

SUPPLEMENTAL MATERIAL WAS ADDED TO THE BOARD OF DIRECTORS

April 28, 2022
AGENDA PACKET

Pertaining to the following Scheduled Items:

[4/25/2022](#)

- ITEM NO. 13 A RESOLUTION AUTHORIZING THE ACQUISITION OF ONE PARCEL, APN 003-051-077, AND AUTHORIZING THE GENERAL MANAGER/CHIEF ADMINISTRATIVE OFFICER TO EXECUTE A PROPERTY SALES AGREEMENT WITH NEXIS PARTNERS, LLC AND FRIEDRICH ENTERPRISES, LLC, IN THE AMOUNT OF \$3,957,000, A BUDGET ALLOCATION OF \$4,017,000, AND FINDING THE ACQUISITION IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**
- Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions - *Added*

The "Supplemental Materials" have been added to the end of its corresponding agenda item in the agenda packet.



AGENDA Special Meeting

BOARD OF DIRECTORS

April 28, 2022 | 6:00 p.m.

Gonzales City Council Chambers
117 Fourth Street, Gonzales, California

Meeting Information

While the chamber will be open to maintain appropriate social distance, space is limited. For details on how to observe the meeting or participate virtually read notice on page 2.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Board Directors

County: John M. Phillips
County: Chris Lopez, *President*
Salinas: Christie Cromeenes, *Vice President*
Salinas: Kimbley Craig
Salinas: Anthony Rocha
Gonzales: Elizabeth Silva
Soledad: Ben Jimenez, Jr.
Greenfield: Andrew Tipton, *Alt. Vice President*
King City: Robert S. Cullen

Alternate Directors

County: Luis Alejo
Salinas: Orlando Osornio
Gonzales: Scott Funk
Soledad: Carla Strobbridge
Greenfield: Robert White
King City: Darlene Acosta

TRANSLATION SERVICES AND OTHER MEETING ANNOUNCEMENTS

Translation Services in Spanish will only be available by logging in to Zoom.

Meeting ID: 810 6438 0139 | **Passcode:** 904777

GENERAL MANAGER/CAO COMMENTS

DEPARTMENT MANAGER COMMENTS

BOARD DIRECTOR COMMENTS

PUBLIC COMMENT

Receive public comment from audience on items which are not on the agenda. The public may comment on scheduled agenda items as the Board considers them. Speakers are limited to three minutes at the discretion of the Chair.

CONSENT AGENDA:

All matters listed under the Consent Agenda may be enacted by one motion unless a member of the Board, a citizen, or a staff member requests discussion or a separate vote.

1. [Minutes of the March 17, 2022 Meeting](#)
2. [February 2022 Claims and Financial Reports](#)
3. [Member and Interagency Activities Report for March 2022](#)
4. [March 2022 Quarterly Investments Report](#)
5. [A Resolution Approving and Adjustment to the Operating Budget for Fiscal Year 2021-22](#)
6. [A Resolution Approving Annual Expenditure in an Amount Over \\$50,000 for Equipment Maintenance parts and Services with Cutting Edge Supply and Green Rubber-Kennedy Ag for Fiscal Year 2021-22](#)
7. [Update on the Sun Street Transfer Station Relocation Project](#)
8. [A Resolution Awarding Sole Sourcing the Purchase of a New 2023 Walking Floor Transfer Trailer to Western Trailers for an Amount of \\$105,641](#)

PRESENTATION

9. ATLAS ORGANICS

- A. Receive Report from Mandy Brooks, Resource Recovery Manager
- B. Board Discussion
- C. Public Comment
- D. Recommended Action – None; informational only

10. RECYCLING RECOGNITION

- A. Receive Report from Mandy Brooks, Resource Recovery Manager
- B. Board Discussion
- C. Public Comment
- D. Recommended Action – None; informational only

FUTURE AGENDA ITEMS

11. AGENDA ITEMS – VIEW AHEAD SCHEDULE

CLOSED SESSION

Receive public comment from audience before entering into closed session:

- 12.** Pursuant to **Government Code Section 54956.8** to confer with legal counsel and real property negotiators General Manager/CAO Patrick Mathews, Asst. GM/Ops Manager Cesar Zuñiga, Finance and Administration Manager Ray Hendricks, and General Counsel Roy C. Santos, concerning the possible terms and conditions of acquisition, lease, exchange or sale of **1)** Property, APN: 003-051-077-000, located at 126-128 Sun Street, Salinas, CA. **2)** Salinas Valley Solid Waste Authority Property, APNs 003-051-086 and 003-051-087, located at 135-139 Sun Street, Salinas, CA.

RECONVENE

CONSIDERATION

13. A RESOLUTION AUTHORIZING THE ACQUISITION OF ONE PARCEL, APN 003-051-077, AND AUTHORIZING THE GENERAL MANAGER/CHIEF ADMINISTRATIVE OFFICER TO EXECUTE A PROPERTY SALES AGREEMENT WITH NEXIS PARTNERS, LLC AND FRIEDRICH ENTERPRISES, LLC, IN THE AMOUNT OF \$3,957,000, A BUDGET ALLOCATION OF \$4,017,000, AND FINDING THE ACQUISITION IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

- A. Receive Report from Patrick Mathews, General Manager/CAO
- B. Board Discussion
- C. Public Comment
- D. Recommended Action – Adopt the Resolution

CLOSED SESSION

Receive public comment from audience before entering into closed session:

- 14.** Pursuant to **Government Code Section 54957.6** to provide instruction to General Manager/CAO Patrick Mathews, General Counsel Roy C. Santos, and Labor Counsel Colin J. Tanner, to negotiate salaries and benefits of Non-management Administration unit, Operating Engineers Local Union No. 3 unit, and at-will Management Employees.

RECONVENE

ADJOURNMENT

Meeting Information

While the chamber will be open, to maintain appropriate social distance, space will be limited.

To observe the meeting, go to our YouTube channel at <https://www.youtube.com/user/svswa831>.

To participate virtually during the meeting and make a general comment or comments on a specific agenda item as an item is being heard, join the meeting thru Zoom using the link below. Join with computer audio at:

<https://us02web.zoom.us/j/81064380139?pwd=eHlnSVJwREtNRkFFVE5keTJZdWYvUT09>. When ready to make a public comment, click the Raise Hand icon.

To participate by telephone dial any of the numbers listed below and enter the meeting ID number and passcode:

+1 669 900 9128	+1 253 215 8782	+1 346 248 7799
+1 301 715 8592	+ 1 312 626 6799	+ 1 646 558 8656
Enter Meeting ID: 810 6438 0139#		Passcode: 904777
To Raise your Hand press *9		To Mute and Unmute yourself press *6

Public comments may also be submitted via e-mail to the Clerk of the Board at comment@svswa.org. Comment must be received by 5 p.m. on Thursday, April 28, 2022 and should be limited to 250 words or less. Every effort will be made to read your comment into the record, but some comments may not be read due to time limitations. Comments received via e-mail after 5 p.m. will be made part of the record if received prior to the end of the meeting. To assist the Clerk in identifying the agenda item relating to your public comment please indicate in the Subject Line, the item number (i.e. Item No. 10).

This agenda was posted at the Administration Office of the Salinas Valley Solid Waste Authority, 128 Sun St., Ste 101, Salinas, on the Gonzales Council Chambers Bulletin Board, 117 Fourth Street, Gonzales, and the Authority's Website on **Thursday, April 21, 2022**. The Salinas Valley Solid Waste Authority Board will next meet in regular session on, **Thursday,, May 19, 2022** Staff reports for the Authority Board meetings are available for review at: ► Salinas Valley Solid Waste Authority: 128 Sun Street, Ste. 101, Salinas, CA 93901, Phone 831-775-3000 ► Web Site: www.salinavalleyrecycles.org. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact Erika J. Trujillo, Clerk of the Board at 831-775-3000. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II). Spanish interpretation will be provided at the meeting. *Se proporcionará interpretación a español.*

**MINUTES OF
THE SALINAS VALLEY SOLID WASTE AUTHORITY
BOARD MEETING
MARCH 17, 2022**

This meeting was conducted in a virtual format via Zoom in accordance with AB 361.

CALL TO ORDER

President Lopez called the meeting to order at 6:01 p.m.

PLEDGE OF ALLEGIANCE

The flag salute was recited.

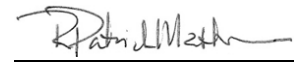
ROLL CALL

Board Directors

County of Monterey	John M. Phillips (<i>Logged in at 6:02 pm</i>)	Present
County of Monterey	Chris Lopez, <i>President</i>	Present
City of Salinas	Christie Cromeenes, <i>Vice President</i>	Absent
City of Salinas	Kimbley Craig	Absent
City of Salinas	Anthony Rocha (<i>Logged in at 6:10 pm</i>)	Present
City of Salinas	Anthony Osornio (<i>alternate</i>)	Present
City of Gonzales	Elizabeth Silva	Present
City of Soledad	Ben Jimenez, Jr.	Absent
City of Greenfield	Andrew Tipton, <i>Alt. Vice President</i>	Present
City of King	Robert Cullen	Present

ITEM NO. 1

Agenda Item



General Manager/CAO

R. Santos by E.T.

Authority General Counsel
Approval

Staff Member Present

Patrick Mathews, General Manager/CAO	Present
Cesar Zuñiga, Asst. GM/Operations Manager	Present
Ray Hendricks, Finance and Administration Manager	Present
Mandy Brooks, Resource Recovery Manager	Present
Brian Kennedy, Engineering and Environmental Compliance Manager	Present
Roy C. Santos, General Counsel	Present
Rosie Ramirez, Administrative Assistant	Present
Erika J. Trujillo, Clerk of the Board	Present

MEETING ANNOUNCEMENTS

(6:02) President Lopez announced the availability of translation services in Spanish.

GENERAL MANAGER COMMENTS

(6:03) General Manager/CAO Mathews reminded the Board of the following.

- Form 700s must be submitted to the Clerk of the Board by April 1.
- Virtual meetings will end on March 31, 2022.

DEPARTMENT MANAGER COMMENTS

(6:04) Resource Recovery Manager Brooks informed the Board of the upcoming Tire Amnesty event that will take place at all of the Authority facilities from April 1 to May 31.

BOARD DIRECTORS' COMMENTS

(6:04) President Lopez commented on and commended the City of King's achievements related to the railway station.

PUBLIC COMMENT

(6:05) Felix Huerta with the Operating Engineers Local Union Number 3 commented on the submittal of a comprehensive proposal for the negotiation of the Memorandum of Understanding.

CONSENT AGENDA (6:06)

1. Minutes of the February 17, 2022 Regular Meeting
2. January 2022 Claims and Financial Reports
3. Member and Interagency Activities Report for February 2022
4. Resolution No. 2022-08 Authorizing the Purchase of One (1) New 2023 114 SD Freightliner Trucks from National Auto Fleet Group for the Transport Operations for an Amount of \$154,653.88
5. Results of \$25,595,000 Refunding Revenue Bonds, Series 2022A (Taxable)
6. Update on Sun Street Transfer Station Relocation Project
7. Resolution No. 2022-09 Approving an Agreement with Geo-Logic Associates in the Amount of \$74,945 for Hydrogeologic and Well Construction Oversight Services for Wells at Jolon Road and Johnson Canyon Landfill
8. Resolution No. 2022-10 Making Findings Related to the Continued Existence of a State of Emergency Due to Covid-19 and Re-Authorizing the Conduct of Public Meetings of the Legislative Bodies of the Authority Via Remote Teleconferencing for a 15-Day Period Pursuant to the Ralph M. Brown Act as Amended by Assembly Bill No. 361

Board Discussion: Director Phillips commented on item no. 6, indicating that the estimated timeline of July 1st is expected to be delayed as unforeseen issues have surfaced.

Public Comment: None

Motion: Director Phillips made a motion to approve the consent agenda as presented. Director Silva seconded the motion.

Votes: Motion carried 6,0

Ayes: Cullen, Osornio (Atl.), Lopez, Phillips, Silva, Tipton

Noes: None

Abstain: None

Absent: Craig, Cromeenes, Jimenez, Rocha

PUBLIC HEARING

9. RESOLUTION NO. 2022-11 APPROVING THE DISPOSAL AND SERVICE FEE EFFECTIVE JULY 1, 2022

(6:09) Finance and Administration Manager Hendricks detailed the rates and adjustments necessary to balance the Operating Budget for Fiscal Year 2022-23 budget. He explained that negotiations of the new Organics processing services agreement require the organics tipping fee to be adjusted to all customers to fund the program.

Public Hearing: The public hearing was opened. No members from the public commented.

Motion: Director Phillip made a motion to approve the item as presented. Director Silva seconded the motion.

Votes: Motion carried 7,0

Ayes: Cullen, Osorinio (Atl.), Lopez, Phillips, Rocha, Silva, Tipton

Noes: None

Abstain: None

Absent: Craig, Cromeenes, Jimenez

CONSIDERATION**10. RESOLUTION NO. 2022-12 APPROVING THE OPERATING BUDGET FOR FY 2022-23**

(6:16) Finance and Administration Manager Hendricks provided a report on the fiscal year 2022-23 budget. He explained that the budget assumed the equalization of organics rates, the closure of the Sun Street Transfer Station, the relocation of AB939 services to Madison Lane, and the hauling of solid waste for Republic Services from the Madison Lane Transfer Station. He further explained that the budget is balanced as presented, but if any of the assumptions do not occur, future adjustments will be necessary.

Board Discussion: The Board discussed the report.

Public Comment: None

Motion: Director Cullen made a motion to approve the consent agenda as presented. Director Silva seconded the motion.

Votes: Motion carried 7,0

Ayes: Cullen, Osorinio (Atl.), Lopez, Phillips, Rocha, Silva, Tipton

Noes: None

Abstain: None

Absent: Craig, Cromeenes, Jimenez

11. RESOLUTION NO. 2022-13 APPROVING THE PROFESSIONAL SERVICES AGREEMENT AND LEASE AGREEMENT WITH ATLAS ORGANICS FOR ORGANICS PROCESSING, COMPOSTING, AND PRODUCT MARKETING SERVICES AT THE JOHNSON CANYON LANDFILL AND A SUPPLEMENTAL APPROPRIATION TO THE CAPITAL IMPROVEMENT BUDGET TO FUND THE STATIONARY BUILDINGS AND INFRASTRUCTURE

(6:28) Resource Recovery Manager Brooks provided a brief history on the selection of the vendor Atlas Organics for the processing and marketing of the organics at the Johnson Canyon landfill. She explained the process of the agreements and the expected tonnage of material to be received for fiscal year 2022-23.

Board Discussion: The Board discussed the report.

Public Comment: Felix Huerta

Motion: Director Phillips made a motion to approve the consent agenda as presented. Director Silva seconded the motion.

Votes: Motion carried 6,1

Ayes: Cullen, Osorinio (Atl.), Lopez, Phillips, Silva, Tipton

Noes: Rocha

Abstain: None

Absent: Craig, Cromeenes, Jimenez

PRESENTATION**12. UPDATE ON SB 1383 ORGANICS RECYCLING PROGRAM**

(6:42) Resource Recovery Manager Brooks provided an update on the progress made on the SB 1383 Organics Recycling Program. She detailed the programs, and outreach material developed, the partnerships created with schools and waste haulers to assist in meeting the mandate, and the soft launch of the Residential Food Scraps Collection Program that began January 1, 2022. The full program launch including digital and radio ads is scheduled to begin mid-April to coincide with Earth Day, April 22, 2022.

Board Discussion: The Board discussed the report.

Public Comment: None

Motion: None; Informational Only

FUTURE AGENDA ITEMS

13. AGENDA ITEMS – VIEW AHEAD SCHEDULE

(6:47) The Board reviewed the future agenda items.

CLOSED SESSION

(7:12) President Lopez invited Public Comment related to closed session items numbered 14, and 15.

- 14.** Pursuant to **Government Code Section 54956.8** to confer with legal counsel and real property negotiators General Manager/CAO Patrick Mathews, Asst. GM/Ops Manager Cesar Zuñiga, Finance and Administration Manager Ray Hendricks, and General Counsel Roy C. Santos, concerning the possible terms and conditions of acquisition, lease, exchange or sale of **1)** Property, APN: 003-051-077-000, located at 126 Sun Street, Salinas, CA: **2)** Property, APN: 002-542-009-000, located at 910 S. Main Street, Salinas, CA: and **3)** Property, APN: 003-867-001-000, located at 1584 Moffet Street, Salinas, CA.
- 15.** Pursuant to **Government Code Section 54957.6** to provide instruction to General Manager/CAO Patrick Mathews, General Counsel Roy C. Santos, and Labor Counsel Colin J. Tanner, to negotiate salaries and benefits of Non-management Administration unit, Operations and Engineering unit, and at-will Management Employees.

PUBLIC COMMENT

Felix Huerta requested the correction on item no. 15 for the unit listed as Operations and Engineering unit to be listed with the legal name of Operating Engineers Local Union Number 3. He commented on the new chief negotiator for the Authority, Legal Counsel Tanner, who is from Southern California and the desire to hold in person meeting versus virtual. He commented on the first meeting with Mr. Tanner was being contentious due to personalities and his disapproval of being interrupted when speaking.

ADJOURNED

(7:16) President Lopez adjourned the meeting into closed session to discuss items numbered 14, and 15.

RECONVENE

(9:05) President Lopez reconvened the meeting to open session. Legal Counsel Santos indicated that there were no reportable actions taken in closed session.

ADJOURNED

(9:06) President Lopez adjourned the meeting.

APPROVED: _____
Christopher M. Lopez, President

Attest: _____
Erika J. Trujillo, Clerk of the Board



Report to the Board of Directors

ITEM NO. 2

Finance and Administration
Manager/Controller/Treasurer

General Manager/CAO

N/A

Authority General Counsel

Date: April 28, 2022

From: C. Ray Hendricks, Finance and Administration
Manager

Title: February 2022 Claims and Financial Reports

RECOMMENDATIONS

The Executive Committee recommends acceptance of the February 2022 Claims and Financial Reports.

DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of February for a summary of the Authority's financial position as of February 28, 2022. The following are highlights of the Authority's financial activity for the month of February.

Results of Operations (Consolidated Statement of Revenues and Expenditures)

For the month of February 2022, operating expenditures exceeded revenue by \$42,211.

Revenues (Consolidated Statement of Revenues and Expenditures)

	Budget	Actual	Over/(Under)
Tipping Fees - Solid Waste	1,008,526	1,108,989	100,463
Tipping Fees - Diverted Materials	243,038	304,730	61,692
Total Revenue	1,671,229	1,866,697	195,468

Solid Waste revenues for February were \$100,463 or 10.0% over budgeted amounts. Diverted Material revenues for February were \$61,692 or 25.4% over budgeted amounts. February total revenue was \$195,468 or 11.7% over budgeted amounts.

	Y-T-D Budget	Y-T-D Actual	Over/(Under)
Tipping Fees - Solid Waste	9,489,392	10,908,409	1,419,017
Tipping Fees - Diverted Materials	2,091,737	2,116,673	24,936
Total Revenue	15,288,415	16,870,485	1,582,070

Solid Waste revenues year to date as of February were \$1,419,017 or 15.0% over budgeted amounts. Diverted Material revenues year to date as of February were \$24,936 or 1.2% over budgeted amounts. Year to date total revenue as of February was \$1,582,070 or 10.3% over budgeted amounts.

Operating Expenditures (Consolidated Statement of Revenues and Expenditures)
As of February 28, 2022 (66.7% of the fiscal year), year-to-date operating expenditures totaled \$13,393,810. This is 64.6% of the operating budget of \$20,725,000.

Capital Project Expenditures (Consolidated Grant and CIP Expenditures Report)
For the month of February 2022, capital project expenditures totaled \$87,173. \$31,966 was for the JC Module Engineering and Construction. \$19,330 was for the CH Postclosure Maintenance. \$16,628 was for the LR Postclosure Maintenance.

Claims Checks Issued Report

The Authority's Checks Issued Report for the month of February 2022 is attached for review and acceptance. February disbursements total \$1,281,360.82 of which \$553,397.07 was paid from the payroll checking account for payroll and payroll related benefits.

Following is a list of vendors paid more than \$50,000 during the month of February 2022.

<u>Vendor</u>	<u>Services</u>	<u>Amount</u>
Vision Recycling Inc.	Jan. All Sites Greenwaste Processing	\$119,384.45
Southern Counties Lubricants	Jan. All Sites Vehicle & Equipment Fuel	\$68,734.57

Cash Balances

The Authority's cash position increased \$1,076,227.28 during February to \$35,189,504.87. Most of the cash balance is restricted, held in trust, committed, or assigned as shown below. Cash for Capital Improvements and post closure funded from operations is transferred at the beginning of the year. Additionally, debt principal and interest payments totaling \$2,517,079.31 were made on August 1, 2021. While these transfers leave the balance available for operations with a negative balance, it is expected that profitable operations will improve the balance to a positive amount by year end.

