

CITY OF YUBA CITY
STAFF REPORT

Date: August 17, 2021
To: Honorable Mayor & Members of the City Council
From: Development Services Department
Presentation By: Benjamin Moody, Development Services Director

Summary:

Subject: Interim Host Fee Agreement with Recycling Industries Inc. located at 140 Epley Drive (South of Lincoln Road, east of Garden Highway).

Recommendation: Adopt a Resolution approving an Interim Host Fee Agreement with Recycling Industries Inc. regarding the Materials Recovery and Transfer Station, and authorize the City Manager to execute the Agreement.

Fiscal Impact: Revenue: \$4.40 per ton of garbage transferred to a landfill

Purpose:

Adopt a Resolution approving the Interim Host Fee Agreement with Recycling Industries Inc. to satisfy a condition of use for the operation of the facility.

Background:

Recycling Industries Inc. (RI) currently operates a recycling center under Use Permit (UP) 07-12 at 140 Epley Drive. UP 07-12 was approved by the Planning Commission on February 29, 2008.

In 2012, RI applied for a Use Permit, UP 12-01, to convert its recycling center into a Large Volume Transfer Station (LVTS). After a Public Hearing on July 23, 2014, the Commission approved UP 12-01 for the project subject to compliance with an array of conditions, including a maximum volume of 100 tons per day (TPD) of mixed waste and recyclables and a requirement to enter into a Host Fee Agreement for the project site.

In 2017 RI requested authorization to amend previously approved UP 12-01. Proposed modifications included obtaining a revised Large Volume Transfer/Processing Solid Waste Facility Permit (SWFP) to increase the maximum throughput from 100 TPD to 300 TPD of mixed waste and recyclables. On November 28, 2018, the Planning Commission approved UP 17-05.

On December 7, 2018, "Stop the Dump" appealed the Planning Commission's action to the City Council.

On January 15, 2019, City Council conducted a Public Hearing in consideration of the appeal of the Planning Commission's approval. The item was continued to the February 5, 2019 meeting, with the Council ultimately denying the appeal, and approving modified conditions of use and approval. Approved modifications limited the material received to a maximum of 100 TPD and specified the requirements for a Host Fee to be established prior to use.

Analysis:

Since approval of the current Use Permit the owner has coordinated the site construction and has been working through adhering to the required Conditions of Approval to ultimately begin operation of the transfer station. To comply with Condition of Approval No. 35 an interim agreement is proposed, which will provide additional time to further refine the terms of Host Fee Agreement.

Condition of Approval No. 35

Prior to use of the new building, the applicant will negotiate a "Host Fee" with the City. The Host Fee will be calculated based upon the amount of garbage that is ultimately transferred to the Landfill by the applicant. With the establishment of the Host Fee being a remaining item needed prior to operation of the facility.

In April 2021, the City began coordinating with industry experts R3 Consulting Group, of Roseville, CA to help provide relevant information and establish a nexus to determine an appropriate Host Fee amount. Due to the timeline to establish a study and work through the specifics of a long-term agreement, staff proposes to utilize an "Interim" Host Fee Agreement, with a fee rate that is based off input from a preliminary analysis by R3 Consulting Group.

The Interim Host Fee Agreement is valid up to 12 months, that would be superseded by a forthcoming Agreement, with a fee and specifications that may differ based on the final analysis and coordination with Recycling Industries.

Fiscal Impact:

The fiscal impact associated with the Host Fee Agreement will result in ongoing revenue to offset impacts and costs of hosting the facility within the City. Revenue is proposed to be initially set at \$4.40 per ton for all material transferred to a landfill. Total annual receipts are subjective to the number of actual daily tons received and the percentages of material that is recycled/recovered vs. landfilled.

Assuming the maximum operation volume of 100 tons per day, six days per week, received to the facility, then using a 10% factor for material being recycled and/or recovered, (including green waste), the Host Fee Agreement would result in an approximate annual revenue of \$123,000 per year to the City.

Alternatives:

Provide alternative direction to staff as to how to proceed. Potential delays to beginning operations may result depending on alternative directions decided.

Recommendations:

Adopt a Resolution approving an Interim Host Fee Agreement with Recycling Industries Inc. regarding the Materials Recovery and Transfer Station, and authorize the City Manager to execute the Agreement.

