
CREDIT AGREEMENT

Dated as of _____, 2026

by and between

**SONOMA COUNTY WASTE MANAGEMENT AGENCY, a California joint powers
authority
as Borrower**

and

**COUNTY OF SONOMA, a political subdivision of the State of California
as Lender**

CREDIT AGREEMENT

This CREDIT AGREEMENT (this “*Agreement*”) is entered into as of _____, 2026, by and between **SONOMA COUNTY WASTE MANAGEMENT AGENCY**, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 *et seq.*, as borrower (“*Agency*”), and **COUNTY OF SONOMA**, a political subdivision of the State of California, as lender (“*County*”).

RECITALS

A. The California Integrated Waste Management Act of 1989 (Public Resources Code Section 40000 *et seq.*) requires the County of Sonoma and the cities of Sonoma County to divert recyclable and recoverable materials from the waste stream and to cooperate to achieve certain waste diversion goals.

B. In furtherance of those responsibilities, the County and the cities in Sonoma County entered into that certain Amended and Restated Joint Exercise of Powers Agreement for the Sonoma County Waste Management Agency, to enable the Member Agencies to jointly exercise their powers to address issues related to the management of wood waste, yard waste and household hazardous waste and to provide public education related to waste diversion within the Member Agencies’ jurisdictions, which Agreement was further amended by that certain First Amendment to the Amended and Restated Joint Exercise of Powers Agreement, which expressly authorizes the Member Agencies, including the County, to (a) make contributions from the treasuries for the purpose set forth in the Agreement, (b) make payments of public funds to defray the cost of such purpose, (c) make advances of public funds for the purpose set forth in the Agreement, with such advances to be repaid as provided in the Agreement, and to (d) provide personnel, equipment or property of one or more of the parties to the agreement may be used in lieu of other contributions or advances. The Amended and Restated Joint Exercise of Powers Agreement as amended by the First Amendment to the Amendment and Restated Joint Exercise of Powers Agreement is collectively referred to herein as the “*Amended JPA Agreement*.”

C. The Amended JPA Agreement establishes the Agency as a distinct public entity under the Joint Exercise of Powers Act (Gov’t Code Sec. 6500 *et seq.*) and other applicable law.

D. The Amended JPA Agreement establishes certain core programs that the Agency is responsible for implementing for its Member Agencies, which include providing for the recycling and disposal of household hazardous waste from the Member Agencies’ jurisdictions.

E. In furtherance of its core household hazardous waste recycling and disposal program, the Agency has acquired that certain property located at 5885 Pruitt Avenue, Windsor, California (APN 059-271-082) (the “*Property*”), and desires to initiate plans to develop a household hazardous waste collection facility at the Property, which facility may also include offices to be used for the Agency’s staff and administrative functions (the “*HHW Facility*”).

F. The development of the contemplated HHW Facility would further the Agency's household hazardous waste program in that it would provide improved access to HHW drop off and collection services to residents of the cities and unincorporated areas in the northern part of the County, thereby helping to divert household hazardous waste from the Central Landfill of the County.

G. In furtherance of the Agency's core household hazardous waste program, and in accordance with the Amended JPA Agreement, the Agency has requested, and County is willing to provide, a line of credit to fund the cost of development of the HHW Facility, which line of credit shall be repaid in conformance with the terms of this Agreement.

H. The HHW Facility that Agency intends to fund via this Agreement should undergo CEQA review as early as feasible in the planning process, as required by CEQA Guidelines Section 15004(b). The establishment of the proposed financing mechanism does not constitute an approval of any particular project as defined by CEQA and does not foreclose the adoption of alternatives or mitigation measures because environmental review, as necessary, will be conducted in association with the development of the HHW Facility.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION.

Section 1.1. Definitions. All capitalized terms used in this Agreement and not otherwise defined have the meanings ascribed to them in **Exhibit A**.

Section 1.2. Other Interpretive Provisions.

(a) Defined Terms. Unless otherwise specified herein or therein, all terms defined in this Agreement will have the same defined meanings when used in any certificate or other document made or delivered pursuant hereto. The meaning of defined terms is equally applicable to the singular and plural forms of the defined terms.

(b) References. The words "hereof", "herein", "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, section, schedule and exhibit references are to this Agreement unless otherwise specified.

(c) Certain Common Terms. The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced. The term "including" is not limiting and means "including without limitation."

(d) Performance; Time. Whenever any performance obligation hereunder is stated to be due or required to be satisfied on a day other than a Business Day, such performance may be

made or satisfied on the next succeeding Business Day. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including.” If any provision of this Agreement refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision will be interpreted to encompass any and all means, direct or indirect, of taking, or not taking, such action.