Restricted by Legal Agreements:

Johnson Canyon Closure Fund	4,941,031.34
Restricted for Pension Liabilities (115 Trust)	286,083.52
State & Federal Grants	16,799.91
BNY - Bond 2014A Payment	-
BNY - Bond 2014B Payment	-

Funds Held in Trust:

Central Coast Media Recycling Coalition	110,027.17
Employee Unreimbursed Medical Claims	10,654.45

Committed by Board Policy:

AB939 Services	795,716.95
Designated for Capital Projects Reserve	5,702,715.89
Designated for Environmental Impairment Reserve	2,272,084.68
Designated for Operating Reserve	3,078,750.00
Expansion Fund (South Valley Revenues)	8,688,454.49

Assigned for Post Closure and Capital Improvements

Crazy Horse Post Closure	930,954.85
Lewis Road Post Closure	246,727.52
Jolon Road Post Closure	163,486.42
Johnson Canyon Post Closure	2,066,780.15
Capital Improvement Projects	6,694,838.41

Available for Operations: (815,600.88)

Total	<u><u>35,189,504.87</u></u>
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ATTACHMENTS

1. February 2022 Consolidated Statement of Revenues and Expenditures
2. February 2022 Consolidated Grant and CIP Expenditures Report
3. February 2022 Checks Issued Report

Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending February 28, 2022

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Revenue Summary</u>							
Tipping Fees - Solid Waste	14,385,000	1,108,989	10,908,409	75.8 %	3,476,591	0	3,476,591
Tipping Fees - Surcharge	1,486,800	98,620	927,785	62.4 %	559,015	0	559,015
Tipping Fees - Diverted Materials	3,188,250	304,730	2,116,673	66.4 %	1,071,577	0	1,071,577
AB939 Service Fee	3,460,000	288,334	2,306,672	66.7 %	1,153,328	0	1,153,328
Charges for Services	141,300	5,746	121,196	85.8 %	20,104	0	20,104
Sales of Materials	245,500	60,278	315,018	128.3 %	(69,518)	0	(69,518)
Gas Royalties	290,000	0	143,511	49.5 %	146,489	0	146,489
Investment Earnings	75,000	0	31,221	41.6 %	43,779	0	43,779
Total Revenue	23,271,850	1,866,696	16,870,486	72.5 %	6,401,364	0	6,401,364
<u>Expense Summary</u>							
Executive Administration	494,100	31,761	330,906	67.0 %	163,194	22,124	141,069
Administrative Support	447,900	30,235	254,490	56.8 %	193,410	53,447	139,964
Human Resources Administration	265,100	25,330	144,429	54.5 %	120,671	2,061	118,611
Clerk of the Board	205,100	11,943	115,519	56.3 %	89,581	1,506	88,075
Finance Administration	840,800	49,133	482,973	57.4 %	357,827	3,446	354,381
Operations Administration	590,100	37,120	335,582	56.9 %	254,518	1,571	252,947
Resource Recovery	1,240,300	75,216	633,690	51.1 %	606,610	6,649	599,960
Marketing	76,100	490	6,828	9.0 %	69,272	0	69,272
Public Education	271,100	46,602	137,726	50.8 %	133,374	22,082	111,291
Household Hazardous Waste	787,800	74,947	351,132	44.6 %	436,668	123,895	312,773
C & D Diversion	466,900	596	70,103	15.0 %	396,797	84,279	312,518
Organics Diversion	1,999,400	155,247	1,036,239	51.8 %	963,161	849,360	113,801
Diversion Services	30,000	3,900	23,250	77.5 %	6,750	1,950	4,800
JR Transfer Station	672,500	43,540	389,814	58.0 %	282,686	41,384	241,302
JR Recycling Operations	182,300	11,340	83,466	45.8 %	98,834	26	98,808

Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending February 28, 2022

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
SS Disposal Operations	1,143,500	85,260	715,608	62.6 %	427,892	76,133	351,759
SS Transfer Operations	1,365,700	119,457	795,682	58.3 %	570,018	231,089	338,929
SS Recycling Operations	712,200	49,931	418,675	58.8 %	293,525	56,975	236,550
JC Landfill Operations	3,311,900	268,394	2,318,648	70.0 %	993,252	445,687	547,565
JC Recycling Operations	479,800	33,982	259,568	54.1 %	220,232	3,026	217,206
Johnson Canyon ECS	455,500	23,726	231,630	50.9 %	223,870	80,094	143,776
Sun Street ECS	166,900	5,907	63,282	37.9 %	103,618	44,767	58,852
Debt Service - Interest	1,279,000	616,877	1,278,956	100.0 %	44	0	44
Debt Service - Principal	1,855,000	0	1,855,000	100.0 %	0	0	0
Closure/Post Closure Set-Aside	336,000	26,175	257,118	76.5 %	78,882	0	78,882
Cell Construction Set-Aside	1,050,000	81,796	803,494	76.5 %	246,506	0	246,506
Total Expense	20,725,000	1,908,907	13,393,810	64.6 %	7,331,190	2,151,551	5,179,639
Revenue Over/(Under) Expenses	2,546,850	(42,211)	3,476,675	136.5 %	(929,825)	(2,151,551)	1,221,726

Salinas Valley Solid Waste Authority

Consolidated CIP Expenditure Report For Period Ending February 28, 2022

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Fund 131 - Crazy Horse Post-Closure Fund</u>							
131 9316 CH Corrective Action Program	253,000	0	0	0.0 %	253,000	0	253,000
131 9319 CH LFG System Improvements	146,500	0	0	0.0 %	146,500	0	146,500
131 9321 CH Postclosure Maintenance	763,681	19,330	232,226	30.4 %	531,455	158,508	372,947
Total Fund 131 - Crazy Horse Post-Closure	1,163,181	19,330	232,226	20.0 %	930,955	158,508	772,447
<u>Fund 141 - Lewis Road Post-Closure Fund</u>							
141 9402 LR LFG Well Replacement	50,000	0	0	0.0 %	50,000	0	50,000
141 9403 LR Postclosure Maintenance	330,532	16,628	133,804	40.5 %	196,728	43,932	152,796
Total Fund 141 - Lewis Road Post-Closure F	380,532	16,628	133,804	35.2 %	246,728	43,932	202,796
<u>Fund 161 - Jolon Road Post-Closure Fund</u>							
161 9604 JR Postclosure Maintenance	369,616	736	206,130	55.8 %	163,486	18,734	144,753
Total Fund 161 - Jolon Road Post-Closure F	369,616	736	206,130	55.8 %	163,486	18,734	144,753
<u>Fund 180 - Expansion Fund</u>							
180 9804 Long Range Facility Needs EIR	335,395	0	0	0.0 %	335,395	0	335,395
180 9806 Long Range Financial Model	28,388	0	0	0.0 %	28,388	0	28,388
180 9807 GOE Autoclave Final Project	100,000	0	0	0.0 %	100,000	0	100,000
Total Fund 180 - Expansion Fund	463,783	0	0	0.0 %	463,783	0	463,783
<u>Fund 211 - Grants</u>							
211 9220 Tire Amnesty 2019-20	4,121	0	3,675	89.2 %	447	0	447
211 9228 Tire Amnesty 2021-22	77,757	0	0	0.0 %	77,757	0	77,757
211 9229 Carton Council of North America	5,000	0	5,000	100.0 %	0	0	0
211 9247 Cal Recycle - CCP	12,559	2,709	6,590	52.5 %	5,969	5,100	869
211 9257 Cal Recycle - 2019-20 CCP	15,910	5,652	15,910	100.0 %	0	0	0
211 9258 Cal Recycle - 2020-21 CCP	21,552	3,441	10,721	49.7 %	10,831	3,500	7,331
Total Fund 211 - Grants	136,899	11,802	41,896	30.6 %	95,004	8,600	86,404

Salinas Valley Solid Waste Authority

Consolidated CIP Expenditure Report

For Period Ending February 28, 2022

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
Fund 216 - Reimbursement Fund							
216 9802 Autoclave Demonstration Unit	141,499	0	0	0.0 %	141,499	0	141,499
216 9804 Long Range Facility Needs EIR	180,062	0	0	0.0 %	180,062	0	180,062
Total Fund 216 - Reimbursement Fund	321,560	0	0	0.0 %	321,560	0	321,560
Fund 800 - Capital Improvement Projects Fund							
800 9104 Organics System Expansion Study	31,756	0	0	0.0 %	31,756	0	31,756
800 9105 Concrete Grinding	80,000	0	75,386	94.2 %	4,614	0	4,614
800 9107 Scale House Software Upgrade	100,000	0	0	0.0 %	100,000	0	100,000
800 9108 Emergency Generators	222,568	0	2,858	1.3 %	219,710	159,106	60,603
800 9214 Organics Program 2016-17	563,340	0	27,104	4.8 %	536,236	0	536,236
800 9222 Community-Based Social Marketing	170,000	0	90,485	53.2 %	79,515	29,515	50,000
800 9223 Outdoor Education Center	185,000	5,716	19,166	10.4 %	165,834	106,727	59,108
800 9501 JC LFG System Improvements	109,465	0	9,047	8.3 %	100,418	0	100,418
800 9505 JC Partial Closure	100,000	995	25,443	25.4 %	74,557	39,236	35,321
800 9506 JC Litter Control Barrier	70,490	0	2,039	2.9 %	68,450	13,607	54,843
800 9507 JC Corrective Action	260,362	0	0	0.0 %	260,362	0	260,362
800 9509 JC Groundwater Well	250,000	0	14,309	5.7 %	235,691	3,000	232,691
800 9526 JC Equipment Replacement	1,216,025	0	0	0.0 %	1,216,025	0	1,216,025
800 9527 JC Module Engineering and Constr	2,149,120	31,966	1,145,051	53.3 %	1,004,069	27,649	976,420
800 9528 Roadway Improvements	300,049	0	0	0.0 %	300,049	0	300,049
800 9601 JR Transfer Station Improvements	357,138	0	0	0.0 %	357,138	0	357,138
800 9602 JR Equipment Purchase	240,000	0	0	0.0 %	240,000	182,750	57,250
800 9603 JR Well Replacement	150,000	0	12,581	8.4 %	137,419	2,500	134,919
800 9701 SSTS Equipment Replacement	598,568	0	0	0.0 %	598,568	402,312	196,256
800 9703 SSTS Improvements and Cleanup	160,934	0	0	0.0 %	160,934	0	160,934
Total Fund 800 - Capital Improvement Projects	7,314,814	38,677	1,423,470	19.5 %	5,891,344	966,401	4,924,943
Total CIP Expenditures	10,150,386	87,173	2,037,525	20.1 %	8,112,860	1,196,175	6,916,685

Salinas Valley Solid Waste Authority
Checks Issued Report for 2/1/2022 to 2/28/2022

Check #	Name	Check Date	Amount	Check Total
28467	HOME DEPOT All Sites Facility Maintenance	2/2/2022	922.31	922.31
28468	ALBERT MALDONADO 2020-21 Annual Report	2/3/2022	745.46	745.46
28469	ARAM AND TAVIT KARABETYAN JC Facility Maintenance	2/3/2022	90.34	90.34
28470	ASBURY ENVIRONMENTAL SERVICES ABOP HHW Disposal	2/3/2022	95.00	95.00
28471	AT&T SERVICES INC All Sites Telephone Services	2/3/2022	881.83	881.83
28472	AUTOZONE LLC. JC Equipment Maintenance	2/3/2022	63.21	63.21
28473	**Void**	2/3/2022	-	-
28474	BECKS SHOES AND REPAIR All Sites Safety Supplies	2/3/2022	1,407.41	1,407.41
28475	BRIAN KENNEDY Compost 2022 Conference Travel	2/3/2022	64.68	64.68
28476	CALIFORNIA WATER SERVICE SS & JRTS Water Services	2/3/2022	214.66	214.66
28477	CESAR ZUÑIGA Compost 2022 Conference Travel	2/3/2022	54.93	54.93
28478	CINTAS CORPORATION NO.2 JR Safety Supplies	2/3/2022	35.78	35.78
28479	COAST COUNTIES TRUCK & EQUIPMENT CO. SS Vehicle Maintenance	2/3/2022	2,022.51	2,022.51
28480	CSC OF SALINAS/YUMA All Sites Vehicle Maintenance	2/3/2022	428.04	428.04
28481	CUTTING EDGE SUPPLY JC Equipment Maintenance	2/3/2022	703.48	703.48
28482	DOUGLAS NOLAN School Assembly Program	2/3/2022	2,050.00	2,050.00
28483	ERNEST BELL D. JR All Sites Janitorial Services	2/3/2022	4,095.00	4,095.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 2/1/2022 to 2/28/2022

Check #	Name	Check Date	Amount	Check Total
28484	FIRST ALARM SS Alarm Service	2/3/2022	2,367.84	2,367.84
28485	FULL STEAM STAFFING LLC SS & JC Contract Labor	2/3/2022	4,041.32	4,041.32
28486	GOLDEN STATE TRUCK & TRAILER REPAIR All Sites Equipment & Vehicle Maintenance	2/3/2022	2,167.69	2,167.69
28487	GONZALES ACE HARDWARE All Sites Facility & Vehicle Maintenance	2/3/2022	88.41	88.41
28488	How Ya Do, Inc. Milk Waste Bins	2/3/2022	12,998.00	12,998.00
28489	HYDROTURF, INC All Sites Maintenance Supplies	2/3/2022	1,637.55	1,637.55
28490	INFINITY STAFFING SERVICES, INC. JC & JR Contract Labor	2/3/2022	1,707.00	1,707.00
28491	LIEBERT CASSIDY WHITMORE HR Legal Services	2/3/2022	5,933.50	5,933.50
28492	MANDY BROOKS RR Compost Conference Lodging	2/3/2022	983.24	983.24
28493	MISSION LINEN SUPPLY All Sites Uniforms	2/3/2022	309.80	309.80
28494	MONTEREY AUTO SUPPLY INC SS Vehicle Maintenance	2/3/2022	17.37	17.37
28495	PROBUILD COMPANY LLC JC Facility Maintenance	2/3/2022	104.75	104.75
28496	QUINN COMPANY All Sites Equipment & Vehicle Maintenance	2/3/2022	1,266.04	1,266.04
28497	R.D. OFFUTT COMPANY All Sites Equipment Maintenance	2/3/2022	170.19	170.19
28498	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	2/3/2022	33,732.04	33,732.04
28499	STATE WATER RESOURCES CONTROL BOARD All Sites Annual Permit Fees	2/3/2022	3,476.00	3,476.00
28500	SUTTON AGRICULTURAL ENTERPRISES, INC JC Pest Control Supplies	2/3/2022	1,002.92	1,002.92

Salinas Valley Solid Waste Authority
Checks Issued Report for 2/1/2022 to 2/28/2022

Check #	Name	Check Date	Amount	Check Total
28501	TOYOTA MATERIAL HANDLING HHW Equipment Maintenance	2/3/2022	160.09	160.09
28502	UNITED RENTALS (NORTHWEST), INC SS Equipment Rental	2/3/2022	1,511.15	1,511.15
28503	VALERIO VARELA JR All Sites Vehicle & Equipment Maintenance	2/3/2022	3,225.00	3,225.00
28504	VALLEY FABRICATION, INC. SS Vehicle Maintenance	2/3/2022	269.30	269.30
28505	WESTERN EXTERMINATOR COMPANY All Sites Vector Control	2/3/2022	461.75	461.75
28506	US BANK CORPORATE PAYMENT SYSTEM Live Action Safety: Ops Safety Supplies Alaska Airlines: Compost 2022 Conference Allianz Travel: Compost 2022 Conference Att.com: Finance Internet Amazon: JC Facility Maintenance Amazon: JC Facility Maintenance Amazon: Ops Admin Safety Supplies Experian: Credit Checks Intermedia: Monthly Exchange Server Hosting Amazon: Admin Safety Supplies Costco: RR Special Dept Supplies Amazon: Admin Safety Supplies ATT.COM: JC Internet Service Santa Fe: RR Special Dept Supplies Zoom: Monthly Subscription Splashtop.com: Remote Access Subscription Santa Fe: RR Special Dept Supplies SurveyMonkey: Survey Software Salinas Valley Ford: Ops Admin Vehicle Maintenance Amazon: JR Facility Maintenance UserWay: Marketing Subscription	2/3/2022	19.24 188.60 21.88 86.46 27.97 75.26 432.60 99.90 424.65 406.21 142.13 55.11 70.00 93.42 146.96 399.00 6.19 99.00 73.87 37.13 490.00	3,395.58
28507	**Void**	2/3/2022	-	-
28508	**Void**	2/3/2022	-	-
28509	ALESHIRE & WYNDER, LLP Monthly Legal Services	2/9/2022	6,453.03	6,453.03
28510	AUTOZONE LLC. SS Vehicle Maintenance	2/9/2022	1,148.10	1,148.10
28511	CDW GOVERNMENT RR Tech iPad	2/9/2022	378.17	378.17

Salinas Valley Solid Waste Authority
Checks Issued Report for 2/1/2022 to 2/28/2022

Check #	Name	Check Date	Amount	Check Total
28512	CLARK PEST CONTROL, INC Ops Adm Exterminator Service	2/9/2022	95.00	95.00
28513	COAST COUNTIES TRUCK & EQUIPMENT CO. SS Vehicle Maintenance	2/9/2022	432.62	432.62
28514	CUTTING EDGE SUPPLY JC Equipment Maintenance	2/9/2022	2,392.06	2,392.06
28515	EAST BAY TIRE CO. SS Equipment Maintenance	2/9/2022	500.00	500.00
28516	GOLDEN STATE TRUCK & TRAILER REPAIR All Sites Equipment & Vehicle Maintenance	2/9/2022	3,236.49	3,236.49
28517	GONZALES ACE HARDWARE All Sites Facility & Vehicle Maintenance	2/9/2022	93.07	93.07
28518	GRAINGER JC Safety Supplies	2/9/2022	391.50	391.50
28519	GREEN VALLEY INDUSTRIAL SUPPLY, INC SS Facility Maintenance	2/9/2022	166.45	166.45
28520	GUERITO SS & JC Portable Toilets	2/9/2022	1,243.00	1,243.00
28521	INFINITY STAFFING SERVICES, INC. JC, Org & JR Contract Labor	2/9/2022	6,143.76	6,143.76
28522	KANEKO AND KRAMMER CORP. Compensation Study	2/9/2022	6,960.00	6,960.00
28523	KING CITY HARDWARE INC. JR Facility Maintenance	2/9/2022	49.10	49.10
28524	MANDY BROOKS RR Compost Conference	2/9/2022	25.57	25.57
28525	MISSION LINEN SUPPLY All Sites Uniforms	2/9/2022	309.80	309.80
28526	OFFICE DEPOT Adm Office Supplies	2/9/2022	449.22	449.22
28527	OLYMPIC WIRE & EQUIPMENT, INC. JC Org Equipment Maintenance	2/9/2022	464.67	464.67
28528	PENINSULA MESSENGER LLC All Sites Courier Service	2/9/2022	807.00	807.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 2/1/2022 to 2/28/2022

Check #	Name	Check Date	Amount	Check Total
28529	PURE WATER BOTTLING Ops Adm Water Service	2/9/2022	56.75	56.75
28530	QUINN COMPANY All Sites Equipment & Vehicle Maintenance	2/9/2022	984.71	984.71
28531	R.D. OFFUTT COMPANY JC Equipment Maintenance	2/9/2022	38.41	38.41
28532	SAN BENITO SUPPLY, CONSTRUCTION, CONCRETE JC Maintenance Supplies	2/9/2022	2,957.53	2,957.53
28533	SCS FIELD SERVICES All Sites Remote Monitoring Engineering Services	2/9/2022	925.00	925.00
28534	SOUTHERN COUNTIES LUBRICANTS LLC JC biodiesel Fuel	2/9/2022	2,241.61	2,241.61
28535	Southern Counties Oil Co., a CA Limited Partnership JR Fuel	2/9/2022	5,933.68	5,933.68
28536	STATE WATER RESOURCES CONTROL BOARD LR Annual Permit Fees	2/9/2022	1,738.00	1,738.00
28537	STERICYCLE, INC Adm Shredding Services	2/9/2022	97.64	97.64
28538	TELCO BUSINESS SOLUTIONS Monthly Network Support	2/9/2022	245.35	245.35
28539	Tomas Lopez Medical DOT Physical	2/9/2022	190.00	190.00
28540	VALERIO VARELA JR JC & SS Facility Maintenance	2/9/2022	5,725.00	5,725.00
28541	VALLEY FABRICATION, INC. JC Improvements SS Facility Maintenance	2/9/2022	2,277.86 445.74	2,723.60
28542	WEST COAST RUBBER RECYCLING, INC JR Tire Diversion	2/9/2022	1,950.00	1,950.00
28543	AGRI-FRAME, INC JC Equipment Maintenance	2/17/2022	625.75	625.75
28544	AMERICAN SUPPLY CO. All Sites Janitorial Supplies	2/17/2022	466.62	466.62
28545	ASSURED AGGREGATES CO., INC SS Facility Maintenance	2/17/2022	1,167.96	1,167.96

Salinas Valley Solid Waste Authority
Checks Issued Report for 2/1/2022 to 2/28/2022

Check #	Name	Check Date	Amount	Check Total
28546	BANK OF NEW YORK Bond Administration Fee	2/17/2022	5,300.00	5,300.00
28547	BEST ENVIRONMENTAL All Sites Air Board Fees	2/17/2022	25,500.00	25,500.00
28548	CITY OF GONZALES Monthly Hosting Fee	2/17/2022	20,833.33	20,833.33
28549	CLEAN EARTH ENVIRONMENTAL SOLUTIONS, INC. Monthly HHW Disposal & Supplies	2/17/2022	6,580.09	6,580.09
28550	COAST COUNTIES TRUCK & EQUIPMENT CO. SS Vehicle Maintenance	2/17/2022	897.41	897.41
28551	CUTTING EDGE SUPPLY 2012 D8T Equipment Rebuild - Undercarriage	2/17/2022	44,047.11	44,047.11
28552	DATAFLOW BUSINESS SYSTEMS INC. Printer Network Support	2/17/2022	29.46	29.46
28553	FRESNO OXYGEN SS Facility Maintenance	2/17/2022	33.94	33.94
28554	FULL STEAM STAFFING LLC JC Contract Labor	2/17/2022	809.55	809.55
28555	GOLDEN STATE TRUCK & TRAILER REPAIR All Sites Equipment & Vehicle Maintenance	2/17/2022	298.50	298.50
28556	GONZALES ACE HARDWARE All Sites Facility & Vehicle Maintenance	2/17/2022	173.37	173.37
28557	GONZALES TIRE & AUTO SUPPLY All Sites Vehicle & Equipment Maintenance	2/17/2022	192.41	192.41
28558	GUERITO JC & SS Portable Toilets	2/17/2022	1,243.00	1,243.00
28559	HENLEY PACIFIC SF, LLC SS Vehicle Maintenance	2/17/2022	578.37	578.37
28560	INFINITY STAFFING SERVICES, INC. JC & JR Contract Labor	2/17/2022	2,202.00	2,202.00
28561	JT HOSE & FITTINGS JC & JR Facility Maintenance	2/17/2022	345.08	345.08
28562	KING CITY HARDWARE INC. JR Facility Maintenance	2/17/2022	42.40	42.40

Salinas Valley Solid Waste Authority
Checks Issued Report for 2/1/2022 to 2/28/2022

Check #	Name	Check Date	Amount	Check Total
28563	KIRBY MFG INC. JC Org Equipment Maintenance	2/17/2022	11,170.11	11,170.11
28564	Maestro Health FSA Service Fee	2/17/2022	150.00	150.00
28565	MISSION LINEN SUPPLY All Sites Uniforms	2/17/2022	309.80	309.80
28566	NEXIS PARTNERS, LLC Monthly Adm Building Rent	2/17/2022	9,935.00	9,935.00
28567	OFFICE DEPOT All Sites Office Supplies	2/17/2022	62.84	62.84
28568	PACIFIC CREST ENGINEERING INC JC Engineering Services	2/17/2022	652.50	652.50
28569	PENINSULA PLASTICS LIMITED SB 1383 - food waste bins	2/17/2022	36,792.00	36,792.00
28570	PROBUILD COMPANY LLC JC Maintenance Supplies	2/17/2022	212.87	212.87
28571	PURE WATER BOTTLING All Sites Water Service	2/17/2022	358.22	358.22
28572	QUINN COMPANY All Sites Equipment & Vehicle Maintenance	2/17/2022	1,412.29	1,412.29
28573	REPUBLIC SERVICES #471 Ops Adm Building Monthly Trash	2/17/2022	85.30	85.30
28574	ROSSI BROS TIRE & AUTO SERVICE Tire Repair & Replacement Service	2/17/2022	2,336.34	2,336.34
28575	**Void**	2/17/2022	-	-
28576	SCS FIELD SERVICES All Sites Routine & Non-Routine Environmental Services	2/17/2022	21,781.00	21,781.00
28577	SHARPS SOLUTIONS, LLC HHW Hauling and Disposal	2/17/2022	250.00	250.00
28578	SOCIAL VOCATIONAL SERVICES, INC. JC Litter abatement	2/17/2022	3,800.00	3,800.00
28579	TY CUSHION TIRE, LLC SS Equipment Maintenance	2/17/2022	22,168.55	22,168.55

Salinas Valley Solid Waste Authority
Checks Issued Report for 2/1/2022 to 2/28/2022