Attachments:

1. Resolution approving the Interim Host Fee Agreement with Recycling Industries Inc. (RI).
 - a. Interim Host Fee Agreement with Recycling Industries Inc. (RI).
 - b. Exhibit A - Description of Property

Prepared By:

Submitted By:

/s/ Benjamin K. Moody

Benjamin K. Moody
Development Services Director

/s/ Dave Vaughn

Dave Vaughn
City Manager

Reviewed By:

Finance

City Attorney

SM

SLC by email

ATTACHMENT 1

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERIM HOST FEE AGREEMENT
WITH RECYCLING INDUSTRIES INC.**

WHEREAS, Recycling Industries Inc. currently operates a recycling center under Use Permit (UP) 07-12 at 140 Epley Drive, located within the corporate limits of the City (“Property”); and

WHEREAS, in 2014, the City approved Use Permit (“UP”) 12-01, which allowed the applicant to convert its recycling center into a Large Volume Transfer Station (“LVTS”); and

WHEREAS, the City further approved the Application for the siting of the proposed Transfer Station with or without conditions, and State of California, Cal Recycle, and the County of Yuba Environmental Health Department, the Local Enforcement Agency (LEA) issued a Solid Waste Facility Permit (SWFP) #51-AA-0008 for the development and operation of the Transfer Station, and if the Operator develops, constructs and operates the Transfer Station, the Operator is willing to pay to the City, and the City desires to accept Host Fees to defray the costs to the City of hosting the LVTS and development of the Project as hereinafter set forth; and

WHEREAS, the Operator applied to modify its previously approved use of the Property to operate the revised LVTS to receive not more than 100 tons of materials per day (“Project”), which required a Development Permit (“DP”), Use Permit and appropriate Environmental Assessment (“EA”) of the Project; and

WHEREAS, the Operator applied for DP 17-03, UP 17-05, and EA 17-10 to construct and operate the Project; and

WHEREAS, the Operator shall comply with the terms of the SWFP and applicable conditions as identified in the State Minimum Standards for solid waste handling and disposal as specified in Title 14, California Code of Regulations; and

WHEREAS, on February 5, 2019, the City Council of the City approved Resolution No. 19-005, denying an appeal of the Planning Commission of the City’s approval of the Project, thereby approving DP 17-03, UP 17-05, and EA 17-10 for the construction and operation of the Project; and

WHEREAS, Condition No. 35 of Resolution No. 19-005 requires that, prior to use of the new building for the Project, the Operator is to negotiate a “Host Fee” with the City, calculated based upon the amount of garbage that is ultimately transferred to the Landfill by the Operator; and

WHEREAS, the Parties wish to enter into this Agreement to memorialize their understandings on the Operator’s obligation to pay City a Host Fee for the operation of the Project, which understandings are to apply on an interim basis, pending the City’s evaluation of all costs it bears in hosting the Project.

NOW, THEREFORE, the City Council of the City of Yuba City does hereby resolve as follows:

1. The City Council approves the Interim Host Fee Agreement with Recycling Industries Inc., attached hereto, and authorizes the City Manager to execute the same on behalf of the

City of Yuba City. The City Manager is authorized to make any non-material, technical, and clerical edits and corrections to the Agreement subject to approval as to form by City Attorney.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 17th day of August, 2021.

AYES:

NOES:

ABSENT:

Marc Boomgaarden, Mayor

ATTEST:

Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

INTERIM HOST AGREEMENT

This INTERIM HOST AGREEMENT ("Agreement") is executed this ___ day of August, 2021, by the City of Yuba City, California, a California municipal corporation (the "City") and Recycling Industries, Inc, a California Corporation ("Operator"). City and Operator shall each be referred to as "Party" or collectively as "Parties."

WHEREAS, Operator currently operates a recycling center under Use Permit (UP) 07-12 at 140 Epley Drive, located within the corporate limits of the City ("Property"); and

WHEREAS, in 2014, the City approved Use Permit ("UP") 12-01, which allowed the applicant to convert its recycling center into a Large Volume Transfer Station ("LVTS")

WHEREAS, the City further approved the Application for the siting of the proposed Transfer Station with or without conditions, and State of California, Cal Recycle, and the County of Yuba Environmental Health Department, the Local Enforcement Agency (LEA) issued a Solid Waste Facility Permit (SWFP) #51-AA-0008 for the development and operation of the Transfer Station, and if the Operator develops, constructs and operates the Transfer Station, the Operator is willing to pay to the City, and the City desires to accept Host Fees to defray the costs to the City of hosting the LVTS and development of the Project as hereinafter set forth.

