

**Memorandum of Understanding
Between the Lake County Sanitation District and
Earth Foundries, Inc. for operations and placement of a
Mobile Pyrolysis Unit in Middletown**

This Memorandum of Understanding ("MOU" or "Agreement") is entered into by and between the Lake County Sanitation District (LACOSAN) and Earth Foundries, Inc. on _____, 20__ to memorialize the understanding and agreement of the parties regarding their collaborative efforts to make the most effective use of the Mobile Pyrolysis Unit (Carbonizer) to be placed on LACOSAN-owned property.

WHEREAS, all parties are dedicated to protecting the health and safety of the residents of Lake County, and

WHEREAS, the named parties wish to cooperate in the operation of a Mobile Pyrolysis Unit Processing Program (Project) in Lake County, California, and

WHEREAS, these Parties recognize that this Project will provide a valuable service that will benefit the community by working towards the goal of efficiently reducing the load of hazardous and dead, woody fuels throughout the area, and

WHEREAS, the County of Lake remains in a Local State of Emergency as a result of the ongoing mass tree mortality and continues to seek all solutions to address this ongoing crisis, and

WHEREAS, all Parties wish to work together collaboratively to provide an additional means of managing waste woody biomass that constitutes a fire hazard to the community, and

WHEREAS, the County of Lake wishes to utilize the on-site ACI, and Earth Foundries has agreed to operate the ACI during Carbonizer operations to the extent it is safe and feasible,

NOW THEREFORE, the parties hereto agree as follows:

1. The property chosen for the operation of the Carbonizer is owned and controlled by the Lake County Sanitation District (LACOSAN), at the address of 20126 Highway 175, Middletown, CA
2. The Carbonizer will be operated following the direction of trained staff
3. Woody material to be processed will be cached at the location and, when provided with suitable conditions (based on weather/date/time), loaded into the Carbonizer and/or ACI for processing into biochar (Carbonizer) or incineration (ACI).

4. INITIAL TERM

The initial term of this MOU shall be from _____ until _____ unless earlier terminated and in accordance with Section 5 herein.

5. TERMINATION

Notwithstanding any other provision in this MOU, this MOU may be terminated on the first to occur of the following:

- (a) Either Party may terminate this MOU, with or without cause and with or without providing reasons for termination, upon giving the other Party ninety (90) days' prior written notice.
- (b) Either Party may terminate this MOU for breach upon giving the other Party thirty (30) days' prior written notice of intent to terminate and a description of the specific breach of the MOU. If the breaching Party has not cured the breach by the end of the 30 day notice period, this MOU shall terminate immediately at the expiration of the 30 day period.

6. RESPONSIBILITIES OF PARTIES

1. Earth Foundries, Inc.:

- a. Will be responsible for all maintenance, moving, operations, signage, permitting, and costs associated with the Carbonizer.
- b. Will provide fire suppression during times of Carbonizer operations.
- c. Shall maintain open lines of communication, share statistics on usage, and may provide monthly updates to LACOSAN on the status of operations.
- d. Shall repair any damage to LACOSAN property and facilities either directly or indirectly caused by the operation of the Carbonizer on LACOSAN property.

2. LACOSAN:

- a. Will ensure that parties have access to the facilities with a lockable and functional gate at the entrance to the facility.
- b. Shall maintain open lines of communication and share and address concerns from outside parties on the operations.
- c. Shall provide early notification of a change in status on the location.

7. INDEMNIFICATION

Each party shall indemnify and hold the other harmless against all actions, claims, demands, and liabilities and against all losses, damage, cost, expenses, and attorney's fees, arising directly or indirectly out of an actual or alleged injury to a person or property in the same proportion that its own acts and/or omissions are attributed to said claim, demand, liability, loss, damage, cost, expenses, and/or attorney's fees. This provision shall not extend to any claim, demand, liability, loss, damage, cost, expenses, and/or attorney's fees covered by the insurance of either party.

8. INSURANCE

Each Party shall maintain such policies of commercial liability and professional liability insurance as shall be necessary to insure it, its respective Boards, and its employees against any claim or claims for damages arising by reason of an act or omission in the performance of its respective obligations hereunder. Such policies shall be carried in amounts of not less than \$1,000,000 per occurrence. Each party shall further maintain worker's compensation and unemployment compensation policies for its employees.

9. PARTICIPATION IN SIMILAR ACTIVITIES

This instrument in no way restricts LACOSAN or Earth Foundries, Inc. from participating in similar activities with other public or private agencies, organizations, and individuals.

10. MODIFICATION

This MOU may only be modified by a written amendment thereto, executed by both parties.

11. USE OF RESOURCES

LACOSAN and Earth Foundries, Inc. will each handle their own activities and utilize their own resources, including the expenditure of their own funds, in pursuing these objectives. Each party will carry out its separate activities in a coordinated and mutually beneficial manner.

12. PRINCIPAL CONTACTS:

The principal contacts for this MOU are:

LACOSAN

230 N. Main Street
Lakeport, CA. 95453
specialdistricts@lakecountycal.gov
Attn: Administrator

Earth Foundries, Inc.

15363 Peach Hill Road
Saratoga, CA 95070
roger.smullen@earthfoundriesinc.com
Attn: Roger Smullen

13. ADDITIONAL PROVISIONS

This MOU shall be governed by the laws of the State of California. It constitutes the entire agreement between the parties regarding its subject matter. This MOU supersedes all proposals, oral and written, and all negotiations, conversations, or discussions heretofore and between the parties related to the subject matter of this MOU.

LACOSAN and Earth Foundries, Inc. have executed this MOU on the day and year first written above.

LAKE COUNTY SANITATION DISTRICT

Earth Foundries, Inc.

ATTEST:

APPROVED AS TO FORM:

Susan Parker

Lloyd Guintivano

Clerk of the Board of Directors

County Counsel

By: _____

By: _____