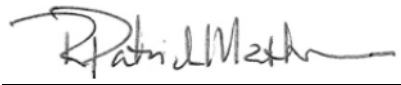
Check #	Name	Check Date	Amount	Check Total
28580	VALERIO VARELA JR All Sites Vehicle & Equipment Maintenance	2/17/2022	1,450.00	1,450.00
28581	VALLEY FABRICATION, INC. JC Equipment Maintenance	2/17/2022	2,911.31	2,911.31
28582	VISION RECYCLING INC Monthly Organics & C&D Processing	2/17/2022	119,384.45	119,384.45
28583	WEST COAST RUBBER RECYCLING, INC SS Tire Diversion	2/17/2022	1,950.00	1,950.00
28584	WESTERN TRAILER COMPANY SS Vehicle Maintenance	2/17/2022	17,977.12	17,977.12
28585	A & G PUMPING, INC JC & Org Portable Toilets	2/24/2022	424.13	424.13
28586	ASBURY ENVIRONMENTAL SERVICES ABOP HHW Disposal	2/24/2022	190.00	190.00
28587	CITY OF GONZALES JC Water Service	2/24/2022	125.28	125.28
28588	CLEAN EARTH ENVIRONMENTAL SOLUTIONS, INC. Monthly HHW Disposal & Supplies	2/24/2022	39,185.01	39,185.01
28589	CUTTING EDGE SUPPLY JC & SS Equipment Maintenance	2/24/2022	845.72	845.72
28590	ENRIQUE CARRILLO JR. Tire Repair Services	2/24/2022	16,923.49	16,923.49
28591	GOLDEN STATE TRUCK & TRAILER REPAIR SS & JR Vehicle Maintenance	2/24/2022	2,029.00	2,029.00
28592	GONZALES ACE HARDWARE JC Facility Maintenance	2/24/2022	136.01	136.01
28593	HOPE SERVICES Monthly SS Litter Abatement	2/24/2022	10,337.63	10,337.63
28594	ICONIX WATERWORK (US) INC. JC Maintenance Supplies	2/24/2022	1,318.54	1,318.54
28595	INFINITY STAFFING SERVICES, INC. JR & JC Org Contract Labor	2/24/2022	936.00	936.00
28596	MANUEL PEREA TRUCKING, INC. All Sites Hauling Services	2/24/2022	1,210.00	1,210.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 2/1/2022 to 2/28/2022

Check #	Name	Check Date	Amount	Check Total
28597	MISSION LINEN SUPPLY All Sites Uniforms	2/24/2022	309.80	309.80
28598	MISSION WATER COMPANY LLC Water Refill Station: Gonzales Water Refill Stations: Greenfield	2/24/2022	4,347.75 7,454.70	11,802.45
28599	MONTEREY COUNTY DEPARTMENT OF PUBLIC WORKS Mo. Co. Litter Abatement Program	2/24/2022	18,173.75	18,173.75
28600	MONTEREY COUNTY HEALTH DEPARTMENT Mo.Co. Quarterly Regional Fee	2/24/2022	31,476.90	31,476.90
28601	OFFICE DEPOT Adm Office Supplies	2/24/2022	124.46	124.46
28602	PACE ANALYTICAL SERVICES, LLC All Sites Lab Analysis	2/24/2022	1,330.03	1,330.03
28603	PINNACLE MEDICAL GROUP, Inc. A Professional Corporation Medical DOT Renewal - 337620	2/24/2022	130.00	130.00
28604	QUINN COMPANY All Sites Equipment & Vehicle Maintenance	2/24/2022	903.69	903.69
28605	RONNIE G. REHN CH Maintenance Supplies	2/24/2022	353.97	353.97
28606	ROSSI BROS TIRE & AUTO SERVICE RR Vehicle Maintenance SS Vehicle Maintenance	2/24/2022	137.59 81.00	218.59
28607	SCALES UNLIMITED JC Scale Maintenance	2/24/2022	1,563.50	1,563.50
28608	SCS FIELD SERVICES JC Routine Engineering	2/24/2022	5,975.00	5,975.00
28609	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	2/24/2022	32,760.92	32,760.92
28610	ULINE, INC. Public Education Supplies	2/24/2022	361.74	361.74
28611	VALERIO VARELA JR All Sites Vehicle & Equipment Maintenance	2/24/2022	4,250.00	4,250.00
28612	VALLEY FABRICATION, INC. JR Facility Maintenance	2/24/2022	223.83	223.83
22-00337-DFT	PACIFIC GAS AND ELECTRIC COMPANY All Sites Electrical Services	2/2/2022	18,144.99	18,144.99

Salinas Valley Solid Waste Authority
Checks Issued Report for 2/1/2022 to 2/28/2022

Check #	Name	Check Date	Amount	Check Total
22-00366-DFT	PACIFIC GAS AND ELECTRIC COMPANY All Sites CNG Fuel	2/10/2022	7,236.21	7,236.21
				727,963.75
	Payroll Disbursements			<u>553,397.07</u>
	Grand Total			<u>1,281,360.82</u>

 <p>Report to the Board of Directors</p>	<p>ITEM NO. 3</p> <hr/> <p>N/A</p> <p>Finance and Administration Manager/ Controller/Treasurer</p> <hr/>  <p>General Manager/CAO</p> <hr/> <p>N/A</p> <p>Authority General Counsel</p>
<p>Date: April 28, 2022</p> <p>From: Mandy Brooks, Resource Recovery Manager</p> <p>Title: Member and Interagency Activities Report for March 2022</p>	

RECOMMENDATION

Staff recommends that the Board accept this item. The report is intended to keep the Board apprised of activities and communications with member agencies and regulators.

STRATEGIC PLAN RELATIONSHIP

Promote the Value of SVR Services and Programs to the Community.
The Authority provides a wide array of recycling and waste recovery services and programs to the public including local businesses, schools, multifamily complexes and participates in numerous community events and cleanups. Providing monthly reports highlighting these activities ensures that the strategic plan goal is being met.

FISCAL IMPACT

This agenda item is a routine operational item and does not have a direct budget impact.

DISCUSSION & ANALYSIS

Monterey County Environmental Health Bureau (Local Enforcement Agency - LEA)

Sun Street Transfer Station: The monthly inspection for the Sun Street Transfer Station was conducted on March 28. No areas of concern or violations were noted during the inspection.

Johnson Canyon Landfill & Composting Facility: The monthly inspection for the Johnson Canyon Landfill and Composting Facility was conducted on March 23. No violations or areas of concern were noted during the inspections.

Jolon Road Transfer Station: The monthly inspection for Jolon Road Transfer Station was conducted on March 16. No areas of concern or violations were noted for the inspection.

Gonzales Clothing Closet

The clothing closet is open Tuesdays - Thursdays from 3:00pm to 5:00pm.

CY 2022	# of Volunteers	Hours	Clothing Items Distributed	# of Families Served	# of Family Members Served
Jan 2022	3	87	254	16	70
Feb 2022	3	60	456	25	127
Mar 2022	4	123.5	579	27	124
TOTALS	3.3 (avg)	270.5	1,289	68	321

Clean Up Events

A 2022 community cleanup schedule has been developed by each of the cities/county and franchise haulers and is included in the events list below. Three (3) cleanup events occurred in March and one (1) at the beginning of April with the results from each listed below:

- **Pajaro Cleanup:** Waste Management and community volunteers conducted a one-day cleanup on March 5 at the Union Pacific Corp. Yard. The event collected approximately 9.9 tons of trash and 9.6 tons of recyclable materials resulting in a 49% diversion rate for the event. SVR's staff also collected 1.2 tons of ABOP materials at the event.
- **Chualar Cleanup:** Waste Management and community volunteers conducted a one-day cleanup on March 12 at the corner of Scott & Lincoln St. The event collected approximately 9 tons of trash and 4.5 tons of recyclable materials resulting in a 33% diversion rate for the event. SVR's staff also collected approx. 0.8 tons of ABOP materials at the event.
- **Salinas - District 6 Cleanup:** Republic Services and city staff conducted a one-day cleanup on March 19 at Bunkerhill Way. The event collected approximately 4.5 tons of trash and 4.6 tons of recyclable materials resulting in a 51% diversion rate for the event.
- **Salinas - District 4 Cleanup:** Republic Services and city staff conducted a one-day cleanup on April 2 at the Powell Dr. The event collected approximately 3 tons of trash and 6.9 tons of recyclable materials resulting in a 69% diversion rate for the event.

FY 21-22 Current and Future Events with SVR Staff Participation

ALL: 04/22/22 Full Launch of SB 1383 Residential Food Scraps Program

Gonzales: **4/01 – 5/31**
04/22/22 Tire Amnesty Collection Event, Johnson Canyon Landfill
04/24/22 Composting Presentations, Gonzales Day Camp, Vosti Center
06/11/22 Booth at Dia Del Niño Celebration, Central Park
11/12/22 Community Cleanup & ABOP Event, Fairview Middle School
Community Cleanup & ABOP Event, Fairview Middle School

Greenfield: 03/29 – 04/01 School 1383 Implementation, Vista Verde Middle School
04/30/22 Community Cleanup & ABOP Event, Public Works Yard
08/13/22 Community Cleanup & ABOP Event, Public Works Yard
10/22/22 Community Cleanup & ABOP Event, Public Works Yard

King City:	4/01 – 5/31	Tire Amnesty Collection Event, Jolon Rd Transfer Station
	04/23/22	Community Cleanup & ABOP Event, SV Fairgrounds
	06/25/22	Community Cleanup & ABOP Event, SV Fairgrounds
	11/05/22	Community Cleanup & ABOP Event, SV Fairgrounds
Salinas:	4/01 – 5/31	Tire Amnesty Collection Event, Sun St Transfer Station
	04/23/22	Earth Day Cleanup, Sherwood Hall, 9am - Noon
	04/23/22	Booth at Earth Day Event, Tatum's Garden
	04/30/22	Booth at Healthy Kids Day, YMCA
	05/21/22	Mayor's Community Cleanup Event
	06/11/22	District 5 Community Cleanup Event
	08/20/22	District 1 Community Cleanup Event
	09/17/22	District 2 Community Cleanup Event
	10/08/22	District 3 Community Cleanup Event
	11/05/22	Citywide Community Cleanup Event, Madison Lane TS
Soledad:	04/16/22	Mayor's Cleanup & ABOP Event, City Hall
	05/14/22	Community Cleanup & ABOP Event, Soledad High School
	9/24/22	Community Cleanup & ABOP Event, Soledad High School
Mo. Co.:	04/09/22	San Lucas Community Cleanup & ABOP Event
	05/21/22	Aromas Community Cleanup & ABOP Event
	09/10/22	Prunedale Community Cleanup & ABOP Event
	09/17/22	Lockwood Community Cleanup & ABOP Event
	10/01/22	Bradley Community Cleanup & ABOP Event
	10/08/22	San Ardo Community Cleanup & ABOP Event
	11/19/22	Pajaro Community Cleanup & ABOP Event

BACKGROUND

Established in November 2014 as part of the FY 14-15 Strategic Plan 3-year goal to increase public access, involvement, and awareness of Salinas Valley Recycles activities, the monthly report keeps the Board apprised of communications with member agencies and regulators. In addition, the report has evolved over the years to also include a current and future event list to inform Board members and the public of community events and cleanups occurring in each member agency's service area.

ATTACHMENT(S) None



Report to the Board of Directors

ITEM NO. 4

Finance and Administration Manager/
Controller/Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: April 28, 2022

From: C. Ray Hendricks, Finance and Administration
Manager

Title: March 2022 Quarterly Investments Report

RECOMMENDATION

Staff requests that the Board accepts the March 2022 Quarterly Investments Report.

The investment policy requires that the treasurer render an investment report to the Board of Directors at the first regular Board Meeting occurring after the end of each calendar quarter.

STRATEGIC PLAN RELATIONSHIP

This agenda item is a routine operational item and does not relate to the Authority's strategic plan.

FISCAL IMPACT

None

DISCUSSION & ANALYSIS

The vast majority, \$35,000,691.89 (97.74%), of the Authority's investment portfolio is invested in the State's Local Agency Investment Fund (LAIF). For the month ended March 31, 2022, the LAIF effective yield was 0.365%. LAIF is invested as part of the State's Pooled Money Investment Account (PMIA) with a total of \$207.9 Billion as of March 31, 2022. The Authority's LAIF investment of \$35,000,691.89 represents .017% of the PMIA. Attached is a summary of the PMIA portfolio as of March 31, 2022.

ATTACHMENT(S)

1. March 31, 2022 Cash and Investments Report
2. March 31, 2022 PMIA Portfolio Composition and Average Monthly Yields

SALINAS VALLEY SOLID WASTE AUTHORITY

Cash and Investments Report

March 31, 2022

Issuer/Investment	Rate	Balance	Maturity	Moody's Rating
Investments Managed by Authority Treasurer:				
Petty Cash	-	\$ 1,600.00	N/A	N/A
General Checking Account	-	333,490.46	Same day	Aa2
Payroll Checking account	-	10,000.00	Same day	Aa2
General Deposit Account	-	43,609.26	Same day	Aa2
Scalehouse Deposit Account	-	123,410.60	Same day	Aa2
FSA Checking Account	-	8,230.43	Same day	Aa2
LAIF	0.365%	35,000,691.89	Same day	N/A
LAIF - FMV Adjustment		2,698.69		
CEPPT Restricted Fund		286,083.52		
		<u>\$ 35,809,814.85</u>		

The Authority has sufficient liquidity to meet expenditure requirements for the next 6 months.





PMIA/LAIF Performance Report as of 04/15/22



PMIA Average Monthly Effective Yields⁽¹⁾

Mar	0.365
Feb	0.278
Jan	0.234

Quarterly Performance Quarter Ended 03/31/22

LAIF Apportionment Rate ⁽²⁾ :	0.32
LAIF Earnings Ratio ⁽²⁾ :	0.00000875657176851
LAIF Fair Value Factor ⁽¹⁾ :	0.988753538
PMIA Daily ⁽¹⁾ :	0.42%
PMIA Quarter to Date ⁽¹⁾ :	0.29%
PMIA Average Life ⁽¹⁾ :	310

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 03/31/22 \$207.9 billion

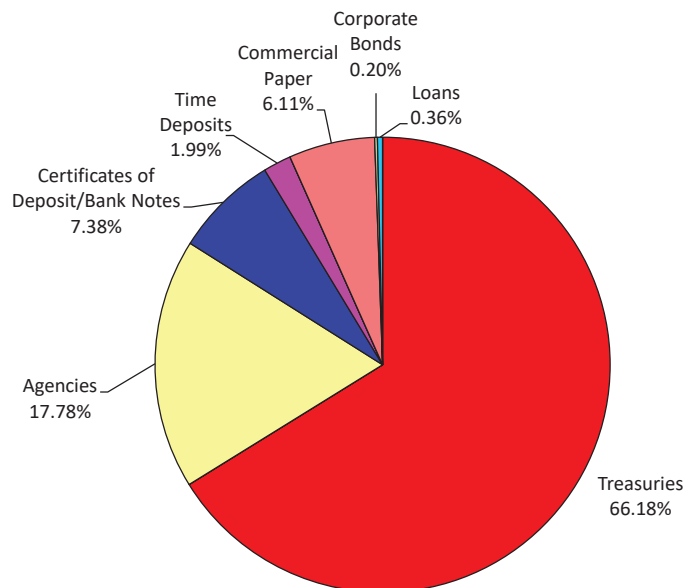


Chart does not include \$5,704,000.00 in mortgages, which equates to 0.003%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



Report to the Board of Directors

ITEM NO. 5

Finance and Administration
Manager/Controller-Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

Date: April 28, 2022

From: C. Ray Hendricks, Finance and Administration Manager

Title: A Resolution Approving an Adjustment to the Operating Budget for Fiscal Year 2021-22

RECOMMENDATION

The Executive Committee recommends approval of this item to the Board of Directors. The budget adjustments will ensure that the budget reflects current activity.

FISCAL IMPACT

The net fiscal impact of the recommended budget adjustments is an increase of \$99,500 to the budgeted fund balance for the fiscal year from a deficit of (\$93,150) to \$6,350.

DISCUSSION & ANALYSIS

Based on activity during the first nine months, staff recommends the following budget adjustments:

- Increase estimated revenues by \$342,500
- Increase operating appropriations by \$243,000

Increase estimated tipping fee revenues by \$342,500

The budget was written with an estimated 210,000 tons of solid waste for FY 2021-22. Tonnages currently exceed budgeted amounts. Increasing the budgeted tonnage to 215,000 for FY 2021-22 will increase the budgeted revenue by **\$342,500**.

Increase operating appropriations by \$243,000

Legal Services	80,000
JC Environmental Control Systems	30,000
Fuel	100,000
Increased tonnage set asides	33,000
Total	\$243,000

Review, negotiations, and preparation of the contracts with Republic Services for the use of Madison Lane Transfer Station (MLTS) and hauling services for MLTS, along with negotiations of the organics processing contract, assistance with SB 1383 franchise updates for member agencies, and ongoing MOU negotiations have put an unanticipated strain on the legal services budget. Staff is requesting an additional **\$80,000** allocation to our legal services budget in order to complete the work scheduled for the remainder of this fiscal year, which includes completion of the MOUs/negotiations for three bargaining units, updating the employee policies, procedures and handbook to align with the new MOUs, and completion of SB 1383 franchise updates to align with the new State mandated enforcement codes recently adopted by all member agencies.

Our permit with California Air Resources Board (CARB) requires quarterly surface sweeps to ensure that the landfill gas collection system is maximizing the collection of methane. If the surface sweeps reflect surface emissions above the regulatory threshold, adjustments to our Environmental Controls System followed by additional surface monitoring sweeps are required until the landfill is back within the CARB permit requirements. An adjustment of **\$30,000** to cover the additional work is requested.

Staff is requesting an increase to our fuel budgets of **\$100,000**. The cost of fuel has increased dramatically since September 2021. Fuel prices in September 2021 were \$3.50 a gallon. By February 2022, the price had increased to \$4.78 a gallon. With current world events, the national impacts on fuel prices have been dramatic. Fuel prices are quickly approaching \$5.50 per gallon for bulk diesel purchases, and staff anticipates prices to continue to rise to new record highs.

Increases in tonnage projections also require increases to the set asides for Johnson Canyon Landfill closure, post-closure, and new cell construction in the amount of **\$33,000**.

BACKGROUND

The FY 2021-22 budget is doing well due to constant monitoring by management staff. Sustained increases in solid waste tonnages will help offset unanticipated increased costs for legal, fuel, and environmental control requirements.

ATTACHMENT(S)

1. Resolution
2. FY 2021-22 Mid-Year Budget Adjustments

RESOLUTION NO. 2022 –

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING AN ADJUSTMENT TO THE OPERATING BUDGET FOR FISCAL YEAR 2021-22

WHEREAS, on March 15, 2021, the Board of Directors of the Salinas Valley Solid Waste Authority approved the FY 2021-22 operating budget; and,

WHEREAS, increased tonnages in solid waste are sufficient to fund increased appropriations to the legal, fuel, and environmental control budgets; and,

WHEREAS, increases in tonnage require other adjustments to the operating budget; and,

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the Salinas Valley Solid Waste Authority, that an adjustment to the Operating Budget for Fiscal Year 2021-22, attached hereto as "Exhibit A" is hereby approved; and,

BE IT FURTHER RESOLVED, that the General Manager/CAO is hereby authorized to implement the budget in accordance with the Authority's financial policies.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a meeting duly held on the 28th day of April 2022, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Christopher M. Lopez, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel

Salinas Valley Solid Waste Authority
FY 2021-22 Budget with Adjustments

	Beginning Budget	Adjustments	Proposed Budget
Revenues			
Tipping Fees - Solid Waste	14,385,000	342,500	14,727,500
Tipping Fees - Surcharge	1,486,800	-	1,486,800
Tipping Fees - Diverted Materials	3,188,250	-	3,188,250
AB939 Service Fee	3,460,000	-	3,460,000
Charges for Services	141,300	-	141,300
Sales of Materials	245,500	-	245,500
Gas Royalties	290,000	-	290,000
Investment Earnings	75,000	-	75,000
Total Revenues	23,271,850	342,500	23,614,350
Operating Expenditures			
1110 - Executive Administration	498,700	80,000	578,700
1120 - Administrative Support	450,300	-	450,300
1130 - Human Resources Administration	264,600	-	264,600
1140 - Clerk of the Board	197,900	-	197,900
1200 - Finance Administration	842,000	-	842,000
1300 - Operations Administration	590,100	-	590,100
2100 - Resource Recovery	1,236,100	-	1,236,100
2150 - Marketing	75,600	-	75,600
2200 - Public Education	275,300	-	275,300
2300 - Household Hazardous Waste	787,800	-	787,800
2400 - C & D Diversion	466,900	-	466,900
2500 - Organics Diversion	1,999,900	-	1,999,900
2600 - Diversion Services	30,000	-	30,000
3600 - JR Transfer Station	682,500	-	682,500
3630 - JR Recycling Operations	182,300	-	182,300
3710 - SS Disposal Operations	1,124,000	-	1,124,000
3720 - SS Transfer Operations	1,385,700	100,000	1,485,700
3730 - SS Recycling Operations	716,700	-	716,700
4500 - JC Landfill Operations	3,263,600	-	3,263,600
4530 - JC Recycling Operations	479,800	-	479,800
5500 - Johnson Canyon ECS	473,300	30,000	503,300
5700 - Sun Street ECS	181,900	-	181,900
6100 - Debt Service - Interest	1,279,000	-	1,279,000
6200 - Debt Service - Principal	1,855,000	-	1,855,000
6605 - Closure/Post Closure Set-Aside	336,000	8,000	344,000
6606 - Cell Construction Set-Aside	1,050,000	25,000	1,075,000
Total Operating Expenditures	20,725,000	243,000	20,968,000
Revenues Over/(Under) Expenditures	2,546,850	99,500	2,646,350
Use of one time funds	100,000	-	100,000
Less Postclosure Allocation	(1,070,000)	-	(1,070,000)
Less CIP Budget Allocation	(1,670,000)	-	(1,670,000)
Balance Used for Reserves	(93,150)	99,500	6,350



Report to the Board of Directors

ITEM NO. 6

Finance and Administration Manager/
Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

Date: April 28, 2022

From: Cesar Zuñiga, Assistant General Manager /
Operations Manager

Title: A Resolutions Approving Annual Expenditure in an
Amount Over \$50,000 for Equipment Maintenance
Parts and Services with Cutting Edge Supply and
Green Rubber-Kennedy Ag for Fiscal Year 2021-22.

RECOMMENDATION

Staff recommends that the Board adopt the resolutions for SVSWA Annual expenditures in the amount over \$50,000 for equipment maintenance parts and services with Cutting Edge Supply and Green Rubber-Kennedy Ag.

STRATEGIC PLAN RELATIONSHIP

The expenditures related to these vendors are not related to any strategic plan goals, but enhance existing facilities, equipment and public services.

FISCAL IMPACT

The vehicle, equipment, and facility maintenance accounts have a combined budget of \$929,900 for FY 2021-22. There is sufficient funding to cover all expenses associated with vehicle, equipment, and facility maintenance parts and services for FY 2021-22.

DISCUSSION & ANALYSIS

Salinas Valley Solid Waste Authority has assumed the operations of the Sun Street and Jolon Road Transfer Station, as well as the Johnson Canyon Landfill. To ensure the facilities are operated efficiently we must ensure our equipment is properly maintained. All equipment requires service and maintenance on an ongoing basis from qualified professional vendors. To accomplish this, SVSWA uses several different vendors for specific repairs such as tire repairs and replacement, welding services for equipment and facility improvements, and purchases parts directly to reduce repair cost.

The vendor listed above will exceed \$50,000 in annual equipment maintenance parts and service, which requires Board approval. In order to continue using the current vendor, a Resolution approving the expenditure over \$50,000 must be approved by the Board of Directors. This resolution will be valid for fiscal year 2021-22.

Cutting Edge Supplies has been a vendor of the Authority's since 2009. They provide an array of parts for all Authority equipment such as cutting edges for our loaders, scrapers, and dozer push blades. They also provide hoist cables for our roll off trucks. They provide aftermarket parts for dozers undercarriages which are used by our maintenance team to keep cost down.

Green Rubber-Kennedy Ag has been a vendor of the Authority since 2000. They provide an array of supplies for all SVR facilities such as pipe, fittings, pumps, hoses, safety equipment and equipment servicing. They are a local vendor with easy access to parts and equipment needed to maintain all our active and closed sites.

