitted to mediation ("Selection Period"), then each Party to the dispute shall select a mediator no later than ten (10) days after the end of the Selection Period and the selected mediators shall select a mediator for the Dispute. The costs of mediation shall be

shared equally by the Parties. Unless another time period is agreed upon by the Parties, mediation shall take place no more than forty-five days (45) after the date of a demand for mediation.

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AGREED

**City of Santa Rosa,
a municipal corporation**

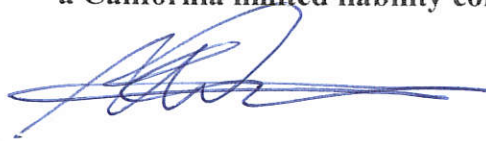


Print Name: Daniel J. Calvini III

Title: Board Chair

Date: 2/21/19

**Renewable Sonoma LLC,
a California limited liability company**

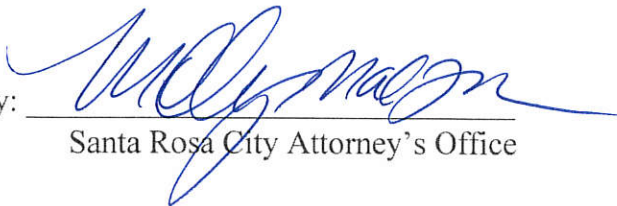


Print Name: Will Bakx

Title: Principal

Date: February 20, 2019

APPROVED AS TO FORM:

By: 
Santa Rosa City Attorney's Office

ATTACHMENT A
BIOSOLIDS MANAGEMENT EVALUATION
And
POSSIBLE BIOSOLIDS TREATMENT FACILITY

Renewable Sonoma will evaluate at least 4 options (“Evaluation”) to manage and/or treat Phase 1 Biosolids to produce Class A fertilizer, including but not limited to high temperature or low temperature drying, thermal hydrolysis, shipping biosolids to other facilities for processing and such other technologies as the Parties may identify.

A. The objective of the Evaluation will be to identify solutions that can reasonably be expected to reduce the City’s cost of composting and landfilling biosolids by $\pm 50\%$, avoid or minimize the City’s cost of future capital improvements to the biosolids composting facility, and can be implemented in less than 24 months. The evaluation will consider the pros and cons of each option and the cost to City of each option.

B. After the Evaluation is completed, the Parties will confer in good faith to agree on the technology to be deployed or other action to be taken. If the Parties decide that a new facility should be installed to treat the Phase 1 Biosolids, Renewable Sonoma would develop and build said facility in a location to be determined as part of the evaluation and any negotiation between the Parties (“Phase 1 Biosolids Facility”).

i. The Phase 1 Biosolids Facility would be designed and built to meet solids stabilization, odor, air emissions and water discharge standards and such other performance standards as the Parties may agree.

ii. The Phase 1 Biosolids Facility may be financed, owned and/or operated by Renewable Sonoma, SUEZ or City as the Parties may agree.

iii. The Parties would endeavor to obtain modifications of existing LTP approvals, permits and licenses, as needed, on an accelerated basis so installation of the Phase 1 Biosolids Facility can begin as soon as practicable.

iv. Prevailing wages would be paid in the construction of said facility.

C. At such time as land application becomes impractical or prohibited, or as the City wishes to avoid land application, Renewable Sonoma would develop and build additional facilities as needed to increase the throughput capacity of the Phase 1 Biosolids Facility to process LTP biosolids. The Parties will negotiate in good faith the terms and conditions by which the additional facilities will be developed.

D. An additional option to be evaluated for feasibility in the Evaluation would be a Temporary Savings Program that may be able to produce savings for City and benefits to Sonoma County in the first year. In the Temporary Savings Program:

i. Phase 1 Biosolids would be delivered to an existing treatment facility such as Lystek or Synagro;

- ii. Renewable Sonoma would enter into a short-term Compost Operations Agreement with City for Renewable Sonoma to prepare and use the existing LTP compost building ("Compost Building") to receive and compost self-haul Organic Materials that currently need local drop-off locations;
- iii. Renewable Sonoma would pay City a monthly fee to reimburse certain of City's costs to operate the Compost Facility.
- iv. Renewable Sonoma would produce organic compost that is required by state mandate and desperately needed to rebuild soils damaged in the 2017 fires at homes and other buildings under construction.
- v. City and Renewable Sonoma would cooperate in obtaining any modifications that may be required to existing approvals, permits and licenses for the Compost Site as quickly as possible.
- vi. The Temporary Savings Program would not be implemented unless agreed upon by the Parties during their negotiations and subject to all the following criteria:
 - a. Modifications to existing permits and approvals are found to be modest and capable of expedited approval;
 - b. Modifications, if any, to the Compost Facility are found to be modest and capable of expedited implementation;
 - c. Savings to City and the benefits of making locally produced compost available soon to Sonoma County residents are sufficiently large to warrant undertaking the Program and
 - d. The Program is economically feasible to Renewable Sonoma.
 - e. The Temporary Savings Program is in line with the development of a long-term program.