(e) Contracts. Unless otherwise expressly provided herein, references to agreements and other contractual instruments, including this Agreement and the other Loan Documents, will be deemed to include all subsequent amendments thereto, restatements thereof and other modifications and supplements thereto which are in effect from time to time, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(f) Laws. References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(g) Dollars and \$. All references to “dollars” or “\$” refer to United States dollars.

Section 1.3. Accounting Principles.

(a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein will be construed, and all financial computations required under this Agreement will be made, in accordance with GAAP, consistently applied.

(b) References herein to “fiscal year”, “fiscal quarter” and “fiscal month” refer to such fiscal periods of Agency.

(c) If any change in GAAP results in a change in the calculation of the financial covenants or interpretation of related provisions of this Agreement or any other Loan Document, then Agency and County agree to amend such provisions of this Agreement so as to equitably reflect such changes in GAAP with the desired result that the criteria for evaluating Agency’s financial condition will be the same after such change in GAAP as if such change had not been made.

SECTION 2. THE REVOLVING LINE OF CREDIT.

Section 2.1. Revolving Credit. Subject to the terms and conditions of this Agreement, County agrees to make a revolving credit line (the “*Revolving Credit*”) available to Agency for the sole purpose of providing capital for costs related to the development and construction of the Household Hazardous Waste Facility on the Property (each an “*Advance*”) in an aggregate principal amount not to exceed, at any one time, the amount of the Revolving Credit Commitment. The Revolving Credit will be disbursed in one or more advances (each, an “*Advance*”), provided that each individual Advance shall be in an amount not less than Fifty Thousand Dollars (\$50,000), and all outstanding Advances shall not exceed in the aggregate, at

any one time, the Revolving Credit Commitment, and provided further that the conditions precedent to Advances specified in Section 6 are satisfied. Subject to the Revolving Credit Commitment and the other terms and conditions of this Agreement, Agency may periodically request Advances; provided, however, that County will have no obligation to make Advances on or after the Revolving Credit Termination Date.

Section 2.2. Advances. Advances under this Agreement may be requested in writing by Agency or any Authorized Representative appointed by Agency.

Section 2.3. Revolving Credit Termination Date. County's obligation to make Advances will terminate at such time that Agency completes construction of the HHW Facility on the Property, as demonstrated by the issuance of a certificate of occupancy for the HHW Facility, but not later than [REDACTED], 2030 (the "*Revolving Credit Termination Date*"). Upon the earlier of the issuance of a certificate of occupancy for the HHW Facility or the outside date listed above, the Agency and County shall enter into an Agreement certifying the Revolving Credit Termination Date in writing.

Section 2.4. Note. The Revolving Credit is evidenced by a Revolving Credit Promissory Note (the "*Note*") made, executed and delivered by Agency and payable to the order of County in the form (with appropriate insertions) attached hereto as **Exhibit B**.

Section 2.5. Repayment.

(a) *Maturity Date.* The "Maturity Date" shall mean the date by which all Obligations (including the Amortized Principal and all accrued but unpaid interest) shall have been fully repaid in accordance with the Step-Up Repayment Schedule (as defined in Section 2.5(c), below), which shall occur no later than Twenty Four (24) years after the Revolving Credit Termination Date. Until the Maturity Date, Agency shall repay the Advances with interest as provided herein and in the Note. Any Advances repaid may be re-borrowed prior to the Revolving Credit Termination Date, if needed for the sole purpose of providing capital for costs related to the development and construction of the Household Hazardous Waste Facility on the Property.

(b) *Amortized Principal.* Within fifteen (15) days following the Revolving Credit Termination Date, County shall determine (i) the total outstanding principal balance of all Advances and (ii) all accrued but unpaid interest thereon as of the Revolving Credit Termination Date. The sum of such principal and accrued but unpaid interest shall constitute the "Amortized Principal" for purposes of this Agreement. County shall thereafter deliver to Agency a written repayment schedule (the "Step-Up Repayment Schedule") in accordance with subsection (c) below.

(c) *Step-Up Repayment Methodology.* The Amortized Principal, together with interest accruing thereon at the rate set forth in Section 3.1, shall be repaid in quarterly installments calculated so that the aggregate amount of the four (4) quarterly installments due in each year equals the applicable annual debt-service amount, as follows:

1. Years 1 through 5: annual debt-service amount of Nine Hundred Thousand Dollars (\$900,000);
2. Years 6 through 10: annual debt-service amount of One Million Dollars (\$1,000,000);
3. Years 11 through 15: annual debt-service amount of One Million One Hundred Thousand Dollars (\$1,100,000);
4. Years 16 through 20: annual debt-service amount of One Million Two Hundred Thousand Dollars (\$1,200,000); and
5. **Years** 21 through 24: the annual debt-service amount shall be calculated as an amount as necessary to repay in full the remaining balance of the Amortized Principal and all interest accrued thereon in equal installments by no later than 24-years after the Revolving Credit Termination Date.