BACKGROUND

In January of 2008, SVSWA assumed the operation of the Sun Street Transfer Station. The Johnson Canyon Landfill operations were assumed on December 22, 2014, followed by the Jolon Road Transfer Station on September 1, 2016. SVSWA now has over 60 pieces of equipment made up of trucks, trailers, tractors, and portable equipment (i.e. light towers, compressors, and pumps) that require ongoing maintenance and service. SVSWA also operates three active facilities that at times will need support labor services to fully man the facilities during shortages and also do annual maintenance at its three closed landfills.

ATTACHMENT(S)

1. Resolution Cutting Edge Supply
2. Resolution Green Rubber-Kennedy Ag

RESOLUTION NO. 2022-

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING ANNUAL EXPENDITURES IN AN AMOUNT OVER \$50,000 WITH CUTTING EDGE SUPPLY EQUIPMENT MAINTENANCE PARTS AND SERVICES FOR FISCAL YEAR 2021-22

WHEREAS, the Authority owns and operates one active landfill and two transfer stations to serve the residents of the Salinas Valley; and,

WHEREAS, the board policies require board approval for all vendors exceeding \$50,000 annually; and,

WHEREAS, staff uses multiple vendors to provide staffing support services which may exceed \$50,000 annually at all SVSWA facilities; and,

WHEREAS, the Authority is satisfied with Cutting Edge Supply services and wishes to continue using them for equipment maintenance parts support services.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to approve annual expenditures in an amount over \$50,000 with Cutting Edge Supply for Equipment Maintenance Parts and Services as long as it is within the approved operating budget.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at meeting duly held on the 28th day of April 2022, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Christopher M. Lopez, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel

RESOLUTION NO. 2022-

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
APPROVING ANNUAL EXPENDITURES IN AN AMOUNT OVER \$50,000 WITH GREEN
RUBBER-KENNEDY AG TO SUPPLY EQUIPMENT MAINTENANCE PARTS AND SERVICES
FOR FISCAL YEAR 2021-22**

WHEREAS, the Authority owns and operates one active landfill and two transfer stations to serve the residents of the Salinas Valley; and,

WHEREAS, the board policies require board approval for all vendors exceeding \$50,000 annually; and,

WHEREAS, staff uses multiple vendors to provide staffing support services which may exceed \$50,000 annually at all SVSWA facilities; and,

WHEREAS, the Authority is satisfied with Green Rubber-Kennedy Ag services and wishes to continue using them for equipment maintenance parts support services.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to approve annual expenditures in an amount over \$50,000 with Green Rubber-Kennedy Ag for Equipment Maintenance Parts and Services as long as it is within the approved operating budget.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at meeting duly held on the 28th day of April 2022, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Christopher M. Lopez, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel



Report to the Board of Directors

Date: April 21, 2022

From: Patrick Mathews, General Manager/CAO

Title: Update on Sun Street Transfer Station (SSTS)
Relocation Project

ITEM NO. 7

N/A

Finance and Administration Manager/
Controller/Treasurer

General Manager/CAO

N/A

Authority General Counsel

RECOMMENDATION

Staff recommends the Board of Directors accept this report. The report is intended to keep the Board of Directors apprised of activities and actions related to the subject project.

STRATEGIC PLAN RELATIONSHIP

Promote the Value of SVR Services and Programs to the Community.

The Authority provides a wide array of essential recycling and waste recovery services and programs to the local businesses, schools, and residents. Re-establishment of the Authority's SSTS AB 939 recycling services and waste recovery programs services in a more permanent location meets the long-term public needs and supports the "Excellent Infrastructure" goals of the City of Salinas.

FISCAL IMPACT

This agenda item is a routine update at this time and does not have a direct budget impact. However, any delays in relocation after July 1, 2022 will have impacts to the budget and approved rates, which may require subsequent adjustments if the delays extend beyond 1-2 months past the start of the new fiscal year. As the Board is aware, our approved 2022/23 FY budget included some concessions in rates and reductions in staff positions with the assumption the Authority would relocate on or before July 1st.

DISCUSSION & ANALYSIS

In order to facilitate continued communication and coordination between all the regional stakeholders, the Board has recommended more organized communication between all the respective agencies and organizations involved with the subject project. The stakeholders for this project are City of Salinas, County of Monterey, Republic Services and the Authority.

According to Republic Services, the lease improvements needed for Authority relocation of our services to Madison Lane Transfer Station (MLTS) are continuing to move forward. However, a final completion date is not yet available as permitting requirements are still under discussion with the County. Construction of these improvements are anticipated to start as soon as the permitting actions are completed. In accordance with the Authority's lease at MLTS, the Authority will have 60 days to complete its relocation once all the required lease site improvements are completed, and Republic has relocated its scale

house facilities to accommodate the expected increase in traffic within the property boundaries.

The primary stakeholder group topics for discussion are outlined below. Staff and stakeholders would appreciate any additional Board input on the core topics and recommendations for any other stakeholders that should be at the table for these discussions.

The following relocation related topics and initial actions/progress were discussed at the coordinating meetings:

- 1) Community outreach meeting date/time/location, stakeholder participants, topics for presentation, and sharing of any public feedback received to-date (All)
 - a. March 31st meeting was postponed allowing more time for the County and Republic to resolve permitting needs for the facility.
- 2) Site improvements, timing, challenges, and look ahead schedule (Republic)
 - a. Republic indicated that design and permitting challenges had revised the estimated completion date for lease site improvements to May 1st, which would obligate the Authority to be relocated by July 1st and close Sun Street Transfer Station Operations.
 - b. The Authority has a contingency plan for continuing operations should the relocation date be pushed beyond July 1st due to any further delays in completion of Republic's lease site improvements or permitting. The Authority is obligated to begin transportation services on July 1 and would commence hauling franchise waste for Republic at MLTS. A small amount of our transfer fleet capacity would continue to service the remaining self-haul operations at SSTS until Republic's site improvements and permitting are completed at MLTS.
 - c. Recent delays related to MLTS permitting by the County could push the Authority relocation beyond the July 1st date. We expect to hear more from the County in the coming weeks as to whether the permitting process will extend the relocation dates further than July 1st and for how long. Potential budget and rate adjustments to the approved FY 2022/23 budget may also be required if the relocation is further delayed well beyond July 1st.
- 3) Relocation plan, timing and community/customer noticing and marketing campaign (SVR)
 - a. Authority staff have engaged our local media consultant to assist with a comprehensive media plan for the community on the upcoming Sun Street Closure and relocation of our AB 939 recycling programs to MLTS. Mandy Brooks, Resource Recovery Manager, presented the marketing campaign at the February Board meeting and staff is ready to start the comprehensive information campaign once our relocation date is known.
- 4) Project impact mitigation measures (current and future) including litter/illegal dumping, traffic/noise and Rossi Road extension (All)
 - a. Republic Services will provide added staff and resources to increase litter abatement in and around MLTS once the Authority relocates. All

stakeholders will continue to monitor and coordinate response any increase in illegal dumping.

- b. A County staff report was provided at the March 17, 2022, Board meeting related to the Rossi Road Extension project which could address increased traffic from MLTS operations and other proposed housing and commercial projects in South Boronda.
- c. A County staff report was provided at the March 17, 2022, Board meeting related to addressing and improving enforcement associate with excessive illegal parking on Madison Lane that has created a safety hazard for all businesses and customers of businesses located on Madison Lane.

BACKGROUND

In accordance with our September 21, 2021, Lease Agreement with Republic Services, SVR is prepared to relocate within the required 60 days' notice from Republic Services of completion of required lease and facility improvements needed to support our relocation. The required improvements include: 1) repairs, improvements and modifications to SVR's lease space, and 2) relocation of Republic's scale facility to accommodate the expected increase in traffic to the facility once SSTS closes. All traffic to MLTS must be fully contained within the property per State permit requirements.

ATTACHMENT(S)

None



Report to the Board of Directors

ITEM NO. 8

Finance Manager/Controller-Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

Date: April 28, 2022

From: Cesar Zuñiga, Assistant General Manager /
Operations Manager

Title: A Resolution Awarding Sole Sourcing the
Purchase of a New 2023 Walking Floor Transfer
Trailer to Western Trailers for an Amount of
\$105,641

RECOMMENDATION

Staff recommends adoption of the resolution sole sourcing the purchase of one (1) New Transfer Trailer for the Salinas Area Transfer Station to Western Trailers for the amount of \$105,641.

STRATEGIC PLAN RELATIONSHIP

The purchase of the new transfer trailer supports Goal E: Reduce Costs and Improve Services at SVSWA Facilities. The new trailer will be used to transfer waste from the Authority's Jolon Road and Salinas Area Transfer Stations.

FISCAL IMPACT

Funding for this purchase is included in the 2021-22 Fiscal Year Budget. There is sufficient funding available within Capital Improvement Project (CIP) 9701 for the purchase of the 2023 Western Trailer Walking Floor Trailer.

DISCUSSION & ANALYSIS

On January 1, 2008, the Authority assumed the operations of the Sun Street Transfer Station which serves the City of Salinas franchise hauler, residents from Salinas and unincorporated Monterey County. On September 1, 2016, the Authority assumed the operations of the Jolon Road Transfer Station at the end of the existing agreement with Waste Management. The Jolon Road Transfer Station receives waste from the City of King and unincorporated Monterey County.

In order to maintain an efficient operation staff needs to replace older walking floor trailers that have met their working life standards and may require major repairs. The oldest walking floor trailers in the fleet are between 10-14 years old. All the existing walking floor trailers currently owned by the Authority are made by Western Trailers. Standardizing our trailers allows us the ability to become familiar with repairs, part vendors and maintain a stock of required parts. The fleet of trailers is used by both facilities and serve as back-ups to ensure minimal disruption of services.

BACKGROUND

On January 1, 2008, the Authority assumed the operations of the Sun Street Transfer Station (SSTS). The facility currently serves the local franchise hauler, Republic Services, and City of Salinas and north county residents. The SSTS processes an average of 350-400 tons and 20-25 transfer truck trips out per day.

On September 1, 2016, the Authority assumed the operations of the Jolon Road Transfer Station. The facility serves the local franchise hauler, Waste Management, the City of King, and unincorporated southern Monterey County. The facility receives between 100-120 tons a day and between 3-4 transfer truck trips out a day.

ATTACHMENT(S)

1. Resolution
2. Exhibit A – Western Trailers Proposal

RESOLUTION NO. 2022 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY AWARDING THE SOLE SOURCE PURCHASE OF ONE WALKING FLOOR TRANSFER TRAILER TO WESTERN TRAILERS FOR AN AMOUNT OF \$105,641

WHEREAS, the Authority owns walking floor trailers in the fleet that are between 10-14 years old; and,

WHEREAS, to maintain an efficient operation staff needs to replace the older walking floor trailers that have met their working life standards and may require major repairs; and,

WHEREAS, all the existing walking floor trailers currently owned by the Authority are made by Western Trailers allowing the standardization of the trailers for the ability to be familiarized with repairs, part vendors and maintain stock of required parts.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to sole source the purchase of a Walking Floor Transfer Trailer for the Transfer Station operations to Western Trailers, as attached hereto and marked "Exhibit A," and to carry out all responsibilities necessary.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a meeting duly held on the 28th day of May 2022, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Christopher Lopez, President

ATTEST:

APPROVED AS TO FORM:

Erika Trujillo, Clerk of the Board

Roy Santos, Authority General Counsel



P.O. Box 5598 - Boise Idaho 83705
Tel: (208) 344-2539 Fax: (208) 344-1521
www.westerntrailer.com

Quote ID: 09583
Effective: 02/17/22
Expires On: 02/24/22
Terms: , Freight Billed

FOB:
Leadtime: 0
Sales Rep: TAYLOR

Sold To: Western Trailer Sales
251 W Gowen rd

Boise, ID 83716

Ship To: Western Trailer Sales
251 W Gowen rd

Boise, ID 83716

SERIES: Express_Floor MODEL: ExpressFloorRF

Qty Details

1	BASE SPECIFICATIONS: Trailer Series: Solid Waste Transfer Trailer (Express Floor) Trailer Model: 48' Tandem Semi (Wedge) Trailer Length: 48'0" Trailer Width: 102" Trailer Height: 13'6" with a 47" 5th wheel (8" Wedge) GVWR: 65,000 lb. Volume: 135 cubic yards Axle Spread: 56" Rear Axle Setting: 48" Kingpin Setting: 48" Landing Gear Setback: 150" Axle Track: 75.5"	Weight: 9,246
---	---	----------------------

1 Axle Configuration: Closed Tandem

- | | |
|-------|---|
| 1 | Axle & Wheel End Options
Slack Adjuster Brand: Haldex
Hub Type: Steel
Hub Pilot: 10-Hole Hub Pilot
Brake Drum Type: Brake Drums Motorwheel Centrifuse |
| <hr/> | |
| 2 | Axle: Hendrickson Intraax Camber 23,000 lbs capacity, 5 3/4" round are integral to air ride suspension. |
| <hr/> | |
| 2 | Suspension: Hendrickson Intraax AA230 Air Ride Suspension. |
| <hr/> | |
| 2 | Brakes: 16-1/2"x7" "Q+" series, non-asbestos brake shoe. Hendrickson 20k lining. Meritor/Wabco anti-lock brakes included. |
| <hr/> | |
| 1 | Hub Type: Walther Duralite steel hubs, 10 hole hub pilot, with Hyatt bearings and Federal Mogul seals and hubcaps provide optimal light weight performance and value. |
| <hr/> | |
| 8 | Hub Lube: SAE 80W-90 Premium Rear Axle Lubricant |

2	Axle Spindle: Tapered	Weight: 0
1	Brake System: Meritor Wabco ABS components meet the federally mandated anti-lock braking requirements. 2S/2M systems are suitable used for most single and multi-axle semis. Ask your sales representative about ABS upgrades including total tire protection.	Weight: 0
8	Tires for Non-Lift Axle(s): 41669 Michelin 295/75R22.5 X LINE ENERGY T2 FET: -25.23 Total FET: -201.84	Weight: 816
4	Wheels Inner: Accuride 22.5 X 8.25 10-Hole Hub Pilot Machined	Weight: 152
4	Wheels Outer: Accuride 22.5 X 8.25 10-Hole Hub Pilot Polished Inside	Weight: 152
1	Hendrickson Tiremaax® Pro Automatic Tire Inflation System: Tandem Axle Tire Pressure: 100	Weight: 16
1	Air Ride Scales: Western Liquid Filled Guage in Pelican Box (Mount Scale on Front Wall In Box). Location: Mount on Front Wall	Weight: 6
1	Miscellaneous Specifications Manual air dump inside scale box	Weight: 0
1	Lights on Front Wall: 2 Upper w/Polished Extrusion Aero Deflector: No	Weight: 0
1	Side Marker Lights: Three Pair Side Marker Lights Including Mid-Ship Turn D.O.T. Legal.	Weight: 0
1	Midship Turn LED w/ Extrusion Std.	Weight: 0
1	Rear Light Layout: OOO OOO 3-0-3 Std.	Weight: 0
1	1 Flat Load Shedder H.D. Refuse 1/4" Tube Wall Thickness	Weight: 0
1	Mudflaps Black Plastic with White Western Trailer Logo Per Pair	Weight: 0
1	Front Wall: Impact and Wear Resistant Natural Aluminum with Interior Posts.	Weight: 0
1	Refuse Front Ladder, 13'6 x 102	Weight: 0

48	Side Skin: .125" Thick Impact and Wear Resistant Natural Aluminum, Riveted to Chassis and Sideposts. Stainless Steel rivets Are Used in High Wear Areas.	Weight: 0
1	Miscellaneous Specifications Last two panels to be .156 ILO .120	Weight: 70
1	Floor Hallco Triple Ridge, 1/2" x 48' x 102, 4000 Drive Unit (41-6433 Slat)	Weight: 4,118
1	Miscellaneous Specifications Note Hallco floor is 1" short in length	Weight: 0
1	Rear Door: Swing type doors are double-wall constructed with welded aluminum 2x2 Tee-tube frame. Natural finish aluminum skin on the exterior provides clean appearance. Interior of door is 1/8" natural finish impact and wear resistant aluminum to absorb unloading damage. Doors are secured with four anti-rack locks and five pair of hinges.	Weight: 563
1	Couplers 3/4" Standard	Weight: 0
1	Paint & Stripe Specifications Paint Code: Western Trailers Slate Gray Large Stripe Color: Black Small Stripe Color: Red	

1 Specifications:

Top Rail: Made from extruded, one piece 6061-T6, heat treated aluminum. Top rails are sloped for easy clean-off. The integral, rugged anti-snag support leg resists distortion from tamping devices. Front and rear corner gussets have a large inside radius for easy loading and clean discharge.

Cross Ties: Western load shed design flexibly mounted to top rails.

Sidepost: Heavy duty 1 3/4"x5" extruded aluminum aerodynamic radius section. on 14" centers.

Front Slope: Aluminum bulkhead slope hinged to the front wall provides easy mechanical access.

Lower Frame: Fabricated 80,000 psi high tensile steel with formed 3" wide bottom flange.

Crossmembers: Heavy duty 5" 6061-T6 extruded aluminum "TJ" sections spaced on 14" centers.

Cross Bracing: Steel cross braces under the trailer prevent trailer racking.

Rear Subframe: Fabricated 80,000 psi high tensile steel longitudinals with integral one piece front & rear crossmembers. Tow braced to outer rails.

Dumper Bumper: T-1 steel blades with tow holes. T-1 protector blades on corners.

Coupler: 5" high tensile steel fabricated crossmembers. High tensile steel grid reinforced kingpin plate with 2" SAE heat treated kingpin.

Certificate Holder: James King model 300 mounted to front wall.

Paint: All steel components painted one color high-solid polyurethane prior to final assembly. Surfaces are prepared using a steel grit media blast and hot iron phosphate wash.

Trim: Trimline two-tone on rear doors only.

License Plate Mount: Swinging license plate mount at rear of trailer.

Landing Gear: Holland Mark V. 200,000 lbs capacity with self leveling footpads pads.

AIR, ELECTRICAL & SAFETY

Air Service: Meets Federal Motor Vehicle Safety Standard #121. Trailers with air ride suspensions have a manual air dump valve normally located at the landing gear area.

Electrical Service: Meets D.O.T. Specifications. Sealed wiring harness and integral receptacle prevent conductor corrosion. LED lights are used for all marker, stop, tail, and turn lights.

Bumper: Rear under ride guard complies with all D.O.T. specifications for strength and energy absorption.

Conspicuity Striping: Conspicuity striping as required by Federal Motor Safety standards.

Ladder: Round tubular aluminum rails with radiused top corners and extruded anti-skid steps. Ladder is attached to the front wall.

1 Miscellaneous Specifications

NOTE: By using this category you may delay delivery of trailer!

TOTAL WEIGHT: 15,139



Report to the Board of Directors

Date: April 28, 2022
From: Mandy Brooks, Resource Recovery Manager
Title: Atlas Organics

ITEM NO. 9

N/A

Finance and Administration
Manager/Controller-Treasurer

N/A

General Manager/CAO

N/A

Authority General Counsel

THE ATTACHED PRESENTATION WILL BE GIVEN AT THE MEETING

Attachment

1. Power Point Presentation



1

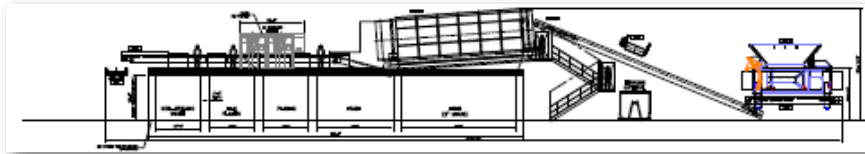
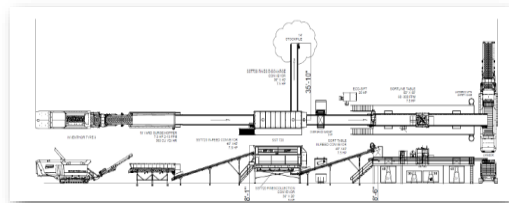
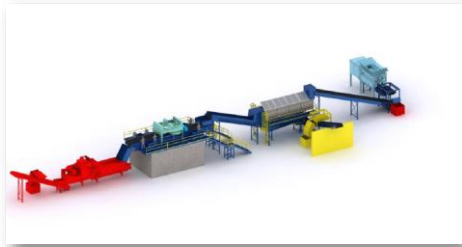
SVWA Facility Updates



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2

SORT-LINE UPDATES



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3

SCORING PROCESS & CRITERIA



	Understanding of Scope/Project	Organics Experience	Flexibility	Overall Approach Ranking
Ecoverse	1	2	1	1
Machinex	4	4	4	4
West Salem	3	1	3	3
Sparta	2	3	2	2



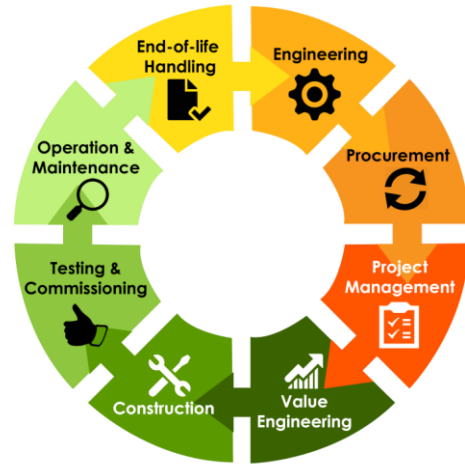
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4

CONTRACTOR RFP & SELECTION PROCESS

- EPC v. Design/Build
- CDM Smith, RRT, & JRMA
- Use of existing Green Mountain design







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5

MARKETING EFFORT UPDATES

Vision Recycling	San Lorenzo	Compost 		Planters Blend \$32/yd. 	
Converted Organics	31677 Johnson Canyon Rd., Gonzales, CA	LC 1-1-1 (Food Waste Compost Liquid) 21.3 lb. / 448 lb. / 2,338 lb. (2.5 gal / 95 gal / 275 gal)		SoilStart 7-1-1 (Solid, Fermented Grain) 24.25 lb. / 533.5 lb. / 2,667.5 lb.	High Temp. Liquid Composting, OMRI and COFA, only 1 solid product, mostly liquid
Z-Best Products	980 State Hwy 25, Gilroy, CA 95020 (San Benito)	"Z-Best Organic Compost" \$32/yd. 	"ZZ Top Soil" \$48/yd.	"Planters Mix" \$38/yd.	18 blends, yard waste, OMRI Zanker Horticulture Blend \$59/yd. 

Atlas Marketing Study Linked [Here](#)



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6

CONSTRUCTION TRANSITION PLAN



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7

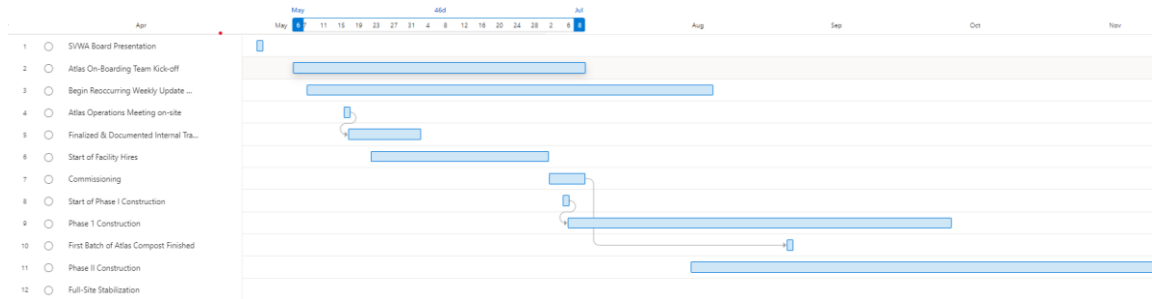
MODULAR UNIT



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8

HIGH-LEVEL TIMELINE



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12

9



Thank you!

