

**REVISED AGREEMENT FOR
COMPLIANT WASTE TIRE RECYCLING/DISPOSITION SERVICES**

BETWEEN

**THE IMPERIAL VALLEY RESOURCE
MANAGEMENT AGENCY (“IVRMA”)**

AND

RUBBER RECOVERY, INC. (“RRI”)

This Revised Agreement (“this Agreement”) is made and entered into by IVRMA and RRI, an independent contractor (“the Contractor”) (individually, “Party”; collectively, “Parties”), for compliant recycling/disposition of waste tires collected by IVRMA and delivered to the Contractor by IVRMA or its designated and properly permitted independent hauler. In consideration of these recitals and the mutual covenants and conditions set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby set forth their mutual covenants and understandings as follows:

Recitals

IVRMA desires to retain the services of the Contractor to receive and compliantly manage recycling/disposition of IVRMA-collected/transported waste tires at the Contractor’s Fontana, California facility.

Contracting Services

IVRMA’s Manager is the task administrator for this Agreement. IVRMA’s designated representative will communicate with the Contractor on all matters related to the administration of this Agreement and the Contractor’s performance of the services rendered hereunder. When this Agreement refers to communications to or with IVRMA, those communications will be with the designated representative, unless the designated representative or this Agreement specifies otherwise.

IVRMA has the resolute authorization and requisite permits to collect waste tires and engage in this Agreement with the Contractor.

The Contractor has the authority, expertise and requisite permits to receive and properly manage manifested waste tires delivered from IVRMA site(s).

The Contractor carries and is current with all bonds and insurance required by CalRecycle for waste tire hauling (permit #16-02088) and processing operations (permit #1620515-01) in the State of California.

IVRMA shall remunerate the Contractor's services at the delivered rate of eighty dollars (\$80) per ton during the first year of the agreement and eight-three dollars (\$83) per ton during the second year of this agreement.

In addition to the Contractor's covenants described hereof, the Contractor agrees that the contracting services rendered under this Agreement shall be performed in accordance with the standards customarily adhered to by an experienced and competent professional contracting firm using the degree of care and skill ordinarily exercised by reputable professionals practicing in the same field of service in the State of California. Where approval by IVRMA, IVRMA's Manager or other representatives of IVRMA is required, it is understood to be general approval only and does not relieve the Contractor of responsibility for complying with all applicable laws, codes and good contracting practices.

It is understood and agreed that the Contractor, in the performance of the work and services agreed to be performed by the Contractor, shall act as and be an independent contractor and not an agent or employee of IVRMA, and as an independent contractor, shall obtain no rights to retirement benefits or other benefits which accrue to IVRMA's, and Contractor hereby expressly waives any claim it may have to any such rights. IVRMA has the right to control or direct only the result of the work and not what will be done and how it will be done.

The Contractor shall ensure a drug free workplace.

The Contractor shall not discriminate, in any way, against any person on the basis of a race, gender, religion, religious creed, national origin, color, sexual orientation, age, disability (mental and physical) including HIV and AIDS, ancestry, medical condition (cancer and genetic characteristics), genetic information, marital status, gender identity, gender expression or sex (which includes pregnancy, childbirth or related medical conditions) in connection with or related to the performance of this Agreement.

Insurance

Commercial General Liability Insurance. The Contractor shall maintain commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than one million dollars (\$1,000,000) per occurrence.

Workers' Compensation Insurance. In accordance with the provisions of Labor Code §3700, the Contractor shall be insured against liability for Workers' Compensation or undertake self-insurance. The Contractor agrees to comply with such provisions before commencing performance of any work under this Agreement.

Proof of Insurance to IVRMA before Notice to Proceed to Work. The Contractor shall satisfactorily provide certificates of insurance to the IVRMA Board Secretary before a notice to proceed will be issued. Approval of insurance by IVRMA shall not relieve or decrease the extent to which the Contractor may be held responsible for payment of damages resulting from

services or operations performed pursuant to this Agreement. The Contractor shall not perform any work under this Agreement until the Contractor has obtained the required insurance and until the required certificates have been submitted to IVRMA and approved by Agency Counsel. If the Contractor fails or refuses to furnish IVRMA required proof that insurance has been procured and is in force and paid for, IVRMA shall have the right at IVRMA's election to forthwith terminate this Agreement immediately without any financial contractual obligation to IVRMA. As a result of such termination, IVRMA reserves the right to employ another contractor to complete the project.