WHEREAS, the Operator applied to modify its previously approved use of the Property to operate the revised LVTS to receive not more than 100 tons of materials per day ("Project"), which required a Development Permit ("DP"), Use Permit and appropriate Environmental Assessment ("EA") of the Project;

WHEREAS, the Operator applied for DP 17-03, UP 17-05, and EA 17-10 to construct and operate the Project;

WHEREAS, the Operator shall comply with the terms of the SWFP and applicable conditions as identified in the State Minimum Standards for solid waste handling and disposal as specified in Title 14, California Code of Regulations.

WHEREAS, on February 5, 2019, the City Council of the City approved Resolution No. 19-005, denying an appeal of the Planning Commission of the City's approval of the Project, thereby approving DP 17-03, UP 17-05, and EA 17-10 for the construction and operation of the Project;

WHEREAS, Condition No. 35 of Resolution No. 19-005 requires that, prior to use of the new building for the Project, the Operator is to negotiate a "Host Fee" with the City, calculated based upon the amount of garbage that is ultimately transferred to the Landfill by the Operator;

WHEREAS, the Parties wish to enter into this Agreement to memorialize their understandings on the Operator's obligation to pay City a Host Fee for the operation of the Project, which understandings are to apply on an interim basis, pending the City's evaluation of all costs it bears in hosting the Project.

NOW, THEREFORE, the preceding recitals are incorporated by reference herein and in consideration of the mutual obligations undertaken herein, the receipt and sufficiency of which are hereby acknowledged, it is mutually understood and agreed by the Operator and the City as follows:

- 1. Definitions.** When used in this Agreement, all definitions shall be consistent with Title 27, Division 2 Definitions, Section 20164 (CCR), the following terms shall have the following meanings:

"Act" shall mean The California Integrated Waste Management Act (California Public Resources Code Sections 40000 et seq), as amended from time to time, which in part, directs all local jurisdictions to promote recycling and to maximize the use of feasible source reduction, recycling and composting options in order to reduce the amount of solid waste required to be disposed of by land disposal.

"ADC" shall mean Alternative Daily Cover.

"Applicable Law" means all statutes, rules, regulations, guidelines, actions, determinations, Permits, orders, or requirements of the United States, State, County, City and local and regional government authorities and agencies having applicable jurisdiction, that apply to or govern the Transfer Station, the Property or the performance of the Parties' respective obligations hereunder, including any of the foregoing which concern health, safety, fire, environmental protection, labor relations, mitigation monitoring plans, building codes, zoning, non-discrimination, prevailing wages if applicable, and the Sutter County Integrated Waste Management Plan. All references herein to Applicable Law include subsequent amendments or modifications thereof, unless otherwise specifically limited in this Agreement or one of the other Agreements.

"Construction and Demolition Debris", or "C&D Debris" is solid waste that is source separated or separated for reuse solid waste and recyclable materials, including commingled and separated materials, that result from construction work, that are not hazardous, and that contain no more than 10% putrescible wastes by volume calculated on a monthly basis and the putrescible wastes do not constitute a nuisance, as determined by the LEA.

"Effective Date" shall mean the date on which this Agreement is executed, as shown at the top of the first page of this Agreement.

"Green Waste" shall have the meaning any vegetative matter resulting from normal yard and landscaping maintenance. Green Waste includes but is not limited to plant debris, ivy, grass clippings, leaves, pruning, weeds, branches, brush, holiday trees, tree trunks, etc.

"Host Fee" shall mean the payments by the Operator to the City for each ton of Permitted Waste and Recyclables delivered to a Landfill, which the Operator has agreed to pay to the City pursuant to the Conditions of Approval for the Transfer Station. Any Green Waste delivered to a duly-licensed organics composting facility shall be excluded from the

calculation of Host Fees.

"Host Fee Rate" shall mean the per ton Host Fee paid by the Operator to the City in the amount and as provided in Section 4 herein.

"Household Hazardous Waste" or "HHW" shall mean material used in residences that may threaten human health or the environment when improperly discarded and usually has one or more of the following characteristics: flammable, toxic, corrosive, and/or reactive.

"Household Waste" shall have the meaning ascribed under 27 CCR Section 20164, which as of the date of this Agreement, means any solid waste (including garbage, trash, and sanitary waste in septic tanks) derived from households (including single and multiple residences, hotels and motels, bunkhouses, ranger stations, crew quarters, campgrounds, picnic grounds, and day-use recreation areas).

