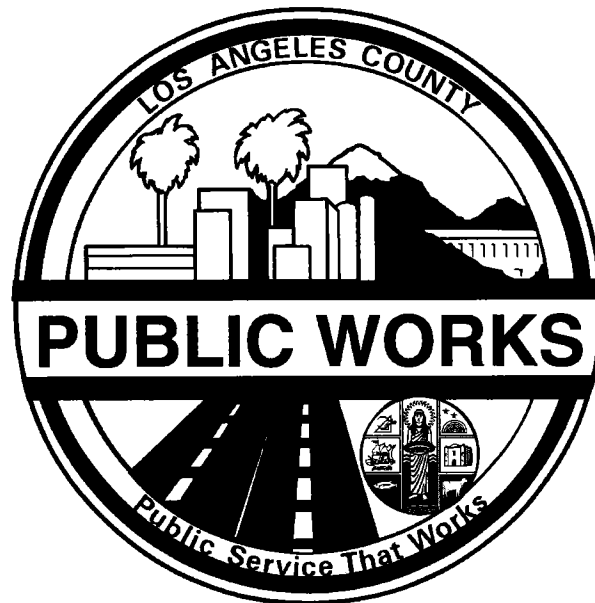


Franchise Agreement

003230



BY AND BETWEEN

**THE COUNTY OF LOS ANGELES,
DEPARTMENT OF PUBLIC WORKS**

AND

UNIVERSAL WASTE SYSTEMS, INC.

FOR

**THE EXCLUSIVE FRANCHISE AGREEMENT FOR THE AREA OF
CITRUS/CHARTER OAK/RAMONA**

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FOR
THE EXCLUSIVE FRANCHISE AGREEMENT FOR THE AREA OF
CITRUS/CHARTER OAK/RAMONA**

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FRANCHISE AGREEMENT

BETWEEN
THE COUNTY OF LOS ANGELES
AND
UNIVERSAL WASTE SYSTEMS, INC.

FOR
PROVISION
OF
REFUSE, RECYCLABLES, AND GREEN WASTE
AUTOMATED CART SERVICES
TO CUSTOMERS
AT
RESIDENTIAL PREMISES
AND CERTAIN MULTIFAMILY AND COMMERCIAL PREMISES
AND
ABANDONED WASTE COLLECTION SERVICES
FOR COUNTY

FOR THE SERVICE AREA OF

CITRUS/CHARTER OAK/RAMONA

NOVEMBER 1, 2014

003230

SAMPLE EXCLUSIVE FRANCHISE AGREEMENT

FOR THE AREAS OF

BASSETT/VALINDA/SOUTH SAN JOSE HILLS

SOUTH SAN GABRIEL

WEST WHITTIER

ROWLAND HEIGHTS

CITRUS/CHARTER OAK/RAMONA

THIS AGREEMENT is made and entered into on _____, 2014, by and between the County of Los Angeles, a political subdivision of the State of California (COUNTY), and **UNIVERSAL WASTE SYSTEMS, INC.**, a California Corporation ("FRANCHISEE").

RECITALS:

WHEREAS, Municipal Solid Waste (MSW) Management Services have been provided by waste haulers pursuant to permit. Historically, in the approximately 2,700 square mile unincorporated territory of the COUNTY, with a population of approximately one million inhabitants, MSW Management Services have not been provided by the COUNTY itself but rather by private industry through competitive, free enterprise, open-market, and private operations, except in Garbage Disposal Districts where the Garbage Disposal Districts contract with waste haulers. Residents and businesses have individually arranged for Solid Waste collection. Customer service charges have been negotiated between customers and haulers. The practice of private arrangements for MSW Management Services between a hauler and Customers will continue under this AGREEMENT, but in order to limit the wear and tear on COUNTY streets, reduce pollution from collection vehicle exhaust, increase customer service accountability, improve Assembly Bill (AB) 939 program implementation performance and reporting accuracy, and facilitate more efficient Franchise Agreement administration and enforcement by COUNTY staff, only FRANCHISEE will arrange with Customers for MSW Management Services, subject to the terms of this AGREEMENT.

WHEREAS, the COUNTY is authorized to award franchises to waste haulers, Article XI, Section 7 of the California State Constitution authorizes the COUNTY to protect the public health and safety by exercising its authority over police and sanitary matters. Historically, the COUNTY Department of Health Services issued permits to haulers for the hauling of solid waste with requirements to protect public health and safety, including frequency of collection and collection vehicle maintenance. It will continue to do so, and FRANCHISEE will continue to obtain that permit and comply with all of its provisions; and

WHEREAS, California Public Resources Code Section 40059 specifically authorizes the COUNTY to prescribe the terms and conditions of aspects of MSW Management Services, including frequency of collection; means of collection and transportation; level of services; charges and fees; and the nature, location, and extent

of providing MSW Management Services; and whether the services are to be provided by means of nonexclusive, partially exclusive, or wholly exclusive franchise, contract, license, permit, or otherwise; and

WHEREAS, the County Code authorizes the COUNTY'S Director to require franchises in any part of the unincorporated territory of the COUNTY not served by a Garbage Disposal District; and

WHEREAS, the COUNTY must comply with AB 939. The State of California has found and declared that the amount of solid waste generated in California coupled with diminishing landfill space and potential adverse environmental impacts from land filling have created an urgent need for State of California and local agencies to enact and implement an aggressive, new integrated waste management program. Through enactment of AB 939, the State of California has directed agencies, such as the COUNTY to divert 50 percent of all solid waste through source reduction, recycling, and composting activities. The California Integrated Waste Management Board has granted the COUNTY a time line to achieve compliance with the AB 939 diversion requirements. Compliance is based in part on executing and implementing this AGREEMENT in order to secure cooperation with FRANCHISEE'S AB 939 waste diversion programs, record keeping, and reporting; and

WHEREAS, the COUNTY'S Director has determined to require franchises for Franchise Services (otherwise referred to as "Task 1" in this AGREEMENT). In order to assist residents and businesses located in the Service Area to receive quality MSW Management Services and to provide the COUNTY with programs, records, and reports that will help the COUNTY comply with AB 939, the Director has determined to franchise MSW Management Services in portions of the COUNTY, under the terms of this AGREEMENT. The COUNTY issued a 5-year notice under California Public Resources Code Section 49520 of the COUNTY'S intent to authorize, among other options, the exclusive franchising of MSW Management Services in portions of the COUNTY; and

WHEREAS, residents and businesses in the Service Area are not required to subscribe to Franchise Services, they may self-haul their refuse, and this AGREEMENT excludes the collection of self-hauled waste. Owners and occupants of residential premises may collect solid waste in their own containers, transport in their own vehicles, and themselves dispose of solid waste generated at their premises. The obligation to FRANCHISEE'S customers under this AGREEMENT to pay Customer Service Charges under this AGREEMENT does not arise because they own property, but because they generate refuse and do not exercise their right to self-haul; and

WHEREAS, the FRANCHISEE will perform Franchise Services in accordance with the laws governing the safe collection, transport, recycling and disposal of Residential and Commercial Solid Waste, such as AB 939, Recovered Conservation and Recovery Act (RCRA), and Comprehensive Environmental Response Compensation and Liability Act (CERCLA). The COUNTY will not exercise control over

the disposal or other disposition of the Solid Waste handled by the FRANCHISEE, and the COUNTY will not designate or determine the use of any given solid waste facility. FRANCHISEE acknowledges that by entering into this AGREEMENT, the COUNTY does not assume any of FRANCHISEE'S obligation to or responsibility for providing Franchise Services, and the COUNTY does not become a "generator" or an "arranger" as those terms are used in the context of CERCLA Section 107(a)(3). FRANCHISEE agrees that FRANCHISEE, an independent entity, and not the COUNTY, is arranging for Franchise Services provided under this AGREEMENT. Although minimum scope of Franchise Services, Service Specifications, and Service Standards are set forth in this AGREEMENT, the COUNTY has not, and by this AGREEMENT does not, supervise Franchise Services or assume title to Solid Waste; and

WHEREAS, the COUNTY consulted with representatives of waste haulers in developing this AGREEMENT. The COUNTY and representatives of the private hauling industry met many times to discuss the scope of Franchise Services, Service Specifications, Service Standards, and other Performance Obligations and to address certain of the industry's questions, comments, and concerns, and the COUNTY provided multiple drafts of this AGREEMENT to these representatives; and

WHEREAS, the COUNTY is responsible and provides for collection of solid waste abandoned on public rights of way and is authorized to fulfill its responsibility through contracting for collection service; and

WHEREAS, under California Streets and Highways Code Section 953, COUNTY must pay for collection of abandoned waste in Public Right of Way (otherwise referred to as "Task 2" in this AGREEMENT) out of public money deposited in the County Road Fund. COUNTY cannot use Customer Service Charges (or Rates) to pay for Task 2; and

WHEREAS, the COUNTY issued a Request for Proposals (RFP) to provide Task 1 and Task 2 services under this AGREEMENT, and private waste hauling companies submitted proposals, including their proposed schedule of rates and charges. The COUNTY selected FRANCHISEE based, *inter alia*, on FRANCHISEE'S price proposal and work plan for Task 1. There was no separate evaluation of proposals with respect to Task 2 services. The compensation to be paid to the FRANCHISEE for Task 2 services has been established and stipulated by the County in Exhibit 3A2 of this AGREEMENT. Under this AGREEMENT, the FRANCHISEE cannot charge its customers more than the proposed rates and charges; and

WHEREAS, the FRANCHISEE is awarded this AGREEMENT. The Board of Supervisors determines and finds pursuant to California Public Resources Code Section 40059, that the public health, safety, and welfare require that FRANCHISEE be awarded this AGREEMENT for Franchise Services (Task 1) pursuant to Chapter 20.70 of the County Code and County Services (Task 2) pursuant to California Streets and Highways Code Section 953. FRANCHISEE acknowledges and

understands that this AGREEMENT encompasses both Task 1 and Task 2, and shall perform both tasks pursuant to the terms set forth in this AGREEMENT; and

This AGREEMENT applies to both Task 1 and Task 2, unless specifically indicated otherwise at the beginning of a Section or subsection. However, Exhibit 3A applies only to Task 1, and Exhibit 3A2 applies only to Task 2.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

SECTION 1—GRANT OF RIGHT AND PRIVILEGE TO PROVIDE FRANCHISE SERVICES. Applicable to Task 1 only.

- A. Grant of Franchise.** COUNTY grants to FRANCHISEE the right and privilege described in this Section. COUNTY'S grant is conditioned on FRANCHISEE being at all times ready, willing, and able to fully and timely meet all of its Performance Obligations. FRANCHISEE accepts this Franchise subject to all of the terms and conditions in this AGREEMENT and the exclusions in subsection B.

Grant of Exclusive Franchise for Collection in Carts. COUNTY grants to FRANCHISEE and FRANCHISEE accepts the exclusive right and privilege together with the obligation to provide franchise services, by making independent arrangements with customer, with respect to solid waste discarded in carts and within the Service Area.

B. Exclusions from Franchise.

1. **Customer Self-Haul.** This Franchise excludes the right and privilege to Collect self-hauled Solid Waste in Carts. Anyone, including Persons performing services other than MSW Management Services (such as roofers and gardeners) at those Premises may collect in receptacles other than Carts provided by FRANCHISEE, transport in their own vehicles, and themselves dispose of some or all of the Solid Waste generated at those Premises.
2. **COUNTY and Third-Party Agencies.** This Franchise excludes the right and privilege to arrange to provide Franchise Services to Premises owned or controlled by any of the following entities:
 - a. COUNTY or any other entity governed by the Board of Supervisors;
 - b. The State of California;
 - c. Any school district;

- d. Any entity that is excluded by law from the obligation to subscribe to Franchise Services under this AGREEMENT.

This Franchise does not prohibit FRANCHISEE from executing separate agreements with those entities to provide MSW Management Services.

- 3. **Collection of Solid Waste in Bins.** This Franchise excludes the right and privilege to provide Collection of Solid Waste in Bins for any Residential Customer requesting Bins instead of Carts. The Customer may arrange with FRANCHISEE or another Person to provide MSW Management Services in Bins.
 - 4. **Rights Under California Public Resources Code Section 49520.** This Franchise excludes the right and privilege to arrange for provision of Franchise Services with any Person who is receiving solid waste handling services from a solid waste enterprise that has the statutory right to continue to provide solid waste handling services to that Person in accordance with California Public Resources Code Section 49520 *et seq.* This Franchise does not prohibit FRANCHISEE from executing separate agreements with those Persons to provide Franchise Services.
 - 5. **County Services – Abandoned Waste and Litter On-Call Collection Services (Task 2 – County Services).** This Franchise excludes the right and privilege to Collect Abandoned Waste.
 - 6. **Donation or Selling of Recyclables.** The Franchise excludes the right and privilege to Collect Recyclables that Customers donate or sell to Persons other than FRANCHISEE.
- C. **Definition of Rights.** FRANCHISEE acknowledges having received a timely notice from COUNTY under California Public Resources Code Section 49520 before entering into this AGREEMENT, which notice precludes FRANCHISEE from asserting the right to continue to provide MSW Management Services in the Service Area without a Franchise Agreement as may be required by COUNTY, now or in the future.

FRANCHISEE further acknowledges that the signing of this AGREEMENT does not confer on FRANCHISEE any rights under California Public Resources Code Section 49520 and that FRANCHISEE does not have the right to make any claim under California Public Resources Code Section 49520 but only under the terms of this AGREEMENT. Notwithstanding the foregoing, in accordance with California Public Resources Code Section 49523, COUNTY and FRANCHISEE agree, based on the mutually satisfactory terms of providing Franchise Services set forth in this AGREEMENT and receipt of compensation therefore, that FRANCHISEE shall cease providing MSW Management Services in the Service Area on the Termination Date even if that Termination Date should occur before

the expiration of the period described in California Public Resources Code Section 49520. FRANCHISEE'S agreement and acknowledgments in this AGREEMENT do not foreclose COUNTY from re-procuring agreements for MSW Management Services, including from FRANCHISEE, after termination of this AGREEMENT, by nonexclusive, partially exclusive, or wholly exclusive franchise, contract, license, permit or otherwise, with or without competitive bidding.

- D. **Franchise Fee.** In consideration for this Franchise, FRANCHISEE shall pay COUNTY the Franchise Fee at the time and in the amount and manner established from time to time by COUNTY ordinance or resolution of the Board of Supervisors. FRANCHISEE shall not separately identify the Franchise Fee in correspondence with Customers, including in Subscription Orders, bills, or invoices.

SECTION 2—TERM

- A. **Term.** This AGREEMENT'S initial term shall be for a period of seven years commencing on the date both parties have executed this AGREEMENT, and expires on the Termination Date provided in Exhibit 3A. The Director shall have the sole option to extend the term of this AGREEMENT for up to three additional one-year periods, followed by six one-month extensions, for a maximum total Term of ten years and six months. Each such option and extension shall be exercised at the sole discretion of the Director. The Director will provide written Notice to FRANCHISEE no later than 60 days before the commencement of any one-year period extensions, and will provide at least ten days Notice in advance of any one-month period extensions.
- B. **Obligations Upon Expiration or Termination of AGREEMENT.** The following provisions will survive the expiration or termination of this AGREEMENT:
1. **Acknowledgements.** All acknowledgments, including those in the following Sections:
 - Section 1C (inapplicability of PRC 49520)
 - Section 2C (no recovery of undepreciated asset value)
 - Section 3A (no COUNTY responsibility for supervising or performing Franchise Services)
 - Section 11A (Record maintenance)
 - Section 21F (interpretation of this AGREEMENT)
 2. **Representations and Warranties.** All representations and warranties, including those made in accordance with the following Sections:
 - Section 21F with respect to review of this AGREEMENT
 - Section 24B, Authority to Execute
 - Exhibit 20H, FRANCHISEE'S Representations and Warranties

3. **Indemnities:** All Indemnities
4. **Payments:** All obligations to pay any due and payable monetary amounts or claims for those amounts, including:
 - Any Franchise Fees
 - Payment of Transfer Deposits and Transfer Costs
 - Damages under Section 18D
 - Payment of County Service Charges under Exhibit 3A2.
5. **Records and Reports.** All obligations to maintain and submit Records and Reports, including:
 - The final Annual Report
 - Information with respect to Solid Waste Facilities
 - Copies of certificates of insurance or other evidence of coverage
 - Records of Disposal
 - Notice of Destruction of Records of Disposal
 - Inspection and audit
 - Records of Abandoned Waste Collection including supporting documentation.
6. **Provisions Surviving Termination Date.** Any other provisions of this AGREEMENT and rights and obligations of the Parties stated to survive the Termination Date, including:
 - This subsection B (cooperation during transition; removal of Carts), and
 - Subsection C (no recovery of undepreciated asset value)

If FRANCHISEE is not awarded an agreement to allow FRANCHISEE to continue to provide MSW Management Services substantially similar to Franchise/County Services in the Service Area after the expiration or termination of this AGREEMENT, FRANCHISEE shall cooperate fully with COUNTY and the succeeding franchisee, licensee, permittee, or other provider of MSW Management Services to assure a smooth, efficient, orderly, timely, and effective transition and continued delivery of MSW Management Services to FRANCHISEE'S former Customers.

With respect to Franchise Services (Task 1), FRANCHISEE shall not remove a Cart from any Premises until the earlier of: (1) the date any replacement Carts are provided to the Customer, or (2) two weeks after the Termination Date.

FRANCHISEE'S OBLIGATIONS AND COUNTY'S RIGHTS IN THIS SUBSECTION B SURVIVE THE TERM.

- C. **Undepreciated Assets.** If any of FRANCHISEE'S assets remain undepreciated upon the expiration or earlier termination by COUNTY of this Franchise, FRANCHISEE has no right to recover amounts equal to the undepreciated asset

value from COUNTY or Customers, and neither COUNTY nor Customers are obligated to compensate FRANCHISEE for any undepreciated asset value.

SECTION 3–SCOPE OF SERVICES AND SPECIFICATIONS

- A. Prescribed Scope.** With respect to Task 1, FRANCHISEE shall arrange to provide Franchise Services (Task 1) to Premises in the Service Area with any Person who requests them, in accordance with Exhibit 3A. With respect to Task 2, FRANCHISEE shall provide County Services (Task 2) in the Service Area to COUNTY in accordance with Exhibit 3A2.

Notwithstanding the foregoing, subject to the minimum required scope of Franchise/County Services, Service Specifications and Service Standards, FRANCHISEE has the freedom and discretion to determine the means, manner, or method of providing Franchise Services. FRANCHISEE acknowledges that in entering into this AGREEMENT, COUNTY is not responsible for supervising FRANCHISEE or for performance of any Franchise/County Services. FRANCHISEE is solely responsible for choosing the Solid Waste Facilities. In addition, COUNTY is not the owner or titleholder of any material Collected, transported, Disposed of, or otherwise handled by FRANCHISEE.

Any work performed outside the Performance Specifications without COUNTY's prior written approval shall be deemed to be a gratuitous effort by FRANCHISEE, and FRANCHISEE shall have no claim, therefore, against COUNTY.

- B. County Notice.** Applicable to Task 1 only. Upon Notice of request by the Director, FRANCHISEE shall use its best efforts to promptly provide Franchise Services to any Premises, as the Director deems necessary to protect public health or safety.
- C. Change in Scope of Services.** COUNTY may change the scope of Franchise Services and Service Standards. However, with respect to Task 1, the change is subject to any Rate adjustment agreed to with FRANCHISEE in accordance with Section 10A.
- D. FRANCHISEE Documentation.**
1. **FRANCHISEE'S Compliance with FRANCHISEE Documentation.** FRANCHISEE shall provide Franchise/County Services in compliance with the FRANCHISEE Documentation attached as Exhibit 3D.
 2. **Changes in FRANCHISEE Documentation.**
 - a. ***Notice to COUNTY.*** FRANCHISEE shall give the Director prompt Notice of any changes in FRANCHISEE Documentation listed in Section A of Exhibit 3D FRANCHISEE Documentation, after the

Execution Date. The Director's receipt of those changes will be evidenced by the following acknowledgment appended to the changed FRANCHISEE Documentation:

"**Acknowledgment:** FRANCHISEE has submitted the attached FRANCHISEE Documentation listed below as of the following date:

Date: Oct. 30, 2014 Director: Shawn A. Shaw "

b. **COUNTY Consent.** FRANCHISEE shall submit to the Director for review and consent any changes occurring in FRANCHISEE Documentation listed in Section B of Exhibit 3D FRANCHISEE Documentation, after the Execution Date. The Director's approval will be evidenced by the following acknowledgment appended to the changed FRANCHISEE Documentation:

"**Acknowledgment:** I have reviewed and approved the attached FRANCHISEE Documentation submitted by FRANCHISEE as of the following date:

Date: Oct. 30, 2014 Director: Shawn A. Shaw "

SECTION 4—SERVICE STANDARDS

A. Public Health and Safety; Nuisances

1. **Litter.** FRANCHISEE shall clean up all litter caused by FRANCHISEE. When Collecting any Bulky Item, CED, E-waste or Abandoned Waste, FRANCHISEE shall also clean up all litter within a 10-foot radius of the site from which FRANCHISEE Collected the Bulky Item, CED, E-waste or Abandoned Waste. FRANCHISEE shall ensure that each Vehicle is properly staffed and equipped at all times for this purpose.
2. **Spills.** FRANCHISEE shall enclose or cover Solid Waste that it transports in Vehicles, debris boxes, hoppers, compactors, or any other containers. FRANCHISEE shall prevent Solid Waste from escaping, dropping, spilling, leaking, blowing, sifting, falling, or scattering from Vehicles ("**Spills**") during Collection and transportation. FRANCHISEE shall not transfer loads from one Vehicle to another Vehicle unless necessitated by mechanical failure or accidental damage to a Vehicle. FRANCHISEE shall immediately clean up any Solid Waste that it Spills onto any alley, street, or public place.
3. **Leaking.** FRANCHISEE shall prevent oil, hydraulic fluid, paint, or other liquid from leaking from its Vehicles. FRANCHISEE shall ensure that each Vehicle carries petroleum absorbent agents and other appropriate cleaning agents and if any liquid leaks from a Vehicle, FRANCHISEE shall immediately cover, treat, or remove the liquid materials from the ground,

as necessary, and apply the necessary cleaning agent to minimize the adverse impact of the liquid materials.