Term of Agreement

The term of initial agreement shall be two (2) years commencing July 1, 2016 to June 30, 2018, and also subject to written acceptance by both parties and availability of waste tire-related funds to IVRMA. Termination of this Agreement would occur if:

- IVRMA loses its waste tire management funding from CalRecycle
- IVRMA reaches budgeted waste tire management funds during the contracted term
- RRI files for insolvency
- RRI loses its waste tire processing permit from CalRecycle.

Such terminating factors shall be immediately communicated from the affected Party to the other with services terminated upon certified receipt written of notice. Should IVRMA be the terminating Party, the Contractor shall be remunerated for unpaid services rendered prior to notice of termination. Should RRI be the terminating Party, IVRMA shall cease delivering waste tires to the Contractor's facility.

Compensation for Contracted Services

Stated services for properly-manifested waste tires received from IVRMA or independently from its designated and permitted waste tire hauling contractor are subject to the following considerations and remunerated to the Contractor at the referenced eighty dollars (\$80) per ton during the first year of this Agreement and eighty-three (\$83) per ton during the second year of this Agreement:

- Waste tires of all types are acceptable to the Contractor (truck, passenger, off-the-road, forklift, etc.).
- Waste tire quality is "clean tires" (no mud, rocks or other organic/inorganic inclusions; free of water). Waste tires mounted on metal rims are acceptable; free-metal, plastic, glass or any other non-waste tire material inclusions are unacceptable.
- All IVRMA-derived waste tires shipped to the Contractor shall be weighed at IVRMA's expense in empty/full ("gross/tare weights") trailer condition to determine net weight per load of waste tires delivered to/received and unloaded by the Contractor.
- The Contractor shall have two (2) hours to unload waste tires from IVRMA by an independent, permitted hauler between the hours of 7:00am and 2:00pm, Monday through Friday excluding holidays and the Contractor's employee's lunch hour of 11:00am to noon

each day. The Contractor agrees to pay any penalty imposed upon IVRMA as a result of RRI exceeding the two (2) hour unloading allowance for scheduled waste tire deliveries from IVRMA.

- Cumulative net waste tire weights received during a given month shall be invoiced to IVRMA at the appropriate price cited above per ton on/about the first day of the subsequent month. IVRMA has thirty (30) days from date of the Contractor's invoice to make payment in full to the Contractor via surface mail.

Assignment

This Agreement and all rights and obligations created by this Agreement cannot be assigned or transferred without written consent of the Parties.

Prior Agreements and Amendments

This Agreement represents the entire understanding of the Parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may only be modified by a written amendment.

Indemnification

RRI shall indemnify, defend, and hold harmless IVRMA and its officers, agents, and employees, against any and all claims, losses, damages, liabilities, and related expenses (including attorney fees), arising out of the performance of this Agreement.

Compliance With Laws

The Contractor shall comply with all applicable laws, ordinances, codes and regulations of the Federal, State and local governments.

Governing Law

IVRMA and the Contractor agree that the law governing this Agreement shall be that of the State of California. Any suit brought by either Party against the other arising out of the performance of this Agreement shall be filed and maintained in the Superior Court of the County of Imperial.

Conflict of Interest

The Contractor shall avoid all conflict of interest or appearance of conflict of interest in performance of this Agreement. The Contractor shall file a disclosure statement, if required by the IVRMA resolution, which shall be filed within thirty (30) days from the effective date of this Agreement or such Resolution, as applicable.

No member, officer, or employee of IVRMA, during their tenure, or for one (1) year thereafter, shall have any interest, direct or indirect, in this Agreement or the proceeds thereof and the Contactor agrees not allow, permit, grant, transfer or otherwise do anything which will result in such member, officer or employee of IVRMA from having such interest.

Signing Authority/Notices

The representative for each Party on behalf of IVRMA and the Contractor has the authority to sign this Agreement on behalf of the respective entity. All written notices required under this Agreement shall be directed to the persons signing below and to the associated and designated addresses.

Dated this ____ day of _____ 2016

Imperial Valley Resource
Management Agency

By _____
Bob Douthitt, IVRMA Mgr
300 S. Imperial Ave., Suite 11
El Centro, CA 92243

Date _____

Rubber Recovery, Inc.

By _____
Authorized Representative
10672-B Calabash Avenue
Fontana, CA 92337

Date _____

I hereby approve the form
of the foregoing Agreement
this ____ day of _____ 2016

By _____
Ryan D. Childers, Agency Counsel