"LEA" shall mean the Local Enforcement Agency designated by the City as the Yuba County Environmental Management Department that shall enforce the provisions of the Solid Waste Permit.

"Landfill" shall have the meaning ascribed under 27 CCR Section 20164, which as of the date of this Agreement, means a waste management unit at which waste is discharged in or on land for disposal. Landfill does not include surface impoundment, waste pile, land treatment unit, injection well, or soil amendments.

"Operations Date" shall mean the first day of business at which Permitted Waste is accepted at the Transfer Station.

"Operator" means Recycling Industries, Inc and shall include its successors.

"Permitted Waste" means refuse, as defined in 27 CCR Section 20164, and further includes, without limitation: Household Waste, C&D Materials, Green Waste, E-Waste, and HHW, which the Facility may receive under its Permits and Applicable Law.

"Property" shall mean a parcel of approximately located at 140 Epley Drive, Yuba City, CA, as more particularly described on Exhibit A to this Agreement, which the Operator proposes to use for the development, construction and operation of the Transfer Station.

"Project" shall have the meaning set forth in the Recitals.

"Recyclables" shall mean any recyclable materials, whether or not source separated, which the Operator determines to accept.

"TPR" shall mean the Transfer Processing Report on file with the LEA and the City for this property.

"Transfer Station" shall mean the transfer station, as defined in section 40200 of the Act,

to be developed, constructed and operated on the Property and subject to this Agreement.

Any term not otherwise attributed to it shall have the same meaning as defined under the Act.

- 2. Term of Agreement.** The Parties intend for this Agreement to be replaced by an agreement (“New Agreement”) that comprehensively addresses the host fee, pursuant to Condition of Approval 35. Operator hereby acknowledges that the Host Fee complies with legal requirements and bears an appropriate nexus to the City’s need to address those impacts identified under the California Environmental Quality Act (CEQA), as described further in the 2019 mitigated negative declaration (MND) for Use Permit 12-01 approved for the Transfer Station. Operator and City shall replace this Agreement with the New Agreement within twelve (12) months from the Effective Date. Until so replaced, the term of this Agreement shall begin on the Effective Date and shall expire on the effective date of the New Agreement, which addressed the City’s requirements described above. The Parties shall negotiate in good faith to include in the New Agreement annual adjustments to the host fee set thereunder that tracks the Consumer Price Index, All Urban Consumers, not seasonally adjusted, all items index -San Francisco-Oakland-Hayward, CA, as published by the Bureau of Labor Statistics. The parties agree to negotiate the New Agreement in good faith to reach mutual approval before the timeline described herein; provided that if the New Agreement is not approved and implemented by such time, the Host Fee Rate set forth in Section 6 shall increase by twenty-five percent (25%) beginning twelve (12) months from the Effective Date of this Agreement; provided that if the City is the cause of any significant and unreasonable delay in the negotiation of the New Agreement and Operator notifies City in writing of such delay within twenty (20) days of the existence of such delay, and provides a description of the nature of the delay, such twelve (12) month timeline shall be extended to correspond to the delay caused by City.
- 3. Authorization for Transfer Station Development, Construction and Operation.** The Operator shall be responsible for obtaining all permits and authorizations necessary under applicable law for the development, construction or operation of the Transfer Station on the Property. Operator shall provide the City with a reasonable opportunity to review and comment upon any application to modify or amend any permit before such is filed; provided that the City’s approval cannot be unreasonably withheld, conditioned or delayed. Operator acknowledges that its experience and expertise are material considerations of the City in entering into this Agreement. As such, Operator shall not assign this Agreement or operations of the Transfer Station, without the express prior written consent of the City, not to be unreasonably withheld, conditioned or delayed. An assignment for purposes of this provision includes any sale, exchange, or other transfer to a third party of more than twenty-five percent (25%) of Operator’s assets dedicated to operating the Transfer Station, or issuing new stock or selling, exchanging, or otherwise transferring twenty-five percent (25%) or more of the then outstanding ownership interests of Operator to a person other than the family members of any owner. Any other transfer shall be subject to City’s reasonable review.
- 4. Host Fees.** From and after the Operations Date, the Operator shall pay to the City, Host Fees at the Host Fee Rate based on the monthly tonnage of Permitted Waste and Recyclables delivered to a Landfill, as provide in this Section 4 below.