4. **Noise.** FRANCHISEE shall conduct Collection as quietly as possible, in compliance with noise levels prescribed by Applicable Law, including County Code Section 12.08.520-Refuse Collection Vehicles. FRANCHISEE shall perform so as to cause the least possible obstruction and inconvenience to public traffic or disruption to the peace and quiet of the Service Area.
 5. **Emergency Telephone Number.** FRANCHISEE shall maintain a local emergency telephone number disclosed to the Director for use by the Director outside FRANCHISEE Office Hours. FRANCHISEE shall make a representative available at the emergency number outside FRANCHISEE Office Hours who will return any emergency call as soon as possible and in any event within one hour.
- B. Streets and Alleys.** Applicable to Task 1 only. FRANCHISEE shall obtain all approvals required to operate Vehicles on private alleys, streets, and parking lots. Subject to COUNTY review and approval and notwithstanding FRANCHISEE's obligations under Section 20C, FRANCHISEE may require those Customers for whom FRANCHISEE is required to operate Vehicles on private property to sign a Subscription Order containing a waiver of liability with respect to damage to private driveways or pavement.
- C. Non-Collection Notice.** Applicable to Task 1 only. FRANCHISEE is not obligated to Collect in any of the following events:
1. FRANCHISEE observes the presence of Unpermitted Waste at the Set-Out Site other than any Unpermitted Waste that FRANCHISEE Collects as Bulky Items, E-waste or CEDs;
 2. FRANCHISEE observes an unsafe condition at the Set-Out Site;
 3. Solid Waste not placed in a Cart, *except* for uncontainerized materials set out as part of any on-call Collection of Bulky Items, E-waste, and CEDs and annual cleanup campaigns, and uncontainerized Green Waste prescribed as part of Franchise Services;
 4. Carts, Bulky Items, E-waste, or CEDs that are not placed at the Set-Out Site;
 5. A Cart exceeds any weight limitations described in Subscription Orders;
 6. The Customer has not timely paid FRANCHISEE'S invoice for Franchise Services;

7. The Premises are not safely accessible to Vehicles;
8. FRANCHISEE observes the presence of Refuse or Green Waste in a Recyclables Cart or the presence of Refuse or Recyclables in a Green Waste Cart;
9. FRANCHISEE observes any other event provided in Exhibit 3A.

If FRANCHISEE determines not to provide Collection as provided above, FRANCHISEE shall complete and leave a Non-Collection notice, substantially in the form included in FRANCHISEE Documentation, securely attached to a Cart if safe to do so, describing the reason the Customer's Solid Waste was not collected, how the Customer can correct the problem, and how the Customer may contact FRANCHISEE. FRANCHISEE shall Collect the Customer's Solid Waste without additional cost to the Customer no later than 6 p.m. on the day it left the Non-Collection notice, if the Customer notifies FRANCHISEE by 3 p.m. that day that the Customer has corrected the condition justifying non-collection.

D. Subscription Order. Applicable to Task 1 only. Before commencing Franchise Services for an individual Customer, FRANCHISEE shall provide a Subscription Order to that Customer, substantially in the form included in FRANCHISEE Documentation, which must include at a minimum, all of the following items:

1. The scope of Franchise Services, including size and number of Carts, subscription date, and Set-Out Site;
2. Customer Service Charges, which may be in the form of a general fee schedule, clearly marked to indicate the fees that are specifically applicable to the Customer but which may not separately indicate the portion of Rates for Basic Service indicated on the Rate Schedule attributable to any of the following Solid Waste materials types: Refuse, Green Waste, and Recyclables;
3. FRANCHISEE'S billing procedures, including payment due and delinquency dates, FRANCHISEE'S right to terminate Franchise Services for delinquent payments, and, in accordance with Section 10B, the Customer's refund rights after termination of Franchise Services;
4. Holiday schedules in accordance with Section B1 of Exhibit 3A;
5. Delivery, pick up, exchange, and replacement of Carts;
6. Any weight limitations of Carts;
7. Customer's privacy rights in accordance with Section 5;

8. Nondiscrimination information in accordance with subsection F;
9. Term of the Subscription Order and the Customer's termination rights in accordance with Section 20I;
10. FRANCHISEE'S Office Hours, toll-free Customer service telephone number, e-mail address, and website;
11. Notice that the Customer's subscription is subject to FRANCHISEE'S execution of this AGREEMENT and will be terminated if this AGREEMENT is terminated;
12. The Customer's right to donate or sell any or all of their Recyclables to Persons other than FRANCHISEE as set forth in Section 1A2a above;
13. The Customer's right to self-haul as set forth in Section 1B1 above;
14. The Customer's rights in the event of property damage or personal injury as described in Section 20C;
15. COUNTY'S telephone number, which the Customer may call after contacting FRANCHISEE if the Customer's service complaint is not satisfactorily resolved;
16. Description of Green Waste and items that do not comprise Green Waste, including items approved by County, as described in Exhibit 21;
17. Description of the Recyclables; and
18. Any other information requested by the Director.

FRANCHISEE shall annually distribute to Customers a summary, substantially in the form included in FRANCHISEE Documentation, of the Customer's Subscription Order containing the general information described in items 1 through 18 and describing where a Customer can contact FRANCHISEE to obtain a copy of that Customer's Subscription Order. FRANCHISEE may distribute that summary together with other correspondence from FRANCHISEE to all Customers, such as Customer outreach and educational materials.

The Director may change the form and content of Subscription Order from time to time after Notice to FRANCHISEE. FRANCHISEE may change the form of Subscription Order only with the Director's prior written consent in accordance with Section 3D.

- E. Exceptions to Performance Obligations.** No exceptions to Performance Obligations described in the text of this AGREEMENT are permitted unless they

are specifically identified in Section A3 of EXHIBIT 3A or Section A1 of EXHIBIT 3A2, or both Exhibits.

- F. Nondiscrimination.** FRANCHISEE shall comply with Subchapter VII of the Civil Rights Act of 1964, 42 U.S.C. Section 2000e-2000e(17), to the end that no Customer or any other Person will, on the grounds of race, creed, color, sex, gender, national origin, ancestry, religion, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this AGREEMENT or under any project, program, or activity supported by this AGREEMENT.
- G. FRANCHISEE Waste Reduction Practices.** Consistent with the Board of Supervisors' policy to reduce the amount of Solid Waste that is disposed of at landfills within the COUNTY, FRANCHISEE shall implement waste reduction practices and procurement policies, including use of recycled-content paper, to the maximum extent possible in providing Franchise/County Services and maintaining Records. All recycled-content paper that is distributed to Customers or COUNTY must be labeled to indicate recycled content.
- H. Customer Correspondence and Other Materials.** Applicable to Task 1 only. FRANCHISEE shall submit to the Director for approval at least five County Business Days before printing, distributing, or mailing forms of written materials sent or given to Customers (other than with respect to a particular Customer's Subscription Order or Franchise Services complaints). In addition, at the request of the County, FRANCHISEE shall make Reasonable Business Efforts to distribute County authorized information materials to its Customers.
- I. Publicity and News Media Relations.**
1. **Publicity.** Unless otherwise required by subsection H or subsection I.2, FRANCHISEE and its Affiliates, employees, consultants, agents, or subcontractors may, without COUNTY consent, publicize its Franchise/County Services or indicate in its proposals and sales materials that it has been awarded this AGREEMENT to provide Franchise/County Services, if FRANCHISEE develops that publicity, proposals, or sales materials in a professional manner.

Neither FRANCHISEE nor any of its Affiliates, employees, consultants, agents, or Subcontractors may publish or disseminate commercial advertisements, news or press releases, opinions or feature articles using the name of COUNTY without the prior written consent of COUNTY'S Chief Administrative Officer and County Counsel. COUNTY shall not unreasonably withhold written consent. COUNTY'S consent will be deemed given if COUNTY does not submit to FRANCHISEE any adverse

comments within two weeks after FRANCHISEE submitted the publicity material to COUNTY.

2. **News Media Relations; Trade Journal Articles.** FRANCHISEE shall notify COUNTY by telephone followed by facsimile or e-mail, if possible, of all requests for news media interviews related to the Franchise/County Services (and not other communities) within 24 hours of FRANCHISEE'S receipt of the request. Before responding to requests involving issues other than those relating to descriptions of Collection programs and scope of Franchise/County Services, FRANCHISEE shall discuss FRANCHISEE'S proposed response with COUNTY.

FRANCHISEE shall submit copies of FRANCHISEE'S draft news releases or proposed trade journal articles related to Franchise/County Services to County for prior review and approval at least five County Business Days in advance of release.

FRANCHISEE shall provide to County, within five days after publication, copies of articles related to Franchise/County Services resulting from media interviews or news releases.

- J. **Responsiveness to County.** FRANCHISEE shall return telephone calls from COUNTY to the individual who made that call during County Office Hours no later than the next County Business Day. FRANCHISEE shall meet with COUNTY during County Office Hours within one week of COUNTY'S oral or written request at COUNTY offices or other location directed by COUNTY. FRANCHISEE shall respond to all e-mails from COUNTY within two County Business Days of receipt and shall respond to other written correspondence from COUNTY within one week of receipt thereof.
- K. **No Commingling of Interjurisdictional Materials.** Applicable to Task 1 only. FRANCHISEE may not commingle, in its Vehicles or otherwise, any Solid Waste that it Collects with any other materials that it collects in cities, without the express prior written consent of the Director, who may require documentation such as records of customers, including Cart capacities, in cities and in the Service Area, respectively. FRANCHISEE shall maintain Records with respect to Solid Waste separately from weight and records with respect to those other materials.
- L. **Key Personnel.** FRANCHISEE acknowledges that it identified certain personnel and described their professional experience and qualifications in the proposal it submitted to the COUNTY in connection with the procurement of this AGREEMENT, and that COUNTY awarded this AGREEMENT to FRANCHISEE based in part on those individuals' experience and qualifications. FRANCHISEE shall identify those personnel ("**Key Personnel**") in FRANCHISEE Documentation. FRANCHISEE shall provide COUNTY at least 30 days' Notice

of changes in Key Personnel, including the professional experience and qualifications of the individual FRANCHISEE proposes to serve in place of a departing Key Personnel, unless a Key Personnel gives FRANCHISEE less than 30 days' notice of resignation, in which case FRANCHISEE shall provide COUNTY prompt Notice. During that 30-day period, COUNTY may request FRANCHISEE to propose an alternative individual to serve in the position of the departing Key Personnel.

- M. Confidentiality.** FRANCHISEE shall maintain the confidentiality of all records obtained from COUNTY under this AGREEMENT in accordance with all applicable Federal, State, and local laws, ordinances, regulations, and directives relating to confidentiality. FRANCHISEE shall inform all of its officers, employees, agents, and Subcontractors providing services hereunder of the confidentiality provisions of this AGREEMENT.

SECTION 5–PRIVACY. Applicable to Task 1 only.

- A. General.** FRANCHISEE shall strictly observe and protect the Trade Secrets and rights of privacy of Customers. FRANCHISEE shall not reveal to a Person other than COUNTY any information identifying individual Customers or the composition or contents of a Customer's Solid Waste to any Person unless under Section 11 or upon the authority of law or upon valid authorization of the Customer. This provision may not be construed to excuse FRANCHISEE from its obligations to assist COUNTY in the preparation of Solid Waste characterization studies or waste stream analyses, keeping Records, making Reports, or assisting COUNTY on meeting any of the requirements of AB 939.
- B. Mailing Lists.** FRANCHISEE shall not market or distribute mailing lists with the names and addresses of Customers.
- C. Privacy Rights Cumulative.** FRANCHISEE'S obligations in this Section are in addition to any other privacy rights accorded Customers under Applicable Law.

SECTION 6–UNPERMITTED WASTE SCREENING AND REPORTING

- A. Protocol.** FRANCHISEE shall develop and implement the Unpermitted Waste Screening Protocol included in FRANCHISEE Documentation, in compliance with Applicable Law and including, at a minimum, the following provisions:
 1. Ongoing employee training in identification, safety and notification procedures, including leaving Non-Collection notices, when safe;
 2. Means of driver inspection, such as visual inspection during tipping of Carts into Vehicles;
 3. Immediate driver response, such as load segregation;

4. Driver notification, such as calling FRANCHISEE'S dispatcher or field supervisor;
 5. Notification of appropriate local agency or department;
 6. Appropriate action, such as segregation and containerization for manifesting and transport for disposal in accordance with Applicable Law or securing services of permitted handling and transport company;
 7. Compliance with Applicable Law, including regulations of the federal Department of Transportation (DOT) (Title 49 CFR) and of the United States Environmental Protection Agency (Title 40 CFR); and
 8. Form and content of labels described in subsection D.
- B. Prohibition on Collection.** FRANCHISEE is prohibited, unless licensed in accordance with Applicable Law, from Collecting any Unpermitted Waste observed by FRANCHISEE other than in connection with providing Collection of Bulky Items, CEDs, or E-waste. FRANCHISEE shall notify all Persons required by Applicable Law of Unpermitted Waste that FRANCHISEE finds or observes in Solid Waste.
- C. Reports to Director.** If FRANCHISEE observes that any substance it reasonably believes or suspects to contain Unpermitted Waste has been disposed of or released on any COUNTY or any other public property, including storm drains, streets, or other public rights of way, FRANCHISEE shall use Reasonable Business Efforts to report its observation to the Director in addition to notifying Persons as required by Applicable Law.
- D. Labels.** Applicable to Task 1 only. FRANCHISEE shall conspicuously label Carts with stickers, embossing, or other secure means, prohibiting Customers from discarding Unpermitted Waste and including illustrative examples.
- E. Safe Disposal Customer Education Program.** Applicable to Task 1 only. As part of its Unpermitted Waste Screening Protocol, FRANCHISEE shall develop and implement a Customer educational program to maximize exclusion of Unpermitted Waste from Disposal and promote safe handling of Unpermitted Waste. FRANCHISEE shall include a copy of its program in FRANCHISEE Documentation. At least once each Calendar Year, FRANCHISEE shall distribute flyers, pamphlets, brochures, or other written information describing the safe disposal Customer education program. FRANCHISEE shall submit the materials to COUNTY at least one month before mailing them, and COUNTY may comment on them. FRANCHISEE may combine this distribution with its Customer outreach for the Waste Diversion Program as provided in Section B2b of Exhibit 3A.

SECTION 7–CUSTOMER SERVICE

- A. **Office.** FRANCHISEE shall maintain an Office and Vehicle maintenance yard at the address provided in FRANCHISEE Documentation, which FRANCHISEE may change following COUNTY consent in accordance with Section 3D2b.
- B. **Telephone Service.** Applicable to Task 1 only. FRANCHISEE shall maintain a toll-free telephone number. FRANCHISEE shall list the telephone number under FRANCHISEE'S name in at least two telephone directories (white pages and yellow pages) available in the Service Area, including English and Spanish or other language as required by the Director. FRANCHISEE'S choice of directories must be approved by the Director before printing. FRANCHISEE shall be available during FRANCHISEE Office Hours at that number to receive calls (including from the Director, Customers, and the public) with respect to its Performance Obligations or Franchise Services (including Subscription Orders, Franchise Services payments, and complaints). FRANCHISEE shall provide an answering machine or answering service at that number to take reports of missed pick-ups and other complaints that are received outside of FRANCHISEE Office Hours and otherwise provide Customer service in accordance with County Code Section 20.72.160 and any additional provisions in Exhibit 3A.
- C. **Bilingual.** Applicable to Task 1 only. FRANCHISEE shall respond to Customers in English and Spanish and/or any alternative or additional language prescribed in Exhibit 3A, as requested by a Customer.
- D. **Customer Complaints; Missed Collections. Applicable to Task 1 only.**
1. **Resolution of Complaints.** The protection of public health, safety, and well-being require that Customer complaints be acted on promptly and that a record be maintained in order to permit COUNTY and FRANCHISEE to identify potential public health and safety problems. Accordingly, FRANCHISEE'S Subscription Order shall direct Customers to make all complaints to FRANCHISEE at the telephone number identified in subsection B.

FRANCHISEE shall address all Customer complaints by the end of the next Service Day following Customer contact.

If the Director or a Customer notifies FRANCHISEE that FRANCHISEE has missed Collecting from any Cart that it should have Collected, FRANCHISEE shall Collect from that Cart:

- a. No later than 6 p.m. on the day it receives the complaint, if it receives the complaint by 3 p.m.; or

B. Billing. FRANCHISEE shall include in its form of Customer invoice the following information:

1. Set-out times and places for Carts as required by the County Code and other County Code requirements as may be requested by County; and
2. FRANCHISEE's telephone number, Office address, and e-mail address for Customer complaints and questions.

At COUNTY'S request, FRANCHISEE shall promptly submit its form of Customer invoice to COUNTY. FRANCHISEE shall itemize costs in accordance with service options itemized on the Rate Schedule. FRANCHISEE shall not separately segregate, separate, or designate that portion of a Customer's bill attributable to the Franchise Fee or identify it to Customers. FRANCHISEE may bill Customers monthly, bimonthly, or quarterly as the Customer and FRANCHISEE may agree.

At COUNTY'S request, FRANCHISEE shall use Reasonable Business Efforts to enclose with Customer bills all inserts promoting recycling and waste reduction prepared and provided by COUNTY.

FRANCHISEE shall refund any overcharges to a Customer (including advance payments for Franchise Services that are subsequently canceled) within 30 days after collection thereof. FRANCHISEE shall pay the Customer interest on overcharges (other than advance payments for subsequently canceled services) with interest thereon at 10 percent per annum from the date originally overcharged until the date refunded.

SECTION 11—FRANCHISEE RECORDS—AUDITS

FRANCHISEE'S OBLIGATIONS AND COUNTY'S RIGHTS IN THIS SECTION SURVIVE THE TERM.

A. Record Maintenance and Retention.

1. **All Records.** FRANCHISEE shall prepare and maintain all Records in accordance with generally accepted auditing principles during the Term and for an additional period of not less than five years after the Termination Date or any longer period required by Applicable Law.
2. **Disposal Records.** FRANCHISEE acknowledges:
 - a. That COUNTY may need to respond to claims under CERCLA or similar claims with respect to Disposal of Solid Waste; and

- b. COUNTY'S need to determine the quantity of FRANCHISEE'S Disposal of Solid Waste.

Therefore, FRANCHISEE shall establish and maintain a protocol for the retention and preservation of those Records, for a period of five years after the Termination Date or any longer period required by Applicable Law, which protocol will document where FRANCHISEE Disposed of Solid Waste that it Collected (whether landfilled, incinerated, composted, or otherwise processed or marketed).

3. **Notification.** FRANCHISEE shall give Notice to the Director at least 30 days before destroying Records of Disposal at any time after the retention period referred to in subsection A2.
- B. **County Custody.** If the Director has reason to believe that Records may be lost, discarded, or destroyed for any reason, the Director may require that FRANCHISEE give COUNTY custody of any or all Records in which event access to those Records is granted to any Person duly authorized by FRANCHISEE. FRANCHISEE shall pay for storage cost.
 - C. **Inspection and Audit.** Upon five Service Days advance notice by telephone or writing, or a lesser amount of time in the event of extraordinary circumstances, COUNTY and its auditors may inspect, audit (including using outside auditors), excerpt, transcribe, and copy all Records at FRANCHISEE'S Office during FRANCHISEE Office Hours. FRANCHISEE may maintain Records outside of the County (1) if it promptly provides copies thereof to COUNTY at COUNTY'S offices, (2) if COUNTY, in its sole discretion, agrees to travel outside the County and FRANCHISEE pays COUNTY'S Reimbursement Costs.

In addition to travel costs, COUNTY will bear the expense of the audit and of obtaining a copy of Records; however, within 30 days of COUNTY Notice, FRANCHISEE shall reimburse COUNTY for COUNTY'S Reimbursement Cost of the expenses for the audit if the audit reveals a discrepancy of the lesser of 3 percent or \$2,500 between:

1. The amount contained in the Records (e.g., the amount of Solid Waste Collected or Diverted or the amount of Gross Receipts received), and
2. Any representation or Report that FRANCHISEE made to COUNTY; Franchise Fee or other money paid to COUNTY; County Service Charges paid by COUNTY, or information that FRANCHISEE submitted to COUNTY.

The Director may give Notice to FRANCHISEE identifying any discrepancy.

FRANCHISEE will pay any discrepant shortfall in Franchise Fee or other payments due COUNTY, or excess of County Service Charges, upon COUNTY demand, including fees and charges for the late payment of Franchise Fees. Failure to make those payments will constitute a FRANCHISEE Default in accordance with Section 17. In lieu of payment, COUNTY in its sole discretion may (1) deduct that shortfall from amounts that COUNTY owes FRANCHISEE under this AGREEMENT, other contracts, or any other obligation, or (2) draw that shortfall from the performance bond, letter of credit, certificate of deposit, or other form of performance assurance provided by FRANCHISEE in accordance with Section 15.

COUNTY will pay any discrepant shortfall in County Service Charges due FRANCHISEE in cash up to COUNTY'S maximum obligation for County Service Charges appropriated by COUNTY for purpose of this AGREEMENT.

- D. **Copies of Customer Information.** Franchise shall provide copies of Customers' names, addresses, and Franchise Services subscription levels to COUNTY upon request.
- E. **Copies of Audits.** If anyone, including Federal or State auditors and auditors or accountants employed by FRANCHISEE or others, conducts an audit of FRANCHISEE specifically regarding this AGREEMENT, then within 30 days of the audit report, FRANCHISEE shall file a copy of the audit report with County's Auditor-Controller, unless otherwise provided by Applicable Law. Subject to Applicable Law, COUNTY shall make a reasonable effort to maintain the confidentiality of such audit report(s)

SECTION 12—PROGRAM IMPLEMENTATION AND REPORTING REQUIREMENTS

- A. **Programs.** FRANCHISEE acknowledges that one of COUNTY'S primary reasons for entering into this AGREEMENT with FRANCHISEE is to assist COUNTY in complying with AB 939. FRANCHISEE shall implement its Waste Diversion Program. FRANCHISEE shall use its best efforts to implement measures intended to achieve COUNTY'S source reduction, recycling, and waste stream diversion goals for Solid Waste it Collects. FRANCHISEE shall further use its best efforts to cooperate with COUNTY in conducting Solid Waste characterization studies and waste stream audits.
- B. **Submission of Records.** FRANCHISEE shall submit to the Director, without charge to COUNTY or charge to Customers, any Records relating to Diversion requested by COUNTY to assist COUNTY in meeting obligations imposed by AB 939. FRANCHISEE shall submit those Records in a format compatible with COUNTY'S computers (such as by e-mail or on computer discs or hard copy) as requested by the Director.

C Public Record Request.

1. The following become the exclusive property of COUNTY:
 - Any Record or other document that FRANCHISEE gives COUNTY, including in connection with the procurement of this AGREEMENT (such as proposals);
 - Any Record or other document that COUNTY obtains in connection with COUNTY'S audit or inspection under this AGREEMENT, including books and accounting records;

The above Records or other documents become a matter of public record and shall be regarded as public records, *except* if FRANCHISEE marks them as a "trade secret," "confidential," or "proprietary", they will be deemed excluded from disclosure under Government Code 6250 et seq. (Public Records Act). COUNTY shall not in any way be liable or responsible for the disclosure of any such records including, with limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

2. FRANCHISEE will defend, indemnify and hold harmless County from all costs and expenses, including reasonable attorney's fees, in connection with any requested action or liability arising under the Public Records Act, including request for any of the Records or other documents marked "trade secret," "confidential," or "proprietary,". FRANCHISEE releases COUNTY from liability or responsibility for disclosing Records or other documents including those so marked, if disclosure is required by Applicable Law, including an order issued by a court of competent jurisdiction.