11

10



Report to the Board of Directors

Date: April 28, 2022
From: Mandy Brooks, Resource Recovery Manager
Title: Recycling Recognition

ITEM NO. 10

N/A

Finance and Administration
Manager/Controller-Treasurer

N/A

General Manager/CAO

N/A

Authority General Counsel

THE ATTACHED PRESENTATIONS WILL BE GIVEN AT THE MEETING

Attachment

1. Power Point Presentations



ITEM NO. 10

Natividad School Food Scraps & Diversion Programs Recognition

1

Cafeteria Diversion Programs Implemented

Milk Waste, Empty Milk Cartons, Food Waste, Stack up Trays

2



Natividad School Green Team

3

Natividad School Highlights



School Leadership and Support

Teacher Eloina Trujillo
Principal, Susano Marquez
Custodial Staff
Cafeteria Staff



Green Team

The school formed a Green Team to continue educating students to divert properly and to avoid contamination in the cafeteria and in the classrooms.



Custodial Support

Diversion programs helped custodial staff to manage waste sustainably. Reduced weight of garbage bags!
Custodial staff love the programs.



Cafeteria Staff Support program



School

Reduce waste by 50%
Comply with the state mandates

4

Thank you to:

- THE GREEN TEAM
- TEACHER ELOINA TRUJILLO
- PRINCIPAL MR. MARQUEZ
- CUSTODIAL STAFF
- CAFETERIA STAFF
- STUDENTS
- FACULTY

For implementing a comprehensive food scraps that will be turned into a nutrient-rich soil and other diversion programs to reduce waste at school for a Healthier Salinas Valley.



5

DocuSign Envelope ID: 81AC3FB0-5197-4EED-8CB9-6526335F5B06

CERTIFICATE OF RECYCLING RECOGNITION



This is hereby granted to

Natividad School

For being a great steward to the environment and community, for successfully implementing comprehensive food scraps, and other diversion programs, for forming a green team, for principal, custodial, and faculty support to help school to reduce, reuse, recycle, and compost that helps to extend the life of our local landfill and for a healthier Salinas Valley.

DocuSigned by:

Patrick Mathews

PATRICK MATHEWS
General Manager/CAO

DocuSigned by:

Christopher M. Lopez

CHRISTOPHER M. LOPEZ
Board President

6

Food Scraps Program Recognition

By Estela Gutierrez



1

A circular image showing a bowl of green smoothie with mango and kiwi, and a glass of orange juice with fruit. The image is set against a dark background with a white wavy line above it and a white circle to its right.

Paleteria y Neveria Maru

A circular image showing a woman, Maria Pantoja, wearing a black apron, standing in front of a display case. The image is set against a dark background with a white wavy line above it and a white circle to its right.

Maria Pantoja

////

2

Highlights

- Early-Adopter of the Food Scraps Collection Program
- Accepted Food Scraps Recommendation & Increased Service Level
- Set Up their Own Food Scraps Collection
- Bought their Own Compostable Bags
- Diverts **450 lbs/wk (or 11 tons per year)** of Food Waste from the Landfill!
- Featured in our Next Employee Training Video



Outdoor Collection

Indoor Collection



3



CERTIFICATE OF RECYCLING RECOGNITION



This is hereby granted to

Neveria y Paleteria Maru

For being a great steward to the environment and community by successfully implementing comprehensive food scraps program. Diverting waste by reducing, reusing, recycling, and composting extends the life of our local landfill for a healthier Salinas Valley.

Designated by:



PATRICK MATHEWS

General Manager/CAO

Designated by:

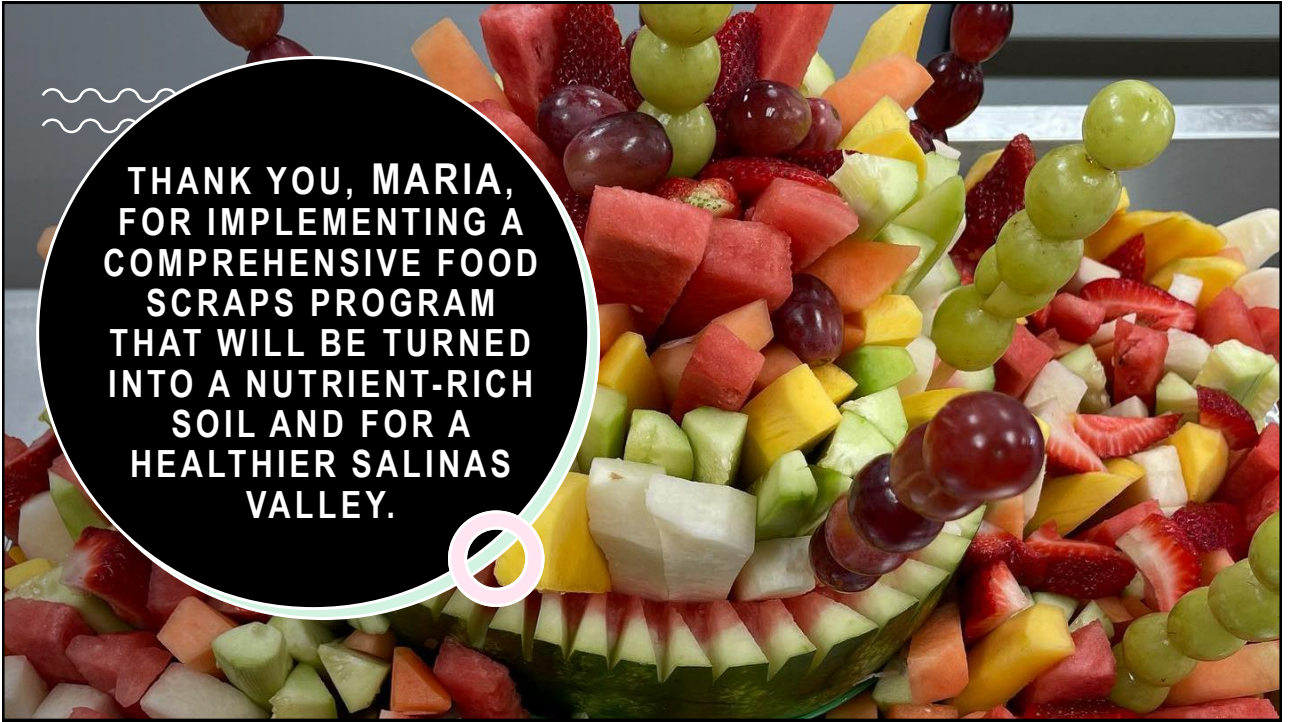


CHRISTOPHER M. LOPEZ

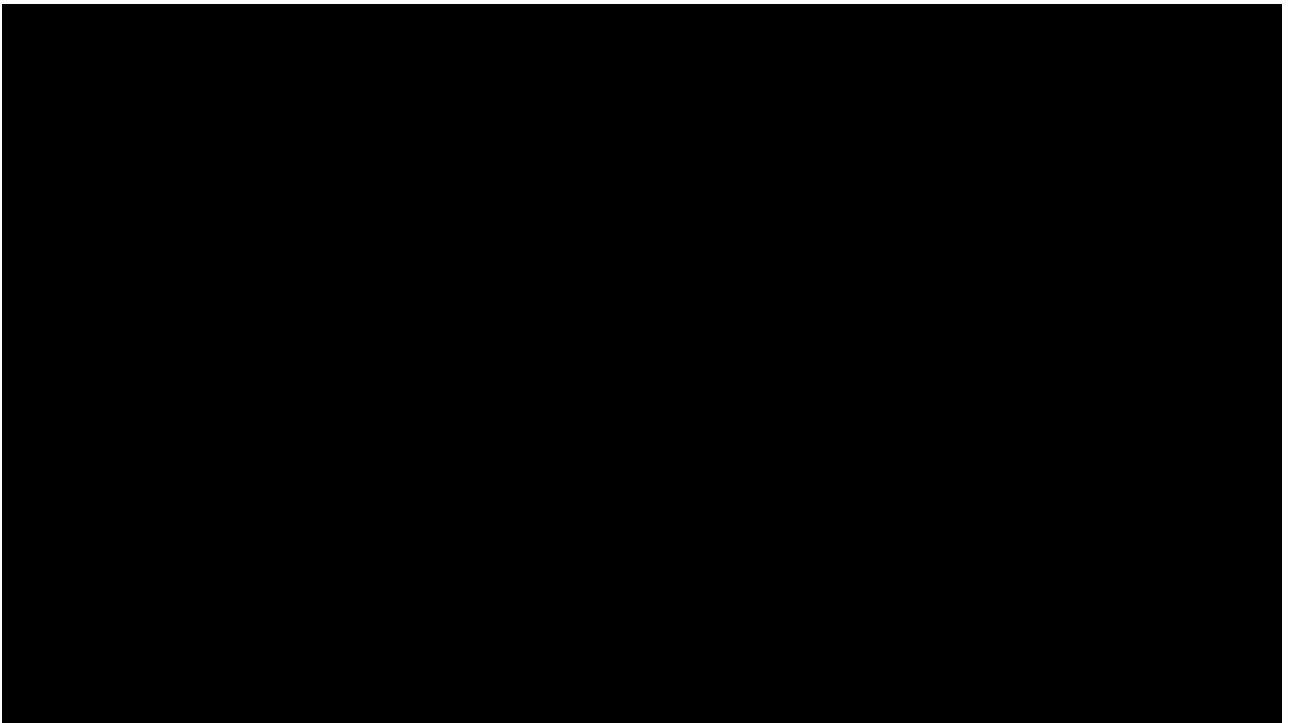
Board President



4



5



6

SVR Agenda Item - View Ahead 2022

ITEM NO. 11

	May	June	Jul	Aug	Sep	Oct
A						
1	Minutes	Minutes	MEETINGS RECESS	Minutes	Minutes	Minutes
2	Claims/Financials (EC)	Claims/Financials (EC)		May Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)
3	Member Agencies Activities Report	Member Agencies Activities Report		June Claims/Financials (EC)	Member Agencies Activities Report	Member Agencies Activities Report
4	1st Qtr. Tonnage & Diversion Report	CCPP Supplemental Appropriation (EC)		June 30 Cash & Investments Report (EC)	New FY Grants & CIP Budget (EC)	September 30 Cash & Investments Report
5	FY Investment Policy (EC)	Agreements for Equipment Maintenance Services		Member Agencies Activities Report	2019-2020 SVR Annual Report	BD/EC Meetings Schedule
6	Financial Policy (EC)	Geo-Logic Associates Amend. No. 2 Groundwater Monitoring Services Agrmt.		2nd Qtr. Tonnage & Diversion Report	Social Media Campaign	Salinas Bowmen Agreement
7	Purchase of 2023 Walking Floor Trailer	Social Vocational Services Amend. No. 1 Litter Abatement Services				Audit Report Previous FY (EC)
8	Update on Sun St. AB 939 Programs Relocation Project	SGA Marketing Amend. No. 1 Media Marketing Services				Regional Franchise Procurement (EC)
9	Organics Technical Review	Vision Engineering Amend No. 1 JC Closure CQA Services				GM Evaluation (EC)
10	Operations MOU (EC)	Update on Sun St. AB 939 Programs Relocation Project (EC)				
11	ABC MOU (EC)	Landfills Basic 101				
12	Management MOU (EC)					
13						

Consent

Presentation

Consideration

Closed Session

[Other] (Public Hearing, Recognition, Informational, etc.)

(EC) Executive Committee

(sp) Strategic Plan Item



Report to the Board of Directors

ITEM NO. 13

Finance and Administration
Manager/Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

Date: April 28, 2022

From: Patrick Mathews, General Manager/CAO

A Resolution Authorizing the Acquisition of One Parcel, APN 003-051-077, and Authorizing the General Manager/Chief Administrative Officer to Execute a Property Sales Agreement with Nexis Partners, LLC and Friedrich Enterprises, LLC, In the Amount Of \$3,957,000, a Budget Allocation of \$4,017,000, and Finding the Acquisition Is Exempt from the California Environmental Quality Act

RECOMMENDATION

Staff recommends approval of the resolution authorizing execution of the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions (PSA) for the purchase of real property improved with a 26,000 sq ft office building ("Building") at 126-128 Sun Street, Salinas, CA ("Property") to serve as the Authority's permanent headquarters.

STRATEGIC PLAN RELATIONSHIP

Promote the Value of SVR Services and Programs to the Community by creating a permanent hub for the Authority administrative services and community education programs in the heart of Salinas, our largest service customer.

FISCAL IMPACT

The short-term impacts will be the temporary reduction in Expansion Fund Reserves to cover the cash costs of due diligence and, if approved, then the cash purchase price for the Property. Staff recommends that the funds from the sale of the adjacent Sun Street Transfer Station properties will be used to refund the reserves for the amounts used for the purchase price for the Property to the maximum extent possible.

The negotiated purchase price of the property is \$3,957,000 ("Purchase Price") and the additional estimated cost of due diligence and legal costs to complete the transaction between \$20,000 and \$60,000.

Upon execution of the PSA, the Authority will deposit a refundable \$50,000 ("Initial Deposit") into escrow to start a 45 day "Due Diligence Period" for staff and legal counsel to review the large volume of facility disclosures already prepared by the seller, as well as to consider any additional independent due diligence inspections or other investigations that may be required.

On or before the Due Diligence Period is complete, the Authority can either terminate the PSA and receive refund of the Initial Deposit or issue an "Approval Notice" together with an additional deposit of an additional \$50,000 which become non-refundable. The total deposit (\$100,000) will be applied against the Purchase Price at the close of escrow. After issuance of the Approval Notice, escrow will close within 15 days (subject to completion of the gate discussed below.) The Authority will be obligated to deposit the balance of the Purchase Price in escrow not later than 1 business day prior to the closing.

Prior to the closing, the seller is obligated to complete the security gate for the front parking lot. The estimated that cost of the gate is between \$30,000-\$35,000. If ("Estimated Cost"). If the gate is not completed timely, the Estimated Cost will be credited against the Purchase Price.

DISCUSSION & ANALYSIS

Due to ongoing final legal review of the PSA by both seller and buyer legal Counsel, we have attached the Letter of Intent (LOI) (Exhibit B) executed by both parties on March 30, 2022. The LOI spells out all the essential business terms negotiated and agreed upon which will be memorialized into the PSA. The final PSA will be distributed with agenda supplementals in advance of the Board meeting.

Since the early 2000's, The Authority has been seeking permanent offices in the greater Salinas area with the goal of creating a hub space for not only administration but for the myriad of our public education and community service activities within the greater Salinas area. The Authority is currently leasing space in the Building for the Authority administrative offices. Accordingly, one of the additional benefits of this acquisition is that the administrative offices will not need to be moved to another site thereby saving costs and interference with staff operations.

The Purchase Price represents a cost of \$148 per square foot which is well below the current new construction cost between \$450/sf to over \$500/sf and represents a very fair and beneficial price for the Authority. Staff has been working with our real estate agent to look at many office properties across the greater Salinas area over the last few years. This represents the best option reviewed to date and is located within a market that currently has limited commercial office space for sale. The Building is relatively new and has been very well maintained and managed by the seller. Staff can attest to the current condition of all three suites in the Building and expects that within the next few years only interior re-painting and new carpet will be required for two of the suites.

In addition, this Building offers ongoing opportunities to continue to lease two of the three suites to generate future revenues. It is also expected that this investment will appreciate over time, particularly as the City of Salinas begins implementation of its Alisal Market Place redevelopment.

IMPORTANT ISSUES IN PSA:

AS-IS Acquisition: If the Authority acquires the Property, it will be accepting it in AS-IS condition and waiving any rights against the Seller, so the due diligence for the acquisition is critical.

Gate: If the gate is not completed prior to closing, the cost for the Authority to complete may be more than the original seller costs due to possible applicability of the prevailing wage statute.

Other Tenants: Current there are two other tenants in the building, one of which will be vacating their premises before the closing. The other tenant will remain for the term of its lease and will be a source of revenue to the Authority.

Breach: If the Authority breaches the PSA after it has issued the Approval Notice, its maximum liability will be the total deposit amount (\$100,000).

BACKGROUND

Over the years, The Board has considered many permanent office options from new construction on potential Salinas Area transfer station sites to older or run-down properties with full/partial rehabilitation required. In staff's opinion, this opportunity provides the best option for a newer office with little remodeling required, no relocation expenses, solid maintenance record, and good potential for future investment appreciation.

ATTACHMENT(S)

1. Resolution
2. Exhibit A – Property Sales Agreement for 126-128 Sun Street (Distributed with Supplementals)
3. Exhibit B – Letter of Intent between Buyer and Seller
4. Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions - Added 4/25/22

RESOLUTION NO. 2022 -

A RESOLUTION AUTHORIZING THE ACQUISITION OF ONE PARCEL, APN 003-051-077, AND AUTHORIZING THE GENERAL MANAGER/CHIEF ADMINISTRATIVE OFFICER TO EXECUTE A PROPERTY SALES AGREEMENT WITH NEXIS PARTNERS, LLC AND FRIEDRICH ENTERPRISES, LLC, IN THE AMOUNT OF \$3,957,000, A BUDGET ALLOCATION OF \$4,017,000, AND FINDING THE ACQUISITION IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS on February 17, 2022, and March 17, 2022, the Board of Directors discussed multiple real property options for acquisition of permanent administrative offices for the Authority; and,

WHEREAS, after full consideration of options from new construction, rehabilitation of older buildings, or purchase of the existing Authority leased building the Board directed staff to proceed with negotiations for purchase of the existing Authority leased office building; and,

WHEREAS, the Salinas Valley Solid Waste Authority (Authority) and Nexis Partners, LLC and Friedrich Enterprise, LLC (jointly, Sellers) have negotiated an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions ("PSA") for the acquisition of the improved real property located at 126-128 Sun Street, Salinas, CA (APN 003-051-077) ("Property") for a purchase price of three million nine hundred and fifty-seven thousand dollars (\$3,957,000) ("Purchase Price"); and

WHEREAS, the Authority will also be responsible for payment of certain due diligence and standard closing costs as set forth in the PSA and estimated to be \$20,000 to \$60,000; and

WHEREAS, the funds used for this purchase will be borrowed from the Expansion Funds, and that it is the intent of the Board to replace these funds, to the maximum extent possible, with the proceeds for the future sale of Sun Street Transfer Station Properties located at 135-139 Sun Street, Salinas, CA (APNs 003-051-086 & 003-051-087).

WHEREAS, the acquisition of the Property will be for public purposes; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Salinas Valley Solid Waste Authority, as follows:

Section 1: Findings related to the California Environmental Quality Act

1. Pursuant to the California Environmental Quality Act (CEQA), the project is categorically exempt under Section 15601(b)(3) of the guidelines consistent with the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The activity in question is not a project, but instead is the purchase of property.
2. The exceptions to the categorical exemptions identified in Section 15300.2 of the guidelines do not apply.

Section 2: Findings related to purchase.

1. The Board of Directors authorizes the General Manager/Chief Administrative Officer to execute the final PSA attached as Exhibit A to this Resolution on behalf of the Authority for the purchase of the Property consistent with the terms outlined in the Staff Report, subject to such non-substantive or minor modifications or amendments as may be necessary to complete the transaction contemplated hereby, and subject further to the Authority General Counsel's approval as to form.
2. The Board of Directors authorizes the payment of (i) due diligence costs and expense, (ii) Authority closing costs as specified in the PSA; and (iii) the good faith deposit monies up to \$100,000 as required under the PSA which deposit amounts will be applicable to the Purchase Price.
3. The General Manager/CAO or his designee shall (i) execute the Grant Deed and such other documents and instruments attached to the PSA; (ii) negotiate and execute any other documents required for the closing in a form approved by the Authority General Counsel, and (iii) take any and all other actions, as may be reasonably necessary to complete the acquisition of the Property pursuant to the PSA. Without limiting the generality of the foregoing, the General Manager/Chief Administrative Officer or his designee is hereby authorized to execute a certificate of acceptance to be attached to the grant deed conveying the Property to the Authority.

BE IT FURTHER RESOLVED, by the Board of Directors of the Salinas Valley Solid Waste Authority, that an adjustment to the Capital Improvement Budget for Fiscal Year 2021-22 in the amount of \$4,017,000 to be funded from Expansion Funds is hereby approved; and,

BE IT FURTHER RESOLVED, that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to execute the PSA for purchase of APN 003-051-077, as attached hereto and marked "Exhibit A," to implement the budget in accordance with the Authority's financial policies, and to carry out all responsibilities necessary.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at the meeting duly held on the 28th day of April 2022, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Christopher M. Lopez, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel



328B Main Street
Salinas, California 93901
Tel: (831) 449.8000
Fax: (831) 769.0314
cushmanwakefield.com

March 23, 2022
Buyer Counter Offer 3/30/2022

Formatted: Left

Mr. Thor Wiles
CBRE
225 W. Santa Clara St., 12th floor
San Jose, CA 95113

RE: 126 & 128, Salinas, CA – Purchase Letter of Intent

Dear Thor:

On behalf of the Salinas Valley Solid Waste Authority, a joint powers authority ~~(the “Buyer”)~~, I am pleased to present the following non-binding purchase letter of intent (the “LOI”) to Nexis Partners, LLC ~~(the “Seller”)~~ for their review and consideration. Details are as follows:

Property: The property consists of an office building consisting of approximately 26,769 s.f. of office space and located on approximately 1.83 acres and located at 126&128 Sun Street (AP#s 003-051-077) (“Property”).

Purchase Price: ~~Four Three Three Million Fifteen Nine Hundred and Twenty Five Nine Hundred Fifty Seven Thousand Three Hundred Fifty Dollars (\$4,015,3503,925.000 \$ 3,957,000) (\$14850 psf)~~, payable in cash at close of Escrow.

Deposits/Terms: Within three (3) business days of opening of Escrow, Buyer shall deposit Fifty Thousand ~~and No/100 Dollars (\$50,000)~~ into Escrow ~~(the “Initial Deposit”)~~. Prior to the expiration of Buyer's Due Diligence Contingencies Period, Buyer shall either waive its' Due Diligence Contingencies or terminate the Purchase Agreement. If Buyer waives its' Due Diligence Contingencies, Buyer shall deposit an additional Fifty Thousand Dollars (\$50,000-00) into escrow, ~~(the “Additional Deposit”). At such time-)~~ and the both the Initial Deposit and the Additional Deposit ~~(“Total Deposit”)~~ shall become non-refundable, be credited towards the Purchase Price and act as liquidated damages should Buyer ~~not close escrow breach~~. However, should the Seller default, ~~the Initial Deposit and Additional Deposit Buyer shall be returned to the Buyer. The Initial and Additional have available remedies. At Buyer's option, the Total~~ Deposit shall be invested by escrow holder in an interest bearing account, with interest accruing to the benefit of the Buyer. The ~~Initial Deposit and Additional Total~~ Deposit and any interest earned thereon shall be applied to the Purchase Price. Buyer shall deposit the balance of the Purchase Price, plus Buyer's share of Closing Costs, less the Initial and Additional Deposit, and subject to adjustment for prorations, at the close of Escrow.

Escrow/Title Company: The close of Escrow shall occur fifteen (15) calendar days after Buyer release of Buyer's Due Diligence Contingencies. The escrow company shall be First American ~~Fidelity National~~ Title ~~Insurance~~ Company, San



Jose, California, Teresa Woest, 333 W Santa Clara Street, Ste. 220, San Jose (~~"Escrow Holder"~~) ~~MaryLou Adame at 3237 E. Guasti Rd Suite 105, Ontario, CA. 95113, Tel. 408 451-7972 (escrow officer)- 91761 (909) 978-3020 Marylou.Adame@fnf.com~~

Purchase & Sale Agreement:

Upon ~~approval and~~ execution of this LOI by the parties: (~~"LOI Execution"~~), Buyer's legal counsel shall prepare a purchase and sale agreement for Seller's review (~~the~~ "~~PSA~~") which shall be completed and executed by the parties within ~~by the later of i) fourteen (14) days from mutual execution of this LOI~~ by the later of i) fourteen (14) days from LOI Execution or ii) Buyer's Board approval which shall occur no later than April 22, 2022.