(d)

SECTION 3. INTEREST, LOAN REPAYMENTS; LATE FEES, PREPAYMENTS AND APPLICATIONS.

Section 3.1. Interest Payments.

(a) Advances. The outstanding principal balance of Advances will bear interest (which Agency hereby promises to pay at the rates and at the times set forth therein) prior to maturity (whether by lapse of time, acceleration or otherwise) at the rate of four percent (4%) per annum and after the Maturity Date (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full, as provided herein and in the Note.

(b) Payments of Amortized Principal and Interest. Following the Revolving Credit Termination Date, Agency will pay regular quarterly payments of outstanding principal and interest calculated in accordance with the Step-Up Repayment Schedule described in Section 2.5(c). Such payments shall be made on each Payment Date through the Maturity Date. Within fifteen (15) days of the Revolving Credit Termination Date, County shall provide Agency with a written amortization schedule of the quarterly payments required for repayment of the Amortized Principal in accordance with Section 2.5.

(d) Late Fees. If Agency fails to make any payment of principal or interest under the Notes or any other sum payable hereunder or under any other Loan Document within five (5) calendar days after its due date, County will be entitled at its option to impose a late charge in an amount equal to six percent (6.00%) of the amount of such past due payment, which charge, if imposed by County, shall be due and payable by Agency immediately upon receipt of written notice thereof.

Section 3.2. Computation of Interest; Minimum and Maximum Interest Rates. All interest on the Advances will be calculated on the basis of a year of 360 days for the actual number of days elapsed.

Section 3.3. Prepayments.

(a) Voluntary Prepayment. Agency may voluntarily prepay Advances, in whole or in part, at any time without any penalty or fee. In connection with such prepayment, Agency may prepay the principal amount of any Note, in whole or in part, together with interest accrued on the principal amount prepaid, at its option and without premium, prior to the applicable Maturity Date or the Termination Date, as the case may be.

(b) Mandatory Prepayment. If for any reason at any time the aggregate total outstanding amount of Advances exceeds the Revolving Credit Commitment, then Agency shall, without notice, prepay Advances (together with all accrued but unpaid interest thereon) in an amount equal to such excess.

(c) Application of Prepayments. All prepayments shall be applied to accrued interest first, and then to the outstanding principal amount due under this Credit Agreement.

Section 3.4. Place and Application of Payments and Collections. All payments of principal, interest, fees and all other Obligations payable hereunder will be made to County at the following address on the date any such payment is due and payable:

County of Sonoma

Attn: [REDACTED]
[REDACTED]

Santa Rosa, CA 9 [REDACTED]

So long as any Event of Default has occurred and is continuing, Agency agrees that County, in its sole and absolute discretion, may apply any payments or collections received by County from Agency in respect of the Revolving Credit to any of the Obligations in any manner or order as County desires. County's receipt and application of payments or collections shall not constitute a waiver or cure of any Default.

Section 3.5. Notations. All Advances made and evidenced by the Note will be recorded by County on its books and records or, at its option in any instance, endorsed on a schedule to such Note, and the unpaid principal balance so recorded or endorsed by County will be *prima facie* evidence in any court or other proceeding brought to enforce such Note of the principal amount remaining unpaid, the status of the Advances evidenced by such Note and the applicable interest rates; provided, however, that the failure of County to record any of the foregoing will not limit or otherwise affect the obligation of Agency to repay the principal amount of such Note together with accrued interest thereon.

SECTION 4. COLLATERAL.

Section 4.1. Pledge of Waste Management Agency Fee. Subject to the terms of this Agreement, the Agency hereby pledges the funds received by the Agency as the Waste Management Agency Fee as defined in the Amended JPA Agreement, which is a tip fee adopted

by the Agency and charged on waste entering the County of Sonoma's waste disposal system, to secure the payment of the Obligations under this Agreement. Said pledge shall constitute a first lien on the Waste Management Agency Fee which shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by law, and shall be effective, binding and enforceable against the Agency and all others irrespective of whether those parties have notice of the pledge or grant and without the need of any physical delivery.

Section 4.2. General Obligation. Notwithstanding any other provision of this Agreement, Agency hereby acknowledges and agrees that payment of all Obligations (including, without limiting the foregoing, payments of principal of and interest on each Advance) is a general obligation of Agency. County acknowledges that the Obligations of Agency hereunder are solely obligations of Agency and are not debts, liabilities or obligations of any of the Member Agencies and no taxing power of any of the foregoing is pledged therefore. Agency has no taxing powers.

SECTION 5. REPRESENTATIONS AND WARRANTIES.

