

## **MEMORANDUM OF UNDERSTANDING**

**Between**

**Upper Valley Waste Management Agency and Clover Flat Land Fill, Inc.**

**Re: Use of \$300,000 Public Benefit Funds under Section 4.1 of the Franchise Agreement**

**This Memorandum of Understanding (MOU)** is entered into as of October 20th 2025 (the "Effective Date"), by and between the Upper Valley Waste Management Agency, a joint exercise of powers authority organized and operating under California Government Code section 6500 et seq. ("Agency") and Clover Flat Land Fill, Inc., a California corporation ("Contractor"), collectively referred to as the "Parties."

### **1. Background**

Section 4.1 of the Amended and Restated Franchise Agreement between the Agency and the Contractor dated October 19, 2020 ("Franchise Agreement") states in relevant part:

[I]f the terms and obligations contained in the Fourth Amendment to Agency Agreement #95-06 regarding 'Phase Two' of a Construction and Demolition Debris Program (CDP), or of another similar program that is reasonably satisfactory to the Agency, are not satisfied by June 30, 2025, Contractor shall repay to the Agency its payment for costs associated therewith in the amount of three hundred thousand dollars (\$300,000) no later than thirty (30) days after receiving notice from the Agency.

### **2. Purpose**

The Parties acknowledge that the Contractor is in the process of transitioning the Clover Flat Sanitary Landfill site, sometimes referred to as the Clover Flat Resource Recovery Park located at 4380 Silverado Trail, Calistoga, CA 94515, toward closure and future operation as a transfer station. In light of this transition, the Parties wish to enter into this MOU to: (i) provide for "another similar program that is reasonably satisfactory to the Agency," as contemplated by Section 4.1 of the Franchise Agreement, and (ii) extend the deadline for implementing the program or repaying the Agency.

### **3. Use of Funds**

The Parties reaffirm their intent that the \$300,000 shall be used for a project or projects at the Clover Flat Sanitary Landfill site that benefit the public. Notwithstanding anything to the contrary in the Franchise Agreement, the Contractor may use the funds for:

- Continuing, improving, or relocating recycling, composting, and similar programs that provide direct services to the public
- Site access improvements for the public to use the site for self-hauling of materials
- Weather protection infrastructure for public area
- Safety enhancements to separate public and commercial traffic
- Public-facing amenities
- Other projects at the site that benefit public access

#### 4. Holding of Funds

The \$300,000 shall remain in the possession of the Contractor until applied to an approved project at the site or repaid to the Agency as provided in Paragraph 5. below.

#### 5. Interest Accrual and Refund Obligation

If the Contractor has not spent at least \$300,000 on one or more projects identified in Paragraph 3. above by **June 30, 2025**, the \$300,000 shall begin to accrue interest at a rate of **4% per annum** starting **July 1, 2025**.

If the Contractor has not spent at least \$300,000 plus accrued interest on one or more projects identified in Paragraph 3. above by June March 31, 2028, the Contractor shall refund to the Agency the difference between actual monies spent on such projects and \$300,000 plus any accrued interest as provided herein.

If the Contractor has spent at least \$300,000 plus accrued interest on one or more projects identified in Paragraph 3. above by March 31, 2028, the Contractor's obligations under this MOU and the relevant provisions of Section 4.1 of the Agreement shall be satisfied.

#### 6. Approval of Project

The Contractor shall submit a project proposal to the Agency for review and approval prior to commencement and the expenditure of any portion of the \$300,000 plus accrued interest (if any). Approval by the Agency's Board in advance is required for any project(s). The Agency's Board may approve or deny projects in its sole discretion.

#### 7. Effect of MOU

This MOU only clarifies the Parties intent and obligations under the relevant provisions of Section 4.1 of the Franchise Agreement.

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**IN WITNESS WHEREOF**, the Parties have executed this MOU as of the Effective Date.

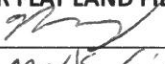
#### UPPER VALLEY WASTE MANAGEMENT AGENCY

By: \_\_\_\_\_

Name: Steve Lederer, Agency Manager (as authorized by the Board)

Title:

#### CLOVER FLAT LAND FILL, INC.

By:  \_\_\_\_\_

Name: MARK Gingrich

Title: Division Vice President