Buyer's Conditions:

Buyer, at Buyer's expense, shall be allowed to reasonably investigate, inspect, analyze or perform testing (subject to ~~Seller~~ Seller's reasonable approval in its sole and absolute discretion), studies, investigations, or assessments ("~~Investigations~~") related to purchasing the Property; (~~which shall not interfere with the existing tenants~~), to include, but not limited to, the following "**Due Diligence Contingencies**":

- Review of all plans, construction documents and related documents ("**Plans and Specifications**")
- Physical Inspections (subject to Seller approval in its sole and absolute discretion) and reports, including but not limited to geological, soils, engineering, structural, mechanical, safety, and other inspections and reports
- Economic Analysis
- Title Review, including review of any CC&Rs & Exception Docs
- Property Survey
- Environmental Studies and assessments (Seller shall not permit Environmental Phase 2 Testing)
- Regulatory/Zoning Matters
- Excepting physical invasive testing at property of any sort, any others matters Buyer, in its sole and absolute discretion, determines to be necessary or as required by state and local law so as to ensure that the Property complies with all state and local requirements applicable to Buyer's proposed use of the Property.
- Review all Documents (as defined below).

Buyer shall have forty-five (45) ~~calendar~~ days after ~~approval by Buyer by its Board and~~ mutual execution of the PSA ("**PSA Effective Date**") and delivery of the Documents (as set forth below) to satisfy itself as it relates to the above Due Diligence Contingencies, or cancel escrow (~~the~~ "**Due Diligence Contingency Period**"). Buyer shall notify Seller in writing prior the end of the Due Diligence Contingency Period of Buyer's removal of its Due Diligence Contingencies, if Buyer has satisfied itself as relates to the Due Diligence Contingencies. ~~At any time~~ Prior to the end of the Due Diligence Contingency Period, Buyer shall have the absolute right to terminate the PSA, and upon such termination all rights, obligations, and



liabilities of Seller and Buyer shall terminate and the Initial Deposit, ~~(and any interest earned on the Initial Deposit hereon)~~ shall be returned to Buyer.

The ~~Initial Deposit and Additional~~Total Deposit shall become non-refundable upon the release of Buyer's Due Diligence Contingencies and shall serve as the total liquidated damages upon a default by Buyer; ~~and shall be retained by Seller in the event Buyer chooses not to close Escrow.~~ If Buyer should cancel escrow for any reason, Buyer shall return any/all Documents supplied by Seller to Buyer as requested below.

During the Due Diligence Contingency Period, Seller shall provide Buyer and its authorized employees, agents, and contractors ("**Buyer's Agents**") with access to the Property at reasonable times and upon reasonable notice, to conduct Investigations related to its Due Diligence Contingencies. Buyer shall not damage or alter the Property in any material respect as a result of such Investigations and shall not unreasonably interfere with Seller's operation of the Property. Any such Investigations related to Buyer's Due Diligence Contingencies shall be made at Buyer's expense, subject to Seller's reasonable approval. ~~Vendor(s) and Subcontractors hired by Buyer~~Buyer's Agents shall provide Seller evidence of insurance with Seller named as an additional insureds. Any damage(s) shall be repaired or replaced by Buyer and/or its vendor and returned in the same condition as existed prior to any testing or investigation(s).

Prior to close of Escrow, Seller shall complete the Electric Security Gate Project for controlled entry to the front (south facing) parking lot entrance from Sun Street in similar fashion to the existing Electric Security Gate for the rear (north facing) parking lot. After sale of Property, Gate shall remain open to accommodate GeoGroup customers and employees during normal operating hours of operation 8am – 8pm, Monday – Friday, Saturday and Sunday 12pm – 5pm. This was a condition of gate installation.

**Studies, Surveys,
Documents, Etc.:**

Within three (3) ~~business days after mutual execution~~ of the PSA Effective Date, Seller shall provide Buyer with the following documents ("**Documents**"), to the extent they are in Seller's possession or control:

- Most updated permit set of Plans and Specifications;
- Any engineering and environmental reports (including Seller's most recent Phase I and Phase II);
- Copy of any documents related to the survey, recorded map and CC&Rs affecting the Property;
- Preliminary title report, including the exception documents and plotted easements;
- Natural hazard disclosure report from Disclosure Source to be ordered by escrow;



- Copy of any documentation related to the physical condition of the Property, including but not limited to geological, soils, engineering, structural, mechanical, and safety inspections and reports;
- Operating Statements for the last two (2) years and the 2022 projections;
- A list of all capital improvements made to the Property and related documentation;
- Copies of any governmental correspondence regarding zoning, use or code compliance issues affecting the Property;
- Copies of lease agreements affecting the Property together with a rent roll with security deposits listed;
- A schedule of any personal property included with the sale of the Property; and
- Such other information as Buyer may reasonably request.

Condition of Property: Seller shall deliver the Property to Buyer in its "AS-IS, WHERE-IS" CONDITION, subject to reasonable representations and warranties that may be negotiated between the parties in the PSA. Buyer shall rely upon its' own studies related to its Due Diligence Contingencies during the Due Diligence Contingency Period.

Conveyance: At closing, Seller shall convey to Buyer, good and marketable fee-simple title to the Property.

Closing Costs: Buyer and Seller shall pay closing costs ("Closing Costs") as follows (Closing Costs shall be per Monterey County Custom)

- Escrow Fee – 50% by Seller and 50% by Buyer.
- Seller shall pay Title Insurance Premium – CLTA Owner's Title Insurance Policy, including the delivery of the Preliminary Title Report to Buyer within five (5) business days of opening of escrow. Purchase Price.
- Buyer shall pay the extra premium attributable to any extended title coverages or endorsements that Buyer may request from the title company
- Buyer shall pay the cost of any updated survey that Buyer may be requiredrequire.
- Transfer Tax – Seller shall pay all County or City Transfer Taxes.
- Proration of rents, taxes and other items that typically are prorated at close of escrow between Buyer and Seller and Buyer shall receive a credit for all security deposits.
- Other – Any other closing costs shall be allocated between Buyer and Seller according to customs prevailing in Monterey County.

Contingencies: In addition to Buyer's Due Diligence Contingencies, Buyer's obligation to purchase the Property shall also be contingent upon:

- Approval or ratification of the PSA by Buyer's governing board (which shall not extend or delay Contingency Removal or Close of Escrow Dates as outlined herein)



Closing Documents: As part of the Closing, the following shall be part of the Closing:

- ~~Buyer and Seller shall make best efforts to obtain~~execute an Assignment and Assumption of Leases.
- ~~Executed estoppel certificates for any from building tenants subject to respective Lease Agreement requirements as approved by Buyer.~~Mutually Agreeable Estoppel Certificate shall be made a part of Purchase and Sale Agreement as an Exhibit.

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Agency/Real Property Disclosure:

Seller and Buyer acknowledge receipt of the attached BRE Mandated Agency Disclosures and C&W's Real Property Disclosure Forms. The Agency disclosures are informational documents generally explaining real estate agency laws. As of January 1, 2015, the California legislature requires that real estate agents provide this form to all real estate buyers, sellers, lessors and lessees. You will see at the bottom that we are asking you to sign the form. Your signature on this form is requested only to acknowledge your receipt and does not impose any legal obligations upon you.

Broker Acknowledgement: Buyer is represented by Greg Findley of Cushman & Wakefield. Seller is represented by Thor Wiles of CBRE. Seller shall be responsible for payment of a commission in accordance with the most recent listing agreement which will be split equally amongst the brokers. No other broker(s) shall be recognized in this transaction.

Confidentiality: Buyer and Seller agree to keep the material terms and conditions of this LOI confidential, and shall not disclose any of the material terms and conditions to any person other than employees, owners, members and representatives of the parties, including attorneys, engineers, professionals and any lenders financing the transaction contemplated hereby, or except as may be required by law, until closing.

This LOI is a non-binding statement of the terms of a proposed transaction and reflects the parties' interest in pursuing further negotiations concerning the Property. It is subject to the preparation and agreement by the parties and their respective legal counsel of a PSA. It is understood and agreed that no agreements shall bind either party until a full and final written PSA is fully and mutually executed by the parties. Until such time as PSA is fully executed by the parties, either may unilaterally terminate negotiations with the other party for any reason without loss, cost, expense or liability to the other party.

Each party acknowledges that it has/will incur costs and expenses in connection with this contemplated transaction, including but not limited to the costs of due diligence, of assessing the economic and other merits of the proposal, and legal expenses in connection with the preparation of a final and binding PSA, all of which costs are incurred at such party's sole cost and risk, and not in reliance upon any acts or representations of the other party or C&W. Seller and Buyer shall be required to use good faith efforts to finalize this transaction.

The parties expressly acknowledge that C&W has made no independent determination or investigation regarding the following: present or future use or zoning of the Property; ADA-related issues; fire department approvals; environmental matters affecting the Property; the condition of the



Property, including, but not limited to structural, mechanical and soils conditions, or issues relating to hazardous wastes or substances; violations of the Occupational Safety and Health Act or any other federal, state, county or municipal laws, ordinances, or statutes; or measurements of land and/or buildings. Buyer is advised to contact a professional, such as a civil engineer, industrial hygienist or other persons with experience in these matters to obtain advice on these matters. Buyer, at Buyer's expense, agrees to make its own investigation and determination regarding such items.

If this letter accurately sets forth Buyer's understanding of the basic proposed business terms acceptable to Buyer for negotiating a PSA for purchase of the Property, please execute and return this LOI to me no later than **March 31st, 2022 at 12:00PM PST**, or this LOI shall be considered null-and-void.

Very truly yours,

Greg Findley
Cushman & Wakefield (DRE #01170453)

AGREED AND ACCEPTED:

Buyer: ~~Salinas Valley Solid Waste Authority~~

By: _____

Dated: _____

Seller: ~~Nexis Partners, LLC~~

By: _____

Dated: _____

Buyer:

Salinas Valley Solid Waste Authority

By:

Its: GM/CAO

Dated: 3-30-22, 2022

Seller:

Nexis Partners, LLC

By:

Christian S. Keith, Manager

Dated: 3/30/22, 2022

AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is made this ____ day of April 2022 ("**Agreement Date**") by and between the NEXIS PARTNERS, LLC, a California limited liability company and FRIEDRICH ENTERPRISES, L.P., a California limited partnership (jointly, "**Seller**"), and SALINAS VALLEY SOLID WASTE AUTHORITY, a joint powers authority ("**Buyer**").

RECITALS:

A. Seller owns that certain improved real property located at 126 & 128 Sun Street, in the City of Salinas, County of Monterey, State of California (APN 003-051-077) more particularly described in Exhibit A-1 ("**Property**") which is improved with a commercial office building containing approximately 26,769 sq ft ("**Building**").

B. Seller also agrees to transfer any and all tangible and intangible rights and items related in any way to the acquisition, use, development, design, construction, permitting and entitlement of the Property for the Building and all right, title and interest of Seller, if any, in and to all tangible personal property owned by Seller now existing and placed or installed on or about the Property and used in connection with the ownership, operation, management, maintenance and/or repair of the Property which are set forth on Exhibit A-2 ("**Personal Property**").

C. The Property is currently leased to three (3) tenants two of which are third parties ("**Third-Party Tenants**") and the other is Buyer (collectively the "**Leases**"). One of the Third-Party Tenants' lease expires on April 30, 2022, at which time said Third Party Tenant has provided notice of its intent to surrender the premises to Seller. From and after such surrender, the term "Leases" shall thereafter refer to one Third-Party Tenant lease and the Buyer lease.

D. Seller desires to sell and Buyer desires to buy, the Property together with the Personal Property upon the terms and conditions more particularly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereto agree as follows:

TERMS AND CONDITIONS:

1. PURCHASE AND SALE OF PROPERTY. Pursuant to the terms and conditions of this Agreement, Buyer hereby agrees to purchase from Seller and Seller agrees to sell to Buyer, the Property in AS-IS condition except as otherwise specifically provided herein together with the Personal Property. Seller hereby agrees to continue to maintain the Property in its current operating condition together with the Personal Property until the Closing (as defined in Section 5.1).

2. OPENING OF ESCROW. Within five (5) days after the execution of this Agreement by both Buyer and Seller, the parties shall open an escrow ("**Escrow**") with First American Title Insurance Company, 333 W Santa Clara Street Suite 220, San Jose, CA 95113, Teresa Woest, (408) 451-7972, twoest@firstam.com ("**Escrow Holder**") by causing an executed copy of this Agreement to be deposited with Escrow Holder together with Buyer's Initial Deposit (as defined in Section 3.2.a.i. below) ("**Opening of Escrow**").

3. PURCHASE PRICE; DEPOSIT; PAYMENT OF PURCHASE PRICE.

3.1 Purchase Price. The purchase price for the Property is Three Million Nine Hundred Fifty-Seven Thousand Dollars (\$3,957,000) ("**Purchase Price**").

3.2 Payment of Purchase Price.

a. Deposits.

- i. **Initial Deposit.** Concurrently with Opening of Escrow, Buyer shall deposit with Escrow Holder the sum of Fifty Thousand Dollars (\$50,000) ("**Initial Deposit**") to be held by Escrow Holder for the benefit of the parties and applied against the Purchase Price at Closing (as defined in Section 5) or released, refunded or forfeited in accordance with the terms of this Agreement.
- ii. **Additional Deposit.** If Buyer elects to issue the Approval Notice (as defined in Section 7.3) to Seller (with a copy to Escrow Holder) in the time and manner specified in Section 7.3, Buyer must also concurrently with the Approval Notice deliver the sum of Fifty Thousand Dollars (\$50,000) to Escrow ("**Additional Deposit**").
- iii. **Deposit.** Prior to Buyer providing the Additional Deposit, the term "**Deposit**" shall mean the Initial Deposit. After Buyer provides the Additional Deposit, the term "**Deposit**" shall mean both the Initial Deposit and the Additional Deposit." From and after Buyer's delivery of the Approval Notice, the Deposit shall be non-refundable to Buyer except in the event of a default by Seller or as otherwise expressly provided in this Agreement.
- iv. **Independent Contract Consideration.** Buyer and Seller acknowledge and agree that the sum of One Hundred Dollars (\$100.00) from the Deposit ("**Independent Contract Consideration**") shall automatically, in all instances, and without the need for further notice or instruction, be deemed as Buyer's lawful independent consideration of Seller's execution of this Agreement and for Seller's agreement to grant to Buyer the Due Diligence Period (hereinafter defined) with respect to Buyer's investigation of the Property as herein provided. The parties have bargained for and expressly agree that the rights and obligations of each party contained in this Agreement, including, without limitation, Buyer's obligations to deliver the Deposit to Escrow Holder and the disposition of the Independent Contract Consideration, constitute sufficient consideration for the other party's execution, delivery and obligations under this Agreement, including without limitation, Buyer's right to inspect and purchase the Property pursuant to this Agreement and all contingencies and conditions of Closing for the benefit of Buyer set forth in this Agreement. The Independent Contract Consideration shall be non-refundable to Buyer in all instances and shall be deemed fully earned by Seller, regardless of whether Buyer purchases the Property but shall be applicable to the Purchase Price at Closing. Accordingly, whether or not the same is expressly herein stated, all reference to Buyer's refund of the Deposit shall be deemed to mean the refund of Buyer's Deposit but less the Independent Contract Consideration.

b. Payment of Purchase Price. On or before 12:00 p.m. on the business day preceding the Closing Date or such earlier time as required by Escrow Holder in order

to close Escrow on the Closing Date, Buyer shall deposit in Good Funds the Purchase Price less the Deposit (including the Independent Consideration).

3.3 Good Funds. Prior to Closing, all funds deposited in Escrow shall be in “**Good Funds**” which shall mean a wire transfer of funds from a financial institution located in the State of California. All funds provided for herein shall be in U.S. Dollars.

4. CLOSING FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.

4.1 Seller. Seller agrees that on or before 12:00 noon on the day preceding the Closing Date, Seller will deposit or cause to be deposited with Escrow Holder all of the following:

- a. The grant deed in the form attached as Exhibit B executed and acknowledged by Seller (“**Grant Deed**”).
- b. A bill of sale of all Personal Property in the form attached hereto as Exhibit C (“**Bill of Sale/Assignment**”).
- c. Two (2) copies of the Assignment and Assumption of Leases with respect to the Leases in the form attached hereto as Exhibit D (“**Lease Assignment/Assumption**”).
- d. Two (2) copies of the Assignment and Assumption of Contracts (as defined in Section ___) for the Approved Contracts (as defined in Section 7.1) in the form attached as Exhibit E (“**Contract Assignment**”).
- e. Any documents reasonably required by the Title Company to issue the Title Policy.
- f. A Non-Foreign Affidavit as required by federal law.
- g. Such funds and other items and instruments as may be necessary in order for Escrow Holder or the Title Company to comply with this Agreement.

4.2 Buyer. Buyer agrees that on or before 12:00 noon on the day preceding the Closing Date, Buyer will deposit with Escrow Holder all additional funds and all of the following:

- a. The cash balance of the Purchase Price, together with Buyer's share of any Escrow closing costs and prorations in the amount determined by Escrow Holder, shall be delivered to Escrow Holder by Buyer in Good Funds.
- b. A Certificate of Acceptance in the form attached to the Grant Deed executed by Buyer (“**Certificate of Acceptance**”).
- c. A Preliminary Change of Ownership Statement completed in the manner required by Monterey County (“**PCOR**”).
- d. Two (2) copies of the Lease Assignment/Assumption.
- e. Two (2) copies of the Contract Assignment.
- f. Such other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

4.3 Recordation, Completion and Distribution of Documents. Escrow Holder shall

confirm that any documents signed in counterpart are matching documents and shall combine the signature pages thereof so as to create fully executed documents. Escrow Holder will date all the documents with the date of Close of Escrow. Escrow Holder will cause the Grant Deed (with the Certificate of Acceptance attached) to be recorded when it can issue the Owner's Title Policy in accordance with Section 6.2, and hold for the account of Buyer and Seller, respectively, the funds and items described above to be delivered to Buyer and Seller, respectively, through Escrow, less costs, expenses and disbursements chargeable to the parties pursuant to this Agreement.

5. CLOSING DATE; OPTIONS TO EXTEND CLOSING; TIME IS OF ESSENCE.

5.1 Closing Date. Escrow shall close within fifteen (15) days after the last to occur of (i) Buyer delivers the Approval Notice pursuant to Section 7 ("**Closing Date**"), (ii) completion of the Security Gate (pursuant to Section 7.5).

5.2 Right to Extend Closing. If a party has indicated its commitment to cure a Breach (as defined in Section 13.1) and is diligently prosecuting such cure, the Closing shall be extended pursuant to Section 13.1 and the parties shall execute such document as reasonably required to specify such extension for Escrow Holder.

5.3 Definition of Closing. The terms "**Close of Escrow**" and/or "**Closing**" mean the time Grant Deed is recorded in the Official Records of the County Recorder of Monterey County, California.

5.4 Time is of Essence. The parties specifically agree that time is of the essence of this Agreement.

5.5 Possession. Upon the Close of Escrow, possession of the Property and Personal Property shall be delivered to Buyer but subject to the Leases..

5.6 Authority of Executive Director. By its execution of this Agreement, Buyer authorizes its Executive Director or his/her designee (who has been designated by Executive Director's written notice delivered to Seller and Escrow Holder) shall have the authority to execute documents on behalf of Buyer including, but not limited to, issuing approvals, disapprovals, extensions and amendments. Any such approval, disapproval, extension or amendment executed by the Executive Director or his/her designee shall be binding on Seller.

6. TITLE POLICY.

6.1 Approval of Title.

(a) Promptly following execution of this Agreement but in no event later than five (5) days following Opening of Escrow, a preliminary title report shall be issued by First American Title Insurance Company ("**Title Company**"), describing the state of title of the Property, together with legible copies of all exceptions and a map plotting all easements ("**Preliminary Title Report**"). Within ten (10) days after Buyer's receipt of the Preliminary Title Report, Buyer shall notify Seller in writing ("**Buyer's Title Notice**") of Buyer's disapproval of any matters contained in the Preliminary Title Report ("**Disapproved Exceptions**").

(b) In the event Buyer delivers Buyer's Title Notice within said period, Seller shall have a period of seven (7) days after receipt of Buyer's Title Notice in which to notify Buyer of Seller's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("**Seller's Notice**"). Seller's

failure to deliver Seller's Notice shall be deemed to be Seller's election to not remove and such Disapproved Exceptions. If Seller notifies Buyer of its election to decline to remove the Disapproved Exceptions (or fails to notify Buyer), or if Seller is unable to remove the Disapproved Exceptions (other than any obligations of Buyer under Section 7), Buyer may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exception(s). Buyer shall exercise such election by delivery of written notice to Seller and Escrow Holder within five (5) days following the earlier of (i) the date of written advice from Seller that such Disapproved Exception(s) cannot be removed; or (ii) the date Seller declines to remove such Disapproved Exception(s).

(c) Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement; provided, however, that Buyer's initial period of review and approval or disapproval of any such additional exceptions shall be limited to seven (7) days following receipt of notice of such additional exceptions and limited only to such additional exceptions.

(d) Nothing to the contrary herein withstanding, Buyer shall be deemed to have automatically objected to all deeds of trust, mortgages, judgment liens, federal and state income tax liens, delinquent general and special real property taxes and assessments and similar monetary encumbrances affecting the Property (excluding any such items caused by Buyer) ("**Monetary Liens**"), and Seller shall discharge any such Monetary Liens prior to or concurrently with the Close of Escrow except as otherwise specifically provided in this Agreement.

6.2 Owner's Title Policy. At the Close of Escrow, Escrow Holder shall furnish Buyer with an ALTA (non-extended) owner's policy of title insurance ("**Owner's Title Policy**") insuring title to the Property vested in Buyer, containing only (i) non-delinquent real property taxes and assessments; (ii) exceptions approved by Buyer in accordance with Section 6.1; (iii) exceptions caused solely by the acts of Buyer, and (iv) the pre-printed exceptions in the Owner's Title Policy (collectively, the "**Permitted Exceptions**"). The amount of the insurance coverage shall be in the amount of the Purchase Price. The cost of the Owner's Title Policy shall be paid by Seller. If Buyer elects to obtain an extended ALTA owner's policy, Buyer shall be responsible to secure a survey at its own cost and expense which shall be delivered to the Title Company not less than ten (10) days prior to Closing and Buyer shall be responsible to pay for any additional premium. The Title Policy shall include extended coverage or endorsements that Buyer may request but at Buyer's expense. Buyer's election to obtain any such extended coverage and/or additional endorsements shall be at Buyer's sole costs and expense and shall not be a condition to or otherwise delay the Closing unless the additional coverage is agreed to by Seller in writing with respect to a Disapproved Exception.

7. DUE DILIGENCE AND DUE DILIGENCE PERIOD. For a period of forty-five (45) days following Buyer's receipt of all the Materials (as defined in Section 7.1 below) ("**Due Diligence Period**"), Buyer shall have the right to perform any investigations or inspections (including, but not limited to, review of title) as Buyer may reasonably determine in order to assess its willingness to purchase the Property pursuant to the terms of this Agreement.