Agency represents and warrants to County that, as of the date of this Agreement, as of the date of each Advance, and at all times any Obligations remain outstanding to County:

Section 5.1. Organization and Qualification; Authority; Consents. Agency is a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, *et seq.*). Agency has the authority to enter into this Agreement and the other Loan Documents to which it is a party, to request the Advances and incur the Obligations provided for herein, to execute the Note in evidence thereof, to pledge and encumber assets as security therefor, and to perform each and all of the promises herein and therein. This Agreement and the other Loan Documents to which Agency is a party do not, nor does the performance or observance by Agency of any of the matters or things herein or therein provided for, contravene any provision of law or the Amended and Restated Joint Powers Agreement or any covenant, indenture or agreement of or affecting Agency or any of its Properties. The execution, delivery, performance and observance by Agency of this Agreement and the other Loan Documents do not and, at the time of delivery hereof, will not require any consent or approval of any other Person, other than such consents and approvals that have been given or obtained.

Section 5.2. Legal Effect. This Agreement and the other Loan Documents to which Agency is a party constitute legal, valid and binding agreements of Agency, enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable remedies if equitable remedies are sought.

Section 5.3. Use of Proceeds. Agency will use the proceeds of the Advances as provided herein and solely for purposes in furtherance of the development and construction of the Household Hazardous Waste Facility, in a manner consistent with Agency's powers and responsibilities under the Amended and Restated Joint Powers Agreement.

Section 5.4. Full Disclosure. The statements and other information furnished to County in connection with the negotiation of this Agreement and the other Loan Documents and the commitment by County to provide the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading; provided that County acknowledges that, as to any projections furnished to County, Agency only represents that the same were prepared on the basis of information and estimates Agency believed to be reasonable at the time such information was prepared.

Section 5.5. Litigation. There is no litigation or governmental proceeding pending, nor to the knowledge of Agency threatened in writing, against Agency which if adversely determined would result in any material adverse change in the financial condition, Properties, business or operations of Agency.

Section 5.6. Good Title. Agency has good and defensible title to the Property, subject to no Liens other than Permitted Liens or as otherwise limited by applicable law.

Section 5.7. Compliance with Laws. Agency is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to the Property or business operations, non-compliance with which could have a material adverse effect on the financial condition, Property, business or operations of Agency. Agency has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, Property, or operations of Agency.

Section 5.8. Other Agreements. Agency is not in default under the terms of any covenant, indenture or agreement of or affecting Agency or the Property, which default if uncured would have a material adverse effect on the financial condition, Property, or operations of Agency.

Section 5.9. No Default. No Default or Event of Default has occurred or is continuing.

SECTION 6. CONDITIONS PRECEDENT.

Section 6.1. All Advances. The obligation of County to make any Advance is subject to the following conditions precedent:

(a) Each of the representations and warranties set forth in Section 5 hereof and in the other Loan Documents shall be true and correct as of said time; and

(b) Agency shall be in full compliance with all of the material terms and conditions of this Agreement and the Note, and no Default or Event of Default shall have occurred or be continuing.

(c) County shall have received properly completed and executed originals of the following in form and substance satisfactory to County:

- (i) this Agreement and the Note;
- (ii) a Request for Advance in the form of **Exhibit C** with supporting documentation;
- (iii) the resolutions adopted by the Board of Directors of Agency with respect to this Agreement and the other Loan Documents, certified by an Authorized Representative;
- (iv) an incumbency certificate containing the name, title and genuine signatures of each of Agency's Authorized Representatives;
- (v) evidence of Liability Insurance in form and substance satisfactory to County.

(d) Any legal matters incident to the execution and delivery of this Agreement and the other Loan Documents and to the transactions contemplated hereby and thereby shall be reasonably satisfactory to County.

SECTION 7. COVENANTS.

Agency covenants and agrees as follows:

Section 7.1. Maintenance of Agency. Agency shall preserve and maintain its existence. Agency shall conduct its operations in a reasonable and prudent manner consistent with the Amended and Restated Joint Powers Agreement.

Section 7.2. Financial Reports. Agency shall maintain a standard system of accounting in accordance with GAAP and shall furnish to County and its duly authorized representatives such information respecting the business and financial condition of Agency as County may reasonably request.

Section 7.3. Inspection. Agency shall permit County and its duly authorized representatives and agents, at such times as County may reasonably request: (i) to visit and inspect any of the Properties, books and financial records of Agency and to examine and make copies of the books of accounts and other financial records of Agency, and (ii) to discuss the affairs, finances and accounts of Agency with, and to be advised as to the same by, the executive officer of Agency. Without limiting the generality of the foregoing, Agency shall promptly provide all information and access requested by County as County determines is necessary or required in connection with the preparation of its own financial statements.

Section 7.4. Intentionally Omitted.

Section 7.5. Compliance with Laws. Agency shall comply in all respects with the requirements of all laws, rules, regulations, ordinances and orders applicable to or pertaining to the Property or Agency's operations, non-compliance with which could have a material adverse effect on the financial condition, Property, or operations of Agency or could result in a Lien upon the Property.