SECTION 13–REPORTS

A. Types and Content.

1. **Monthly.** Within 45 days after the end of each calendar month, FRANCHISEE shall submit the Monthly Report for that calendar month to COUNTY in a form satisfactory to COUNTY, including the following information:
 - a. The total number of Commercial Premises, Multifamily Premises, and Residential Premises, respectively, at which FRANCHISEE provided for regularly scheduled Collection of Refuse or other measurement requested by COUNTY concerning these items;
 - b. The respective total quantities of:

- i. Refuse (in Tons), Recyclables (in Tons), and any Green Waste (in Tons or, if not weighed at the Solid Waste Facility where it is delivered, in cubic yards); and Abandoned Waste (in Tons or measure approved by the Director) Collected by FRANCHISEE,
 - ii. Materials recovered from those Recyclables, Abandoned Waste (such as CEDs or E-waste) and residual Refuse remaining after processing of Recyclables,
 - iii. The final destination of that Refuse, and
 - iv. Where FRANCHISEE delivered those Recyclables;
 - c. The estimated **number of holiday trees**, bushes, and biomass Collected by FRANCHISEE and their final destination;
 - d. Using Reasonable Business Efforts, the estimated number and **Tons of Bulky Items, E-waste, and CEDs** Collected by FRANCHISEE (such as major appliances/white goods and metallic discards, used tires and other Solid Waste recovered by FRANCHISEE during any annual cleanup campaigns), and final destination thereof;
 - e. The **Collection route maps and schedule** for the entire Service Area if any map or schedule has changed during the prior month; and
 - f. Any other information compiled from Records or formatting of that information requested by the Director; and
 - g. Number of households and customers served and/or invoiced for payment; and
 - h. Records of Collection for Task 2 requested by the Director.
2. **Quarterly Reports.** Within 45 days after the last day of each March, June, September, and December FRANCHISEE shall submit the Quarterly Report for the preceding three calendar months ending with that month to COUNTY in a form satisfactory to COUNTY, including the following information:
- a. A narrative description of efforts made to deter and prevent unauthorized removal or scavenging of Recyclables;

- b. The number of Tons of any type of Recyclables rejected for sale after Processing together with the reason for rejection and place at which the rejected materials were Disposed;
 - c. A report of Waste Diversion Program promotional activities, including materials distributed by FRANCHISEE to its Customers;
 - d. The total number of Commercial Premises, Multifamily Premises, and Residential Premises, respectively, at which Customers set out Recyclables and Green Waste Carts, respectively, together with Tonnage of Recyclables and Green Waste or other measurement of participation requested by COUNTY concerning these items;
 - e. The Collection route maps and schedule for the entire Service Area;
 - f. A summary of the number of Non-Collection notices issued and the reasons for issuance;
 - g. FRANCHISEE customer service list, which includes a list of all current and closed accounts, account numbers, name associated with each account, customer addresses, level of service provided at each address, additional services provided, billing and payment dates, payment received by each Franchise customer, and any other information associated with Franchise Services as requested by the Director; and
 - h. Information relating to Task 2 requested by the Director.
3. **Annual Report.** On or before each February 28, FRANCHISEE shall submit the Annual Report to COUNTY in a form satisfactory to COUNTY, for the preceding Calendar Year, including the following information:
- a. General information about FRANCHISEE, including a list of its respective officers, principals, major shareholders, general and limited partners, limited liability company members, and members of its boards of directors or governing board as the case may be;
 - b. A copy of the most recent annual public financial reports and other periodic public financial reports of FRANCHISEE and, at the Director's request, each of its Affiliates and other entities, if any, performing Franchise Services or providing Goods or Services; provided however, that if FRANCHISEE did not submit its own financial reports before the Execution Date of this AGREEMENT, it must provide a guaranty in the form provided by the Director, by a

guarantor satisfactory to the Director, which guarantor must provide its own audited financial reports;

- c. A report of FRANCHISEE'S compliance with its Performance Obligations with respect to Waste Diversion Program implementation during the preceding Calendar Year;
 - d. An updated inventory of Service Assets in accordance with Section 16A3;
 - e. A copy of the telephone directories described in Section 7B;
 - f. A description of contamination audits of Recyclables Carts in accordance with Service Specifications; and
 - g. An updated list naming all Subcontractors, the amount of Goods or Services that each Subcontractor provides to FRANCHISEE, and a description of FRANCHISEE'S relationships to each Subcontractor (including ownership interests) in accordance with Exhibit 3A.
 - h. each Vehicle's compliance with SCAQMD Rule 1193, Clean On-Road Residential and Commercial Collection Vehicles, and Diesel Particulate Matter Control Measures (13 CCR 202 *et seq.*).
 - i. Information relating to Task 2 requested by the Director.
4. **Reports of Violators.** Applicable to Task 1 only. If FRANCHISEE discovers that any Person is providing MSW Management Services in the Service Area that are not authorized by COUNTY or are in Violation of Applicable Law, then FRANCHISEE shall use Reasonable Business Efforts to promptly provide COUNTY with a written report containing at least the following:
- a. The identity and address of the Person ("Violator"), if known;
 - b. The facts and documentation supporting FRANCHISEE'S report; and
 - c. Any other information or documentation in connection with the Violator and FRANCHISEE'S report that COUNTY may reasonably request.

COUNTY acknowledges that FRANCHISEE may seek legal or injunctive relief against the Violator in accordance with Applicable Law to cease providing those MSW Management Services. Notwithstanding the

foregoing, COUNTY is not liable to FRANCHISEE, and FRANCHISEE hereby releases COUNTY in connection with any act of a Violator.

- B. Format.** FRANCHISEE shall submit Reports in a format compatible with COUNTY'S computers (such as by e-mail or on computer discs or printed copy) as determined by the Director.
- C. Reporting Adverse Information.** FRANCHISEE shall provide the Director copies of all reports, pleadings, applications, notifications, and notices of violation, communications or other material directly relating to its Performance Obligations submitted by FRANCHISEE to, or received by FRANCHISEE from, any of the following:
1. The United States or California Environmental Protection Agency;
 2. Cal Recycle;
 3. The Securities and Exchange Commission;
 4. Any other Regulatory Agency;
 5. Any federal, State, or County court.

FRANCHISEE shall submit copies to the Director simultaneously with FRANCHISEE'S submission of those materials to those entities. At COUNTY'S request, FRANCHISEE shall promptly make available to COUNTY any other correspondence between FRANCHISEE and those entities.

- D. Submission of Reports.** FRANCHISEE shall submit Reports to the Director at COUNTY'S address provided for Notices.
- E. County's Right to Request Information.** At the Director's request, FRANCHISEE shall promptly provide to COUNTY additional information reasonably and directly pertaining to this AGREEMENT (including substantiation of information submitted in Reports).
- F. Reporting Requirements for Improper Solicitations.** FRANCHISEE shall immediately report any attempt by a COUNTY officer or employee to solicit improper consideration. FRANCHISEE shall make the report either to COUNTY manager charged with the supervision of the employee or to the COUNTY Fraud Hotline at (800) 554-6861 or www.lacountyfraud.org. Among other items, improper consideration may take the form of cash; discounts; service; or the provision of travel, entertainment, or tangible gifts.

SECTION 14—INDEMNIFICATION AND INSURANCE

- A. Indemnification and Release of County.** FRANCHISEE shall release, indemnify, defend, and hold harmless COUNTY and County's Related Parties from and against any and all Liabilities arising from, connected with, or relating to all of the following:
- 1. Operations.** FRANCHISEE'S and FRANCHISEE's Related Parties' operations or any of their respective services on or after the date of this AGREEMENT, including the Franchise/County Services and Liabilities further detailed in the following Indemnifications contained in subsections A2 through 5, but excluding any Liabilities arising from the sole active negligence of COUNTY.
 - 2. Cal/OSHA.** Without limiting the operations Indemnification in subsection A1, employer sanctions and any other Liabilities that may be assessed against FRANCHISEE or COUNTY or both in connection with any alleged act or omission of FRANCHISEE or any of FRANCHISEE's Related Parties that is in violation of any Cal/OSHA regulation. This obligation includes all investigations and proceedings associated with purported violations of 8 CCR 336.10 pertaining to multi-employer work sites. FRANCHISEE shall not be obligated to so release, indemnify, defend, and hold harmless COUNTY from and against any Liabilities arising from the active negligence of COUNTY.
 - 3. Immigration.** Without limiting the operations Indemnification in subsection A1, employer sanctions and any other Liabilities that may be assessed against FRANCHISEE, any of FRANCHISEE's Related Parties or COUNTY or any one or all of them in connection with any alleged violation of federal Applicable Law (including the Immigration Reform and Control Act of 1986 (PL. 99-603) pertaining to the eligibility for employment of individuals performing Franchise/County Services. FRANCHISEE shall not be obligated to so indemnify, release, defend, and hold harmless COUNTY from and against any Liabilities arising from active negligence of COUNTY.
 - 4. Enforcement of AGREEMENT or Applicable Law.** Without limiting the operations Indemnification in subsection A1, any Liabilities that may be assessed against FRANCHISEE, any of FRANCHISEE's Related Parties or COUNTY or any one or all of them in connection with any alleged failure of COUNTY to exercise COUNTY's rights under this AGREEMENT or to enforce provisions of this AGREEMENT or of Applicable Law as permitted under Section 22A4.
 - 5. Disposal.** The presence, Disposal, escape, migration, leakage, spillage, discharge, release, or emission of Unpermitted Waste or petroleum to, in, on, at or under any Vehicle, place, site, or facility where FRANCHISEE or

any of FRANCHISEE's Related Parties transports, delivers, stores, processes, Recycles, composts or Disposes of Solid Waste to the extent that Liabilities are caused indirectly or directly by any of the following:

- a. **FRANCHISEE Negligence or Misconduct.** The wrongful, willful or negligent act, error or omission, or the misconduct of FRANCHISEE or any of FRANCHISEE's Related Parties;
- b. **Non-Customer Materials.** The collection, delivery, handling, recycling, processing, composting or disposal by FRANCHISEE or any of FRANCHISEE's Related Parties of any materials or waste, including Unpermitted Waste, that are generated by Persons other than Customers or collected from premises other than Premises;
- c. **Failure to Comply with Unpermitted Waste Screening Protocol.** The failure of FRANCHISEE or any of FRANCHISEE's Related Parties to undertake Unpermitted Waste training procedures required by Applicable Law or the Unpermitted Waste Screening Protocol, whichever is more stringent; or
- d. **FRANCHISEE-Identified Unpermitted Waste.** The improper or negligent collection, handling, delivery, processing, recycling, composting, or disposal by FRANCHISEE or any of FRANCHISEE's Related Parties of Unpermitted Waste that FRANCHISEE or any of FRANCHISEE's Related Parties inadvertently collects from Customers and that FRANCHISEE or any of FRANCHISEE's Related Parties identifies as Unpermitted Waste before its delivery, processing, recycling, composting, or disposal whether:
 - (i) In one or more occurrence;
 - (ii) Threatened or transpired;
 - (iii) FRANCHISEE or any of FRANCHISEE's Related Parties is negligent or otherwise culpable; or
 - (iv) Those Liabilities are litigated, settled or reduced to judgment.

For purposes of this subsection A5, "**Liabilities**" includes Liabilities arising from or attributable to any operations, repair, cleanup, or detoxification, or preparation and implementation of any removal, remedial, response, closure, postclosure, or other plan, regardless of whether undertaken due to government directive or action, such as remediation of surface or ground water contamination and replacement or restoration of natural resources.

The foregoing Indemnification under this subsection A5 is intended to operate as an agreement under 42 U.S.C. Section 9607(e) and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify COUNTY from liability in accordance with this Section.

The mere presence of household hazardous waste in the Solid Waste that is Collected by FRANCHISEE or any of FRANCHISEE's Related Parties under this AGREEMENT will not constitute negligence and in and of itself create any liability on the part of FRANCHISEE or any of FRANCHISEE's Related Parties absent any of the circumstances described in items a through d in this subsection A5.

With respect to COUNTY's defense under this subsection A, COUNTY reserves the right to retain co-counsel at its own cost and expense and FRANCHISEE shall direct FRANCHISEE'S counsel to assist and cooperate with COUNTY'S co-counsel.

FRANCHISEE hereby releases and shall not seek contribution or compensation of any nature from COUNTY for Liabilities relating to Unpermitted Waste, including relating to RCRA, CERCLA, or the California Health and Safety Code. FRANCHISEE shall not make any claims against or assert an interest in any account, fund, or reserve that COUNTY may establish or set aside from the proceeds of the Franchise Fee or otherwise or maintains to cover Liabilities relating to Unpermitted Waste, which established fund or reserve COUNTY is under no obligation to establish or maintain.

B. Insurance. Without limiting its Indemnities, and in the performance of this AGREEMENT and until all of its Performance Obligations pursuant to this AGREEMENT have been met, FRANCHISEE shall provide and maintain the following programs of insurance at its own expense. Performance Obligations under this Section 14B are in addition to and separate from any other Performance Obligation in this AGREEMENT. COUNTY reserves the right to review and adjust the insurance requirements in this Section 14B if COUNTY determines that there have been changes in risk exposures. COUNTY makes no warranty that the insurance coverage terms, types, and limits in this Section 14B is sufficient to protect the FRANCHISEE for liabilities that may arise from or in relation to this AGREEMENT.

1. **Primary, Excess, Non-Contributory.** All FRANCHISEE'S insurance carried under this Section 14B shall be primary with respect to any other insurance or self-insurance programs available to COUNTY.
2. **Cancellation notices.** All insurance shall contain the express condition that COUNTY is to be given written notice by mail at least 30 days in advance of cancellation, or at least 10 days in advance of cancellation for nonpayment of premium, for all policies evidenced on the certificate of insurance.

3. **Noncompliance.** Neither the COUNTY'S failure to obtain, nor the COUNTY'S receipt of, or failure to object to a noncomplying insurance certificate or endorsement or any other insurance documentation or information provided by the FRANCHISEE, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any Performance Obligation under this Section 14B. If FRANCHISEE does not provide and maintain those programs of insurance, COUNTY may elect to purchase required insurance coverage without further notice to FRANCHISEE, and COUNTY may charge FRANCHISEE any premium costs advanced by COUNTY for that insurance and draw on the performance bond, letter of credit, or other form of performance assurance provided by FRANCHISEE.
4. **Evidence of Insurance: COIs and copies of policies.** At least 30 days prior to the Execution Date and thereafter 30 days prior to each policy renewal and also within two business days of any COUNTY request, FRANCHISEE shall deliver a certificate or certificates of insurance or other evidence of coverage acceptable to the Director at the address provided for Notices. Certificates or other evidence must:
 - a. Specifically identify this AGREEMENT by name or number; name the insured party that matches the name of FRANCHISEE executing this AGREEMENT; provide the full name of each insurer providing coverage and the insurer's NAIC (National Association of Insurance Commissioners) identification number, and financial rating.
 - b. Types and limits: Clearly evidence all coverage, types and limits required in this AGREEMENT. Identify standard policy forms or their equivalent. Coverage may consist of a combination of primary and excess policies. Excess policies must provide coverage as broad as ("follow form" over) the underlying primary policies;
 - c. Cancellation notice. Contain the express condition that COUNTY is to be given written notice by mail at least 30 days in advance of cancellation (10 days for nonpayment of premium) for all policies evidenced on the certificate of insurance;
 - d. List additional endorsements.
 - i. Additional insured endorsements. Include copies of the additional insured endorsements to General Liability Policy which must add COUNTY and its Special Districts, elected officials, officers, agents, and employees as additional insureds with respect to liability arising out of ongoing and completed Franchise/County Services, and applicable with respect to liability and defense of suites arising out of FRANCHISEE'S acts or omissions, whether that liability is

attributable to the FRANCHISEE or the COUNTY. The full policy limits and scope of protection must apply to each of those additional insureds even if those limits or scope exceed the minimum required insurance specifications in this AGREEMENT. FRANCHISEE may use an automatic additional insured endorsement if the endorsements meet the requirements of this Section 14B.

- ii. Waiver of Subrogation Endorsements. Include copies of subrogation endorsements necessary to effect FRANCHISEE'S waiver of its and its insurer(s)' rights of recovery against COUNTY under all insurance under this Section 14B, to the fullest extent permitted by law.
- e. Deductibles and SIRs. Identify any deductibles or self-insured retention ("SIR") exceeding \$50,000 for COUNTY'S approval. FRANCHISEE'S policies shall not obligate COUNTY to pay any portion of any FRANCHISEE deductible or SIR.

COUNTY retains the right to require FRANCHISEE to reduce any deductibles or self-insured retention as they apply to COUNTY or to require FRANCHISEE to provide a bond, letter of credit, or certificate of deposit guaranteeing payment of all retained losses and related costs, including expenses, or both, related to investigations, claims administrations, and defense. The bond must be executed by a corporate surety licensed to transact business in the State of California; the letter of credit must be issued by a bank or other financial institution acceptable to the COUNTY; and

- f. Signature verification. Include documentation acceptable to COUNTY verifying that the individual signing or countersigning the certificates, and at COUNTY'S request, the policies, endorsements, or other evidence of coverage, is authorized to do so and identifies his or her company affiliation and title.
- g. COUNTY'S request, FRANCHISEE will promptly provide COUNTY with complete, certified copies of any policy of insurance that FRANCHISEE must secure and maintain under this AGREEMENT.
- h. Claims Made/Retroactive Date. The policy retroactive date, which can be identified on any insurance written on claims made basis, which must precede the Execution Date. FRANCHISEE shall maintain any claims made coverage for a period of not less than 3 years following expiration, termination or cancellation of this AGREEMENT.

- i. Insured-vs.-insured. Clearly evidence that all liability policies provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured-versus-insured exclusions or limitations.
5. **Insurer Financial Rating.** FRANCHISEE shall secure insurance provided by an insurance company acceptable to COUNTY with a rating by A.M. Best Company of not less than A: VII, unless otherwise approved by COUNTY.
6. **Notification of Incidents, Claims, or Suits.** FRANCHISEE shall promptly report the following in writing to the Director:
- a. Any accident or incident relating to the Franchise/County Services involving injury or property damage that may result in the filing of an insurance claim, its legal claim, or lawsuit against FRANCHISEE, any Subcontractor and/or COUNTY;
 - b. Any third-party claim or lawsuit filed against FRANCHISEE arising from or related to Franchise/County Services;
 - c. Any injury to a FRANCHISEE employee that occurs on COUNTY property, or,
 - d. Any loss, disappearance, destruction, misuse, or theft of COUNTY property, money, or securities entrusted to FRANCHISEE.

FRANCHISEE shall submit its report on a COUNTY "Nonemployee Injury Report" form available on COUNTY'S website at <http://cao.co.la.ca.us/RMB/pdf/NonEmployeeInjuryReport.pdf>.

7. **Insurance Coverage Requirements.** FRANCHISEE shall secure and maintain insurance coverage meeting the following requirements:
- a. ***General Liability Insurance*** (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Annual Aggregate:	\$4 million
Products/Completed Operations Aggregate:	\$4 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$2 million

The general liability policy must provide contractual liability coverage for FRANCHISEE'S indemnification of COUNTY.

- b. **Pollution Liability Coverage** for pollution conditions resulting from transported cargo, with annual limits of not less than \$2 million per occurrence and \$4 million aggregate, covering loss (including cleanup costs) that FRANCHISEE becomes legally obligated to pay as a result of claims for bodily injury, property damage, and cleanup costs (including expenses required by environmental laws or incurred by Federal, State, or local governments or third parties) resulting from pollution conditions caused by transported cargo (including waste). For the purpose of this subsection 14B7b, "pollution conditions" includes the dispersal, discharge, release, or escape of any solid, liquid, gaseous, or thermal irritant or contaminant (such as smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste, and waste materials) into or upon land, any structure on land, the atmosphere, or any watercourse or body of water (including groundwater), provided the conditions are not naturally present in the environment in the amounts or concentrations discovered. The pollution liability coverage must provide contractual liability coverage, by endorsement, if necessary, for FRANCHISEE'S indemnification of COUNTY. FRANCHISEE'S general liability policy may be endorsed to provide the required pollution liability coverage.

- c. **Automobile Liability Coverage** (written on ISO policy forms CA 00 12 or CA 00 20 or their equivalent) with a limit of liability not less than \$2 million for each accident and endorsed to include pollution liability (written on form CA 99 48 or its equivalent). The insurance must cover all vehicles used by FRANCHISEE pursuant to its operations and services and the terms of this AGREEMENT. FRANCHISEES subject to federal regulations also shall maintain any other coverage necessary to satisfy State or Federal financial responsibility requirements.

- d. **Workers' Compensation and Employers' Liability** insurance providing workers' compensation benefits required by the California Labor Code or by any other state labor law, and for which FRANCHISEE is responsible. In all cases, this insurance must also include Employers' Liability coverage with limits of not less than the following:
 - i. Each accident: \$1 million
 - ii. Disease - policy limit: \$1 million
 - iii. Disease - each employee: \$1 million

8. **Insurance Coverage Requirements for Subcontractors.** FRANCHISEE shall ensure that all Subcontractors performing Franchise/County Services under this AGREEMENT secure and maintain

the insurance coverage required in subsections B1 through 7 by providing evidence that either:

- A. FRANCHISEE is maintaining the required insurance covering the activities of Subcontractors, or
- B. Subcontractors are maintaining the required insurance coverage.

FRANCHISEE shall provide COUNTY with any Subcontractor request to modify that insurance coverage and get COUNTY approval prior to modification.

- C. **Compensation for County Costs.** If FRANCHISEE fails to comply with any Performance Obligations, including Indemnification, insurance, and performance assurance and that failure results in any costs to COUNTY, FRANCHISEE shall pay full compensation for all County's Reimbursement Costs.
- D. **Alternative Risk Financing Programs:** COUNTY reserves the right to review and then approve FRANCHISEE'S use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy Performance Obligations under this Section 14B. COUNTY and Persons named as additional insureds under Section 14B4d shall be designated as an Additional Covered Party under any approved program.

SECTION 15—PERFORMANCE ASSURANCE

FRANCHISEE shall secure and maintain throughout the Term a faithful performance bond, in a form satisfactory to COUNTY or, at COUNTY'S sole and absolute discretion, any alternative security acceptable to the Director, including cash, certified check payable to COUNTY, certificate of deposit, or letter of credit (together, "**Performance Assurance**").

The Performance Assurance secures full and timely satisfaction of Performance Obligations for both Task 1 and Task 2, including payment of Franchise Fees and any liquidated damages.

COUNTY shall establish the amount of the performance assurance for the period beginning on the Execution Date and ending on the last day of the first Contract Year.

The amount of the Performance Assurance will be set pursuant to Section A of Exhibit 3A.

Beginning on the first day of the next Contract Year, and in all subsequent Contract Years, that amount must be not less than the sum of:

	15 percent of FRANCHISEE'S Gross Receipts from Task 1 minus Franchise Fees for the prior Contract Year;
+	110 percent of the Franchise Fees paid by FRANCHISEE during the first six months of the prior Contract Year;
+	110 percent of any liquidated damages assessed FRANCHISEE by COUNTY during the first six months of the prior Contract Year;
+	Up to \$50,000, at the discretion of the Director; and
+	<u>Any additional amounts provided in Exhibit 3A.</u>
=	SUM OF PERFORMANCE ASSURANCE

A performance bond must be payable to COUNTY and executed by a corporate surety licensed to transact business (admitted) as a surety in the State of California. The corporate surety must have an A.M. Best Rating of not less than A:VII, unless otherwise approved by COUNTY. The form of performance bond may not allow the bond surety to substitute another Person to perform Franchise/County Services but must provide for payment of moneys to COUNTY to; (1) secure substitute Franchise/County Services; (2) remedy damages incurred by COUNTY, including reasonable expenses, attorney's fees, and liquidated and compensatory damages; (3) ensure satisfaction of all Performance Obligations, including payment of Franchise Fees; and, (4) repay any money recovered from COUNTY in any bankruptcy or similar proceedings relating to FRANCHISEE. The performance bond must be conditioned on faithful performance by FRANCHISEE of all the terms and conditions of this AGREEMENT, including payment of Franchise Fees and any liquidated damages.