- a. Host Fee Rate. The Operator shall pay to City Four and 40/100 Dollars (\$4.40) per ton of Permitted Waste and Recyclables delivered to a Landfill; provided that the Host Fee Rate is subject to adjust in a manner and based on a methodology to be negotiated by the Parties pursuant to Section 2 above. The Parties further acknowledge and hereby agree that they will negotiate in good faith a new per ton Host Fee to apply under the New Agreement, which negotiations shall include as a reference the final report to be prepared by City's waste services consultant R3 Consulting Group, Inc.
- b. Books and Records. The Operator shall maintain complete and accurate books and records of Permitted Waste and Recyclables deposited at the Transfer Station sufficient to determine the amount of Host Fees payable to the City, including without limitation, weight tickets for all Permitted Waste and Recyclables deposited at the Transfer Station as well as weight tickets for each outbound vehicle of Permitted Waste and Recyclables delivered to a Landfill. Such books and records shall be available for inspection and copying by the City or its agent upon reasonable notice of not less than 48 hours at the Transfer Station during operating hours of the Transfer Station, or as otherwise required by this Agreement or any conditions of siting approval;
- c. Payment Method. Remit Host Fees payable to the City on a quarterly basis not later than the last calendar day of the calendar month following the end of each calendar quarter, for the preceding calendar quarter.
- d. Accounting. Submit with each payment of Host Fees to the City an accounting by month of the amount of fees payable to the City and all tonnage of Permitted Waste and Recyclables deposited at the Transfer Station during the calendar quarter for which payment is made and weight tickets for each outbound vehicle of Permitted Waste and Recyclables delivered to a Landfill for the same period. City acknowledges that the Permitted Waste or Recyclables deposited at the Transfer Station shall not be subject to payment of the Host Fee or other separate City fee, and that the information of such materials deposited at the Transfer Station is merely sought to assist the City in better ascertaining the flow of such materials into and out of the Transfer Station.
- e. Audit. The City shall cause a copy of any report of an audit by the City of the books and records of the Transfer Station delivered to the Operator and Permitted Waste and Recyclables delivered to a Landfill within thirty (30) calendar days from receipt thereof. If any such audit report establishes that there has been an underpayment of Host Fees to the City, the Operator shall remit the amount of the underpayment to the City within thirty (30) calendar days from receipt from the City of notice of the underpayment and a copy of the report plus a late fee equaling five percent (5%) of the amount of the shortfall. If any such audit report establishes that there has been an overpayment to the City, the Operator may take a credit against amounts otherwise payable to the City in the amount of the overpayment; or if there are no such amounts against which to take a credit. The City shall remit the overpayment to the Operator within thirty (30) calendar days from the City's receipt of the audit report and a written demand from the Operator.

- f. Payment Disputes. The City must notify the Operator in writing of any dispute regarding payment of Host Fees to the City within two (2) years from the last calendar day of the month for which disputed fees are payable. Otherwise, any such dispute is deemed waived;
- g. Reimbursement of Costs. The Operator shall not be required to pay or reimburse the City, or otherwise compensate the City or its agent for costs incurred in connection with inspecting, copying or auditing of books and records of the Transfer Station. However, if a dispute arises between the City and the Operator regarding the amount of Host Fees payable to the City, and the City determines that it is necessary to conduct a special audit in connection with such dispute, the Operator shall reimburse the City for fifty percent (50%) of the reasonable costs incurred by the City in connection with such special audit.
- h. Confidentiality. The City acknowledges that the books and records of the Transfer Station contain information which constitutes trade secrets. The City shall treat all information obtained from inspection and copying of books and records of the Transfer Station as confidential and shall neither disclose nor permit disclosure of such information to persons other than the City, its employees or agents only as required by law or in a legal action subject to a protective order. The Operator may redact trade secrets or other confidential information from books and records of the Transfer Station prior to inspection or copying by the City or its agents, provided such redactions do not include numerical or other information required to determine the amount of Host Fees payable to the City.
- i. Effect of Termination of Agreement. If this Agreement is terminated, Host Fees shall be paid to the date of termination and no further payments of Host Fees shall be due from the Operator to the City.
- j. Calibration of Scales. The Operator shall test and calibrate all scales at the Transfer Station in accordance with Applicable Law. Upon City request, it shall provide the City with copies of scale testing results, including but not limited to any results from State-conducted inspections. The Operator shall further cause its qualified contractor to test and calibrate any or all scales upon written request therefore by the City, within three (3) days of such request; provided that if Operator can demonstrate to City that completion of such test and calibration is delayed by the LEA, said three (3)-day timeline shall be extended for the period of the delay caused by the LEA. If such test results indicate that the scale or scales comply with Applicable Law, the City will reimburse the Operator the direct costs of such tests, not including the cost of personnel time utilized in conduction such test. If City-requested test results indicate that the scale or scales did not comply with Applicable Law, then all weight measurements recorded and Host Fees calculated, charged and paid, as the case may be, from the date of such request, shall be adjusted and corrected consistent with the results of such test. Commercial collection vehicles and transfer trucks shall be assigned a number for weighing purposes. Tare weights shall be checked at least annually or promptly upon reasonable City request, but not more than twice per year.