Section 7.6. Notices of Claims and Litigation. Agency shall promptly inform County in writing of (a) all material adverse changes in Agency's financial condition and/or (b) all existing or written threats of litigation, claims, investigations, administrative proceedings or similar actions affecting Agency which could materially affect the financial condition of Agency.

Section 7.7. Other Agreements. Agency shall comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Agency and any other party, non-compliance with which could have a material adverse effect on the financial condition, Property, or operations of Agency, and notify County immediately in writing of any default in connection with any other such agreements.

Section 7.9. Performance. Agency shall timely perform and comply with all terms, conditions, and provisions set forth in this Agreement, the Note and in all other instruments and agreements between Agency and County. Agency shall notify County promptly in writing of any Default in connection with any Loan Document.

SECTION 8. EVENTS OF DEFAULT AND REMEDIES.

Section 8.1. Events of Default. Any one or more of the following will constitute an "Event of Default" hereunder:

- (a) any default in the payment when due (whether by lapse of time, acceleration or otherwise) of (i) any payment of principal or interest under the Note, or (ii) any other Obligation within five (5) days after payment or performance is due from Agency; or
- (b) any representation or warranty made by Agency herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Advance made hereunder, is inaccurate or untrue in any material respect as of the date of the issuance or making thereof; or
- (c) any event occurs or condition exists (other than those described in clauses (a) through (b) above) which is specified as an event of default under any of the other Loan Documents, or any of the Loan Documents for any reason ceases to be in full force and effect, or any of the Loan Documents is declared to be null and void, or Agency takes any action for the purpose of repudiating or rescinding any Loan Document executed by it; or
- (d) Agency fails to pay, or admits in writing its inability to pay, its debts generally as they become due;

(e) any custodian, receiver, administrative receiver, administrator, trustee, examiner, liquidator or similar official is appointed over Agency or any substantial part of any of its Properties, whether by court order, by operation of law or otherwise, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of thirty (30) or more days, or Agency becomes unable to pay or admits in writing its inability to pay its debts as they become due; or

(f) Agency fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any other Loan Document or in any other agreement between County and Agency, which failure is capable of being cured, if such failure is not cured within thirty (30) days after written notice thereof from County; provided however, that if any such failure cannot reasonably be cured within such 30-day period, then the period to cure shall be deemed extended for up to an additional thirty (30) days after County's initial default notice as long as Agency diligently and continuously proceeds to cure such failure. Agency agrees to reimburse County for all reasonable costs and expenses (including legal fees) incurred by County as a result of any failure described in this paragraph until cured.

Section 8.2. Non-Insolvency Default Remedies. Upon the occurrence of any Event of Default described in clauses (a) through (c) or (f) of Section 8.1, County may, by notice to Agency, take any of the following actions:

(a) terminate any obligation to extend any further credit hereunder (including but not limited to Advances) on the date (which may be the date thereof) stated in such notice;

(b) declare all Advances and all indebtedness under the Note then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Agency to County, to be immediately due and payable without further demand, presentment, protest or notice of any kind; and

(c) exercise and enforce any and all rights and remedies contained in any other Loan Document or otherwise available to County at law or in equity.

Section 8.3. Insolvency Default Remedies. Upon the occurrence of any Event of Default described in clauses (d) or (e) of Section 8.1, all Advances and all indebtedness under the Note then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Agency to County, will immediately become due and payable without presentment, demand, protest or notice of any kind, and County shall have no obligation to extend any further credit hereunder (including but not limited to Advances).

SECTION 9. MISCELLANEOUS.

Section 9.1. Holidays. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day on which date such payment will be due and payable. In the case of any principal falling due on a day which is not a Business Day, interest on such principal amount

will continue to accrue during such extension at the Applicable Rate, which accrued amount will be due and payable on the next scheduled date for the payment of interest.

Section 9.2. No Waiver, Cumulative Remedies. No delay or failure on the part of County in the exercise of any power or right will operate as a waiver thereof or as an acquiescence in any Default, nor will any single or partial exercise of any power or right preclude any other or further exercise thereof, or the exercise of any other power or right. All rights and remedies of County are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have. Agency agrees that in the event of any breach or threatened breach by Agency of any covenant, obligation or other provision contained in this Agreement, County shall be entitled (in addition to any other remedy that may be available to County) to: (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision; and (ii) an injunction restraining such breach or threatened breach. Agency further agrees that neither County nor any other person or entity shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 9, and Agency irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

Section 9.3. Amendments, etc. No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, will be effective unless the same is in writing and signed by Agency and County. No notice to or demand on Agency in any case will entitle Agency to any other or further notice or demand in similar or other circumstances.