Each Performance Assurance must be renewed to provide for continuing liability in the above amount notwithstanding any payment or recovery thereon. At least 30 days prior to the Execution Date and 30 days prior to any renewal of the Performance Assurance, FRANCHISEE shall deliver the Performance Assurance to COUNTY.

COUNTY may verify the accuracy and authenticity of the Performance Assurance submitted.

SECTION 16-EMERGENCY SERVICE

A. COUNTY'S Right to Provide MSW Management Services.

1. **Events.** COUNTY may perform, or contract for the performance of, any or all of Franchise/County Services, including the collection of Solid Waste or any portion thereof and the transportation and delivery to a solid waste facility, upon the occurrence of either of the following events, determined by COUNTY in its sole discretion:
 - a. FRANCHISEE, due to Uncontrollable Circumstances or for any reason whatsoever, fails, refuses, or is unable for a period of 48 hours to collect and/or at any time to transport Solid Waste or any

portion thereof to a Solid Waste Facility and the Director determines there is danger to the public health, safety, or welfare; or

b. COUNTY suspends or terminates this AGREEMENT.

If COUNTY contracts for the performance of any or all of Franchise/County Services, it will consider contracting with other COUNTY franchisees. COUNTY has no obligation to continue providing Franchise/County Services and may at any time, in its sole discretion, cease to provide Franchise/County Services. However, COUNTY'S right to provide Franchise/County Services will continue until FRANCHISEE can demonstrate to COUNTY'S satisfaction that FRANCHISEE is ready, willing, and able to resume timely and full Franchise/County Services or until COUNTY can make alternative arrangements for providing MSW Management Services comparable to Franchise/County Services in scope and price, which may include contracting with another service provider.

2. **Notice.** COUNTY may give FRANCHISEE oral notice that COUNTY is exercising its right to perform Franchise/County Services, which notice is effective immediately, but must confirm oral notice with a Notice within 24 hours thereafter.

3. **Service Assets Applicable to Task I only.**

a. ***COUNTY Possession.*** Upon giving FRANCHISEE oral notice, COUNTY may take possession of any or all Service Assets necessary or convenient in providing Franchise Services and FRANCHISEE shall fully cooperate with COUNTY to transfer possession of Service Assets to COUNTY. Customers' possession of Carts will be deemed possession by COUNTY if necessary to exercise this right.

b. ***Service Assets Document.*** Any document that encumbers or limits FRANCHISEE'S interest in Service Assets, including a lease, financing contract, acquisition over time, mortgage, or other instrument establishing a security interest to or by FRANCHISEE, must allow COUNTY to assume FRANCHISEE'S obligations and to continue use of Service Assets in performing MSW Management Services.

c. ***Updated Inventory.*** In each Annual Report and at any other time requested by COUNTY, FRANCHISEE shall update its inventory of Service Assets included in FRANCHISEE Documentation to reflect acquisition or replacement of Service Assets or additional or amended Service Assets document described in Section 16A3b,

accompanied by a certification signed by FRANCHISEE that all Vehicles meet any specifications provided in this AGREEMENT and all Carts meet the specifications described in FRANCHISEE Documentation.

- d. **County Use.** COUNTY may use Service Assets to provide all or a portion of Franchise Services. COUNTY shall have absolute and exclusive control over Service Assets as though COUNTY were the absolute owner thereof. However, at COUNTY'S request, FRANCHISEE shall keep Service Assets in good condition. Unless FRANCHISEE repairs and maintains them, COUNTY shall assume complete responsibility for use of Service Assets while they are in its possession and shall maintain Service Assets in the same condition as they were in when FRANCHISEE transferred possession thereof to COUNTY. Subject to repair and maintenance by FRANCHISEE, COUNTY shall return Service Assets to FRANCHISEE in the same condition as received, normal wear and tear excepted.

FRANCHISEE shall maintain in full force and effect all insurance required in accordance with Section 14 during COUNTY'S possession of Service Assets. By granting COUNTY the right to possession and use of FRANCHISEE'S Service Assets, FRANCHISEE declares as follows:

- i. COUNTY and Customers are permitted users for purposes of liability insurance policies that FRANCHISEE must procure and maintain under this AGREEMENT; and
- ii. COUNTY'S and Customers' use and possession is not intended to be and is not transfer of ownership for purposes of any liability policies.

Furthermore, if COUNTY has possession and/or use of FRANCHISEE'S Service Assets, FRANCHISEE shall execute whatever documentation its liability insurers require to ensure that COUNTY and Customers are protected and covered by FRANCHISEE'S general and automobile policies, including requesting and executing endorsements to those policies. FRANCHISEE hereby gives COUNTY the right to call and confer with FRANCHISEE'S insurance broker to determine what, if any, documentation or actions are necessary to achieve protection satisfactory to COUNTY. FRANCHISEE hereby gives COUNTY the right to pay for any endorsements, additional premiums, or other costs. By executing this AGREEMENT, FRANCHISEE authorizes its insurance broker to cooperate with and respond to

requests from COUNTY, which authorization FRANCHISEE may not rescind without COUNTY consent.

4. **FRANCHISEE'S Personnel.** Upon giving FRANCHISEE oral notice in accordance with subsection A2, COUNTY may immediately engage personnel necessary or convenient for providing all or a portion of Franchise/County Services, including employees previously or then employed by FRANCHISEE. However, COUNTY shall not be obligated to hire FRANCHISEE'S employees and may use municipal employees or other individuals to provide all or a portion of Franchise/County Services, including driving Vehicles. At COUNTY'S request, FRANCHISEE shall promptly make available to COUNTY all FRANCHISEE'S management and office personnel necessary or convenient for providing Franchise/County Services (including Customer services) and billing at the cost, if any, provided in subsection A8.
5. **Records and Reports.** At COUNTY'S request, FRANCHISEE shall promptly provide COUNTY with immediate access to or possession of Records, including those related to routing and billing. Without limiting its available remedies provided elsewhere in this AGREEMENT, COUNTY may seek specific performance of this obligation.
6. **Reimbursement.** FRANCHISEE shall reimburse COUNTY for County's Reimbursement Costs incurred in taking over possession and use of Service Assets in accordance with subsection A3 and in providing MSW Management Services in amounts exceeding Rates.
7. **Stipulations.** FRANCHISEE stipulates that COUNTY'S exercise of rights under this Section does not constitute a taking of private property for which COUNTY must compensate FRANCHISEE, shall not create any liability on the part of COUNTY to FRANCHISEE, and does not exempt FRANCHISEE from any Indemnities, which Parties acknowledge are intended to extend to circumstances arising under this Section. However, FRANCHISEE is not required to indemnify COUNTY against claims and damages arising from the negligence or misconduct of COUNTY officers and employees (other than employees of FRANCHISEE at the time COUNTY began performing Franchise/County Services) and agents driving Vehicles. COUNTY shall indemnify FRANCHISEE, its Affiliates and its and their officers, directors, employees, and agents from and against damages, costs, or other expenses or losses they incur arising out of or relating to that negligence or misconduct.
8. **Rental and Other Compensation.**
 - a. ***Uncontrollable Circumstances.*** If an event enumerated in item a or b in subsection A1 is due to Uncontrollable Circumstances, then

COUNTY shall pay FRANCHISEE the following Direct Costs of FRANCHISEE that FRANCHISEE is not then being compensated for through charging and collecting Rates:

- (i) Rental fees for COUNTY'S use and possession of Service Assets equal to fair market value thereof as determined by an independent appraiser selected by the Parties as provided in this subsection A8a.
- (ii) FRANCHISEE'S Direct Costs of providing Vehicles with fuel, oil, and other maintenance in accordance with subsection A3d.
- (iii) FRANCHISEE'S Direct Costs of making FRANCHISEE'S personnel available to COUNTY in accordance with subsection A4.

The Parties shall select an appraiser as follows: within 10 days after FRANCHISEE requests payment of rental fees in events described in item (i) of this subsection 8a, each Party will prepare a separate list of five Persons who do not work for either Party having experience in solid waste equipment appraisal, in numerical order with the first preference at the top, and exchange and compare lists. The Person ranking highest on the two lists by having the lowest total rank order position on the two lists is the appraiser. In case of a tie in scores, the Person having the smallest difference between the rankings of the two Parties is selected; other ties are determined by a coin toss. If no Person appears on both lists, this procedure is repeated. If selection is not completed after the exchange of three lists or 60 days, whichever comes first, then each Party will select one Person having the qualifications and experience described above and those two Persons will together select an appraiser.

- b. ***Other Than Uncontrollable Circumstances.*** If an event enumerated in item a or b in subsection A1 is not due to Uncontrollable Circumstances, then COUNTY will not be obligated to pay the compensation enumerated in subsection A8a, and FRANCHISEE shall pay County's Reimbursement Costs in accordance with subsection A6 within 10 days of COUNTY'S submitting an invoice therefore. If FRANCHISEE does not so timely pay, COUNTY may draw upon any performance bond, letter of credit, or other security provided under this AGREEMENT.

- B. **Emergency Assistance.** FRANCHISEE shall give first consideration to County in the event that solid waste in any part of the unincorporated area of the

COUNTY is not collected and in the judgment of the Director creates a danger to public health, safety or welfare, including in the event of a major disaster such as an earthquake, fire, mudslide, storm, riot, or civil disturbance, by providing vehicles and drivers to collect any solid waste as requested by COUNTY, at charges no greater than the following:

1. Rates (with respect to solid waste discarded in Carts); and
3. \$60/Ton (with respect to CEDs, E-Waste, and solid waste, including Abandoned Waste, discarded in Carts other than Carts);
3. Rates the FRANCHISEE charges for comparable MSW Management Services (with respect to Solid Waste *not* discarded in Carts)

None of these rates can be greater than the limits provided in Section D11 of Exhibit 3A2, unless the Director, at her sole discretion, provides authorization based on information provided by FRANCHISEE substantiating the need for an increase. FRANCHISEE shall cooperate with COUNTY, State of California, and Federal officials in filing information related to a regional, State, or Federally-declared state of emergency or disaster as to which FRANCHISEE has provided equipment and drivers under this AGREEMENT.

C. Backup Service Plan. FRANCHISEE shall develop a backup service plan included in FRANCHISEE Documentation. FRANCHISEE shall implement the plan upon COUNTY request if Customer's Solid Waste is not Collected at Customer's Set-Out Site or Abandoned Waste is not Collected for any reason, including uncontrollable circumstances, within 7 days of COUNTY request. An example might be a strike of FRANCHISEE drivers. FRANCHISEE shall include in the plan at a minimum, the following provisions:

1. Provide conveniently located Bins or roll-off Carts where Customers may discard Refuse and other putrescible Solid Waste;
2. Offer Customers the option of self-hauling Refuse and other putrescible Solid Waste to a transfer station or disposal facility;
3. Inform Customers of procedures for handling Refuse and other putrescible Solid Waste, preventing litter and discouraging vectors (such as keeping Carts in their storage place and not at Set-Out Sites, discarding excess Solid Waste in closed plastic bags and not loose in Carts);
4. Describe any Customer Service Charge refund policy for missed Franchise Services;
5. Provide replacements for drivers and other employees who are not providing Collection or other Franchise/County Services (such as

supervisory personnel or management, or employees of Affiliates or other solid waste management companies) and security for those drivers and other employees; and

6. Identify customers that require priority service.

SECTION 17–DEBARMENT BREACHES AND DEFAULTS; SUSPENSION; TERMINATION

A. Notice of Breach; FRANCHISEE Cure. If the Director determines that FRANCHISEE is in Breach, the Director may give Notice to FRANCHISEE identifying and describing the Breach, including any of the following:

1. Failure to keep Records required by this AGREEMENT;
2. Failure to file any Reports at the time, in the manner, and containing the information required in Section 13;
3. Failure to timely provide COUNTY with complete information (including any test results such as prescribed noise levels in accordance with Section 4A4) required by this AGREEMENT or requested by the Director in good faith in accordance with this AGREEMENT;
4. Failure to timely pay the Franchise Fee;
5. Failure to timely pay an Indemnification;
6. Failure to timely implement the start-up transition and Cart roll-out plan described in Section I of Exhibit 3A; or
7. Failure to timely respond to County.

FRANCHISEE shall remedy the Breach within 30 days from the receipt of Notice (or with respect to a Breach of the Child Support Compliance Program described in Section 22B, 90 days after notice by the Los Angeles County's Child Support Services Department) unless COUNTY determines that the public health and safety require a shorter period of time in which FRANCHISEE must remedy the Breach. COUNTY will hold a conference with FRANCHISEE within 30 days of FRANCHISEE request. FRANCHISEE may request additional time to correct the Breach, but COUNTY may accept or reject that request in its sole discretion.

B. FRANCHISEE Default. The following constitute FRANCHISEE Defaults:

1. **Fraud, Misrepresentation, or Breach of Warranties.** FRANCHISEE committed any fraud or deceit or made any intentional misrepresentations in the procurement of this AGREEMENT; commits, or attempts to commit,

any fraud or deceit upon COUNTY after the Execution Date of this AGREEMENT; makes any material misrepresentations or breaches any warranties in this AGREEMENT (including Exhibit 20H); or includes any materially false or misleading statement, representation, or warranty in any Record or Report.

2. **Insolvency or Bankruptcy.** FRANCHISEE becomes insolvent or files a voluntary petition to declare bankruptcy; a receiver or trust is appointed for FRANCHISEE; or FRANCHISEE executes an assignment for the benefit of creditors. FRANCHISEE is deemed to be "insolvent" if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether or not FRANCHISEE has committed an act of bankruptcy and whether or not FRANCHISEE is insolvent within the meaning of the Federal bankruptcy law or not.
3. **Failure to Provide Insurance, Bonds.** FRANCHISEE does not provide or maintain in full force and effect all insurance and other assurances of its Performance Obligations, including as required under Sections 14 and 15, or provide evidence of insurance coverage acceptable to COUNTY.
4. **Material or Repeated Violation of Applicable Law.**
 - a. Any material Violation of Applicable Law that is not cured to the satisfaction of COUNTY or applicable Regulatory Agency within 30 days of the notice, assessment, or determination of that Violation of Applicable Law; or
 - b. Any repeated Violation of Applicable Law.

If FRANCHISEE is entitled to and does contest a notice, assessment, or determination of Violation of Applicable Law by proceedings conducted in good faith, no FRANCHISEE Default will be deemed to have occurred until a final decision adverse to FRANCHISEE is entered.

5. **Failure to Collect for Seven Days.** Unless due to Uncontrollable Circumstances, FRANCHISEE fails to Collect for a period of either:
 - a. With respect to Task 1, seven consecutive days; or
 - b. With respect to Task 1, seven days in the aggregate from the Execution Date.
 - c. With respect to Task 2, seven days any Contract Year.

6. **Failure to Collect for More Than Seven Days.** With respect to Task 1, Whether or not due to Uncontrollable Circumstances, FRANCHISEE fails to Collect for a period of more than seven consecutive days.
7. **Payments to County.** FRANCHISEE does not timely and fully make any payment to COUNTY required under this AGREEMENT (including payment of Franchise Fees, damages or County's Reimbursement Costs):
 - a. More than twice in any Calendar Year;
 - b. Within 30 days of Notice by COUNTY that payment is due; or
 - c. With respect to payment of a shortfall in Franchise Fees, within 30 days of Notice in accordance with Section 11C.
8. **Specified FRANCHISEE Defaults.** FRANCHISEE Breaches any of the following Sections:
 - a. Section 22B Child Support Compliance Program (if not cured within 90 days of Notice given as described in Section 17A);
 - b. Section 23D1 Compliance with ILO Convention Concerning Minimum Age for Employment;
 - c. Section 23E Nondiscrimination;
 - d. Section 23G County Lobbyist Ordinance; or
 - e. Subsection F of this Section, Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program.
9. **Uncured or Repeated Breach.** FRANCHISEE does not timely cure any other Breach in accordance with subsection A or FRANCHISEE Breaches any of its Performance Obligations repeatedly or habitually, as determined by the Director in his or her sole discretion, whether or not a specific instance of failure or refusal has been previously cured. However, this FRANCHISEE Default will be excused for a period of seven days beginning on the first occurrence of that FRANCHISEE Default in the event of Uncontrollable Circumstances, if the event materially affects FRANCHISEE'S ability to provide Franchise/County Services. Nevertheless, if Uncontrollable Circumstances interrupt Collection, Customers may take actions and COUNTY may exercise any of its rights under Section 16. This FRANCHISEE Default will not be excused if it continues for a period of more than seven days beginning on the first occurrence of this FRANCHISEE Default.

10. **Improper Consideration.** COUNTY finds that consideration, in any form, was offered or given by FRANCHISEE either directly or through an intermediary to any COUNTY officer, employee, or agent with the intent of securing this AGREEMENT or securing favorable treatment with respect to the award, amendment, or extension of this AGREEMENT or the making of any determinations with respect to FRANCHISEE'S performance under this AGREEMENT where that consideration may take any form including cash; discounts; service; or the provision of travel, entertainment, or tangible gifts.
11. **Default Under Guaranty.** A default exists under the guaranty, if any, provided in accordance with Section 13A3b.

C. Notice of FRANCHISEE Default.

1. **Effective Immediately.** The COUNTY may terminate this AGREEMENT effective immediately after Notice by COUNTY to FRANCHISEE of any of the following FRANCHISEE Defaults:
 - a. Any FRANCHISEE Default, if the COUNTY determines that protection of public health and safety requires immediate suspension or termination;
 - b. A FRANCHISEE Default in subsection B3 (failure to provide insurance, bonds);
 - c. A FRANCHISEE Default described in subsection B4 (material or repeated Violation of Applicable Law, including the County Lobbyist Ordinance) or as identified in Exhibit 3A2;
 - d. A FRANCHISEE Default described in subsection B10 (improper consideration).
2. **Effective 30 days.** The COUNTY may terminate this AGREEMENT effective 30 days after Notice by COUNTY to FRANCHISEE of any FRANCHISEE Default other than the FRANCHISEE Defaults listed in this subsection C1 or termination events listed in subsection D.
3. **Effective 15 days.** The COUNTY may terminate this AGREEMENT effective 15 days after Notice by COUNTY to FRANCHISEE of COUNTY'S right to terminate this AGREEMENT in the event of Criminal Activity in accordance with Section 20J and subsection D2c.
4. **Effective 10 days.** The COUNTY may terminate this AGREEMENT effective 10 days after Notice given by COUNTY for failure to comply with

the County Defaulted Property Tax Reduction Program in accordance subsection F of this Section.

D. Suspension or Termination of AGREEMENT.

1. **Suspension.** Together with any other rights COUNTY may have under this AGREEMENT (including the right to use and possession of Service Assets under Section 16), the Director may suspend this AGREEMENT, in whole or in part, for a period of 45 days effective immediately upon Notice to FRANCHISEE in any of the following events:

- a. A FRANCHISEE Default;
- b. COUNTY exercise of its right to suspend this AGREEMENT under Section 20J in the event of Criminal Activity of FRANCHISEE; or
- c. any other FRANCHISEE Default in Exhibit 3A or 3A2.

During that 45-day period FRANCHISEE shall have the opportunity to demonstrate to COUNTY that FRANCHISEE can once again fully perform Franchise/County Services in accordance with this AGREEMENT. If FRANCHISEE so demonstrates, COUNTY'S right to suspend this AGREEMENT will cease and FRANCHISEE may resume providing services. If FRANCHISEE does not so demonstrate, COUNTY may terminate this AGREEMENT and exercise any other rights and remedies under this AGREEMENT.

2. **Termination.**

- a. **FRANCHISEE Default.** The COUNTY may terminate this AGREEMENT, in whole or in part, upon the occurrence of a FRANCHISEE Default and Notice to FRANCHISEE at the times provided in subsection C.
- b. **Failure to Agree on Rate Adjustments.** Notwithstanding the foregoing, the COUNTY may terminate this AGREEMENT on six months' Notice if in the judgment of the Director, COUNTY and FRANCHISEE are unable to reach satisfactory agreement to adjust Rates in accordance with item c of Section A1 of Exhibit 10 for a Change in Law or changes in Service Specifications or Service Standards after good faith negotiations during a period of at least 30 days.
- c. **Criminal Activity.** The COUNTY may terminate this AGREEMENT upon Notice required in Section 17C if COUNTY exercises its right

to terminate this AGREEMENT under Section 20J in the event of Criminal Activity of FRANCHISEE.

d. ***Annexation of Service Area.*** Upon request of COUNTY, FRANCHISEE shall use Reasonable Business Efforts to cooperate with a local agency with respect to providing Franchise/County Services or MSW Management Services, in the following events:

- (i) the Service Area is annexed by that local agency in accordance with applicable laws, and
- (ii) the Parties agree to amend this AGREEMENT to delete the annexed area from the definition of "Service Area".

E. FRANCHISEE Responsibility and Debarment.

1. **Child Support Compliance Program.** COUNTY may debar FRANCHISEE from doing business with COUNTY if COUNTY determines after giving notice and conducting a hearing in accordance with Chapter 2.202 of the County Code, which shall apply to this AGREEMENT, that FRANCHISEE (or any of its Subcontractors) is not responsible within the meaning of Chapter 2.202 and in accordance with COUNTY'S policy to do business with responsible contractors; FRANCHISEE'S failure to comply with the Child Support Compliance Program, as provided in Section 22B, may be cause for debarment in accordance with Section 2.200.020 of the County Code.
2. **County Defaulted Property Tax Reduction Program.** COUNTY may debar FRANCHISEE from doing business with COUNTY as provided in subsection F of this Section.

F. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY DEFAULTED PROPERTY TAX REDUCTION PROGRAM.

1. **FRANCHISEE Default.** Failure of FRANCHISEE to maintain compliance with the requirements set forth in Section 22C "COMPLIANCE WITH APPLICABLE LAW/County Defaulted Property Tax Reduction Program" shall constitute a FRANCHISEE Default under subsection B8e of this Section.
2. **Termination/Debarment.** Without limiting the rights and remedies available to COUNTY under any other provision of this AGREEMENT, failure of FRANCHISEE to cure that FRANCHISEE Default within 10 days of Notice shall be grounds upon which COUNTY may terminate this AGREEMENT under subsection D2a of this Section and/or pursue

debarment of FRANCHISEE pursuant to County Code Chapter 2.206 and subsection E2 of this Section.