7.1 Review and Approval of Documents and Materials.

a. Materials. Within three (3) days of the Opening of Escrow, Seller shall deliver to Buyer any and all reports, surveys, environmental assessments, engineering reports and other documents which are material to the Property in Seller's possession or under its control or that of its agents, respecting the Property, including, but not limited to, the following (collectively "**Materials**"):

- All plans & specifications, construction documents and other related;

- Any engineering and environmental reports including the current Phase I and Phase II;
- Copy of any documents related to the survey, recorded map and CC&Rs affecting the Property;
- NHD Report (pursuant to Section 7.4);
- If the Leases are net leases, copies of accounting statements with respect to allocations of such expenses for the last five (5) years;
- Copy of any report related to the physical condition of the Property, including but not limited to geological, soils, engineering, structural, mechanical, and safety inspections and reports;
- Operating Statements for the last two (2) years and the 2022 projections;
- A list of all capital improvements made to the Property by Seller;
- Copies of any governmental correspondence regarding zoning, use or code compliance issues affecting the Property;
- Copies of lease agreements affecting the Property together with a rent roll with security deposits listed;
- Copies of all existing contracts which affect the Property including but not limited to maintenance contracts, HVAC service contracts, landscaping contracts, etc. ("**Contracts**");
- Copies of all Leases;
- A certified rent roll with respect to all Tenants which shall disclose if any Tenant is in breach of its Lease, the term of the Lease, the security deposit, the monthly base rent amount, additional monthly charges applicable to a net lease. etc. ("**Rent Roll**") which shall be updated not less than five (5) days prior to the Closing; and
- Such other information as Buyer may reasonably request.

b. **Third-Party Tenant Estoppel Certificate.** Not less than ten (10) days prior to the end of the Due Diligence Period, Seller shall use commercially reasonable efforts to obtain an estoppel certificate from the Third-Party Tenants in the form required by the Lease, and if none, then substantially in the form attached hereto as Exhibit F ("**Third-Party Tenant Estoppel Certificate**"), as modified for lease specifics.

7.2 Buyer's Due Diligence. During the Due Diligence Period, Buyer and its agents may, at Buyer's sole expense, conduct non-invasive tests and physical inspections of the property, including building inspections and environmental site assessments desired by Buyer. Any invasive tests, including a Phase II inspection shall require Seller's prior written consent, in Seller's sole and absolute discretion. Buyer may also conduct such investigations with regard to the Materials, zoning, building codes, and availability of permits and approvals for its intended construction and use of the Property, as it deems prudent in its sole discretion. Prior to entry upon the Property, Buyer, and/or any of its consultants entering upon the Property, shall provide evidence to Seller that Buyer has procured and paid premiums for an all-risk public liability insurance policy written on a per occurrence and not claims made basis in a combined single limit of not less than ONE MILLION DOLLARS (\$1,000,000) which insurance names Seller as additional insured. Buyer shall keep the Property free and clear of all mechanic liens, lis pendens and other liens arising out of the entry and work performed under this paragraph and shall maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on all persons entering the Property in the amounts required by the State of California. Buyer shall promptly repair and restore the Property to the condition that it was in prior to those tests and inspections and shall indemnify, defend and hold Seller harmless from all damages, costs, loss, expense (including attorney fees) and liability resulting from Buyer's activities, acts, and omissions on the Property, including, but not

limited to, mechanic liens. Buyer's indemnity obligations under this Section 7.2 shall survive Closing and termination of this Agreement. At Closing, Buyer shall take the Property subject to any title exceptions caused by Buyer exercising this license to enter the Property and such shall be deemed a Permitted Exception.

7.3 Buyer's Termination Right. Buyer shall have the right at any time on or before the expiration of the Due Diligence Period to terminate this Agreement if, during the course of Buyer's due diligence investigations of the Property, Buyer determines in its sole and absolute discretion that the Property is not acceptable to Buyer. Buyer may exercise its right to terminate by delivering written notice of termination to Seller and Escrow Agent ("**Termination Notice**") on or before the expiration of the Due Diligence Period. Upon the timely delivery of such Termination Notice, (i) Escrow Holder shall immediately return the Deposit to Buyer without the need for further instruction or approval of the parties, and (ii) this Agreement shall automatically terminate and be of no further force or effect and neither party shall have any further rights or obligations hereunder except for those obligations which expressly survive termination.

If Buyer approves the Property, Buyer shall deliver a written approval notice to Seller with a copy to Escrow Holder ("**Approval Notice**") together with the Additional Deposit delivered to Escrow on or before the expiration of the Due Diligence Period. If Buyer fails to deliver the Approval Notice or Termination Notice, Buyer shall be deemed to have elected to approve Due Diligence and proceed with the Transaction.

7.4 NHD Report. Within five (5) days of Opening of Escrow, Escrow shall order and deliver to Buyer and Seller a Natural Hazards Disclosure report for the Property issued by Disclosure Source ("**NHD Report**") for Buyer's approval. The cost of the NHD Report shall be paid by Seller.

7.5 Electronic Gate Completion. Commencing as of the Agreement Date, Seller covenants, at Seller's sole cost and expense, to promptly complete the installation of the electric security gate for the controlled entry to the front (south facing) parking lot entrance from Sun Street ("**South Gate**") in similar fashion to the existing electric security gate for the rear (north facing) parking lot. The South Gate shall remain accessible for the existing Third-Party Tenant during the following hours: Monday through Friday from 8am to 8pm and Saturday and Sunday from Noon to 5 pm. Buyer acknowledges that (i) Seller is unaware if the North Gate was constructed with permits, (ii) Seller is constructing the South Gate without obtaining building permits (and does not intend to obtain any permit), and (iii) Seller has not determined whether permits are required for such work. The South Gate construction work shall be completed prior to the Closing at Seller's sole cost and expense and such work shall be fully disclosed to the Title Company on the owner's certificate and, if requested by the Title Company, Seller shall indemnify the Title Company with respect to any mechanic liens which may be filed against the Property whether before or after the Closing.

7.6 Contracts. Any Contracts which are approved by Buyer during the Due Diligence Period shall be assigned by Seller at Closing pursuant to the Contract Assignment (as defined in Section 4.1(d)). Any Contracts which are not approved by Buyer shall be duly terminated by Seller and any amounts due under such Contracts shall be the sole responsibility of Seller including post-Closing.

8. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.

8.1 Conditions to Buyer's Obligations. The obligations of Buyer under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent ("**Buyer's Conditions Precedent**"):

- (a) Buyer has approved the completed Third-Party Tenant Estoppel Certificates in accordance with Section 7.1.
- (b) The South Gate has been completed in accordance with Section 7.5.
- (c) Title Company will issue the Owner's Title Policy as specified in Section 6.2.
- (d) Buyer has issued (or is deemed to have issued) the Approval Notice in accordance with Section 7.3.
- (e) Buyer has received the Third-Party Tenant Estoppel Certificates in the time specified in Section 7.1.
- (f) Seller has terminated the Disapproved Contracts in the time specified in Section 7.
- (g) Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.
- (h) Seller is not in default of its obligations under this Agreement.

8.2 Conditions to Seller's Obligations. The obligations of Seller under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Seller of the following conditions precedent ("**Seller's Conditions Precedent**"):

- (a) Buyer has delivered the balance of the Purchase Price to Escrow Holder.
- (b) Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.
- (c) Buyer is not in default of its obligations under this Agreement.

9. REPRESENTATIONS AND WARRANTIES. Seller represents and warrants to Buyer that, to best of Seller's knowledge, as of the Agreement Date and as of the Closing Date, that:

- a. This Agreement has been duly authorized and executed on behalf of Seller. As of the Opening of Escrow, this Agreement constitutes a valid and binding agreement, enforceable in accordance with its terms.
- b. Seller is not a party to any contract, agreement or commitment to sell, convey, assign, transfer, or otherwise dispose of any portion or portions of the Property.
- c. Seller represents that, except as provided in the Materials, to Seller's knowledge: (i) the Property is not in breach of any environmental laws; and (ii) the Property is free of any Hazardous Materials that would trigger response or remedial action under any environmental laws or any existing common law theory based on nuisance or strict liability. This warranty is limited to matters of which Seller has current actual knowledge, and Buyer acknowledges that Seller has not made (nor will make) any affirmative investigation or inquiry as to environmental issues affecting the Property in connection with this Agreement. As used in this Agreement, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substance defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any applicable federal, state or local laws or regulations, including without

limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

- d. There is no litigation pending, threatened against or by Seller or the Property which relates to, or if decided adversely, could have a material adverse effect upon, the Property (including condemnation or similar proceedings).
- e. Except as disclosed to Buyer by Seller as part of the Materials, the Property is not subject to any other Contracts. All Contracts are in full force and effect and Seller is not in breach thereof.
- f. The Third-Party Tenants are not in breach of their respective Lease except as disclosed by Seller pursuant to Section 7.1 except as disclosed in the Rent Roll.

No representation, statement or warranty by Seller in this Agreement contains or will contain any untrue statements or omits, or will omit, a material fact necessary to make the statement of fact therein recited not misleading. The representations and warranties of Seller and any other representations and warranties of Seller contained elsewhere in this Agreement are true and correct on and as of the date of this Agreement and at Closing and shall survive the Closing, until the date which is twelve (12) months after the Closing ("**Survival Date**") without the necessity of a separate written certificate regarding the same, whereupon such representations and warranties shall be of no further force or effect. Actual knowledge shall not be deemed to exist merely by assertion by Buyer of a claim that any of the foregoing persons should have known of such facts or circumstances, if such person did not have actual knowledge thereof.

The preceding notwithstanding, Seller shall promptly advise Buyer if Seller acquires any information following the Agreement Date which would make any of the representations and warranties set forth in this Section 9 above untrue; provided that it shall not be a breach of such representation or warranty if the information which renders the representation or warranty untrue was not known by Seller as of the Agreement Date. If Seller or Buyer acquires any information following the Agreement Date which would make any of the foregoing representations or warranties untrue, then, as Buyer's sole and exclusive remedy, Buyer shall have the right, upon ten (10) business days written notice to Seller after learning of such information, to terminate this Agreement by delivery of written notice to Seller and, in the event of such termination, all rights and obligations under this Agreement shall cease and the Deposit (less the Independent Contract Consideration) shall be promptly returned to Buyer; provided, however, if Buyer fails to give written notice of termination within ten (10) business days, then Buyer shall not have the right to terminate this Agreement nor receive the return of the Deposit as provided in this paragraph above based on such representation or warranty that becomes untrue. If, prior to the Closing Date, Buyer becomes aware of any facts that make any of the representations or warranties set forth in Section 8 untrue, but Buyer nevertheless elects to close escrow hereunder, then Buyer shall be deemed to have waived any claim against Seller based on such representation or warranty that Buyer knew was untrue as of the Closing Date. The provisions of the immediately preceding sentence shall survive the Close of Escrow.

10. ESCROW PROVISIONS.

10.1 Escrow Instructions. Sections 1 through 6, inclusive; 8, 10, 14, and 15 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with

and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

10.2 General Escrow Provisions. Escrow Holder shall deliver the Owner's Title Policy to the Buyer and instruct the Monterey County Recorder to mail the Grant Deed to Buyer at the address set forth in Section 14 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Monterey County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

10.3 Real Property Taxes; Utilities; Rent.

a. NO Real Property Tax Prorations. Real property taxes shall not be prorated. After Closing, Seller shall have the right to recover any excess taxes paid directly from the County. Buyer shall cooperate with any filing for a refund by Seller.

b. Utilities. Buyer and Seller shall cause all utilities which are in the name of Seller to be transferred to the name of Buyer as of the Close of Escrow or as soon thereafter as practicable. Seller shall be entitled to retain (and receive a refund) for any and all utility deposits which are held by the utility company.

10.4 Lease Prorations & Security Deposits; Contract Prorations. Rents under the Leases shall be prorated to the Closing Date pursuant to the Rent Roll as updated by Seller prior to Closing. Buyer shall also be credited with the security deposits from the Leases. Amounts payable under the Approved Contracts shall be prorated to the Closing.

10.5 Payment of Costs.

a. Cost Allocation. Seller shall pay the costs for the Owner's Title Policy, the cost of NHD Report and one-half (1/2) of the escrow costs ("**Seller's Charges**"). Buyer shall pay one-half (1/2) of the escrow costs ("**Buyer's Charges**"). All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder for major commercial real estate transactions in Monterey County.

NOTE: No documentary transfer taxes shall be paid or charged to Seller based on the exemption set forth in R&T Code Section 11922 and no recording fees for the Grant Deed shall be payable pursuant to Government Code Section 27383.

b. Closing Statement. At least two (2) days prior to the Closing Date, Escrow Holder shall furnish Buyer and Seller with a preliminary escrow closing statement which shall include each party's respective shares of costs. The preliminary closing statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to the parties.

10.6 Termination and Cancellation of Escrow. If Escrow fails to close as provided above, either party may elect to cancel this Escrow upon written notice to the other party and Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Seller may have against each other arising from the Escrow or this Agreement.

10.7 Information Report. Escrow Holder shall file and Buyer and Seller agree to cooperate with Escrow Holder and with each other in completing any report ("**Information Report**") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither Buyer nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

10.8 No Withholding as Foreign Seller. Seller represents and warrants to Buyer that Seller is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

10.9 Brokerage Commission. If, and only if, Close of Escrow occurs, Escrow Holder shall pay from Seller's funds a broker's commission pursuant to the current listing agreement (which shall be provided by Seller to Escrow) with fifty percent (50%) paid to Seller's broker, Thor Wiles of CBRE ("**Seller's Broker**") and fifty percent (50%) paid to Buyer's broker Greg Findley of Cushman & Wakefield ("**Buyer's Broker**"). Except for the commission referred to in the foregoing sentence, Buyer and Seller each represent and warrant to the other parties that no other third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. Buyer and Seller each agree to indemnify and hold the other parties harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee. Except as specifically set forth in this Section 10.9, Seller has no duty or obligations to Broker and has not entered into a listing agreement with Broker. Seller's agreement to pay the Commission is solely limited to this transaction.

11. RISK OF PHYSICAL LOSS. Prior to the Closing, no destruction of, or damage or loss to, the Property or any portion thereof, from any cause whatsoever, shall have occurred which would cost more than Two Hundred Fifty Thousand Dollars (\$250,000) (the calculation of which shall include payment of prevailing wages) to repair or cure ("**Damage Threshold**"). If the cost of repair or cure is the Damage Threshold or less, Seller provide any insurance proceeds applicable to such loss to Buyer at the Closing. Buyer shall have the option, within ten (10) days after receipt of written notice of a loss costing more than the Damage Threshold to repair or cure, to either terminate this Agreement or to purchase the Property notwithstanding such loss, but without deduction or offset against the Purchase Price. If the cost to repair or cure is more than the Damage Threshold, and Buyer does not elect to terminate this Agreement in the time and manner specified above, Buyer shall be entitled to any insurance proceeds applicable to such loss. Unless otherwise notified in

writing, Escrow Holder shall assume no such destruction, damage or loss has occurred prior to Closing. Seller shall provide to Buyer as part of the due diligence items a copy of current insurance policy covering the Property. Seller shall hold such proceeds until the Close of Escrow at which time they shall be delivered to Buyer as part of the Closing.

13. BREACH.

13.1. Notice. A party shall only be in breach of this Agreement after written notice has been provided and such party has failed to cure such breach within ten (10) days of such notice; provided, however, if the party in breach has committed to attempt to cure and has commenced to cure and is diligently prosecuting such cure the breaching party shall have thirty (30) days to cure the issue unless the other party agrees to a longer period not to exceed an additional thirty (30) days. The parties shall execute an extension of Escrow in accordance with this provision.

13.2. Limitation of Seller's Liability. In connection with any post-Closing remedy which Buyer may have against Seller for any matter, including, without limitation, any matter arising under this Agreement, such remedy shall be limited to only actual costs, losses, expenses and/or damages incurred by Buyer (and in no event shall Buyer be entitled to any consequential or punitive damages except for fraud). Notwithstanding anything to the contrary contained in this Agreement but subject to the final sentence of this Section 13.2, Seller's maximum liability for post-Closing matters to Buyer under this Agreement shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000) in the aggregate, and in no event may Buyer bring any claim(s) against Seller after Closing under this Agreement and the Closing Documents unless such claim(s) (together with any other claim(s) which Buyer may have against Seller) exceed Ten Thousand Dollars (\$10,000).

14. LIQUIDATED DAMAGES. IF BUYER SHOULD DEFAULT UNDER THIS AGREEMENT, THEN BUYER AND SELLER AGREE THAT SELLER WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT BY BUYER OR FAILURE OF ESCROW TO CLOSE ON OR BEFORE THE CLOSING DATE, WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. BUYER AND SELLER, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLER'S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY BUYER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE DEPOSIT SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. IN THE EVENT OF AND FOR SUCH DEFAULT BY BUYER, THE DEPOSIT (AS DEFINED IN SECTION 3.2.a.iii) SHALL BE SELLER'S SOLE MONETARY REMEDY THEREFOR, UNLESS BUYER WRONGFULLY REFUSES TO CAUSE ESCROW HOLDER TO CANCEL THE ESCROW, IN WHICH INSTANCE SELLER SHALL ALSO BE ENTITLED TO ALL COSTS AND EXPENSES, INCLUDING ACTUAL ATTORNEYS' FEES INCURRED BY SELLER WHICH MAY RESULT FROM BUYER'S WRONGFUL FAILURE TO CANCEL THE ESCROW AND THIS AGREEMENT. FURTHERMORE, THE FOREGOING LIMITATION OF DAMAGES SHALL NOT APPLY TO ANY INDEMNIFICATION OBLIGATIONS OF BUYER.

Seller's Initials

Buyer's Initials

14. DISCLAIMER OF WARRANTIES; AS-IS; RELEASE.

14.1 Disclaimer of Representations and Warranties by Seller. EXCEPT AS MAY BE

EXPRESSLY PROVIDED IN THIS AGREEMENT AND SUBJECT TO SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES MADE UNDER THIS AGREEMENT, NEITHER SELLER NOR ANY OF ITS AGENTS, EMPLOYEES OR CONTRACTORS HAS MADE AND IS NOT NOW MAKING, AND BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON (DIRECTLY OR INDIRECTLY), ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO (A) MATTERS OF TITLE (OTHER THAN SELLER'S LIMITED WARRANTY OF TITLE SET FORTH IN THE GRANT DEED), (B) ENVIRONMENTAL MATTERS RELATING TO THE PROPERTY OR ANY PORTION THEREOF, (C) GEOLOGICAL CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUBSIDENCE, SUBSURFACE CONDITIONS, WATER TABLE, UNDERGROUND WATER RESERVOIRS, WATER PERCOLATION, LIMITATIONS REGARDING THE WITHDRAWAL OF WATER AND EARTHQUAKE FAULTS AND THE RESULTING DAMAGE OF PAST AND/OR FUTURE EARTHQUAKES, (D) WHETHER, AND TO THE EXTENT TO WHICH, THE PROPERTY OR ANY PORTION THEREOF IS AFFECTED BY ANY STREAM (SURFACE OR UNDERGROUND), BODY OF WATER, FLOOD PRONE AREA, FLOOD PLAIN, FLOODWAY OR SPECIAL FLOOD HAZARD, (E) DRAINAGE, (F) SOIL CONDITIONS, INCLUDING THE EXISTENCE OF INSTABILITY, PAST SOIL REPAIRS, SOIL ADDITIONS OR CONDITIONS OF SOIL FILL, OR SUSCEPTIBILITY TO LANDSLIDES, OR THE SUFFICIENCY OF ANY UNDERSHORING, (G) ZONING TO WHICH THE PROPERTY OR ANY PORTION THEREOF MAY BE SUBJECT, (H) THE AVAILABILITY OF ANY UTILITIES TO THE PROPERTY OR ANY PORTION THEREOF INCLUDING, WITHOUT LIMITATION, WATER, SEWAGE, GAS AND ELECTRIC, (I) USAGES OF ADJOINING PROJECTS, (J) ACCESS TO THE PROPERTY OR ANY PORTION THEREOF, (K) THE VALUE, COMPLIANCE WITH THE PLANS, SIZE, LOCATION, AGE, USE, DESIGN, QUALITY, DESCRIPTIONS, SUITABILITY, STRUCTURAL INTEGRITY, OPERATION, TITLE TO, OR PHYSICAL OR FINANCIAL CONDITION OF THE PROPERTY OR ANY PORTION THEREOF, (L) ANY INCOME, EXPENSES, CHARGES, LIENS, ENCUMBRANCES, RIGHTS OR CLAIMS ON OR AFFECTING OR PERTAINING TO THE PROPERTY OR ANY PART THEREOF, (M) THE PRESENCE OF HAZARDOUS MATERIALS IN OR ON, UNDER OR IN THE VICINITY OF THE PROPERTY, (N) THE CONDITION OR USE OF THE PROPERTY OR COMPLIANCE OF THE PROPERTY WITH ANY OR ALL PAST, PRESENT OR FUTURE FEDERAL, STATE OR LOCAL ORDINANCES, RULES, REGULATIONS OR LAWS, BUILDING, FIRE OR ZONING ORDINANCES, DISABILITY LAWS (INCLUDING AMERICANS WITH DISABILITIES ACT AND THE FAIR HOUSING ACT), CODES OR OTHER SIMILAR LAWS, (O) THE EXISTENCE OR NON-EXISTENCE OF UNDERGROUND STORAGE TANKS, (P) ANY OTHER MATTER AFFECTING THE STABILITY OR INTEGRITY OF THE PROPERTY, (Q) THE POTENTIAL FOR FURTHER DEVELOPMENT OF THE PROPERTY, (R) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY, (S) THE MERCHANTABILITY OF THE PROPERTY OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE (BUYER AFFIRMING THAT BUYER HAS NOT RELIED ON THE SKILL OR JUDGMENT OF SELLER OR ANY OF ITS AGENTS, EMPLOYEES OR CONTRACTORS TO SELECT OR FURNISH THE PROPERTY FOR ANY PARTICULAR PURPOSE, AND THAT SELLER MAKES NO WARRANTY THAT THE PROPERTY IS FIT FOR ANY PARTICULAR PURPOSE) OR (T) TAX CONSEQUENCES (INCLUDING, BUT NOT LIMITED TO, THE AMOUNT, USE OR PROVISIONS RELATING TO ANY TAX CREDITS). EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES OF SELLER IN THIS AGREEMENT, BUYER FURTHER ACKNOWLEDGES THAT ANY INFORMATION OF ANY TYPE WHICH BUYER HAS RECEIVED OR MAY RECEIVE FROM SELLER OR ANY OF ITS AGENTS, EMPLOYEES OR CONTRACTORS INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL REPORTS AND SURVEYS, IS FURNISHED ON THE EXPRESS CONDITION THAT BUYER SHALL MAKE AN INDEPENDENT VERIFICATION OF THE ACCURACY OF SUCH INFORMATION, ALL SUCH INFORMATION BEING FURNISHED WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER.