Section 9.4. Indemnity. Whether or not the transactions contemplated hereby shall be consummated, Agency shall, to the extent permitted by law, indemnify, defend and hold harmless County and its officers, directors, employees, counsel, agents and attorneys-in-fact (each, an “*Indemnified Person*”) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses or disbursements (including attorneys’ costs and expert witnesses’ fees), of any kind or nature whatsoever, that (a) arise from or relate in any way to the execution, delivery, enforcement, performance and administration of this Agreement and any other Loan Document, or the transactions contemplated hereby and thereby, and with respect to any investigation, litigation or proceeding (including any appellate proceeding) related to this Agreement or the Advances or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto, and/or (b) may be incurred by or asserted against such Indemnified Person in connection with or arising out of any pending or threatened investigation, litigation or proceeding, or any action taken by any Person, arising out of or related to any Property of Agency (all the foregoing, collectively, the “*Indemnified Liabilities*”); provided that Agency shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities to the extent arising from the gross negligence or willful misconduct of such Indemnified Person.

The obligations of Agency in this Section 9.4 shall survive the payment and performance of all other Obligations. At the election of any Indemnified Person, Agency shall defend such Indemnified Person using legal counsel satisfactory to such Indemnified Person in such

Indemnified Person's reasonable discretion, at the sole cost and expense of Agency. All amounts owing under this Section 9.4 shall be paid within thirty (30) days after demand.

Section 9.5. Survival of Representations. All representations and warranties made herein or in certificates given pursuant hereto will survive the execution and delivery of this Agreement and the other Loan Documents, and will continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 9.6. Notices. Except as otherwise specified herein, all notices hereunder will be in writing (including by hand, post, courier, email or telecopy) and will be given to the relevant party at its address or email address set forth below, or such other address as such party may hereafter specify by notice to the other given by certified or registered mail, by Federal Express or DHL, or by other telecommunication device (including electronic mail) capable of creating a written record of such notice and its receipt. Notices hereunder will be addressed:

To Agency at:

Attention: _____

Email: _____

To County at:

Attention: _____

Email: _____

Each such notice, request or other communication will be effective (i) if given by email, when such email is transmitted to the email address specified in this Section and a confirmation of such email has been received by the sender, (ii) if given by mail, three (3) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section 9.6.

Section 9.7. Headings. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 9.8. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the

extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 9.9. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterparts, and all such counterparts taken together will be deemed to constitute one and the same instrument.

Section 9.10. Assignments, Binding Nature, Governing Law, Etc. This Agreement will be binding upon Agency and its permitted successors and assigns, and will inure to the benefit of County and the benefit of its permitted successors and assigns. This Agreement and the rights and duties of the parties hereto will be construed and determined in accordance with the internal laws of the State of California without regard to principles of conflicts of laws. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. Agency may not assign its rights hereunder without the written consent of County. County may assign its rights hereunder without the consent of Agency, but only if after any such assignment County acts as the lead agent or administrative agent with respect to this Agreement.

Section 9.11. Submission to Jurisdiction; Waiver of Jury Trial. Agency hereby submits to the nonexclusive jurisdiction of the California State court sitting in the County of Sonoma for purposes of all legal proceedings arising out of or relating to this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby. Agency irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court has been brought in an inconvenient forum. Agency hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to any Loan Document or in the transactions contemplated thereby.

Section 9.12. Time is of the Essence. Time is of the essence in the performance and enforcement of this Agreement and the other Loan Documents.

Section 9.13. No Recourse Against Constituent Members of Agency. Agency is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, *et seq.*) pursuant to the Amended JPA Agreement and is a public entity separate from its constituent members. Agency shall be solely responsible for all debts, obligations and liabilities accruing and arising out of this Agreement and the Notes. County shall not make any claims, take any actions or assert any remedies against any of Agency's constituent members in connection with any payment default by Agency under this Agreement or any other Loan Document.

[Signatures appear on following page.]

Upon your acceptance hereof in the manner hereinafter set forth, this Agreement will constitute a contract between us for the uses and purposes hereinabove set forth.

Executed as of the first date written above.

SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: _____

Name: Leslie Lukacs

Its: Executive Director

COUNTY OF SONOMA

By: _____

Name: _____

Its: _____

EXHIBIT A

Definitions

“*Accounts*” means all rights to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a secondary obligation incurred or to be incurred, or (iv) for energy provided or to be provided.

“*Advance*” is defined in Section 2.1.

“*Agency*” is defined in the introductory paragraph.

“*Agreement*” means this Credit Agreement, as the same may be amended, modified or restated from time to time in accordance with the terms hereof.

“*Amended JPA Agreement*” means the Amended and Restated Joint Exercise of Power Agreement for the Sonoma County Waste Management Agency, as amended by the First Amendment to Amended and Restated Joint Exercise of Powers Agreement, effective as of _____.

“*Amortized Principal*” means the sum of the following, as of the Revolving Credit Termination Date: (i) the total outstanding principal balance of all Advances and (ii) all accrued but unpaid interest thereon, as determined pursuant to Section 2.5(b).