SECTION 18—ENFORCEMENT OF AGREEMENT

- A. As Provided by Law.** Either Party may avail itself of any remedy available under law.
- B. County's Additional Remedies.** Without limiting COUNTY'S remedies otherwise available under this AGREEMENT in law or equity, at its option, COUNTY may enforce a Breach in any or all of the following ways:
1. Execute alternative agreements for MSW Management Services in the event of FRANCHISEE Default;
 2. Seek to obtain injunctive relief and/or damages;
 3. Assess damages under subsection D, and
 4. With respect to a FRANCHISEE Default under Section 17B3 (Failure to Provide Insurance, Bonds), immediately withhold payments due FRANCHISEE.
- C. Injunctive Relief.** FRANCHISEE acknowledges that COUNTY'S remedy of damages for a Breach may be inadequate for reasons including the following:
1. The urgency of timely, continuous and high-quality Franchise/County Services, including Collection, transportation, and/or transfer for Disposal of wastes which constitute a threat to public health;
 2. The long time and significant commitment of money and personnel and elected officials (both COUNTY staff and private consultants, including engineers, procurement counsel, citizens, public agency colleagues, and elected COUNTY officials) invested in this AGREEMENT, including developing COUNTY'S Option Analysis dated February 2001 and implementing its recommendations through numerous meetings of a Working Group comprised of Solid Waste industry representatives from small and large businesses, requesting and evaluating qualifications and proposals for this AGREEMENT (including FRANCHISEE'S), reviewing and commenting on documentation submitted by FRANCHISEE in conjunction with execution of this AGREEMENT, and review of FRANCHISEE Documentation;
 3. The time and investment of personnel and elected officials described in the preceding item 2 to develop alternative Solid Waste services

comparable to Franchise/County Services for the price provided under this AGREEMENT, and to negotiate new agreements therefore; and

4. COUNTY'S reliance on FRANCHISEE'S technical Solid Waste management expertise.

Consequently, COUNTY is entitled to all available equitable remedies, including injunctive relief.

D. Recovery of Damages.

1. **Compensatory.** COUNTY may seek compensatory damages, including the following:

- a. Amounts equal to any Franchise Fees, liquidated damages, or other amounts that FRANCHISEE has previously paid to COUNTY but are subsequently recovered from COUNTY by a trustee in bankruptcy as preferential payments or otherwise;
- b. If COUNTY terminates this AGREEMENT for a FRANCHISEE Default or in the event of Criminal Activity in accordance with Section 17D2a or c, respectively, costs incurred by COUNTY to provide or reprocure MSW Management Services in lieu of Franchise/County Services;
- c. If COUNTY terminates this AGREEMENT before expiration for a FRANCHISEE Default or in the event of Criminal Activity in accordance with Section 17D2a or c, respectively, costs of MSW Management Services provided or reprocured in lieu of Franchise/County Services in excess of Customer Service Charges/County Service Charges for the balance of the Term remaining if this AGREEMENT had not been terminated; and
- d. In the event of FRANCHISEE DEFAULT under 17B3 (Failure to Provide Insurance, Bond), in COUNTY'S sole discretion, obtain damages resulting from that DEFAULT.

COUNTY may draw upon the performance bond, letter of credit, certificate of deposit, or other form of performance assurance provided by FRANCHISEE in accordance with Section 15 to pay compensatory damages.

For FRANCHISEE'S misrepresentation regarding contingent fees in Exhibit 20H, in addition to terminating this AGREEMENT, COUNTY may recover from FRANCHISEE the full amount of the proscribed commission, percentage, brokerage, or contingent fee.

2. **Liquidated.** COUNTY may seek liquidated damages listed in Exhibit 18D2 and Exhibit 3A2.

The Parties have set these liquidated damages in recognition of the following circumstances existing at the time of the formation of this AGREEMENT:

- COUNTY incurred considerable time and expense procuring this AGREEMENT in order to secure an improved level of Collection quality and increased Customer satisfaction. Therefore, consistent and reliable Franchise/County Services are of the utmost importance to COUNTY and Customers.
- COUNTY has considered and relied on FRANCHISEE'S representations as to its quality of service commitment in entering into this AGREEMENT, and FRANCHISEE'S Breach represents a loss of bargain to COUNTY. FRANCHISEE is experienced in providing services like Franchise Services and County Services.
- Quantified standards of performance are necessary and appropriate to ensure quality, consistent, and reliable Collection, and if FRANCHISEE fails to meet its Performance Obligations, COUNTY will suffer damages (including its Customers' inconvenience; anxiety, frustration, potential political pressure, criticism, and complaint by Customers; lost Supervisors and staff time; deprivation of the benefits of this AGREEMENT and loss of bargain) in subjective ways and in varying degrees of intensity that are incapable of measurement in precise monetary terms, and that it is and will be impracticable and extremely difficult to ascertain and determine the value thereof. It would be difficult for the COUNTY to prove its loss resulting from FRANCHISEE'S Breaches and nonperformance or untimely, negligent, or inadequate performance of County Services.
- The AGREEMENT contains a reasonable statement of Franchise/County Services in order that the Parties will realize their expectations. COUNTY expects that FRANCHISEE will perform Franchise/County Services with due care in a workmanlike, competent, timely, and cost-efficient manner. FRANCHISEE expects to realize a profit by performing Franchise/County Services in accordance with the terms and conditions of the AGREEMENT for County Service Charges.
- In addition, in the event of Breach or FRANCHISEE Default, urgency of protecting public health and safety may necessitate that COUNTY enter into emergency or short-term arrangements for

services without competitive procurement at prices substantially greater than under this AGREEMENT, and the monetary loss resulting there from is impossible to precisely quantify. Time is of the essence.

- The FRANCHISEE accepts COUNTY'S assessment of liquidated damages for certain Breaches as part of the consideration FRANCHISEE offers to the COUNTY for the award of this AGREEMENT to FRANCHISEE.
- Lastly, termination of this AGREEMENT for FRANCHISEE Default and other remedies provided in this AGREEMENT are, at best, a means of future correction and not remedies that make COUNTY whole for past Breaches and FRANCHISEE Defaults.

Therefore, the Parties agree that the liquidated damages listed in Exhibit 18D2 represent a reasonable estimate and fair approximation of the amount of damages COUNTY would incur as a consequence of FRANCHISEE'S Breach corresponding to each item of specified liquidated damages, considering all of the circumstances existing on the date of this AGREEMENT, including the relationship of the sums to the range of harm to COUNTY that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient.

In signing this AGREEMENT, each Party specifically confirms the following:

- the accuracy of the statements made above, and
- the fact that each Party had ample opportunity to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this AGREEMENT was made.

- E. County's Reimbursement Costs.** FRANCHISEE shall pay COUNTY promptly upon request, COUNTY'S Reimbursement Costs of conducting a nonroutine investigation of any alleged Breach, when appropriate in judgment of the Director. FRANCHISEE shall reimburse COUNTY for COUNTY'S Reimbursement Costs incurred as a consequence of FRANCHISEE'S Breach, including failure to maintain insurance.
- F. Waiver.** No waiver by COUNTY of any breach of any provision of this AGREEMENT constitutes a waiver of any other breach of that provision. Failure of COUNTY to enforce at anytime, or from time to time, any provision of this AGREEMENT will not be construed as a waiver thereof. The rights and remedies set forth in this subsection F are exclusive and are in addition to any other rights and remedies provided by law or under this AGREEMENT.

SECTION 19—TRANSFER OF FRANCHISE

- A. COUNTY Consent.** FRANCHISEE may not Transfer this AGREEMENT, the Franchise granted under it, or any rights or duties under it, in whole or in part, and whether voluntarily or involuntarily, without COUNTY'S prior written consent, the exercise of which is in COUNTY'S sole discretion. Any Transfer or attempted Transfer of this AGREEMENT, the franchise granted under it or any rights and duties under it, made without COUNTY'S consent, at COUNTY'S option, will be null and void. COUNTY'S consent must be a written amendment to this AGREEMENT that is formally approved by the Board of Supervisors and executed by (1) the FRANCHISEE and (2) the Board, or if delegated by the Board, the Director. Any Transfer, with or without consideration for any reason whatsoever without COUNTY'S (or Director's, if applicable) express prior written approval, shall be a Breach of this AGREEMENT, which may result in the termination of this AGREEMENT. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against FRANCHISEE as it could pursue in the event of default by FRANCHISEE. The COUNTY may condition consent on payment of amounts specified in Exhibit 3A in consideration for the value of good will and intangibles that accrued to COUNTY and Customers in the award of this AGREEMENT to FRANCHISEE.
- B. FRANCHISEE Demonstration.** Without obligating the Director to give consent, FRANCHISEE shall demonstrate to the Director's satisfaction that the proposed transferee has the operational and financial ability to satisfy FRANCHISEE'S Performance Obligations.
- C. Payment of County's Transfer Costs.**
- 1. Transfer Deposit.** FRANCHISEE must make any request for the Director's consent to a Transfer in the manner prescribed by the Director. FRANCHISEE shall pay COUNTY a Transfer Deposit before the Director's consideration of FRANCHISEE'S request. COUNTY will return to FRANCHISEE any amounts paid in excess of the Transfer Costs incurred.
 - 2. Additional Transfer Costs.** In the course of COUNTY'S processing FRANCHISEE'S request for Transfer, FRANCHISEE shall further pay COUNTY its additional Transfer Costs in excess of the Transfer Deposit within 30 days of the Director's request therefore, whether or not the Director approves the Transfer. At FRANCHISEE'S request, COUNTY will provide FRANCHISEE access to all records evidencing the Transfer Costs incurred.
- D. County's Reimbursement Costs of Enforcement.** In addition, Franchise shall pay County's Reimbursement Costs for fees and investigation costs as COUNTY may deem necessary to enjoin the Transfer or to otherwise enforce this provision within 30 days of COUNTY'S request therefore.

Any payment by COUNTY to any approved delegate or transferee on any claim under this AGREEMENT shall be deductible, at COUNTY's sole discretion, against the claims which FRANCHISEE may have against COUNTY.

SECTION 20—GENERAL PROVISIONS

- A. Exercise of Options.** Parties will exercise any approval, disapproval, consent, judgment, option, discretion, election, opinion, or choice under this AGREEMENT, make a requirement under this AGREEMENT or interpret this AGREEMENT ("**Discretionary Action**") reasonably. Any mediator, arbitrator, or court must find the Party's exercise to be reasonable. Recognizing the essential public health and safety protections this AGREEMENT serves, where this AGREEMENT specifically provides that the exercise of any Discretionary Action is in either Party's independent, sole, exclusive or absolute discretion, control or judgment, the other Party will not question or challenge the first Party's exercise thereof. Parties will nevertheless exercise their rights and remedies in good faith in accordance with Applicable Law.
- B. Independent Status.** FRANCHISEE is an independent entity and not an officer, agent, servant, or employee of COUNTY. This AGREEMENT is between COUNTY and FRANCHISEE and is not intended, and will not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association between COUNTY and FRANCHISEE, including for purposes of workers' compensation. FRANCHISEE is solely responsible for the acts and omissions of its officers, agents, employees, and any Subcontractors. Nothing in this AGREEMENT will be construed as creating an arrangement for handling Unpermitted Waste. FRANCHISEE bears the sole responsibility and liability for furnishing workers' compensation and all other benefits required by law to any individual for injuries arising from or connected with Franchise/County Services performed on behalf of FRANCHISEE under this AGREEMENT.
- C. Damage to Property and Personal Injury.** FRANCHISEE shall not cause damage to property or personal injury. At its sole expense, FRANCHISEE shall repair or replace to the satisfaction of the owner of damaged property, any physical damage to public or private property and shall reimburse to the satisfaction of an injured individual, the cost of any personal injury caused by the negligent or willful acts or omissions of FRANCHISEE. COUNTY may refer all complaints of damage or injury to FRANCHISEE as a matter within FRANCHISEE'S sole responsibility. Notwithstanding any Rights COUNTY has for breach of contract, disputes between FRANCHISEE and Persons as to damage to private pavement or other property or to injury are civil matters between FRANCHISEE and that Person, and the Person may institute suits with respect thereto as allowed by law.
- D. Venue.** In the event of litigation between the Parties, venue in State of California trial courts will lie exclusively in the COUNTY. In the event of litigation in a

United States District Court, exclusive venue will lie in the Central District of California.

E. Changes and Amendments.

1. **Changes following Notice.** The following changes in this AGREEMENT after the Execution Date will be effective after Notice from the Director to FRANCHISEE (or with respect to certain changes referenced in item b, from FRANCHISEE to the Director, in accordance with Section 3D2a) as consented to by FRANCHISEE:

- a. Changes in the scope of Franchise/County Services and Service Specifications and minimum Service Standards that do not result in a Rate adjustment in accordance with Section 3C or change in the County Service Fee;
- b. Changes to Exhibit 3D FRANCHISEE Documentation;
- c. Changes to Exhibit 20G Authorized Representative of Director;
- d. Immaterial changes to immaterial Performance Obligations.

2. **Written Amendments.** The following changes in this AGREEMENT after the Execution Date will be effective only upon execution of a written amendment to this AGREEMENT, including warranties by the Parties in accordance with Section 24B:

- a. Changes in the scope of Franchise/County Services and Service Standards that result in a Rate adjustment in accordance with Section 3C or change in County Service Fee; and
- b. Material changes to material Performance Obligations (such as the period of performance, payments, or any material term or condition included in this AGREEMENT).

F. **Notices.** All Notices required or permitted to be given under this AGREEMENT must be in writing and must be personally delivered or sent by telecopier or registered or certified mail, return receipt requested. All Notices to COUNTY must be addressed to the Director as provided in Exhibit 20G. All Notices to FRANCHISEE must be addressed to the authorized representative of FRANCHISEE named in FRANCHISEE Documentation (who will be FRANCHISEE'S primary contact under this AGREEMENT), except for Notices of suspension or termination of this AGREEMENT, which Notices may be personally delivered to any individual whose actual knowledge of suspension or termination would be sufficient notice to FRANCHISEE, including:

1. An individual, if FRANCHISEE is a sole proprietor;
2. Copartner, if FRANCHISEE is a partnership; or
3. The president, vice president, secretary, or general manager, if FRANCHISEE is a corporation.

Notice is deemed effective:

1. On the date personally delivered or sent by telecopier, with evidence of receipt; or
2. Three days after the date of mailing.

G. Authorized Representative of Director. COUNTY authorizes the Director to make requests or requirements of FRANCHISEE or give approvals under this AGREEMENT, excluding consents to Transfer or written amendments of this AGREEMENT. The authorized representative of the Director named in Exhibit 20G is FRANCHISEE'S primary contact under this AGREEMENT and can be contacted as provided in Exhibit 20G. FRANCHISEE shall give that authorized representative a copy of all Notices in accordance with Section 20F. From time to time, COUNTY may change Exhibit 20G by Notice to FRANCHISEE.

H. Authority and Representations; COUNTY Disclaimer.

1. **COUNTY.** COUNTY represents and disclaims as follows:
 - a. **Status.** COUNTY is a political subdivision of the State of California.
 - b. **Authority and Authorization.** COUNTY has full legal right, power, and authority to execute and deliver this AGREEMENT and perform its obligations under this AGREEMENT. This AGREEMENT has been duly executed and delivered by COUNTY and constitutes a legal, valid, and binding obligation of COUNTY enforceable against COUNTY in accordance with its terms.
 - c. **No Warranty Regarding Waste Characterization.** COUNTY makes no representations or warranties with respect to the waste characterization within the COUNTY, any waste disposal characterization study, or projections by material type with respect to waste in the COUNTY. COUNTY expressly disclaims any representations and warranties, either express or implied, as to the merchantability or fitness for any particular purpose of Solid Waste or any portion thereof.

2. **FRANCHISEE.** FRANCHISEE represents and warrants as provided in Exhibit 20H.

I. **Limitation on Subscription Orders.** With respect to Task 1 only, FRANCHISEE shall limit the terms of Subscription Orders to no longer than the remaining period of the Term. FRANCHISEE shall give each Customer the option to terminate its Subscription Order without cause on 90-days notice. FRANCHISEE shall also give each Customer the right to terminate service immediately in the event of emergency in accordance with Section 16A, or within 30 days if FRANCHISEE:

1. Fails to provide Franchise Services in accordance with the Terms of this AGREEMENT (including missed Collections, failure to timely repair or replace Carts, or failure to provide Collection or Recyclables) or the Subscription Order; or
2. Bills the Customer for amounts not provided in the Subscription Order or in excess of Rates.

FRANCHISEE may not include in the terms of Subscription Orders any automatic renewals or extensions, colloquially referred to as "evergreen" clauses, which obligate a Customer to take affirmative, prescribed action (such as written notice within a specified time period before the stated expiration of the Subscription Order) in order to terminate the Subscription Order.

J. **Criminal Activity.**

1. **Notice.** FRANCHISEE shall immediately give Notice to COUNTY on the occurrence of any convictions of a Criminal Activity or any pleas of "guilty," "nolo contendere," or "no contest" to a Criminal Activity with respect to FRANCHISEE or any of its FRANCHISEE Managers (except for FRANCHISEE Managers in a Position of Influence). FRANCHISEE shall use Reasonable Business Efforts to immediately give Notice to COUNTY on the occurrence of any convictions or any pleas with respect to FRANCHISEE or any of its FRANCHISEE Managers in a Position of Influence, and any of its FRANCHISEE employees who come in direct contact with the residents.
2. **FRANCHISEE Cure.** Upon the occurrence of any conviction or any plea described in subsection J1, FRANCHISEE immediately shall do or cause to be done both of the following:
 - a. Terminate from employment or remove from office any offending FRANCHISEE Manager who is an individual, or with respect to FRANCHISEE or an Affiliate, the individual or individuals responsible for the Criminal Activity; and

SECTION 21—DEFINITIONS AND INTERPRETATION OF AGREEMENT

- A. **Definitions.** Defined words in this AGREEMENT have the meanings given in Exhibit 21 and in some instances within Sections 1 through 24.
- B. **Interpretation and Construction.**
1. **Gender and Plurality.** Words of the masculine gender include correlative words of the feminine and neuter genders and vice versa. Words importing the singular number include the plural number and vice versa unless the context demands otherwise. (For example, reference to a defined "Solid Waste Facility" may include reference to more than one facility identified by FRANCHISEE in FRANCHISEE Documentation.)
 2. **Headings; Font.** Any captions or headings following the Exhibit, Attachment, Section, subsection, paragraph, and other attachments and subdivisions of this AGREEMENT that precede the operative text of this AGREEMENT are for convenience of reference only and do not control or affect the scope, intent, meaning, construction, interpretation, or effect of this AGREEMENT. Any underlined, italicized, bold-faced, upper captioned or other font style is for ease of reading and contract administration only and does not imply relative importance or unimportance of any provision of this AGREEMENT.
 3. **References to Parts.** References to Sections refer to Sections of this AGREEMENT, unless specified otherwise. References to Exhibits and Attachments refer to Exhibits and Attachments attached to this AGREEMENT. Reference to "subsections" refers to the subsections contained in the same Section in which the reference occurs, unless otherwise referenced.
 4. **Examples.** Examples are for purpose of illustration only. If any example is ambiguous, inconsistent, or conflicts with the text that it illustrates, the text governs.
 5. **Specifics No Limitation on Generalities.** The mention of any specific duty or liability imposed on FRANCHISEE may not be construed as a limitation or restriction of any general liability or duty imposed on FRANCHISEE by this AGREEMENT or Applicable Law.
 6. **Exhibits.** The Exhibits to this AGREEMENT, including their attachments, are part of this AGREEMENT to the same extent and effect as if included in the text of Sections 1 through 24.

7. Inconsistencies and Conflicts.

- a. If any provision of Exhibit 3A or 3A2 is inconsistent or conflicts with Sections 1 through 24 of this AGREEMENT or any other Exhibits or Attachments to this AGREEMENT, then the provisions of Exhibit 3A and 3A2 will govern, and
- b. If any provision of Sections 1 through 24 of this AGREEMENT is inconsistent or conflicts with any Exhibit (other than Exhibit 3A or 3A2), including FRANCHISEE Documentation, then the provision of Sections 1 through 24 of this AGREEMENT will govern unless the Director determines that it is contrary to the interest of the Parties.

8. References to Task 1 and Task 2.

Unless specifically indicated otherwise at the beginning of a Section or subsection, this AGREEMENT applies to both Task 1 and Task 2. However, Exhibit 3A only applies to Task 1, and Exhibit 3A2 only applies to Task 2.

- C. **Integration.** This AGREEMENT contains the entire agreement between the Parties with respect to the rights and responsibilities of the Parties under this AGREEMENT. This AGREEMENT completely and fully supersedes all prior oral and written understandings and agreements between the Parties with respect to those rights and responsibilities.
- D. **Governing Law.** This AGREEMENT is governed by, and construed and enforced in accordance with the law of the State of California, without giving effect to the State's principles of conflicts of laws.
- E. **Severability.** If any clause, sentence, provision, subsection, or Section of this AGREEMENT or Exhibit to this AGREEMENT (an "Agreement Provision") is ruled illegal, invalid, nonbinding, or unenforceable by any court of competent jurisdiction, then the Parties will take the following actions:
 - 1. Promptly meet and negotiate a substitute for the Agreement Provision and any related amendments, deletions, or additions to other provisions of this AGREEMENT, which together effect the Parties' original intent to the greatest extent allowable under Applicable Law; and
 - 2. If necessary or desirable to accomplish preceding item 1, apply to the court that declared the invalidity for a judicial construction of the substituted Agreement Provision and any amendments, deletions, or additions to this AGREEMENT. Within ten days of COUNTY's request, FRANCHISEE shall pay COUNTY an amount equal to the Direct Costs of the application or other amount provided in Exhibit 3A.

The illegality, invalidity, nonbinding nature, or unenforceability of any Agreement Provision will not affect any of the remaining provisions of this AGREEMENT, and this AGREEMENT will be construed and enforced as if the Agreement Provision did not exist.

- F. **Interpretation.** This AGREEMENT will be interpreted and construed neither for nor against either Party, regardless of the degree to which either Party participated in its drafting. FRANCHISEE acknowledges that it determined to provide Franchise/County Services in the Service Area and to execute this AGREEMENT upon FRANCHISEE'S own choice and initiative. Each Party represents and warrants that it and its counsel have reviewed this AGREEMENT, and the Parties agree that no provision in this AGREEMENT will be construed against the drafting Party.

SECTION 22-COMPLIANCE WITH LAWS AND REGULATIONS

A. Applicable Law.

1. **Compliance.** FRANCHISEE shall secure and maintain all permits, and comply with all Applicable Laws, including (as required by 13 CCR 2021.1) all applicable air pollution control laws such as Diesel Particulate Matter Control Measure of on-road, heavy-duty, diesel-fueled Residential and Commercial Solid Waste Collection Vehicles set forth in 13 CCR 2020 *et seq.*, and the Property Tax Reduction Ordinance. No obligation in this AGREEMENT may be construed to relieve FRANCHISEE of any obligations imposed by Applicable Law.
2. **Referenced Provisions.** References in this AGREEMENT to particular provisions or requirements of Applicable Law may not be construed to limit FRANCHISEE'S obligation to comply with all provisions of Applicable Law. Those references are intended to facilitate FRANCHISEE'S satisfaction of its Performance Obligations and COUNTY'S administration and specific enforcement of this AGREEMENT and may not be construed to constitute lack of obligation to comply with other provisions or requirements of Applicable Law not specifically referred to or cited in this AGREEMENT. If any provision of this AGREEMENT is more stringent than Applicable Law, FRANCHISEE shall comply with that provision.
3. **Fines and Penalties.** FRANCHISEE is solely liable for all fines and penalties that may be imposed on FRANCHISEE or may be due to FRANCHISEE'S actions, including fines and penalties that are the result of FRANCHISEE'S Violation of Applicable Law (including Permits). FRANCHISEE shall not seek reimbursement from COUNTY or Customers for any fines or penalties.

