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FIRST AMENDMENT TO AGREEMENT FOR  
COMPOSTING AND MARKETING SERVICES WITH THE  
SONOMA COMPOST COMPANY

This First Amendment (the "Amendment"), dated as of February 20 2002, is by and between the Sonoma County Waste Management Agency ("Agency"), a joint power agency and the Sonoma Compost Company ("Contractor"). All capitalized terms used herein shall, unless otherwise defined, have the meaning ascribed to those terms in the existing agreement.

WHEREAS, Agency and Contractor entered into that certain Agreement for Composting and Marketing Services dated as of September 28, 1999 (hereinafter referred to as the "Agreement") in order to provide composting services for the Agency for yard debris and wood waste and marketing the finished products; and

WHEREAS, the parties desire to amend the Agreement in order to (i) identify new finished products (Speciality Products), and (ii) set revenue allocation or sharing methods for these products.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. The following terms shall be added to DEFINITIONS and have the meaning set forth below.

"Speciality Products." Speciality Products are new products which entail labor or mechanical processing in excess of that entailed in the manufacture of Finished Products or which involve distinct types of additives or amendments not used in Finished Products described in the Marketing Plan.

"Test Products." Test Products are products undergoing a market test prior to inclusion in the marketing plan as Speciality Products.

2. Section 4.2.4 (Revenue from Finished Products) of the Agreement is hereby revised to read as follows:

4.2.4 Revenue from Finished Products.

(1) Yard Debris and Wood Debris Products.

Finished Product Revenue shall be accounted for and allocated between

Wood Debris and Yard Debris materials in accordance with the approved Marketing Plan. All revenue generated will first be allocated to Guaranteed Revenue as illustrated in the Payment Matrix. Contractor and Agency shall equally share any revenue generated in excess of Guaranteed Revenue.

(2) Speciality Products.

Speciality Products will be described in the Marketing Plan submitted by the Contractor annually or more frequently for approval by the Agency. Speciality Products are new products which entail labor or mechanical processing in excess of that entailed in the manufacture of Finished Products or which involve distinct types of additives or amendments not used in Finished Products described in the Marketing Plan. Revenue allocation for Speciality Products will be identified for each individual Speciality Product in the Marketing Plan.

(3) Test Products.

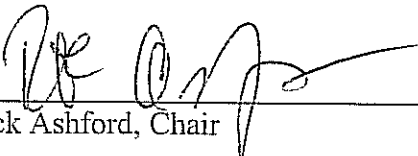
Prior to including a product in the Marketing Plan as a Speciality Product, the Contractor will have the opportunity to market test products for viability. The Agency Director will be notified of market testing prior to release of Test Products and commencement of market test. Contractor may conduct a market testing for a maximum of four months with no revenue sharing obligation. Upon completion of successful test marketing of a product, Contractor and Agency Director will negotiate the revenue sharing formula. Payment of the Agency's share of revenue shall begin at the earliest of either: (1) four months after testing begins or (2) notification of the Agency by the Contractor that the product will be included in the next Marketing Plan. Contractor shall include the successful Test Product in the next Marketing Plan submitted to Agency for approval, in the sections pertaining to product description and allocation of revenue.

3. Except to the extent the Agreement is specifically amended or supplemented hereby, the Agreement, together with exhibits is, and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to modify, invalidate or otherwise affect any provision of the Agreement or any right of Agency arising thereunder.
4. This Amendment shall be governed by and construed under the internal laws of the State of California, and any action to enforce the terms of this Amendment or for the breach thereof shall be brought and tried in the County of Sonoma.

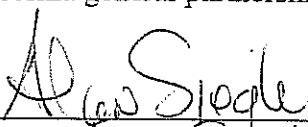
Agency and Contractor have carefully read and reviewed this Amendment and each term and provision contained herein and, by execution of this Amendment, show their informed and voluntary consent thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment the day and year first above written.

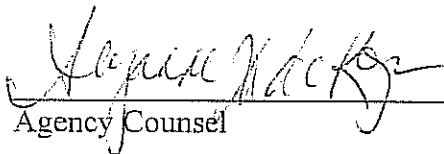
“Agency”:  
Sonoma County Waste Management Agency

By:   
Dick Ashford, Chair

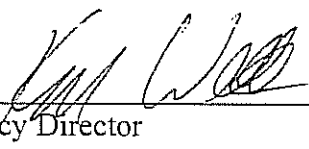
“Contractor”:  
Sonoma Compost Company,  
a California general partnership

By:   
Name: Alan Siegel  
Title: Owner

APPROVED AS TO FORM FOR AGENCY:

  
Agency Counsel

APPROVED AS TO SUBSTANCE FOR AGENCY:

  
Agency Director