ATTACHMENT B

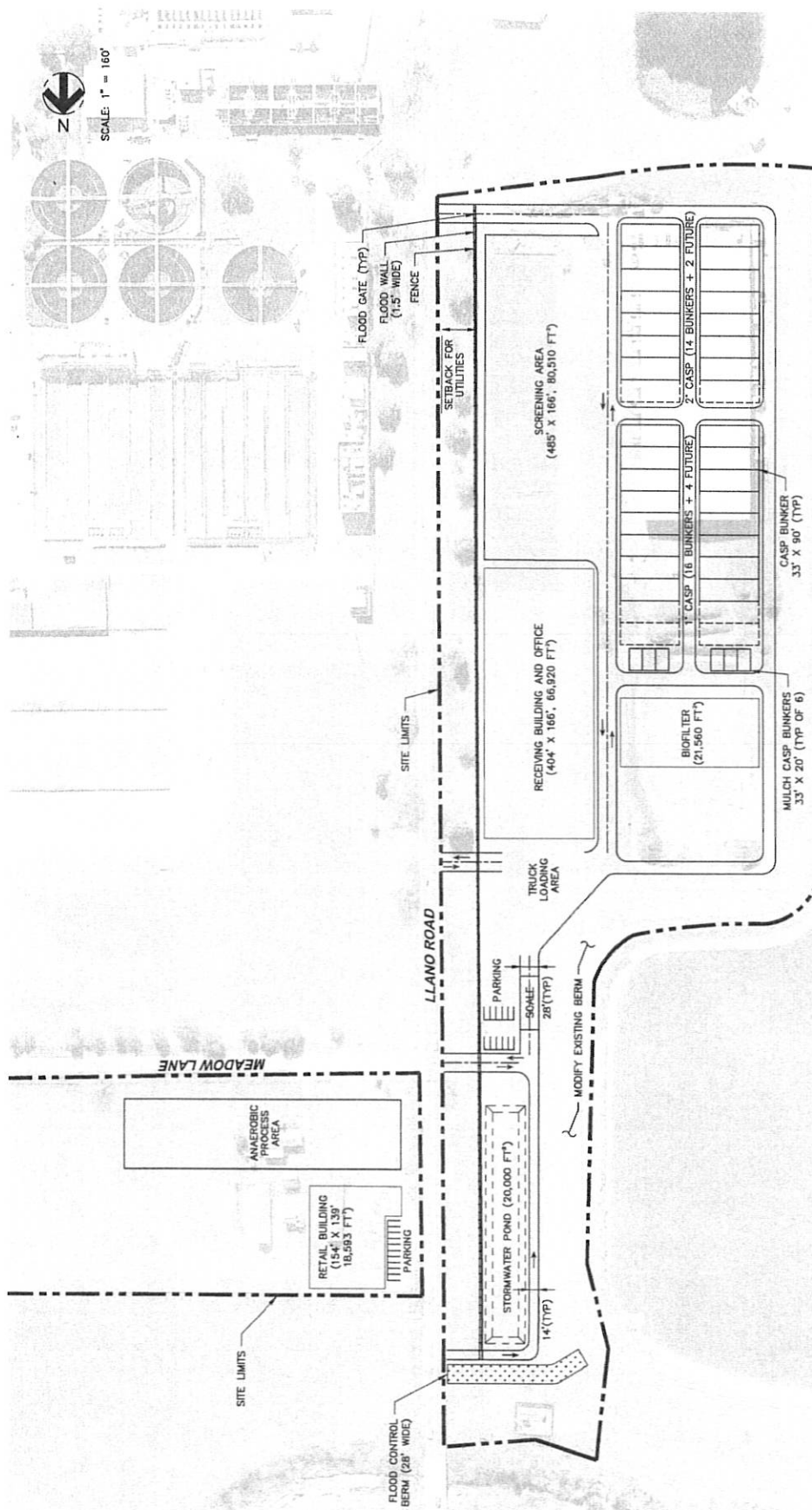
REGIONAL BIOSOLIDS FACILITY EVALUATION

A. Renewable Sonoma would communicate with other jurisdictions to determine their desire to commit all or a certain portion of their biosolids to a regional facility. Priority will be given to Sonoma County jurisdictions.

B. The Project Agreement(s) would include a schedule as the Parties may agree to evaluate key attributes of a possible Regional Biosolids Facility, including but not limited to:

- i. the likely volume and characteristics of biosolids that might be processed;
- ii. appropriate technologies such as high temperature or low temperature drying, thermal hydrolysis, gasification and such other technologies the Parties may identify;
- iii. possible locations, which may be at LTP or on other City-owned property near LTP or at an entirely different location in Sonoma County;
- iv. the cost and cost-effectiveness of such a facility;
- v. the market for products produced by such a facility;
- vi. applicable environmental and land use laws and regulations and
- vii. how Renewable Sonoma or SUEZ would develop such a facility.

ATTACHMENT C
VERY PRELIMINARY SITE LAYOUT



SCENARIO 2
RENEWABLE SONOMA / OVERAA
ORGANICS PROCESSING FACILITY
PRELIMINARY DRAFT SITE PLAN