“*Authorized Representative*” means the Executive Director of Agency, or the Executive Director’s designee.

“*Business Day*” means any day other than a Saturday or Sunday or holiday recognized by the County of Sonoma.

“*County*” is defined in the introductory paragraph.

“*Default*” means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

“*Default Rate*” means the rate of eight percent (8.0%) per annum.

“*Dollars and \$*” mean lawful money of the United States.

“*Event of Default*” is defined in Section 8.1.

“GAAP” means generally accepted accounting principles as established and interpreted by the Governmental Accounting Standards Board (GASB) and as applied by Agency.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial taxing, regulatory or administrative powers or functions of or pertaining to government.

“HHW Facility” is defined in Recital E of this Agreement.

“Indebtedness for Borrowed Money” means, for any Person (without duplication), (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all indebtedness for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business not more than 90 days past due), (iii) all indebtedness secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, and (iv) all obligations of such Person on or with respect to letters of credit, banker’s acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money.

“Indemnified Liabilities” is defined in Section 9.4.

“Indemnified Person” is defined in Section 9.4.

“Loan Documents” means this Agreement, the Note, and all other documents, certificates, instruments and agreements executed by Agency in connection with this Credit Agreement.

“Maturity Date” is defined in Section 2.5.

“Member Agencies” means the County of Sonoma, a political subdivision of the State of California and the Cities of Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma and Windsor, each a municipal corporation of the State of California.

“Note” is that certain Revolving Credit Promissory Note made, executed and delivered by Agency and payable to the order of County in the form (with appropriate insertions) attached hereto as **Exhibit B**.

“Obligations” means and includes all loans, advances, debts, liabilities and obligations of Agency to County, of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter owed by Agency to County, whether in connection with the Loan Documents or

otherwise, including without limitation all interest, fees, charges, expenses, attorneys' fees and accountants' fees chargeable to Agency or payable by Agency thereunder.

"Payment Date" means, other than the Maturity Date, the first day of each quarter of the calendar year (i.e., January 1, April 1, July 1 and October 1).

"Person" means an individual, partnership, corporation, company, limited liability company, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Related Parties" means, with respect to any Person, such Person's affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's affiliates.

"Revenues" means the revenues of Agency, as determined in accordance with GAAP; but excluding (i) any unrealized gain or loss resulting from changes in the value of investment securities, (ii) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course of business and (iii) earnings resulting from any reappraisal, revaluation or write-up of fixed or capital assets.

"Revolving Credit" is defined in Section 2.1.

"Revolving Credit Commitment" means Sixteen Million Dollars (\$16,000,000).

"Revolving Credit Termination Date" is defined in Section 2.3.

"Step-Up Repayment Schedule" means the written schedule of quarterly installment payments that will be due to County in accordance with this Agreement, as further described in Section 2.5(c).

EXHIBIT B

REVOLVING CREDIT PROMISSORY NOTE

\$16,000,000

_____, 2027

FOR VALUE RECEIVED, **SONOMA COUNTY WASTE MANAGEMENT AGENCY**, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 *et seq.* (“Agency”), promises to pay to the order of **COUNTY OF SONOMA**, a political subdivision of the State of California (“County”) the principal sum of Sixteen Million Dollars (\$16,000,000), pursuant to the terms of that certain Credit Agreement (the “*Credit Agreement*”) dated as of _____, 2026, between Agency and County, together with interest thereon as provided herein and therein. All payments under this Revolving Credit Promissory Note (this “*Note*”) shall be made to County at its address specified in the Credit Agreement, or at such other place as the holder of this Note may from time to time designate in writing, in accordance with the terms of this Note and the Credit Agreement. Capitalized terms used but not defined in this Note shall have the definitions provided in the Credit Agreement.

1. Payment Terms. Following the Revolving Credit Termination Date, Agency agrees to pay regular quarterly payments of outstanding principal and interest calculated in accordance with the Step-Up Repayment Schedule provided for in the Credit Agreement. Such payments shall be made on each Payment Date through the Maturity Date. Interest will accrue on the unpaid principal balance of this Note from the date of each Advance prior to the Maturity Date (whether by lapse of time, acceleration or otherwise) at the Applicable Rate and after the Maturity Date (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full, all as provided in the Credit Agreement. Prior to the Revolving Credit Termination Date, Agency shall not be obligated to make any scheduled payments of principal or interest on this Note, but may at its option make voluntary prepayments of principal and interest as provided in the Credit Agreement.

2. Maturity Date. Within fifteen (15) days of the Revolving Credit Termination Date, County shall provide Agency with a written amortization schedule of the quarterly payments required for repayment of the Amortized Principal in accordance with the Credit Agreement, which amortization schedule shall be subsequently signed by an authorized representative of Agency and County, and kept on file with this Note. The Maturity Date shall be determined as set forth in Section 2.5 of the Credit Agreement.