4. **Contractual Obligations.** Provisions of Applicable Law are incorporated in this AGREEMENT by reference as if set forth fully in this AGREEMENT as contractual obligations of FRANCHISEE to COUNTY.
- a. ***Breaches.*** In addition to or in lieu of prosecuting violations of those provisions as misdemeanors, infractions, or otherwise in the manner provided under Applicable Law, COUNTY may enforce those provisions in the same manner as it may enforce FRANCHISEE'S other contractual obligations under this AGREEMENT, including specific performance and as Breaches subject to cure in accordance with Section 17A. However, COUNTY has no obligation to enforce any Applicable Law.
 - b. ***Violation.*** Violation of Applicable Law is a FRANCHISEE Default subject to contest as provided in item 4 of Section 17B.

5. **County's Protection of Public Safety, Health, and Welfare.** FRANCHISEE acknowledges that COUNTY is authorized to make all necessary and reasonable rules and regulations regarding all aspects of MSW Management Services to protect the public's health, safety, and welfare.

No provision in this AGREEMENT is deemed to limit the power of COUNTY to regulate FRANCHISEE or to take any action as COUNTY deems appropriate or necessary in COUNTY'S sole and absolute discretion, under COUNTY'S police power, including to protect the public's safety, health, and welfare.

6. **Compliance with Applicable Law of County.** FRANCHISEE shall comply with Applicable Law of COUNTY subject to possible adjustments in the Rates in the event of Changes in Law in accordance with Section A1 of Exhibit 10

- B. **County Child Support Compliance Program.** As required by COUNTY'S Child Support Compliance Program (County Code Chapter 2.200), FRANCHISEE shall fully comply with employment and wage reporting requirements under the Federal Social Security Act (42 U.S.C. Section 653(a) and California Unemployment Insurance Code Section 1088.5. FRANCHISEE shall implement lawfully served wage and earnings withholding orders or COUNTY Child Support Services Department notices of wage earnings assignment for child, family, or spousal support issued in accordance with California Code of Civil Procedure Section 706.031 and California Family Code Section 5246(b).
- C. **County Defaulted Property Tax Reduction Program.** FRANCHISEE acknowledges that COUNTY has established a goal of ensuring that all individuals and businesses that benefit financially from COUNTY through

contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the COUNTY and its taxpayers.

Unless FRANCHISEE qualifies for an exemption or exclusion, FRANCHISEE warrants and certifies to the best of its knowledge under Exhibit 20H, that as of the Execution Date it is in compliance with County Code Chapter 2.206.

Unless FRANCHISEE qualifies for an exemption or exclusion, FRANCHISEE shall comply with Los Angeles County Code Chapter 2.206.

SECTION 23—LABOR-RELATED PROVISIONS REQUIRED IN COUNTY CONTRACTS

- A. Labor Code.** FRANCHISEE and its agents and employees are bound by and shall comply with all applicable provisions of the California Labor Code as well as all other Applicable Laws related to labor. By and through its execution of this AGREEMENT, FRANCHISEE represents and warrants that it is aware of and understands the provisions of California Labor Code Section 3700, which requires every employer to be insured against liability of Workers' Compensation or to undertake self-insurance in accordance with those provisions before commencing the performance of work under this AGREEMENT and agrees to fully comply with those provisions.
- 1. Consideration of GAIN/GROW Participants for Employment.** Should FRANCHISEE require additional or replacement personnel after the Execution Date, FRANCHISEE shall give consideration for any of those employment openings to participants in COUNTY'S Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunities for Work (GROW) Program who meet FRANCHISEE'S minimum qualifications for the open position. COUNTY will refer GAIN/GROW participants, by job category, to FRANCHISEE. For this purpose, "consideration" means that FRANCHISEE shall interview qualified candidates. If both laid-off County employees and GAIN and GROW participants in categories identified by COUNTY are available for hiring, FRANCHISEE shall give COUNTY employees first priority.
- B. Notices to Employees.**
- 1. Regarding the Federal Earned Income Credit.** FRANCHISEE shall notify its employees, and shall require each Subcontractor performing Franchise/County Services to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. The notice must be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015 that FRANCHISEE has attached as FRANCHISEE Documentation.

2. **Regarding Safely Surrendered Baby Law.** FRANCHISEE acknowledges that COUNTY places a high priority on the implementation of the Safely Surrendered Baby Law (SB 1368).
 - a. ***Fact Sheet.*** FRANCHISEE shall notify and provide to its employees and shall require each Subcontractor performing Franchise/County Services to notify and provide to Subcontractors' employees a fact sheet regarding the Safely Surrendered Baby Law, its implementation in the COUNTY, and where and how to safely surrender a baby. FRANCHISEE shall print and make available in every facility where its employees are present, including offices and operation yards, the fact sheet that is available at www.babysafela.org.
 - b. ***Poster.*** FRANCHISEE understands that it is COUNTY'S policy to encourage all COUNTY contractors to voluntarily post COUNTY'S "Safely Surrendered Baby Law" poster in a prominent position at the contractor's place of business. FRANCHISEE shall also encourage its Subcontractors to post this poster in a prominent position in the Subcontractors' place of business. COUNTY'S Department of Children and Family Services will supply FRANCHISEE with the poster to be used.
3. **Regarding Child Support.** FRANCHISEE acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. FRANCHISEE further acknowledges that it is COUNTY'S policy to encourage all COUNTY contractors to voluntarily post COUNTY'S "L.A.'s Most Wanted: Delinquent Parents List" supplied by COUNTY in a prominent position at their place of business.

C. Prohibition Against Use of Child Labor.

1. **Compliance with ILO Convention Concerning Minimum Age for Employment.** FRANCHISEE shall not knowingly sell or supply to COUNTY or Customers any products, goods, supplies, or other personal property manufactured in violation of child labor standards set by the International Labor Organization through its 1973 Convention Concerning Minimum Age for Employment (the "**Convention Concerning Minimum Age for Employment**"). If FRANCHISEE discovers that any products, goods, supplies, or other personal property sold or supplied by FRANCHISEE to COUNTY or any Customer are produced in violation of that Convention, FRANCHISEE shall immediately provide an alternative source of supply that complies with that Convention.

2. **Provide COUNTY with Records.** At COUNTY'S request, FRANCHISEE shall provide documentation satisfactory to COUNTY evidencing the country or countries of origin of any products, goods, supplies, or other personal property FRANCHISEE sells or supplies to COUNTY or any Customer in connection with Franchise/County Services.
3. **Provide COUNTY with Manufacturers' Certification.** At COUNTY'S request, FRANCHISEE shall provide to COUNTY the manufacturer's certification of compliance with the Convention Concerning Minimum Age for Employment or other all-international child labor conventions.

D. Nondiscrimination.

1. **Employees.** FRANCHISEE and its Affiliates shall employ qualified applicants and treat employees equally without regard to or because of race, color, national origin, ancestry, religion sex, age, physical or mental disability, marital status, or political affiliation and in compliance with all State of California and Federal antidiscrimination laws, including in employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay, other forms of compensation, and selection of training (including apprenticeship).
2. **Subcontractors, Bidders and Vendors.** FRANCHISEE shall deal with its Subcontractors, bidders, and vendors without regard to or because of race, color, national origin, ancestry, religion, sex, age, physical or mental disability, marital status, or political affiliation.
3. **Certification.** FRANCHISEE shall comply with the provisions of FRANCHISEE'S EEO Certification (Form PW-7), attached as FRANCHISEE Documentation.
4. **Inspection of Records.** At COUNTY'S request, FRANCHISEE shall promptly allow COUNTY and its auditors access to FRANCHISEE'S employment records at FRANCHISEE'S Office during FRANCHISEE Office Hours to verify compliance with the provisions of this subsection E.
5. **Remedies for Discrimination.** If COUNTY finds that FRANCHISEE has violated any provisions of this subsection E, that violation constitutes a FRANCHISEE Default. While COUNTY reserves the right to determine independently that the antidiscrimination provisions of this subsection E have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that FRANCHISEE has violated State of California or Federal antidiscrimination laws will constitute a finding by COUNTY that FRANCHISEE has violated the antidiscrimination provisions of this subsection E.

E. Safety.

1. **Services Safety Official.** FRANCHISEE shall designate in FRANCHISEE Documentation a Services Safety Official who shall be thoroughly familiar with FRANCHISEE'S Injury and Illness Prevention Program (IIPP) and Code of Safe Practices (CSP). FRANCHISEE shall ensure that the Services Safety Official is available at all times Franchise/County Services are provided to abate any potential safety hazards. FRANCHISEE shall give the Services Safety Official the authority and responsibility to cease performing any service if necessary to abate any potential safety hazard. If FRANCHISEE fails to designate or make available the Services Safety Official, COUNTY may direct the FRANCHISEE to cease providing Franchise/County Services at no cost to COUNTY until FRANCHISEE is in compliance with this Section.
2. **Safety Responsibilities.** FRANCHISEE is responsible for the safety of equipment, material, and personnel under FRANCHISEE'S control or authority during performance of Franchise/County Services. FRANCHISEE is solely responsible for ensuring that all work performed under this AGREEMENT is performed in strict compliance with all Applicable Laws with respect to occupational safety regulations. FRANCHISEE shall provide at its expense all safeguards, safety devices, protective equipment, and shall take all actions appropriate to providing a safe job environment.

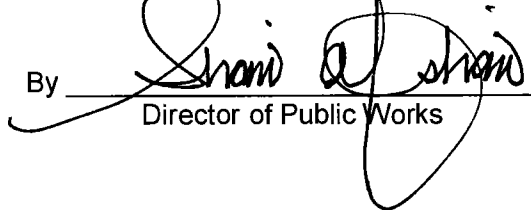
- F. COUNTY Lobbyists.** FRANCHISEE and each COUNTY lobbyist or County lobbying firm as defined in County Code Section 2.160.010, retained by FRANCHISEE shall fully comply with the County Lobbyist Ordinance.

SECTION 24—EXECUTION OF AGREEMENT

- A. **Execution in Counterparts.** This AGREEMENT, including dated signatures on amended Exhibits and attachments to those Exhibits, may be signed in any number of original counterparts. All counterparts constitute but one and the same agreement.
- B. **Authority to Execute.** COUNTY warrants that the individual signing this AGREEMENT has been duly authorized by COUNTY to sign this AGREEMENT on behalf of COUNTY and has the full right, power, and authority to bind COUNTY to this AGREEMENT. FRANCHISEE warrants that the individual signing this AGREEMENT below has been duly authorized by FRANCHISEE to sign this AGREEMENT on behalf of FRANCHISEE and has the full right, power, and authority to bind FRANCHISEE to this AGREEMENT.

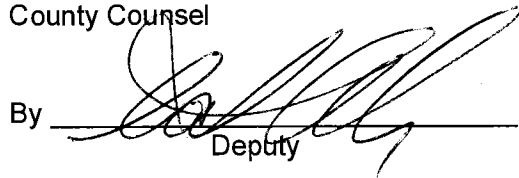
IN WITNESS WHEREOF, COUNTY has by order of its Board of Supervisors caused this AGREEMENT to be signed by the Director, and FRANCHISEE has caused this AGREEMENT to be signed by its duly authorized officers, as of the date first written above.

COUNTY OF LOS ANGELES

By 
Director of Public Works

APPROVED AS TO FORM:

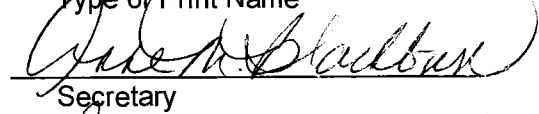
MARK J. SALADINO
County Counsel

By 
Deputy

UNIVERSAL WASTE SYSTEMS, INC.

By 
President

Mark S. Blackburn
Type or Print Name


Secretary

Anne M. Blackburn
Type or Print Name

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Los Angeles

On 10-28-14 before me, Mitch P. Kellam Notary Public
(Here insert name and title of the officer)

personally appeared Anne Marie Blackburn

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.

[Signature]
Signature of Notary Public



ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

Individual (s)

Corporate Officer

(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other _____

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Los Angeles

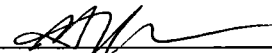
On Oct. 28, 2014 before me, Mitch P. Kellam Notary Public
(Here insert name and title of the officer)

personally appeared Mark S. Blackburn

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.


Signature of Notary Public



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

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 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

EXHIBIT 3A–FRANCHISE SERVICES AND SERVICE SPECIFICATIONS (TASK 1)

- A. Provisions Cross-Referenced in the Body of AGREEMENT.** The following provisions are referenced in the body of this AGREEMENT and provided in this Exhibit:
1. **Section 2A Termination Date.** The Termination Date is **October 31, 2021**. The Director shall have the sole option to extend the term of this AGREEMENT for up to three additional one-year periods, followed by six one-month extensions, for a maximum total Term of ten years and six months. Each such option and extension shall be exercised at the sole discretion of the Director. The Director will provide written Notice to FRANCHISEE no later than 60 days before the commencement of any one-year period extensions, and will provide at least ten days Notice in advance of any one-month period extensions. FRANCHISEE acknowledges that in exercising its option to extend the Termination Date, COUNTY need not consider whether any Service Assets are not fully depreciated as of the Termination Date, and that FRANCHISEE invested in and depreciated those Service Assets in FRANCHISEE'S sole discretion.
 2. **Section 4C Non-Collection Notice item 9.** The Parties agree to the following additional items: FRANCHISEE is not obligated to Collect Green Waste in Green Waste Carts if FRANCHISEE observes refuse in the Green Waste Cart.
 3. **Section 4E Exceptions to Performance Obligations.** The Parties agree to the following exceptions to Performance Obligations described in Sections 1 through 24 of this AGREEMENT: none.
 4. **Section 7B Telephone Service.** The Parties agree to the following additional service obligations:
 - a. FRANCHISEE shall use Reasonable Business Efforts to broadcast public education messages to Customers while they are placed on hold waiting to talk to a Customer service representative;
 - b. FRANCHISEE shall require no more than two recorded options on a telephone tree before the Customer speaks to a live Customer service representative (for example, English/Spanish and residential/commercial service choices); and
 - c. FRANCHISEE shall answer the telephone within five rings and shall answer 90 percent of all incoming calls within the first four rings. Upon the Director's determination that the telephone is not

answered within five rings based on at least three calls within one week or ten calls within one month made and certified by the Director, the Director may require that FRANCHISEE install additional telephone lines, hire additional operators, and make other Customer service improvements without increasing Rates.

5. **Section 7C Bilingual.** FRANCHISEE shall respond to Customers in English and Spanish as the Customer requests.

6. **Section 15 Initial Amount of Performance Assurance.** FRANCHISEE shall provide performance assurance in the following amount:

Service Area	Amount of Performance Assurance
Citrus/Charter Oak/Ramona	\$400,104

7. **19A Director's Consent to Transfer.** The Director may condition consent to any Transfer, other than a Transfer to an Affiliate, on FRANCHISEE'S payment to COUNTY of \$5.00 per Customer.

8. **21E Allocable Share of Direct Costs of Application with Respect to Severability of Agreement Provision.** FRANCHISEE'S share is 100 percent.

B. General Specifications.

1. **Collection Commencement Date and Hours of Collection.** FRANCHISEE may commence Collection as early as **November 1, 2014**, and Collect from all Customers during the succeeding week. FRANCHISEE shall Collect only between the hours of 6 a.m. and 6 p.m., Monday through Friday, except that FRANCHISEE may Collect from Commercial Premises that are not located within 500 feet of Residential Premises at other times agreed to between FRANCHISEE and the Commercial Customer in accordance with the County Code, including Section 12.08.520 Refuse Collection Vehicles. FRANCHISEE shall use Reasonable Business Efforts to adjust the early morning start point of Collection routes to address and minimize Customer complaints. FRANCHISEE shall Collect from Premises that were scheduled for Collection on a Holiday on the day before or after the scheduled Service Day that is a Holiday, and shall Collect from all other Premises in the Service Area on their regularly scheduled Collection day or one day later than their regularly scheduled Collection day. FRANCHISEE shall indicate the option it has selected in FRANCHISEE Documentation.

FRANCHISEE shall pay liquidated damages for Breach under this subsection B1 in accordance with Exhibit 18D2 Liquidated Damages.

2. **Waste Diversion Program.** FRANCHISEE shall develop and implement a Waste Diversion Program for all Residential Premises and Multifamily Premises, including Collection of Recyclables, Green Waste, Bulky Items, clothing, Sharps, E-waste, and CEDs; Customer education and outreach; Record keeping; and submission of Reports. FRANCHISEE shall include a copy of its program in FRANCHISEE Documentation. The Waste Diversion Program must include, at a minimum, all of the following items:

- a. **Customer Recyclables Diversion Education Program.** As part of its Waste Diversion Program, FRANCHISEE shall develop and implement a Customer educational program to maximize Diversion of Recyclables, Green Waste, Bulky Items, clothing, Sharps, E-waste, and CEDs. The Customer educational program must include, at a minimum, all of the following items:

- (i) Recycling and Diversion goals, including method and calculations used and measures that will be used to determine how successful FRANCHISEE is in meeting its waste diversion goals;
- (ii) Identifying Recycling and Diversion strategies and Customer options;
- (iii) Establishing program tasks, such as meeting with managers of Multifamily Premises, visiting schools, speaking at Chambers of Commerce, informing Customers of on-line recycling and diversion information sites, and mailing quarterly four-page newsletters in color;
- (iv) Timetable for program implementation; and
- (v) Developing and distributing literature in the form of fliers, cards, stickers, or otherwise as FRANCHISEE determines to be the most effective means of increasing Recycling and Diversion by Customers.

- b. **Promotional Events and Activities**

To increase Diversion, FRANCHISEE shall participate in at least 12 promotional activities such as: local fairs, parades and any other civic event requested by the Director during each Calendar Year. During these events FRANCHISEE shall operate recycling information booths and provide Refuse or Recyclables Carts, if

requested by the Director, and distribute fliers, promotional items, pamphlets, and other materials, in color, approved by the COUNTY to encourage area residents to recycle, reduce, reuse and/or divert Solid Waste. FRANCHISEE shall develop and distribute literature, fliers, cards, or stickers specific to each event and activity.

c. ***Curbside Recycling Reward Program.***

No later than 3 months after the Execution Date and 3 months before the beginning of each following Contract Year, FRANCHISEE shall submit to the Director for approval a program plan for rewarding Customers who show an exemplary effort to recycle at the curbside in recycling Carts. FRANCHISEE shall incorporate comments from the Director and implement the program, at no cost to the Customer and the COUNTY. FRANCHISEE shall distribute rewards quarterly at an aggregate amount of \$2,500 for the program each Contract Year. FRANCHISEE shall make its first award within 6 months after beginning Recyclables collection. FRANCHISEE shall implement its approved plan each Contract Year.

d. ***Mulch and Compost Giveaway Program.***

No later than 3 months after the Execution Date and 3 months before the beginning of each following Contract Year, FRANCHISEE shall submit to the Director for approval a program plan for offering Customers free mulch and compost. FRANCHISEE shall incorporate comments from the Director and implement the program, at no cost to the Customer and the COUNTY. FRANCHISEE shall hold at least five events each Contract Year; FRANCHISEE shall offer at least one ton of mulch and one ton of compost at each event without charge to Customers or COUNTY; and use Reasonable Business Efforts to offer mulch and compost that were produced from Green Waste generated in the Service Area. FRANCHISEE shall hold its first giveaway event within six 6 months after beginning Green Waste collection. FRANCHISEE shall implement its approved plan each Contract Year.

e. ***Diversions.*** FRANCHISEE shall use Reasonable Business Efforts to Divert all materials that it Collects in accordance with this subsection B2, including the following:

- (i) Holiday trees that it Collects in accordance with subsection F1;
- (ii) Bulky Items, CEDs, E-waste, and excess Solid Waste, that it Collects in accordance with subsection F2; and

- (iii) Refuse and Recyclables that it Collects at special events in accordance with subsection F3.

FRANCHISEE shall transport those materials only to the facility or facilities, including Solid Waste Facilities, that FRANCHISEE has designated in FRANCHISEE Documentation for Recycling, Processing, or Diversion and shall Dispose of those materials that it does not Divert to the Solid Waste Facility that FRANCHISEE designates in FRANCHISEE Documentation for Disposal. *FRANCHISEE shall pay liquidated damages for Breach under this subsection F6 in accordance with Exhibit 18D2 Liquidated Damages.*

3. **Carts.** *FRANCHISEE shall pay liquidated damages for Breach under this subsection B3 in accordance with Exhibit 18D2 Liquidated Damages.*

- a. **Delivery and Exchanges.** Within 7 days after receiving a Customer's request for commencement or changes in Collection of Refuse, Recyclables, or Green Waste, FRANCHISEE shall deliver Carts of the Customer's requested capacity or replace existing Carts with substitute Carts of the Customer's requested capacity.

Extra Carts. FRANCHISEE shall deliver extra Carts to Customer's Set-Out Site within 7 days after COUNTY or Customer request, without charge for delivery or service.

All Customers may request from FRANCHISEE one extra cart for Recyclable Material and/or one extra cart for Green Waste upon request, at no additional fee.

If Customers request an additional extra cart for Refuse, and/or request extra carts for Recyclable Materials and Green Waste beyond the allotted extra free carts as described above, the customer shall pay the FRANCHISEE a one-time delivery fee plus the monthly surcharge, as provided on the Rate Schedule.

- b. **Removal Due to Discontinuation of Service.** On a regularly scheduled Collection day, no later than 8 days after receiving notice from a Customer to discontinue Collection in accordance with the Customer's rights under a Subscription Order, FRANCHISEE shall remove its Carts from the Customer's Premises.
- c. **Repair and Replacement.** FRANCHISEE shall repair or replace Carts within 7 days after receiving COUNTY'S or a Customer's request for repair or replacement, including providing and maintaining operable lids. FRANCHISEE shall repair or replace Carts, including Carts that are stolen, without additional cost,

except that if the Customer does not report the theft of a Cart to the police, FRANCHISEE may charge the Customer the actual cost of replacement.

- d. **Specifications.** FRANCHISEE shall procure, provide to Customers, maintain, and Collect using fully automated, wheeled Carts having the specifications described in FRANCHISEE Documentation and without additional cost to Customers unless otherwise provided on the Rate Schedule. The Refuse Cart shall be black, the Recyclables Cart shall be blue, and the Green Waste Cart shall be green or other colors approved by Director. Reference in this AGREEMENT to "96 gallons" includes substantially similar capacity upon approval of the Director. Each Cart shall be constructed of recyclable content at a minimum of 25 percent post-consumer materials and on its front side shall clearly display the name of the FRANCHISEE, phone number, a unique serial number, and contents for which the Cart is designated. A conspicuous notice shall be affixed on the Cart warning that the disposal of Unpermitted and Universal Waste in the Cart is prohibited. The notice shall be written in both English and Spanish and approved by the Director
- e. **Upright.** FRANCHISEE shall return Carts upright.
- f. **Inventory.** FRANCHISEE shall maintain a Cart inventory of at least 10 percent of the total number of Carts of each type and capacity provided to all Customers.
- g. **Graffiti.** FRANCHISEE shall remove graffiti from Carts within five Service Days of identification by FRANCHISEE or oral or written notice by COUNTY or a Customer or, if the graffiti is comprised of pictures or written obscenities, within 48 hours (weekends excepted).
- f. **Alternatives to Fully Automated 96-Gallon Carts.** In place of fully automated 96-gallon Carts, FRANCHISEE may Collect Refuse, Recyclables, and/or Green Waste in the type of Carts and in the manner described in FRANCHISEE Documentation, at any premises that is difficult to service with automated collection Vehicles if approved by the Director, or at any Premises if requested by the Customer. FRANCHISEE shall provide the alternative Carts having the same aggregate capacity as FRANCHISEE would have provided to that Customer in Carts for the Rate charge provided in the Rate Schedule.