5. Benefits to the Transfer Station. In consideration for the Operator's agreement to locate

the Transfer Station in the City, and for Host Fees as provided in this Agreement, the City shall not levy any new taxes or assess any fees which are not uniformly assessed but rather are assessed upon a class based on the ownership or operation of a waste transfer station or solid waste management facility and which directly impact the services rendered by the Operator.

6. Assignment of Agreement. This Agreement shall be binding on the Operator, its successors and assigns. This Agreement shall be deemed to be a covenant running with the land.

7. Default.

- a. If Operator or the City commits a material breach of this Agreement in regard to payment, the breaching party shall have a period of thirty (30) calendar days from and after receipt of written notice from the other of such breach in which to cure the breach. If the breaching party fails to cure the breach during such period, the breaching party shall be in default;
- b. If Operator or the City commits a material breach of this Agreement other than in regard to payment, the breaching party shall have a period of thirty (30) calendar days from and after receipt of written notice from the other of such breach in which to cure the breach, or a longer period if the breaching party has diligently attempted to cure the breach during such period but has been unable to do so. If the breaching party fails to cure the breach during such period, as extended, the breaching party shall be in default;
- c. The City recognizes that the cure of breach may require regulatory approval from the LEA or some other regulatory agency and that the time of preparation of a request for such approval as well as the time it takes for the regulatory agency to review such a request shall be part of the cure period;
- d. In the event that either party is in default under this Agreement, the party not in default shall have the right to enforce all rights and remedies under this Agreement, as well as to pursue any other remedy now or hereafter available under applicable law; and
- e. Nothing in this Agreement to the contrary shall delay or hinder the immediate enforcement of this Agreement, ordinance or law which may, in any manner, negatively impact the public health, safety or welfare.

8. Enforcement of Agreement. In any action to enforce this Agreement, the non-defaulting party shall be entitled to an award of reasonable attorney's fees and costs incurred in connection with such action.

9. Indemnification. The Operator shall defend, indemnify and hold the City, its agents, servants, officers, employees, consultants and attorneys harmless from and against all third party claims, judgments, orders, fines, penalties and other liabilities (including without limitation reasonable attorney's fees and costs) resulting from the acts or omissions or negligence of the Operator during operation by the Operator of the Transfer Station or arising out of this Agreement.

10. Compliance with Applicable Laws. The Operator shall conduct operations at the Transfer Station in accordance with all applicable federal, state, and local laws.

11. General Provisions.

- a. Amendments. This Agreement may be terminated, amended or otherwise modified only by written agreement duly executed on behalf of the City and the Operator;
- b. Captions. Captions in this Agreement are for the convenience of reference only and do not affect this Agreement or its interpretation;
- c. Exclusivity. This Agreement sets forth the entire, final and exclusive Agreement and understanding of the City and the Operator in respect to the matters covered hereby;
- d. Governing Law, Venue and Jurisdiction. This Agreement and all disputes hereunder shall be governed by the laws of the State of California.
- e. Notification. All notices and other correspondence required permitted under this Agreement shall be given at the following addresses or such other addresses as the City or the Operator may in writing designate: If mailed, two (2) days after being deposited in the U.S. mail, registered or certified, return receipt requested, to the address shown above; or if deposited with a commercial courier for next day delivery, one (1) day after being so deposited,
- f. Recitals. The Recitals are a part of this Agreement;
- g. Severability. If any provision of this Agreement or any document executed in connection herewith shall be or become invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality or enforceability of the remaining provisions contained herein or therein shall not be affected or impaired. In such case, the Parties shall achieve the purpose of the involved provision by agreeing to a new, legally valid and enforceable provision, which shall become part of this Agreement or such document;
- h. Singular and Plural. The use of the singular form includes the plural and use of the plural form includes the singular;
- i. Third Parties. Nothing in this Agreement is intended to confer any right or remedy on any person other than the City and the Operator, and their respective successors and permitted assigns, nor is anything in this Agreement intended to affect or discharge any obligation or liability of any third persons to the City or the Operator, nor to give any such third person any right of action or subrogation against the City or the Operator;
- j. Waiver. The failure of the City or the Operator at any time to require the performance of any provision of this Agreement shall not affect its right to enforce the provision at a later time. No waiver of any nature by the City or the Operator, whether by conduct or otherwise, shall be deemed to be a continuing waiver.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the City of Yuba City, County of Sutter, State of California, on the date set forth above.