3. Default and Acceleration. Upon the occurrence of any Event of Default described in Section 8.1 of the Credit Agreement, County or any permitted holder of this Note may exercise any or all of the rights and remedies set forth therein, including the exercise of County’s option to accelerate this Note and declare all Advances and all indebtedness under this Note then outstanding to be immediately due and payable, with or without notice to Agency, as applicable.

4. Miscellaneous. This Note and the holder hereof are entitled to all of the rights benefits provided for in the Credit Agreement. All of the terms, covenants and conditions

contained in the Credit Agreement are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Credit Agreement, the terms and provisions of the Credit Agreement shall control.

5. This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Agency or County, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

6. This Note will be construed in accordance with, and governed by, the laws of the State of California.

7. Agency promises to pay all costs and expenses (including reasonable attorneys' fees and expert witnesses' fees) suffered or incurred by County or subsequent holder of this Note in the collection of this Note or the enforcement County's rights and remedies under the Credit Agreement.

8. Agency hereby waives presentment for payment and demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. County may delay or forego enforcing any of its rights or remedies under this Note without losing them. Agency and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that County may renew or extend (repeatedly and for any length of time) the obligations evidenced by this Note or release any party or guarantor or collateral, or impair, fail to realize upon or perfect County's security interest in the collateral, if any; and take any other action deemed necessary by County without the consent of or notice to anyone. All such parties also agree that County may modify the terms of this Note without the consent of or notice to anyone other than the party with whom the modification is made.

9. Prior to signing this Note, Agency read and understood all the provisions of this Note and the Credit Agreement. Agency agrees to the terms of this Note and the Credit Agreement. Agency acknowledges receipt of complete copies of this Note and the Credit Agreement.

SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: _____

Name: _____

Its: _____

EXHIBIT C

REQUEST FOR ADVANCE

\$ REVOLVING CREDIT

SONOMA COUNTY WASTE MANAGEMENT AGENCY (“AGENCY”) HEREBY REQUESTS AN ADVANCE UNDER AGENCY’S REVOLVING CREDIT IN ACCORDANCE WITH THE CREDIT AGREEMENT DATED AS OF _____, 202_, BETWEEN AGENCY AND COUNTY OF SONOMA (“COUNTY”).

DATE OF REQUEST: _____

AMOUNT OF REQUESTED ADVANCE: \$ _____

PURPOSE OF ADVANCE:

___ - **THIS ADVANCE WILL BE USED TO FUND** _____.

___ - **ATTACHED IS THE INVOICE(S) OR AGREEMENT(S) FOR WHICH SUCH ADVANCE WILL BE USED.**

AGENCY CERTIFICATION:

AGENCY HEREBY CERTIFIES THAT:

- (I) AFTER MAKING THE ADVANCE REQUESTED ON THE ADVANCE DATE ABOVE, THE SUM OF ALL OUTSTANDING ADVANCES WILL NOT EXCEED THE REVOLVING CREDIT COMMITMENT THEN IN EFFECT;
- (II) THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THE CREDIT AGREEMENT ARE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON AND AS OF SUCH ADVANCE DATE TO THE SAME EXTENT AS THOUGH MADE ON AND AS OF SUCH DATE, EXCEPT TO THE EXTENT SUCH REPRESENTATIONS AND WARRANTIES SPECIFICALLY RELATE TO AN EARLIER DATE, IN WHICH CASE SUCH REPRESENTATIONS AND WARRANTIES ARE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON AND AS OF SUCH EARLIER DATE; PROVIDED THAT, IN EACH CASE, SUCH MATERIALITY QUALIFIER SHALL NOT BE APPLICABLE TO ANY REPRESENTATIONS AND WARRANTIES THAT ALREADY ARE QUALIFIED OR MODIFIED BY MATERIALITY IN THE TEXT THEREOF; AND

- (III) NO EVENT HAS OCCURRED AND IS CONTINUING OR WOULD RESULT FROM THE CONSUMMATION OF THE BORROWING CONTEMPLATED HEREBY THAT WOULD CONSTITUTE AN EVENT OF DEFAULT OR A DEFAULT.
- (IV) THIS ADVANCE IS BEING USED FOR THE PURPOSE INTENDED AS PROVIDED IN THE CREDIT AGREEMENT AND NO PORTION OF THIS ADVANCE IS BEING USED TO FUND OPERATING LOSSES.
- (V) THE EXPENSES FOR WHICH THIS ADVANCE IS BEING REQUESTED HAVE ALREADY BEEN INCURRED BY THE AGENCY OR WILL BE INCURRED WITHIN 90 DAYS OF THE DATE OF THIS REQUEST FOR ADVANCE.

SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: _____

NAME: LESLIE LUKACS

ITS: EXECUTIVE DIRECTOR