- i. **Alternatives to 96-Gallon Carts due to Space Restrictions.** If a Customer requests Carts other than 96-gallon Carts due to space restrictions for Cart storage or at the Set-Out Site, FRANCHISEE shall provide the type of Carts and method of Collection described in FRANCHISEE Documentation. FRANCHISEE shall provide alternative Carts having the same aggregate capacity as FRANCHISEE would have provided to that Customer in Carts, without Rate discount or additional cost, if the Customer requests the same aggregate capacity.
 - j. **32-Gallon Cart Alternatives to 96-Gallon Carts.** If an elderly Customer as defined in Subsection G who generates small amounts of waste requests a 32-gallon Cart or Carts, FRANCHISEE shall provide the same number of 32-gallon Carts as FRANCHISEE would have provided to that Customer in 96-gallon Carts, without additional cost.
4. **Vehicles.** Vehicles used for Collection must be fully automated unless permitted in subsection B3h. Vehicles used for Collection must use LNG (liquid natural gas) or CNG (compressed natural gas) fuel, or alternative fuel (other than diesel) approved by COUNTY unless FRANCHISEE Documentation provides otherwise with respect to Collection at Premises that are difficult to serve as permitted in Section B3h.
5. **Subcontractors.** FRANCHISEE shall not engage any Subcontractor in an amount exceeding \$50,000 for any individual Subcontractor without prior COUNTY approval of the Subcontract and Subcontractor. FRANCHISEE is responsible for directing the work of FRANCHISEE'S Subcontractors and any compensation due or payable to FRANCHISEE'S Subcontractors is the sole responsibility of FRANCHISEE. FRANCHISEE shall remove any approved Subcontractor for good cause at COUNTY'S request. FRANCHISEE shall identify all Subcontractors in FRANCHISEE Documentation. In its Annual Report, FRANCHISEE shall disclose to COUNTY the name of all Subcontractors, the amount of Goods or Services that each Subcontractor provides to FRANCHISEE, and a description of FRANCHISEE'S relationships to each Subcontractor (including ownership interests).
6. **Routing and Cart Placement.** FRANCHISEE shall schedule Collection in the Service Area on the Service Days listed on the schedule attached as Attachment 1 (Collection Schedule) of Exhibit 3A, or other schedule approved by the County. This schedule may be amended by the Director at any time, and FRANCHISEE shall use Reasonable Business Efforts to implement this amendment. FRANCHISEE shall return empty Carts to their Set-Out Sites or site nearest Set-Out Site that does not impede pedestrian or vehicular traffic. The Set-Out Site must be located at the

curb or as otherwise provided in County Code Section 20.72.100. FRANCHISEE shall provide to the Director upon COUNTY request, a list of Customers' names, addresses, Cart sizes and quantities, and other services provided to Customer.

1. **Collection Frequency.** In order to protect the public health and safety and control the spread of vectors, FRANCHISEE shall Collect all Refuse at least once per week. The frequency of collection for Refuse, Recyclable Materials, and/or Green Waste may be reduced at the discretion of the Director.
8. **Questionnaire.** FRANCHISEE shall develop and distribute a questionnaire for all Customers for feedback regarding all services and programs offered under this AGREEMENT as a tool to help measure their effectiveness.

FRANCHISEE shall provide the questionnaire to all Customers within six to nine months of the commencement of the MSW Management Services. FRANCHISEE shall obtain approval from the Director one month prior to its distribution. Each Calendar Year thereafter, FRANCHISEE shall develop and distribute a similar questionnaire to continue to solicit feedback from the Customers.

C. Refuse Collection, Transportation, and Disposal.

1. **Scope of Franchise Services and Specifications.** FRANCHISEE shall arrange to provide for fully automated Collection, transportation and Disposal of Refuse discarded by any Customer that requests FRANCHISEE to Collect its Refuse in Carts and agrees to pay Customer Service Charges. FRANCHISEE shall provide to each of those Customers the following for Collection of Refuse:
 - a. One 96-gallon Cart without additional cost; and
 - b. At the Customer's request, any number of additional 96-gallon Carts for the charge provided on the Rate Schedule.

In addition, FRANCHISEE shall Collect, up to four times each Calendar Year without additional cost, Refuse that a Customer discards in bags at the Set-Out Site on that Customer's next regularly scheduled Collection day after 24 hours advance notice by the Customer or other date agreed to between that Customer and FRANCHISEE.

2. **FRANCHISEE-Designated Solid Waste Facility.** FRANCHISEE shall transport Refuse only to the Solid Waste Facility or Facilities that FRANCHISEE has designated in FRANCHISEE Documentation for Disposal. FRANCHISEE shall use Reasonable Business Efforts to

designate a Solid Waste Facility or Facilities that utilizes Conversion Technology or provides feedstock to Conversion facilities. *FRANCHISEE shall pay liquidated damages for Breach under this subsection C2 in accordance with Exhibit 18D2 Liquidated Damages.*

The Director/ reserves the right to direct Refuse to a specific site or facility upon agreement with the FRANCHISEE on the amount of any additional compensation. The County will compensate the FRANCHISEE for any direct costs (such as increased tipping fees) which the FRANCHISEE incurs following delivery of materials to a County-designated solid waste facility instead of to a FRANCHISEE-selected solid waste facility.

D. Recyclables Collection, Transportation, Processing, and Diversion.

1. **Scope of Franchise Services and Specifications.** FRANCHISEE shall arrange to provide for fully automated Collection, transportation, processing, and marketing of Recyclables discarded by any Customer for whom FRANCHISEE provides Collection of Refuse on the same day that FRANCHISEE Collects the Refuse. FRANCHISEE shall provide each of those Customers with any or all of the following for Collection of Recyclables:

- b. One 96-gallon Cart, without charge;
- c. A second 96-gallon Cart upon Customer request, without charge,(for a total of two 96-gallon Carts) without additional charge;
- d. Any number of additional 96-gallon Carts for the charge provided on the Rate Schedule.

FRANCHISEE may not reduce Customer Service Charges for Customers that do not discard Recyclables.

2. **FRANCHISEE-Designated Facility.** FRANCHISEE shall transport Recyclables only to the facility or facilities that FRANCHISEE has designated in FRANCHISEE Documentation for Recycling, Processing, or Diversion (including Solid Waste Facilities, materials brokers and beneficiators). *FRANCHISEE shall pay liquidated damages for Breach under this subsection D2 in accordance with Exhibit 18D2 Liquidated Damages.*

The Director/Designee reserves the right to direct Recyclable Materials to a specific site or facility upon agreement with the FRANCHISEE on the amount of any additional compensation. The County will compensate the FRANCHISEE for any direct costs (such as increased tipping fees) which the FRANCHISEE incurs following delivery of materials to a County-

designated solid waste facility instead of a FRANCHISEE-selected solid waste facility.

3. **Purchase of Recyclables.** FRANCHISEE'S obligation to provide Recyclables services described in this Section D does not preclude FRANCHISEE from purchasing Recyclables from its Customers separate from Franchise Services.
4. **Scavenging - Discouragement.** FRANCHISEE shall use Reasonable Business Efforts to enforce anti-scavenging laws, including the following:
 - a. Instituting civil actions against a Person alleged to have violated California Public Resources Code Section 41950 for treble damages, as measured by the value of the material removed, or a civil penalty of not more than \$1,000.00, whichever is greater, for each unauthorized removal, in accordance with California Public Resources Code Section 41953; and
 - b. Taking actions under County Code Section 20.72.196 to discourage Scavenging.
5. **Prohibition on Mixing Recyclables and Green Waste with Refuse or Disposing of Recyclables or Green Waste.** Unless FRANCHISEE is obligated under this AGREEMENT to process Refuse for recovery of Recyclables, or unless as otherwise approved by the Director, FRANCHISEE shall not:
 - a. Mix Recyclables or Green Waste that it Collects with Refuse; or
 - b. Dispose of Recyclables or Green Waste that it Collects in a Disposal site or transfer facility, **except for:**
 - (i) Incidental amounts of Recyclables or Green Waste that a Customer commingles with discarded Refuse;
 - (ii) Green Waste used as alternate daily cover that is considered Diversion; or
 - (iii) Contaminated Recyclables or Green Waste that cannot be Diverted using Reasonable Business Efforts as long as FRANCHISEE has previously exercised Reasonable Business Efforts to provide Customer education with respect to reducing that contamination.

FRANCHISEE shall pay liquidated damages for Breach under this subsection D5 in accordance with Exhibit 18D2 Liquidated Damages.

FRANCHISEE may transport residual Solid Waste remaining after processing at Solid Waste Facilities to maximum possible recovery levels and Diversion to facilities other than the Solid Waste Facility or Facilities that FRANCHISEE designates for Disposal in FRANCHISEE Documentation. However, FRANCHISEE shall use Reasonable Business Efforts to Divert or provide for the Diversion of residual Solid Waste remaining after processing at a materials recovery facility at Conversion facilities.

6. Contamination Audits.

- a. **Initial.** Within the first six months of commencing Franchise Services, FRANCHISEE shall check all Customers' Recyclables Carts and Green Waste Carts once to ascertain whether Customers are discarding only Recyclables in their Recyclables Carts and only Green Waste in Green Waste Carts. Checking must include, at a minimum, manually opening the lid of Carts or Bins and visually inspecting the contents of the Cart or Bin to identify contamination.
- b. **Annual Spot Checks.** After the first six months of commencing Service, FRANCHISEE shall check Recyclables Carts of 20 percent of its Customers annually on a rotating basis, such that all Customers' Recyclables Carts are spot checked at least once every five years.
- c. **Non-Collection Notices.** If FRANCHISEE observes materials other than Recyclables during an initial or spot check, it shall not Collect that Cart and it shall leave a Non-Collection notice at the Premises.
- d. **Follow-Up.** Within two months, FRANCHISEE shall recheck Carts set out at Premises that received a Non-Collection notice.
- e. **Reports.** In its Monthly Report FRANCHISEE shall summarize the results of its spot checks.
- f. **Additional Spot Checks.** After the first six months of commencing Service, if the Director determines that Customers are discarding a significant amount of Refuse and/or Green Waste in their Recyclables Carts or Refuse and/or Recyclables in their Green Waste Carts, then the Director may direct FRANCHISEE to check additional Carts and leave Non-Collection notices as provided in subsection D6c.

E. Green Waste Collection, Transportation, Processing, and Diversion.

1. **Scope of Franchise Services and Specifications.** FRANCHISEE shall arrange to provide for fully automated Collection, transportation, processing, and marketing of Green Waste discarded by any Customer for whom FRANCHISEE provides Collection of Refuse on the same day FRANCHISEE Collects the Refuse. FRANCHISEE shall provide to each of those Customers the following for Collection of Green Waste:

- a. One 96-gallon Cart and, at the Customer's request, one additional 96-gallon Cart (for a total of two 96-gallon Carts) without additional cost.
- b. At the Customer's request, any number of additional 96-gallon Carts for the charge provided on the Rate Schedule.

In addition, FRANCHISEE shall Collect, up to eight times each Contract Year without additional cost, Green Waste that a Customer discards in bags at the Set-Out Site on that Customer's next regularly scheduled Collection day after 24 hours advance notice by the Customer or other date agreed to between that Customer and FRANCHISEE.

FRANCHISEE may not reduce Customer Service Charges for Customers that do not discard Green Waste.

2. **FRANCHISEE-Designated Facility.** FRANCHISEE shall transport Green Waste only to the facility or facilities that FRANCHISEE has designated in FRANCHISEE Documentation for Recycling, Processing, or Diversion, including Solid Waste Facilities. *FRANCHISEE shall pay liquidated damages for Breach under this subsection E2 in accordance with Exhibit 18D2 Liquidated Damages.*

The Director/Designee reserves the right to direct Green Waste to a specific site or facility upon agreement with the FRANCHISEE on the amount of any additional compensation. The County will compensate the FRANCHISEE for any direct costs (such as increased tipping fees) which the FRANCHISEE incurs following delivery of materials to a County-designated solid waste facility instead of to a FRANCHISEE-selected solid waste facility.

F. Special Services. FRANCHISEE shall provide the services prescribed in this Section F without additional cost to Customers or charge to COUNTY except for subsection F2d Additional On-Call Pickup with Additional Cost.

1. **Holiday Tree Collection.** During the period beginning December 26 and ending January 14, or another period established by COUNTY not to exceed three weeks, and at a Customer's request, FRANCHISEE shall Collect, transport, process, and Divert all holiday trees, such as Christmas

trees and Hanukkah bushes stripped of ornaments, garlands, tinsel, flocking, and stands, placed for Collection at the Set-Out Site, on or before the Customer's next regularly scheduled Collection day. All materials collected shall be recycled to the maximum extent feasible.

2. Bulky Items, CEDs, E-waste, and Excess Solid Waste Collection.

- a. ***Annual Curbside Cleanup Event.*** FRANCHISEE shall Collect unlimited amounts of Residential Customers' Bulky Items, CEDs, E-waste, and excess Solid Waste, discarded at each Set-Out Site once each Calendar Year on a day approved by COUNTY, without additional cost. Prior to the end of each day's event, the FRANCHISEE shall return to each street to ensure that all discarded materials placed at curbside were collected. If any discarded material is found, FRANCHISEE shall collect it that same day. FRANCHISEE may be required, upon oral order of the Director to return to any event route, in order to collect Refuse, Recyclable Materials, or Green Waste left out at the curb. This shall be accomplished on the same day of the oral order. FRANCHISEE shall start the event not earlier than 6 a.m. and end by 6 p.m. on the Saturdays during the event, or as instructed by the Director.
- b. ***Two On-Call Pickups Per Year without Additional Cost for Residential Customers.*** In addition to the annual curbside cleanup event described in subsection F2a, FRANCHISEE shall Collect twice each Calendar Year unlimited amounts of Residential Customers' Bulky Items, E-waste, and/or CEDs discarded at the Set-Out Site of a Residential Customer on that Customer's next regularly scheduled Collection day after 24-hours advance notice by the Customer or other date agreed to between that Customer and FRANCHISEE, without additional cost.
- c. ***Four On-Call Pickups Per Year without Additional Cost for Multifamily Premises.*** For each Multifamily Premises, FRANCHISEE shall Collect four times each Calendar Year a maximum of two items per pickup of Multifamily Customers' Bulky Items, E-waste, and/or CEDs discarded at the Set-Out Site of a Multifamily Customer on that Customer's next regularly scheduled Collection day after 24-hours advance notice by the Customer or other date agreed to between that Customer and FRANCHISEE, without additional cost.
- d. ***Additional On-Call Pickup with Additional cost.*** In addition to Collection described in subsections F2a and b, at the request of a Residential Customer in excess of twice annually, as provided in

subsection F2b, or at the request of a Multifamily Customer in excess of four times annually, as provided in subsection F2c, on 24-hours advance notice, FRANCHISEE shall Collect unlimited amounts of that Customer's Bulky Items, E-waste, and CEDs discarded at that Customer's Set-Out Site on that Customer's next regularly scheduled Collection day or other date agreed to between that Customer and FRANCHISEE at charges for additional calls listed on the Attachment 3 and charge for items listed in FRANCHISEE Documentation.

- e. **Semi-Annual E-waste and Clothing Drop-off Events.** Twice each Contract Year FRANCHISEE shall Collect without additional cost unlimited amounts of Residential Customers' E-waste and clothing, respectively, discarded by a Residential Customer at the same or different locations and on the same or different days approved by COUNTY, without additional cost. FRANCHISEE may identify Customers by requiring an individual to submit either of the following documents:
 - (i) His or her bill for Franchise Services, or
 - (ii) A copy of the advance written notice of the drop-off event given by FRANCHISEE to Customers.

- f. **Number of Workers.** FRANCHISEE shall supply at least two workers for each Collection Vehicle during the annual curbside Cleanup event described in subsection F2a. FRANCHISEE shall also supply at least two workers for each Collection Vehicle dispatched for on-call pickup described in subsections F2b, c, and d unless FRANCHISEE determines at the time a Customer orders on-call pickup that the Customer's discarded Bulky Items will not require at least two workers to load them safely onto the Collection Vehicle.

- g. **Required Registrations and Permits.** FRANCHISEE shall secure and maintain valid waste and used tire hauler registration therefore in accordance with California Public Resources Code Section 42950 *et seq.* and any Permit required by Applicable Law for handling CEDs. FRANCHISEE shall transport tires to and Dispose of them at a facility authorized and permitted in accordance with Applicable Law to accept tires. FRANCHISEE shall comply with all applicable regulations governing the recovery of ozone-depleting refrigerants during the Disposal of air conditioning or refrigeration equipment, including 40 C.F.R. Part 82.

- g. **Annual Customer Notice.** At least annually, FRANCHISEE shall provide Customers notice of available Franchise Services for

Collection of Bulky Items, CEDs, E-waste, and excess Solid Waste, and FRANCHISEE'S charges for those Franchise Services.

- i. **FRANCHISEE-Designated Facility.** FRANCHISEE shall transport Bulky Items, E-waste, and CEDs only to the facility or facilities that FRANCHISEE has designated in FRANCHISEE Documentation for Recycling, Processing, or Diversion, including Solid Waste Facilities, unless otherwise instructed by the Director/Designee. *FRANCHISEE shall pay liquidated damages for Breach under this subsection F2 in accordance with Exhibit 18D2 Liquidated Damages.*

The Director/Designee reserves the right to direct Bulky Items, E-waste, and CEDs to a specific site or facility upon agreement with the FRANCHISEE on the amount of any additional compensation. The County will compensate the FRANCHISEE for any direct costs (such as increased tipping fees) which the FRANCHISEE incurs following delivery of materials to a County-designated solid waste facility instead of to a FRANCHISEE-selected solid waste facility.

3. **Special Events Cleanup Services.** At the Director's request, FRANCHISEE shall provide Bins or portable Carts in type, number, and capacity (such as up to 80 cubic yards) specified by the Director for discards of Solid Waste (including Bulky Items), E-waste, and CEDs at up to four community cleanup projects or public events located throughout the Service Area during any 12-month period. FRANCHISEE shall collect filled Bins or portable containers immediately and partially full Bins or portable containers no later than the day after the termination of the project or event. Upon request from the Director, FRANCHISEE shall make available promotional items including but not limited to up to 100 reusable bags per event. All promotional items shall be pre-approved by the Director, including artwork and type of item. FRANCHISEE shall provide all the necessary staffing, labor, vehicles, Bins or portable containers, and other equipment, and materials or supplies (such as plastic bags in portable containers).
4. **Vehicle Billboards.** FRANCHISEE shall equip Vehicles on at least one side with frames capable of securing signs measuring 29 3/16 inches by 93 3/16 inches or other dimension approved by the Director. FRANCHISEE shall prepare and install signs promoting Recycling, Diversion and safe handling of Unpermitted Waste, with text, graphics and design approved by the Director.
5. **Sharps Collection.** Within one week after Residential Customer request, FRANCHISEE will provide Customer at that Customer's Residential

Premise, without additional cost to that Customer or the COUNTY, with the following:

- a. An Approved Sharps Container that has at least a 1-gallon capacity (up to four per Contract Year) for discard of Sharps in accordance with Applicable Law; and,
- b. If further requested, a pre-paid postage container for mailing the Approved Sharps Container in accordance with Applicable Law.

FRANCHISEE shall collect, transport, and dispose of materials in accordance with applicable law and will provide the following:

- Distribution of COUNTY approved Sharps containers (to include Outreach efforts)
- Collection of Sharps containers
- Proper handling and disposal of containers in accordance with applicable law

G. Roll-Out Services. FRANCHISEE shall manually provide Cart roll-out, carry-out, or push services for all or a portion of Collection at the request of any Residential or Multifamily Customer for the charge provided in the Rate Schedule. These services include the following:

1. Dismounting from the Collection Vehicle, moving Containers from their storage location to the Collection Vehicle and returning them to their storage location; and
2. Carrying Bulky Items, CEDs, and E-waste from adjacent to a dwelling out to the curb.

FRANCHISEE shall provide these services without additional charge or charge to Residential Customers who are elderly or disabled and who meet both of the following qualifications:

1. The Customer is a head of household as evidenced by his or her name on utility or telephone bills for the involved premises, and
2. The Customer certifies that there is no able-bodied individual in the Customer's household who can roll out Carts to the curb.

As used in this Exhibit and in the Rate Schedule, "**elderly**" means age 62 or older as evidenced by a driver's license or other document issued by a

governmental entity, and **"disabled"** means Customers who suffer from a disability as evidenced by a letter from their medical physician.

FRANCHISEE shall describe the Customer's storage location in that Customer's Subscription Order.

Subject to COUNTY review and approval and further subject to FRANCHISEE'S obligations under Section 20C, FRANCHISEE may require those Customers who subscribe to Cart roll-out, carry-out, or push services to sign a Subscription Order containing an indemnification of FRANCHISEE for Customer negligence.

- H. Senior Discount.** FRANCHISEE shall provide 25 percent discounts in Customer Service Charges to elderly Residential Customers meeting all of the following requirements:
1. The Customer is age 62 or older as evidenced by a driver's license or other document issued by a governmental entity;
 2. The Customer is a head of household as evidenced by his or her name on utility or telephone bills for the involved premises; and
 3. The Customer either (1) qualifies for discounted utility rates based on financial need (such as those referred to as "life-line" rates) as evidenced by water, power, or telephone bill for the involved premises, or (2) generates small amounts of waste and uses a 32-gallon Cart for refuse.
- I. Transition Roll-Out Plan.** Prior to the Execution Date, FRANCHISEE shall provide to the Director for approval a start-up transition and Cart roll-out plan, including both time line and tasks, such as:
1. Ordering Vehicles and/or Containers;
 2. Vehicle and/or Cart delivery from manufacturer;
 3. Cart assembly;
 4. Distributing Carts to Customers;
 5. Public outreach and education activities;
 6. Determining routes;
 7. Training route drivers;
 8. Collecting old Carts;

9. Commencement date of Collection.

FRANCHISEE shall implement the approved start-up transition and Cart roll-out plan. FRANCHISEE shall cooperate and work with providers of MSW Management Services before the date that FRANCHISEE commences Collection as provided in Section B1 of this Exhibit in order to ensure a smooth transition. Prior to that commencement date, FRANCHISEE shall use its Reasonable Business Efforts to provide MSW Management Services to Customers who do not receive MSW Management Services from other providers.