14.2 Sale "As Is". BUYER REPRESENTS THAT IT IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED BUYER OF REAL ESTATE AND EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER CONTAINED WITHIN THIS AGREEMENT, THAT IT HAS RELIED AND SHALL RELY SOLELY UPON (A) ITS OWN EXPERTISE AND THAT OF BUYER'S CONSULTANTS IN PURCHASING THE PROPERTY, AND (B) BUYER'S OWN KNOWLEDGE OF THE PROPERTY BASED ON ITS INVESTIGATIONS AND INSPECTIONS OF THE PROPERTY. BUYER HAS CONDUCTED, OR BY THE CLOSING WILL HAVE HAD SUFFICIENT OPPORTUNITY TO CONDUCT, SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS BUYER DEEMED OR SHALL DEEM NECESSARY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS OF THE PROPERTY AND SHALL RELY UPON SAME. EXCEPT AS MAY BE EXPRESSLY PROVIDED IN THIS AGREEMENT, UPON CLOSING, BUYER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY BUYER'S INSPECTIONS AND INVESTIGATIONS. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF SELLER IN THIS AGREEMENT, UPON CLOSING, SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS," WITH ALL FAULTS AND DEFECTS (LATENT AND APPARENT). EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES OF SELLER IN THIS AGREEMENT, BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY BY SELLER OR ANY AGENT, EMPLOYEE OR CONTRACTOR OF SELLER OR ANY THIRD PARTY. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY SELLER (EXCEPT AS REFERENCED UNDER OR EXPRESSLY SET FORTH BY THIS AGREEMENT), ANY REAL ESTATE BROKER, CONTRACTOR, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH IN THIS AGREEMENT. BUYER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS THE "AS IS" NATURE OF THIS SALE AND ANY FAULTS, LIABILITIES, DEFECTS OR OTHER ADVERSE MATTERS THAT MAY BE ASSOCIATED WITH THE PROPERTY. BUYER HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS AGREEMENT WITH ITS COUNSEL AND UNDERSTANDS THE SIGNIFICANCE AND EFFECT THEREOF.

BUYER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH IN THIS SECTION 14.2 ARE AN INTEGRAL PART OF THIS AGREEMENT AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO BUYER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH IN THIS SECTION 14.2.

14.3 Seller Released From Liability. Except to the extent of any breach or default by Buyer with respect to the express representations, warranties, covenants and agreements of Seller contained within this Agreement, Buyer and anyone claiming by, through or under Buyer hereby waives its right to recover from and fully and irrevocably releases Seller, and its employees, officers, directors, managers, members, representatives, agents, servants, attorneys, affiliates, parent, subsidiaries, successors, assigns, and all persons, firms, corporations and organizations in its behalf ("**Released Parties**") from any and all claims, responsibility and/or liability that it may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the condition (including any construction defects, errors, omissions or other conditions, latent or otherwise, and the presence in the soil, air, structures and surface and subsurface waters of materials or substances that have been or may in the future be determined to be Hazardous Materials (hereinafter defined) or otherwise toxic,

hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws regulations or guidelines), valuation, salability or utility of the Property, or its suitability for any purpose whatsoever. This release includes claims of which Buyer is presently unaware or which Buyer does not presently suspect to exist which, if known by Buyer, would materially affect Buyer's release to Seller. In this connection and to the extent permitted by law, Buyer hereby agrees, represents and warrants that Buyer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit Seller from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses. With respect to the matters released herein, Buyer specifically waives the provision of California Civil Code Section 1542, which provides as follows:

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

Buyer has initialed this Section 14.3 to indicate his awareness and acceptance of each and every provision hereof.

Buyer's Initials

15. NOTICES. All notices required or permitted under this Agreement shall be in writing and shall be served on the parties at the addresses set forth below. Any such notices shall, unless otherwise provided herein, be given or served (i) by depositing the same in the United States mail, postage paid, certified and addressed to the party to be notified, with return receipt requested, (ii) by overnight delivery using a nationally recognized overnight courier, or (iii) by personal delivery, or (iv) by email (provided the email was acknowledged as received by the recipient). Notice deposited in the mail in the manner hereinabove described shall be effective upon receipt or rejection of such notice. Notice given in any other manner shall be effective only if and when received (or rejected) by the party to be notified between the hours of 8:00 a.m. and 5:00 p.m. California time of any business day with delivery made after such hours to be deemed received the following business day. A party's address may be changed by written notice to the other party; however, no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Notices given by counsel to the Buyer shall be deemed given by Buyer and notices given by counsel to the Seller shall be deemed given by Seller.

To Buyer:

Salina Valley Solid Waste Authority
126 Sun Street
Salinas, CA 93901
Attention: Executive Director
Email: _____

With a copy to:

Aleshire & Wynder, LLP

2440 Tulare Street Suite 410
Fresno, CA 93721
Attention: Roy Santos, Authority Counsel
rsantos@awattorneys.com

To Seller: Nexis Partners, LLC
129 Dover St
Los Gatos, CA 9032
Attention: Christian Keith, Manager
Email: chris@valleyoakpartners.com

With a copy to: Rossi, Hamerslough, Reischl & Chuck
1960 The Alameda, Suite 200
San Jose, CA 95126
Attn: Eric A. Gravink, Esq.
Email: eric@rhrc.net

To Escrow Holder: First American Title Insurance Company
333 W Santa Clara Street Suite 220
San Jose, CA 95113
Attn: Teresa Woest
Email: twoest@firstam.com

16. ADDITIONAL BUSINESS TERMS.

16.1 No Marketing of Property. So long as this Agreement is in effect, Seller agrees that it will not market the Property to any other party in any manner.

16.2 No Impairing of Title. Until the Closing, Seller shall not do anything which would impair Seller's title to the Property.

17. GENERAL PROVISIONS.

17.1 Assignment. Neither party shall have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the other party. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

17.2 Attorney's Fees. In any action between the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Property, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

17.3 Interpretation; Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

17.4 No Waiver. No delay or omission by either party in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

17.5 Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

17.6 Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17.7 Merger. This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements (including letters of intent), oral or written, are merged herein and shall be of no further force or effect.

17.8 Execution of Documents. The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

17.9 Inducement. The making, execution and delivery of this Agreement by the parties hereto have been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

17.10 Relationship of Parties. Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Buyer with respect to the Property to be conveyed as contemplated hereby.

17.11 No Personal Liability. No member, official, employee, agent or contractor of Seller shall be personally liable to Buyer in the event of any default or breach by Seller or for any amount which may become due to Buyer or on any obligations under the terms of the Agreement.

17.12 Force Majeure. If either party is delayed or prevented from performing any act required in this Agreement by reason of any event beyond the reasonable control of either party, including without limitation, by labor disputes, pandemic, fire, unusual delay in deliveries, weather or acts of God, terrorism, delay in the issuance of permits or approvals, acts of governmental entities, unavoidable casualties or any other such causes beyond such party's control, then the time herein fixed for completion of such obligation(s) shall be extended by the number of days that such party has been delayed.

17.13 Representation by Counsel. Each party hereto represents and agrees with each other that it has been represented by or had the opportunity to be represented by, independent counsel of its own choosing, and that it has had the full right and opportunity to consult with its

respective attorney(s), that to the extent, if any, that it desired, it availed itself of this right and opportunity, that it or its authorized officers (as the case may be) have carefully read and fully understand this Agreement in its entirety and have had it fully explained to them by such party's respective counsel, that each is fully aware of the contents thereof and its meaning, intent and legal effect, and that it or its authorized officer (as the case may be) is competent to execute this Agreement and has executed this Agreement free from coercion, duress or undue influence.

17.14 Execution in Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart. This Agreement may be electronically executed by the parties in accordance with the requirements of E-SIGN and UETA by such third-party providers such as DocuSign.

17.15 Exhibits. Exhibits A-1, A-2, B, C, D, E, and F are attached hereto and incorporated herein by reference.

17.16 1031 Exchange. In the event Seller so desires, Buyer agrees to cooperate with Seller in completing the sale of the Property as part of a tax deferred exchange pursuant to the provisions of Section 1031 of the Internal Revenue Code of 1986, as amended. Seller and Buyer agree to execute any and all additional documents as may be reasonably required in connection with such exchange; provided, however, that (a) the successful completion of any such exchange shall not delay the date of the Close of Escrow as provided for herein, (b) neither party shall be required to expend additional consideration or incur additional liabilities to the other party or to third parties as a result of any such exchange, (c) Buyer shall not be required to accept title to any other real estate; and (d) any documents to be executed in connection with any such exchange shall be delivered at least five (5) days prior to the Close of Escrow.

17.17 No Third-Party Beneficiaries. Except as otherwise expressly set forth herein, Seller and Buyer do not intend, and this Agreement shall not be construed, to create a third-party beneficiary status or interest in, nor give any third-party beneficiary rights or remedies to, any other person or entity not a Party to this Agreement.

[Signatures located on following page(s)]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions as of the Agreement Date.

Note: Sections 13 and 14.3 need to be separately initialed by the parties.

SELLER:

NEXIS PARTNERS, LLC,
a California limited liability company

By: _____
Christian S. Keith, Manager

_____, 2022

FRIEDRICH ENTERPRISES, L.P.
a California limited partnership

By: _____
, General Partner

_____, 2022

BUYER:

SALINAS VALLEY SOLID WASTE AUTHORITY,
a joint powers authority

By: _____

ATTEST:

_____, Authority Secretary

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____
Roy Santos, Authority Counsel

Accepted and Agreed to:

ESCROW HOLDER:

FIRST AMERICAN TITLE INSURANCE
COMPANY

By: _____
Teresa Woest, Escrow Officer

Dated: _____, 2022

EXHIBIT A-1

LEGAL DESCRIPTION OF THE PROPERTY

That certain real property located in the City of Salinas, in the County of Monterey, State of California legally described as follows:

PARCEL "3" OF THE PARCEL MAP, IN THE CITY OF SALINAS, COUNTY OF MONTEREY, STATE OF CALIFORNIA, AS PER THE MAP FILED MARCH 26, 1992 IN VOLUME 18, PAGE 152 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY.

EXCEPT THEREFROM ALL MINERALS AND MINERAL RIGHTS, INTERESTS AND ROYALTIES, INCLUDING WITHOUT LIMITING THE GENERALITY THEREOF, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, IN AND UNDER SAID PROPERTY; HOWEVER, GRANTOR OR ITS SUCCESSORS AND ASSIGNS, SHALL NOT HAVE THE RIGHT FOR ANY PURPOSE WHATSOEVER TO ENTER UPON, INTO OR THROUGH THE SURFACE OF SAID PROPERTY IN CONNECTION THEREWITH, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC TRANSPORTATION COMPANY, A DELAWARE CORPORATION, RECORDED JUNE 5, 1989, IN REEL 2371, PAGE 1072, OFFICIAL RECORDS.

EXHIBIT A-2
PERSONAL PROPERTY

EXHIBIT B
GRANT DEED

**Recording requested by and
When Recorded Return to:**

Salina Valley Solid Waste Authority
126 Sun Street
Salinas, CA 93901
Attention: _____

APN. 003-051-077

THE UNDERSIGNED GRANTOR DECLARES that the
documentary transfer tax (computer on full value) is not
applicable pursuant to R&T Code Section 11922.

(Space Above This Line for Recorder's Office Use Only)
Exempt from recording fees pursuant to Govt Code Section 27383

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged and subject to the covenants set forth below the NEXIS PARTNERS, LLC, a California limited liability company and FRIEDRICH ENTERPRISES, LLC, a California limited liability company (collectively, "**Grantor**") grants to SALINAS VALLEY SOLID WASTE AUTHORITY, a joint powers authority ("**Grantee**"), all of its rights, title, and interest in that certain real property in the City of Salinas, County of Monterey, State of California, as more particularly described in Exhibit A attached hereto and incorporated by this reference ("**Property**").

THE PROPERTY IS CONVEYED TO GRANTEE SUBJECT TO: (a) all recorded encumbrances; recorded easements; and recorded covenants, conditions, and restrictions; and (b) liens for taxes on real property assessed for periods after the effective date hereof, and any general or special assessments of record against the Property assessed for periods after the effective date hereof.

[Signatures located on following page]

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed on its behalf as of the date written below.

GRANTOR:

NEXIS PARTNERS, LLC, a California limited liability company

By: NOT TO BE EXECUTED UNTIL CLOSING

Christian S. Keith, Manager
_____, 2022

FRIEDRICH ENTERPRISES, L.P., a California limited partnership

By: NOT TO BE EXECUTED UNTIL CLOSING

_____, General Partner
_____, 2022

CERTIFICATE OF ACCEPTANCE

(California Government Code Section 27281)

This is to certify that the interest in real property conveyed by that certain Grant Deed dated as of _____, 2022, executed by NEXIS PARTNERS, LLC, a California limited liability company and FRIEDRICH ENTERPRISES, LLC, a California limited liability company as Grantor, in favor of the SALINAS VALLEY SOLID WASTE AUTHORITY ("**Grantee**") is accepted by the undersigned officer on behalf of Grantee pursuant to the authority conferred by Resolution No. _____ of the Board of Grantee adopted on _____, 2022, and the Grantee consents to the recordation thereof by its duly authorized officer.

Dated as of: _____, 2022.

SALINAS VALLEY SOLID WASTE AUTHORITY

By:

NOT TO BE EXECUTED UNTIL CLOSING

_____, Executive Director

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

That certain real property located in the City of Salinas, County of Monterey, State of California, and is described as follows:

PARCEL "3" OF THE PARCEL MAP, IN THE CITY OF SALINAS, COUNTY OF MONTEREY, STATE OF CALIFORNIA, AS PER THE MAP FILED MARCH 26, 1992 IN VOLUME 18, PAGE 152 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY.

EXCEPT THEREFROM ALL MINERALS AND MINERAL RIGHTS, INTERESTS AND ROYALTIES, INCLUDING WITHOUT LIMITING THE GENERALITY THEREOF, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, IN AND UNDER SAID PROPERTY; HOWEVER, GRANTOR OR ITS SUCCESSORS AND ASSIGNS, SHALL NOT HAVE THE RIGHT FOR ANY PURPOSE WHATSOEVER TO ENTER UPON, INTO OR THROUGH THE SURFACE OF SAID PROPERTY IN CONNECTION THEREWITH, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC TRANSPORTATION COMPANY, A DELAWARE CORPORATION, RECORDED JUNE 5, 1989, IN REEL 2371, PAGE 1072, OFFICIAL RECORDS.

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)
) ss.
COUNTY OF MONTEREY)

On _____, 2022 before me, _____, a notary public, personally appeared _____ 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.

Notary Public

SEAL:

EXHIBIT C
BILL OF SALE

This Bill of Sale is provided by NEXIS PARTNERS, LLC., a California limited liability company and FRIEDRICH ENTERPRISES, LLC, a California limited liability company, (collectively, "**Seller**") in favor of the SALINAS VALLEY SOLID WASTE AUTHORITY, a joint powers authority ("**Buyer**"), with respect to the transfer of any and all right, title and interest in and to the **Personal Property** as defined in that certain Agreement for Purchase and Sale Agreement of Real Property and Joint Escrow Instructions dated _____, 2022, between Seller and Buyer related to the sale of that certain real property (APN 003-051-077) in the City of Salinas, County of Monterey, State of California ("**PSA**").

NOW, THEREFORE, this Bill of Sale is issued by Seller in favor of Buyer as of the date specified below in accordance with the following:

1. Seller represents and warranties that it owns the Personal Property free and clear and has the right to transfer same to Buyer without the consent of any third party.
2. Seller quitclaims to Buyer any and all of Seller's right, title and interest in and to the Personal Property.
3. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of California.
4. AS IS. Seller makes no warranties or representations as to the Personal Property. The Personal Property is transferred "AS IS" and all warranties of quality, fitness and merchantability are hereby excluded.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale/Assignment as of _____, 2022.

SELLER:

NEXIS PARTNERS, LLC, a California limited liability company

By:

NOT TO BE EXECUTED UNTIL CLOSING

Christian S. Keith, Manager

_____, 2022

EXHIBIT D

ASSIGNMENT AND ASSUMPTION OF LEASES

This Assignment and Assumption of Leases ("**Assignment/Assumption**") is executed pursuant to that certain Purchase and Sale Agreement or Real Property and Joint Escrow Instructions dated as of _____, 2022 ("**Agreement**"), by and between NEXIS PARTNERS, LLC., a California limited liability company and FRIEDRICH ENTERPRISES, LLC, a California limited liability company (jointly, "**Assignor**") in favor of the SALINAS VALLEY SOLID WASTE AUTHORITY, a joint powers authority ("**Assignee**"), with respect to a portion of the real property located at 126 & 128 Sun Street in the City of Salinas, County of Monterey, State of California (APN 003-051-077) ("**Real Property**").

As of the recordation of the Grant Deed pursuant to the Agreement ("**Effective Date**"), Assignor, hereby sells, transfers, assigns and sets over unto Assignee, all of Assignor's right, title and interest in the leases set forth on Exhibit 1 ("**Leases**") affecting the Real Property.

As of the Effective Date, Assignee accepts the foregoing assignment of the Leases assumes and becomes responsible to perform, discharge, fulfill and observe all of the obligations, terms, covenants, provisions and conditions under each Lease arising from and after the Effective Date, and Assignee agrees to be liable for the observance and performance of the Leases.

As of the Effective Date, Assignee agrees to protect, defend, indemnify and hold harmless Assignor, its legal representatives, successors and assigns from any and all losses, damages, expenses, fees (including, without limitation, reasonable attorneys' fees), court costs, suits, judgments, liability, claims and demands whatsoever in law or in equity, incurred or suffered by Assignor arising out of or in connection with each Lease as to events occurring on or after the Effective Date.

Assignor agrees to protect, defend, indemnify and hold harmless Assignee, its legal representatives, successors and assigns from any and all losses, damages, expenses, fees (including, without limitation, reasonable attorneys' fees), court costs, suits, judgments, liability, claims and demands whatsoever in law or in equity, incurred or suffered by Assignee arising out of or in connection with the Leases as to events occurring prior to the Effective Date.

This Assignment/Assumption is binding upon and will inure to the benefit of Assignor and Assignee and their respective beneficiaries, legal representatives, heirs, successors and assigns.

This Assignment/Assumption may be executed and delivered in any number of counterparts, each of which so executed and delivered will be deemed to be an original and all of which will constitute one and the same agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption of Leases as of the Effective Date.

ASSIGNOR:

NEXIS PARTNERS, LLC, a California limited liability company

By: NOT TO BE EXECUTED UNTIL CLOSING
Christian S. Keith, Manager

FRIEDRICH ENTERPRISES, L.P., a California limited partnership

By: NOT TO BE EXECUTED UNTIL CLOSING
_____, General Partner

ASSIGNEE:

SALINAS VALLEY SOLID WASTE AUTHORITY, a joint powers authority

By: NOT TO BE EXECUTED UNTIL CLOSING

_____, 2022

ATTEST:

_____, Authority Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Roy Santos, Authority Counsel

Exhibit 1

List of Leases

EXHIBIT E

ASSIGNMENT AND ASSUMPTION OF CONTRACTS

This Assignment and Assumption of Contracts ("**Assignment/Assumption**") is executed pursuant to that certain Purchase and Sale Agreement or Real Property and Joint Escrow Instructions dated as of _____, 2022 ("**Agreement**"), by and between NEXIS PARTNERS, LLC., a California limited liability company and FRIEDRICH ENTERPRISES, LLC, a California limited liability company (jointly, "**Assignor**") in favor of the SALINAS VALLEY SOLID WASTE AUTHORITY, a joint powers authority ("**Assignee**"), with respect to a portion of the real property located at 126 & 128 Sun Street in the City of Salinas, County of Monterey, State of California (APN 003-051-077) ("**Real Property**").

As of the recordation of the Grant Deed pursuant to the Agreement ("**Effective Date**"), Assignor, hereby sells, transfers, assigns and sets over unto Assignee, all of Assignor's right, title and interest in those certain contracts as approved by Buyer and identified on Exhibit 1 ("**Contracts**") affecting the Real Property.

As of the Effective Date, Assignee accepts the foregoing assignment of the Contracts assumes and becomes responsible to perform, discharge, fulfill and observe all of the obligations, terms, covenants, provisions and conditions under the Contracts arising from and after the Effective Date, and Assignee agrees to be liable for the observance and performance of the Contracts.

As of the Effective Date, Assignee agrees to protect, defend, indemnify and hold harmless Assignor, its legal representatives, successors and assigns from any and all losses, damages, expenses, fees (including, without limitation, reasonable attorneys' fees), court costs, suits, judgments, liability, claims and demands whatsoever in law or in equity, incurred or suffered by Assignor arising out of or in connection with the Contracts as to events occurring on or after the Effective Date.

Assignor agrees to protect, defend, indemnify and hold harmless Assignee, its legal representatives, successors and assigns from any and all losses, damages, expenses, fees (including, without limitation, reasonable attorneys' fees), court costs, suits, judgments, liability, claims and demands whatsoever in law or in equity, incurred or suffered by Assignee arising out of or in connection with the Contracts as to events occurring prior to the Effective Date.

This Assignment/Assumption is binding upon and will inure to the benefit of Assignor and Assignee and their respective beneficiaries, legal representatives, heirs, successors and assigns.

This Assignment/Assumption may be executed and delivered in any number of counterparts, each of which so executed and delivered will be deemed to be an original and all of which will constitute one and the same agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption of Contracts as of the Effective Date.

ASSIGNOR:

NEXIS PARTNERS, LLC, a California limited liability company

By: NOT TO BE EXECUTED UNTIL CLOSING
Christian S. Keith, Manager

FRIEDRICH ENTERPRISES, L.P., a California limited partnership

By: NOT TO BE EXECUTED UNTIL CLOSING
_____, General Partner

ASSIGNEE:

SALINAS VALLEY SOLID WASTE AUTHORITY, a joint powers authority

By: NOT TO BE EXECUTED UNTIL CLOSING

_____, 2022

ATTEST:

_____, Authority Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Roy Santos, Authority Counsel

Exhibit 1
LIST OF APPROVED CONTRACTS

EXHIBIT F
TENANT ESTOPPEL CERTIFICATE

The undersigned, _____ ("**Tenant**"), hereby certifies to SALINAS VALLEY SOLID WASTE AUTHORITY, a joint powers authority ("**Buyer**") as follows:

1. Attached hereto is a true, correct and complete copy of that certain lease dated _____, 20__ between _____ ("**Landlord**") and Tenant ("**Lease**"), regarding the premises located at ("**Premises**"). The Lease is now in full force and effect and has not been amended, modified or supplemented, except as set forth in Paragraph 4 below.

2. The Term of the Lease commenced on _____, 20__.

3. The Term of the Lease shall expire on _____, 20__.

4. The Lease has: (Initial one)

() not been amended, modified, supplemented, extended, renewed or assigned.

() been amended, modified, supplemented, extended, renewed or assigned by the following described terms or agreements, copies of which are attached hereto:

5. Tenant has accepted and is now in possession of the Premises.

6. The amount of Monthly Base Rent is \$_____.

7. If the Lease is a net lease, Tenant also pays the sum of \$_____ per month.

8. The amount of Security Deposit (if any) is \$_____. No other security deposits have been made except as follows: _____

9. Tenant is paying the full lease rental which has been paid in full as of the date hereof. No rent or other charges under the Lease have been paid for more than thirty (30) days in advance of its due date except as follows: _____
_____.

10. All work is required to be performed by Landlord under the Lease has been completed except as follows: _____
_____.

11. To the best of Tenant's knowledge, there are no defaults on the part of the Landlord or Tenant under the Lease except as follows: _____
_____.

12. To the best of Tenant's knowledge, Tenant has no defense as to its obligations under the Lease and claims no set-off or counterclaim against the other party except as follows: _____
_____.

13. Tenant has no right to any concession (rental or otherwise) or similar compensation in connection

with renting the space it occupies other than as provided in the Lease except as follows:

_____.

All provisions of the Lease and the amendments thereto (if any) referred to above are hereby ratified.

The foregoing certification is made with the knowledge that Buyer is about to purchase the Premises from Landlord and Buyer will rely upon the representations herein made by Tenant in making the acquisition.

IN WITNESS WHEREOF, this Estoppel Certificate has been duly executed and delivered by the authorized officers of the undersigned as of _____, 2022.

TENANT:

By: _____

Its: _____