<p>ATTEST:</p> <p>_____</p> <p>City Clerk</p> <p>APPROVED AS TO FORM:</p> <p>_____</p> <p>City Attorney</p>	<p>CITY OF YUBA CITY, a California municipal corporation</p> <p>By: _____</p> <p>Mayor</p> <p>RECYCLING INDUSTRIES, INC, a California corporation</p> <p>By: _____</p> <p>Name: _____</p> <p>Its: _____</p> <p>By: _____</p> <p>Name: _____</p> <p>Its: _____</p>
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EXHIBIT "A"

DESCRIPTION OF PROPERTY



2021-0008047

Recorded
Official Records
County of
Sutter
Donna M. Johnston
Clerk Recorder

REC FEE 28.00
HOUSING FEE 75.00

08:05AM 30-Apr-2021

GG
Page 1 of 5

Recording Requested by:
David W. Kuhnen

and when recorded, mail
document and tax statements to:

David W. Kuhnen etux etal
4741 Watt Avenue
North Highlands, CA 95660

Space Above This Line for Recorder's Use Only

A.P.N.: 54-083-014, 54-083-015 and 54-083-023

GRANT DEED

The Undersigned Grantor(s) Declare(s):
Documentary Transfer Tax is \$ 0.00

- computed on the consideration or full value of property conveyed, or
- computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
- exempt from transfer tax per R&T code section 11911,
- unincorporated area City of Yuba City,

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
Kuhnen Family Limited partnership, a California limited partnership as to an undivided 62.4% interest, David W. Kuhnen and Yvette Kuhnen, Trustees of the David W. Kuhnen and Yvette Kuhnen Family Trust, Dated January 22, 2008 as to an undivided 29.0% interest and Michael Macardican, a single man as to an undivided 8.6% interest

hereby GRANT(s) to Kuhnen Family Limited partnership, a California limited partnership as to an undivided 62.4% interest, David W. Kuhnen and Yvette Kuhnen, Trustees of the David W. Kuhnen and Yvette Kuhnen Family Trust, Dated January 22, 2008 as to an undivided 29.0% interest and Michael Macardican, a single man as to an undivided 8.6% interest

that property in the City of Yuba City, County of Sutter, State of California described as follows:

See Exhibit "A" attached hereto and made a part hereof

Dated: March 15, 2021

Kuhnen Family Limited partnership, a California limited partnership

[Signature]
Scott Kuhnen, General Partner

[Signature]
Carolyn Kuhnen, General Partner

David W. Kuhnen and Yvette Kuhnen, Trustees of the David W. Kuhnen and Yvette Kuhnen Family Trust, Dated January 22, 2008

[Signature]
David W. Kuhnen, Trustee

[Signature]
Yvette Kuhnen, Trustee

[Signature]
Michael Macardican

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

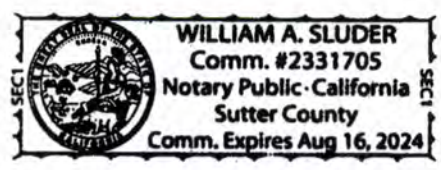
State of California
County of Sutter

On 22 March 2021, before me, William A Sluder, a Notary Public, personally appeared Scott Kuhnen and Carolyn Kuhnen, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Signature]



Name: William A Sluder

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

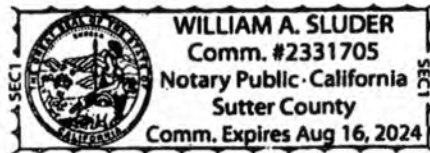
State of California
County of Sutter

On 22 March 2021, before me, William A Sluder, a Notary Public, personally appeared David W. Kuhnen and Yvette Kuhnen, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Handwritten Signature]



Name: William A Sluder

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

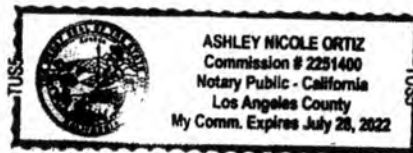
State of California
County of Los Angeles

On March 19, 2021, before me, Ashley Nicole Ortiz, a Notary Public, personally appeared Michael Macardican, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Handwritten Signature]



Name: Ashley Nicole Ortiz

(Seal)

EXHIBIT "A" – RESULTANT LOT

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF YUBA CITY, COUNTY OF SUTTER, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL OF LOT 36, TOGETHER WITH A PORTION OF LOT 37, LOT 38, AND LOT 39 AS SHOWN ON THAT CERTAIN MAP ENTITLED, "GARDEN HIGHWAY INDUSTRIAL PARK", FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, ON FEBRUARY 4, 1981 IN BOOK 12 OF SURVEYS, PAGES 121, 122, 123 AND 124, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 36; THENCE SOUTH 73°22'45" WEST ALONG THE SOUTH LINE OF SAID LOT 36, A DISTANCE OF 330.00 FEET TO THE SOUTHWEST CORNER OF SAID LOT 36; THENCE NORTH 16°37'15" WEST ALONG THE WEST LINE OF SAID LOT 36, A DISTANCE OF 132.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 36 AND THE SOUTHWEST CORNER OF SAID LOT 37; THENCE NORTH 16°37'15" WEST ALONG THE WEST LINE OF SAID LOT 37, A DISTANCE OF 100.00 FEET; THENCE NORTH 73°22'45" EAST, A DISTANCE OF 1.00 FOOT; THENCE NORTH 16°37'15" WEST PARALLEL WITH SAID WEST LINE OF LOT 37, A DISTANCE OF 32.00 FEET TO A POINT ON THE LINE COMMON TO LOT 37 AND LOT 38; THENCE NORTH 16°37'15" WEST PARALLEL WITH THE WEST LINE OF SAID LOT 38, A DISTANCE OF 132.00 FEET TO A POINT ON THE LINE COMMON TO LOT 38 AND LOT 39; THENCE NORTH 16°37'15" WEST PARALLEL WITH THE WEST LINE OF SAID LOT 39, A DISTANCE OF 133.00 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 39; THENCE NORTH 73°22'45" EAST ALONG THE NORTH LINE OF SAID LOT 39, A DISTANCE OF 299.00 FEET TO THE BEGINNING OF A TANGENT CURVE HAVING A RADIUS OF 30.00 FEET; THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC DISTANCE OF 47.12 FEET; THENCE SOUTH 16°37'15" EAST ALONG THE EAST LINE OF LOT 39, A DISTANCE OF 103.00 FEET TO THE SOUTHEAST CORNER OF LOT 39 AND THE NORTHEAST CORNER OF LOT 38; THENCE CONTINUING SOUTH 16°37'15" EAST ALONG THE EAST LINE OF LOT 38, A DISTANCE OF 132.00 FEET TO THE SOUTHEAST CORNER OF LOT 38 AND THE NORTHEAST CORNER OF LOT 37; THENCE SOUTH 16°37'15" EAST ALONG THE EAST LINE OF SAID LOT 37, A DISTANCE OF 132.00 FEET TO THE SOUTHEAST CORNER OF LOT 37 AND THE NORTHEAST CORNER OF LOT 36; THENCE SOUTH 16°37'15" EAST ALONG THE EAST LINE OF LOT 36, A DISTANCE OF 132.00 FEET TO SAID POINT OF BEGINNING.

EXCEPTING THEREFROM ALL MINERALS, OIL, GAS AND OTHER HYDROCARBONS AS CONVEYED TO STOCK PETROLEUM CO., INC., IN DEED RECORDED FEBRUARY 27, 1980 IN BOOK 983, PAGE 79, SUTTER COUNTY OFFICIAL RECORDS.

ALL TOGETHER COMPRISING A SINGLE PARCEL CONTAINING 4.00 ACRES,
MORE OR LESS, PURSUANT TO CITY OF YUBA CITY LOT LINE ADJUSTMENT
NO. 2020-04.

THIS DESCRIPTION IS BASED UPON RECORD INFORMATION AND NOT A
FIELD SURVEY.


JEFF SPENCE
LS7414



11/6/2020
DATE

END OF DOCUMENT