J. Public Education and Outreach. FRANCHISEE shall develop, disseminate, and conduct a comprehensive public education and outreach regarding services to maximize diversion of Recyclable Materials, Green Waste, bulky items, Sharps, covered electronic devices, and other consumer electronic devices. The public education and outreach components shall include but not be limited to the following:

1. Community Meetings.

a. Introduction of New Franchise Services. Before beginning Franchise Services FRANCHISEE shall hold at least four community meetings to explain hauler transition if applicable and new Franchise Services to the public residing and working in the Service Area:

- At least two on weekday evenings and
 - At least two on separate Saturdays.
 - Date and time may be modified by the Director.
- i. FRANCHISEE will inform the Director of the proposed meeting locations, setup, and arrangements at least three weeks prior to the proposed date. FRANCHISEE shall obtain the Director's approval before holding any meeting.
- ii. FRANCHISEE shall notify all occupants of Residential Premises of the purpose, time, and place of each meeting at least two weeks prior to the scheduled community meetings under subsection J3. FRANCHISEE shall use address list provided by COUNTY.

b. Upon Director Request. FRANCHISEE shall attend or conduct up to five community meetings per Contract Year upon Director's request. Examples include local fairs or civic events with individuals, property owners, tenants, occupants, community organizations, city councils, and anyone else named by the

Director. FRANCHISEE will take any or all of the following actions at the meetings, approved by the Director:

- Operate recycling information booths and distribute colorful flyers, promotional items, have up to 100 reusable bags available, pamphlets, and other items that encourage Customers to recycle, reduce, reuse and/or divert Solid Waste
- Other actions requested by the Director.

2. Written Notices and Outreach Materials.

Prior to Beginning Franchise Services. FRANCHISEE shall develop colored promotional and educational materials (such as newsletters) regarding Franchise Services within 20 business days after the Execution Date. FRANCHISEE will consult and cooperate with the Director and get the Director's approval prior to reproducing the materials for distribution. FRANCHISEE shall inform the Director and notify Customers under subsection J3.

- a. **Quarterly.** FRANCHISEE shall develop and distribute the materials described in preceding Section 1 and subject to the same requirements four times each Contract Year.
- b. **Special Events.** FRANCHISEE shall develop and deliver, as set forth in subsection J3, outreach notices to residential Customer, including:
 - a. Household Hazardous Waste and E-Waste Collection
 - b. Annual Curbside Cleanup Event Promotion
 - c. Semi-Annual E-waste and Clothing Drop-off Events
 - d. Holiday Collection Schedule
 - e. Other Notices Upon the Request of the Director

FRANCHISEE shall give between two and three weeks, or other time, as requested by the Director, advance written notice of each event without additional cost. Each notice must be devoted exclusively to that event. For example, FRANCHISEE must send out a flyer devoted to curbside cleanup, but including it in a quarterly newsletter is not considered as an exclusive notice.

Upon Director's request, FRANCHISEE shall use artwork, layout, electronic notices, or printed notices provided by the County.

3. Delivery of Written Materials to Customers.

FRANCHISEE shall deliver general materials (such as notices and newsletters) to customers by any or all of the following means approved by the Director:

- Written notice through U.S. Postal Service;
- Written notice delivered to Customer's door. FRANCHISEE may use a door-to-door delivery service;
- Written notice inserted into monthly Customer bills, when approved by Director; and
- Other means approved by Director (such as e-delivery).

K. FRANCHISEE Commitments Made in Its Proposal to COUNTY for Procurement of This AGREEMENT. FRANCHISEE shall fully and timely satisfy any additional Performance Obligations set forth in item 12 of Section B of Exhibit 3D.

**EXHIBIT 3A2 - ABANDONED WASTE
ON-CALL COLLECTION SERVICES (TASK 2 – COUNTY SERVICE)**

- A. Provisions Cross-Referenced in the Body of AGREEMENT.** The following provisions are referenced or similarly provided in the body of this AGREEMENT and provided in this Exhibit:
- 1. Section 4E Exceptions to Performance Obligations.** The Parties agree to the following exceptions to Performance Obligations described in Sections 1 through 24 of this AGREEMENT: none.
 - 2. Section 17D, Suspension or Termination of AGREEMENT.**
 - a. Suspension/Termination for Nonappropriation of Funds.** Notwithstanding any other provision of this AGREEMENT, COUNTY shall not be obligated for FRANCHISEE's performance hereunder, with respect to County Services under this Exhibit during any of COUNTY's future Fiscal Years unless and until the Board appropriates funds for this AGREEMENT in COUNTY's budget for each such future Fiscal Year. If funds are not appropriated for this AGREEMENT, then this AGREEMENT may be suspended or terminated as of June 30 of the last Fiscal Year for which funds were appropriated. COUNTY will notify FRANCHISEE in writing of any such nonallocation of funds at the earliest possible date.
 - b. Suspension/Termination for Convenience**
 - (i) COUNTY'S Best Interest.** With respect to County Services under this Exhibit, this AGREEMENT may be suspended or terminated, in whole or in part, from time to time, when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Suspension or termination of work hereunder shall be effected by Notice of suspension or termination to FRANCHISEE specifying the extent to which performance of work is suspended or terminated and the date upon which such suspension or termination becomes effective. The date upon which such suspension or termination becomes effective shall be no less than 10 days after the Notice is sent.
 - (ii) Stop Suspended/Terminated Work; Complete Non-Suspended/Terminated.** After receipt of a Notice of suspension or termination and except as otherwise directed by COUNTY, FRANCHISEE shall:
 - 1) Stop work under this AGREEMENT on the date and to the extent specified in such Notice; and**

- 2) Complete performance of such part of the work as shall *not* have been suspended or terminated by such notice.
 - (iii) **Records Retention.** All material including books, records, documents, or other evidence bearing on the costs and expenses of FRANCHISEE under this AGREEMENT shall be maintained by FRANCHISEE in accordance with Section 11A.
 - (iv) **Completion of Work.** If this AGREEMENT is suspended or terminated, FRANCHISEE shall complete within the Director's suspension or termination date contained within the Notice of suspension or termination, those items of work which are in various stages of completion, which the Director has advised the FRANCHISEE are necessary to bring the work to a timely, logical, and orderly end. Reports, samples, and other materials prepared by FRANCHISEE under this AGREEMENT shall be delivered to COUNTY upon request and shall become the property of COUNTY.
3. **Section 18D2 Liquidated Damages.** County may seek the following liquidated damages: \$100 per day, per each failure to Collect Abandoned Waste within 48 hours of COUNTY request.

B. General Specifications.

1. **Collection Commencement Date and Hours of Collection.** FRANCHISEE will provide County Services in compliance with Section B1 of Exhibit 3A.
2. **Waste Diversion Program.** FRANCHISEE will provide County Services in compliance with Sections B2, C2 and D2 of Exhibit 3A.
3. **Subcontractors.** FRANCHISEE shall comply with Section B5 of Exhibit 3A.
4. **Term.** FRANCHISEE shall give COUNTY Notice of upcoming expiration of this AGREEMENT six months prior to the end of the initial seven-year Term, as well as any subsequent one-year extension.

C. Abandoned Waste Collection, Transportation, and Disposal.

1. **Scope of County Services and Specifications; Service Standards.** FRANCHISEE shall provide weekday collection, transportation, and disposal of Abandoned Waste discarded in the Public Right-of-Way within the Service Area upon 48 hours request by a COUNTY representative (weekends excepted). FRANCHISEE shall comply with Section 4,

SERVICE STANDARDS. Examples of Solid Waste include furniture, appliances, car parts, and C&D debris. FRANCHISEE is not obligated to enter any private property.

"Abandoned Waste" means Solid Waste, CEDs, and E-Waste discarded at locations in Public Right of Way identified by COUNTY, such as:

- (1) Boxes, bags or bundles, and
- (2) Bulky Items.

"Public Right-of-Way" means:

- (1) Unless determined otherwise by COUNTY, all land and improvements on that land between the outer edge of a sidewalk (nearest to a private lot) on one side of the street and the outer edge of the sidewalk (nearest to a private lot) on the opposite side of the street, including sidewalks, land between a sidewalk and street, and median strips in the center of streets,
- (2) Public streets and alleys, and
- (3) Any other land described by COUNTY to FRANCHISEE that is not privately owned.

COUNTY reserves the right to determine if any County Service is or will be needed and/or requested under this AGREEMENT, at the COUNTY's sole and absolute discretion. FRANCHISEE waives all claims against the COUNTY for consequential damages resulting from the COUNTY's failure to request County Services, including, lost profit.

2. **Disposal, Recycling, and Diversion.** FRANCHISEE shall dispose, recycle, or divert all Abandoned Waste that it Collects, as follows:

- a. **Metal Reuse/Recycling.** FRANCHISEE may not mix major appliances or metal discards with Refuse. In accordance with Section 42170(b) of the California Public Resources Code, FRANCHISEE may not discard metallic materials that are economically feasible to process for reuse or recycling. FRANCHISEE shall recycle CEDs and E-waste.
- b. **Chlorofluorocarbons.** FRANCHISEE must not compact (in Collection Vehicles or elsewhere) Solid Waste that may contain chlorofluorocarbons, such as refrigerators and freezers.

- c. **FRANCHISEE-Designated Solid Waste Facilities.** FRANCHISEE shall comply with Section C2 of Exhibit 3A.

3. **Communications**

- a. **Liaison.** FRANCHISEE shall assign a specific individual to serve as liaison between COUNTY and FRANCHISEE's crew. (That individual may be the route supervisor for Franchise Services). FRANCHISEE must provide that individual with a separate Vehicle, not used for Collecting any materials, and a phone to ensure immediate communication between COUNTY and drivers of Collection Vehicles,
- b. **Check-in.** After a driver of a Collection Vehicle completes any requested pickup of solid waste, FRANCHISEE shall require the driver to contact his or her supervisor or the COUNTY to determine if there are any additional pickups in the Service Area.
- c. **Call-in.** FRANCHISEE shall require the drivers of Vehicles used to provide either Franchise Services or County Services for Collecting to inform their supervisor of solid waste apparently abandoned in the Public Right of Way, including approximate amount, general type (such as white goods, tires), and location. FRANCHISEE will record the information and forward it to the COUNTY no later than the next Service Day.
- d. **Removal of Debris.** The FRANCHISEE is advised that due to the nature of Task 2, discarded hazardous waste may be encountered during the performance of Task 2 service. In the event an unknown substance or hazardous material is discovered, the FRANCHISEE shall immediately notify the COUNTY's Authorized Representative and initiate the Unpermitted Waste Screening Protocol that it proposes in accordance with AGREEMENT (Section 6). The FRANCHISEE shall NOT attempt to perform any type of hazardous waste remediation not included under this Task 2, or the Unpermitted Waste Screening Protocol of the AGREEMENT (Section 6), including identifying, containing, cleaning, moving, disposing, etc. The FRANCHISEE shall exercise extreme caution in the event unknown waste is encountered.

D. **County Service Charges and Billing.**

- 1. **Rate and Maximum Contract Sum.** The COUNTY agrees, in consideration of satisfactory performance of Task 2, County Services, in strict accordance with the service specifications set forth herein, to the satisfaction of the Director of Public Works, to pay the FRANCHISEE

\$60 per Ton of Abandoned Waste that FRANCHISEE Collects, **not to exceed \$10,000** per Contract Year or a greater amount as the Board may approve. This is referred to as the "Maximum Contract Sum" for Task 2.

- a. If FRANCHISEE does not commingle Abandoned Waste in the same Vehicle with other refuse, and the facility weighs Abandoned Waste that FRANCHISEE delivers, FRANCHISEE shall report that weight to COUNTY in the Monthly Report and keep copies of all weigh receipts. If a facility does *not* weigh those materials, FRANCHISEE shall calculate the weight of allocated Abandoned Waste in accordance with Cal Recycle weight conversion standards <http://www.calrecycle.ca.gov/LGCentral/Library/dsg/Appendix1.htm>, or other method satisfactory to the Director.
- b. If FRANCHISEE *does* commingle Abandoned Waste in the same Vehicle as other refuse, FRANCHISEE shall allocate the proportion of Abandoned Waste to other refuse in a formula approved by County, and weigh or calculate the weight of the Abandoned Waste as set forth in the preceding paragraph.

The COUNTY will not provide utilities or storage facilities for FRANCHISEE.

2. **Special Fund Obligation.** COUNTY will pay County Service Charges from the COUNTY'S Road Fund. FRANCHISEE acknowledges that it will not be compensated for providing County Service under Task 2 from Customer Service Charges under Task 1. **Customers do not pay County Service Charges.**
3. **Billing.** FRANCHISEE shall bill COUNTY monthly, in arrears, for the County Services performed during the preceding month by invoice (original and two copies) in form satisfactory to COUNTY. COUNTY will pay County Service Charges to the FRANCHISEE within 30 days of receipt and approval of a properly completed and undisputed invoice. If FRANCHISEE is certified by the COUNTY as a Local Small Business Enterprise, COUNTY will pay FRANCHISEE in accordance with Board of Supervisors Policy No. 3.035, Small Business Liaison and Prompt Payment Program.
 - a. FRANCHISEE shall submit invoices to:

County of Los Angeles Department of Public Works
Attention Fiscal Division, Accounts Payable
P.O. Box 7508
Alhambra, CA 91802-7508

- b. FRANCHISEE shall include evidence of waste removal in the form of before and after photographs of each item or pile of items. Photos must display a time and date stamp and contain embedded geotagged location information and be transmitted electronically to COUNTY.
4. **Payment Exceeding Maximum Contract Sum.** In no event shall the aggregate total amount of compensation paid to the FRANCHISEE exceed Maximum Contract Sum.
5. **Request Work.** The FRANCHISEE understands and agrees that only the Director or his/her designated representative is authorized to request or order work under this AGREEMENT. The FRANCHISEE acknowledges that the designated authorized representative is not authorized to request or order any work that would result in the FRANCHISEE earning an aggregate compensation in excess of this AGREEMENT's Maximum Contract Sum.
6. **Performing Work to Exceed Maximum Contract Sum.** The FRANCHISEE shall not perform or accept work requests from the designated authorized representative or any other person that will cause the Maximum Contract Sum to be exceeded. FRANCHISEE shall monitor the balance of the Maximum Contract Sum. When the total of the FRANCHISEE's paid invoices, invoices pending payment, invoices yet to be submitted, and ordered services reaches 75 percent of the Maximum Contract Sum, the FRANCHISEE shall immediately notify the authorized representative in writing. The FRANCHISEE shall send written notification to the authorized representative when this AGREEMENT is within six months from expiration of the term as provided for hereinabove.
7. **No Adjustment.** The County Service Charge rate will not be adjusted during the Term, including any extensions of the Term.
8. **Budget Reduction.** If the Board of Supervisors adopts a budget for any Fiscal Year that reduces the salaries or benefits paid to the majority of COUNTY employees and imposes similar reductions with respect to COUNTY Contracts, the COUNTY reserves the right to correspondingly reduce the following:
 - The rate of County Service Charges for that Fiscal Year and any subsequent Fiscal Year during the Term of this AGREEMENT (including any extensions), and
 - The Maximum Contract Sum.

Except as set forth in the preceding sentence, the FRANCHISEE shall continue to provide all of the services set forth in this AGREEMENT. The COUNTY's notice to the FRANCHISEE regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions.

9. **Deductions.** COUNTY may deduct from any payment due FRANCHISEE any incurred or anticipated County Reimbursement Costs, including legal fees and staff costs, associated with any investigation or enforcement proceeding brought by Cal/OSHA arising out of the County Service.
10. **No Payment Following Expiration/Suspension/Termination of AGREEMENT.** FRANCHISEE shall make no claim against COUNTY for payment of any money or reimbursement, of any kind whatsoever, for any County Service that FRANCHISEE provides after the expiration, suspension, or other termination of this AGREEMENT. If FRANCHISEE receives any such payment, it shall immediately inform COUNTY and repay all that payment to COUNTY. Payment by COUNTY for County Services rendered after expiration/suspension/termination of this AGREEMENT shall not constitute a waiver of COUNTY's right to recover such payment from FRANCHISEE. This provision shall survive the expiration/suspension/termination of this AGREEMENT.
11. **Most Favored Public Entity.** If the FRANCHISEE's prices decline, or if FRANCHISEE, at any time during the term of this AGREEMENT, provides services substantially the same as County Services to anyone else, including the State of California or any County, municipality, or district of the State at prices below those set forth in this AGREEMENT, then FRANCHISEE will immediately reduce the rate of County Service Charges to match those lower prices.

E. Employment Eligibility Verification

1. FRANCHISEE warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all of its employees performing work under this AGREEMENT meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. FRANCHISEE shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603), or as they currently exist and as they may be hereafter amended. FRANCHISEE shall retain all such documentation for all covered employees for the period prescribed by law.

2. FRANCHISEE shall, defend, and hold harmless, the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees, and Volunteers sanctions and any other liability which may be assessed against FRANCHISEE or COUNTY or both in connection with any alleged violation of Federal or State statutes or regulations pertaining to the eligibility for employment of persons performing services under this AGREEMENT.

F. Security and Background Investigations.

Security and background investigations of FRANCHISEE's staff may be required at the discretion of the COUNTY as a condition of beginning and continuing work under any resulting AGREEMENT. The cost of background checks is the responsibility of the FRANCHISEE.

G. Consideration of Hiring County Employees Targeted for Layoffs or Former County Employee on Reemployment List.

Should FRANCHISEE require additional or replacement personnel after the effective date of this AGREEMENT to perform the services set forth herein, FRANCHISEE shall give first consideration for such employment openings to qualified permanent COUNTY employees who are targeted for layoff or qualified, former COUNTY employees who are on a reemployment list during the life of this AGREEMENT.

H. Conflict of Interest.

No COUNTY employee whose position with COUNTY enables such employee to influence the award of this AGREEMENT or any competing contract, and no spouse or economic dependent of such employee shall be employed in any capacity by FRANCHISEE or have any other direct or indirect financial interest in this AGREEMENT. No officer or employee of FRANCHISEE who may financially benefit from the performance of the work hereunder shall in any way participate in COUNTY's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

FRANCHISEE represents and warrants that it is aware of, and its authorized officers have read, the provisions of Los Angeles County Code, Section 2.180.010, "Certain Contracts Prohibited," and that execution of this AGREEMENT will not violate those provisions. FRANCHISEE shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this AGREEMENT. FRANCHISEE warrants that it is not now aware of any facts that create a conflict of interest. If FRANCHISEE hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to COUNTY. Full written disclosure shall include, but is not limited to,

identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this paragraph shall be a material breach of this AGREEMENT subjecting FRANCHISEE to either contract termination for default or debarment proceedings or both. FRANCHISEE must sign and adhere to the "Conflict of Interest Certification" (Form PW-5).

I. Fair Labor Standards Act.

FRANCHISEE shall comply with all applicable provisions of the Federal Fair Labor Standards Act. and shall indemnify, defend, and hold harmless the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees, and Volunteers from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including the Federal Fair Labor Standards Act, for work performed by FRANCHISEE's employees for which COUNTY may be found jointly or solely liable.

J. Consideration of GAIN/GROW Participants for Employment

COUNTY will refer GAIN and GROW participants by category to FRANCHISEE. In the event that if both laid-off COUNTY employees and GAIN and GROW participants in categories identified by COUNTY are available for hiring, FRANCHISEE shall give COUNTY employees first priority.

K. Record Retention and Inspection/Audit Settlement

FRANCHISEE shall maintain accurate and complete financial records of its activities and operations relating to this AGREEMENT in accordance with generally accepted accounting principles. FRANCHISEE shall also maintain accurate and complete employment and other records relating to its performance of this AGREEMENT. FRANCHISEE agrees that COUNTY, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this AGREEMENT. All such material, including, but not limited to, all financial records, bank statements, cancelled checks, or other proof of payment, timecards, sign-in/sign-out sheets, and other time and employment records, and proprietary data and information, shall be kept and maintained by FRANCHISEE and shall be made available to COUNTY during the term of this AGREEMENT and for a period of five years thereafter unless COUNTY's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by FRANCHISEE at a location in COUNTY, provided that if any such material is located outside COUNTY, then, at COUNTY's option, FRANCHISEE shall pay COUNTY for travel, per diem, and other costs incurred by COUNTY to examine, audit, excerpt, copy, or transcribe such material at such other location.

1. In the event that an audit of FRANCHISEE is conducted specifically regarding this AGREEMENT by any Federal or State auditor, or by any

auditor or accountant employed by FRANCHISEE or otherwise, then FRANCHISEE shall file a copy of such audit report with COUNTY's Auditor-Controller within 30 days of FRANCHISEE's receipt thereof, unless otherwise provided by applicable Federal or State law or under this AGREEMENT. Subject to applicable law, COUNTY shall make a reasonable effort to maintain the confidentiality of such audit report(s).

2. Failure on the part of FRANCHISEE to comply with any of the provisions of this paragraph shall constitute a material breach of this AGREEMENT upon which COUNTY may suspend or terminate for default or suspend this AGREEMENT.
3. If, at any time during the term of this AGREEMENT or within five years after the expiration or termination of this AGREEMENT, representatives of COUNTY conduct an audit of FRANCHISEE regarding the work performed under this AGREEMENT, and if such audit finds that COUNTY's dollar liability for any such work is less than payments made by COUNTY to FRANCHISEE, then the difference shall be either: a) repaid by FRANCHISEE to COUNTY by cash payment upon demand or b) at the sole option of COUNTY's Auditor-Controller, deducted from any amounts due to FRANCHISEE from COUNTY, whether under this AGREEMENT or otherwise. If such audit finds that COUNTY's dollar liability for such work is more than the payments made by COUNTY to FRANCHISEE, then the difference shall be paid to FRANCHISEE by COUNTY by cash payment, provided that in no event shall COUNTY's maximum obligation for this AGREEMENT exceed the funds appropriated by COUNTY for the purpose of this AGREEMENT.

L. Compliance with County's Jury Service Program

1. Jury Service Program

This AGREEMENT is subject to the provisions of COUNTY's ordinance entitled Contractor Employee Jury Service (Jury Service Program) as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

2. Written Employee Jury Service Policy

- a. Unless FRANCHISEE has demonstrated to COUNTY's satisfaction either that FRANCHISEE is not a "FRANCHISEE" as defined under the Jury Service Program (Section 2.203.020 of County Code) or that FRANCHISEE qualifies for an exception to the Jury Service Program (Section 2.203.070 of County Code), FRANCHISEE shall have and adhere to a written policy that provides that its Employees shall receive from FRANCHISEE, on an annual basis, no less than five days of regular pay for actual jury service. The policy may

provide that Employee deposit any fees received for such jury service with FRANCHISEE or that FRANCHISEE deduct from the Employee's regular pay the fees received for jury service.

- b. For purposes of this Section, "FRANCHISEE" means a person, partnership, corporation, or other entity which has a contract with COUNTY or a subcontract with a COUNTY contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more COUNTY contracts or subcontracts. "Employee" means any California resident who is a full-time employee of FRANCHISEE. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by COUNTY, or 2) FRANCHISEE has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If FRANCHISEE uses any Subcontractor to perform services for COUNTY under this AGREEMENT, the Subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the AGREEMENT.
- c. If FRANCHISEE is not required to comply with the Jury Service Program when this AGREEMENT commences, FRANCHISEE shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and FRANCHISEE shall immediately notify COUNTY if FRANCHISEE at any time either comes within the Jury Service Program's definition of "FRANCHISEE" or if FRANCHISEE no longer qualifies for an exception to the Jury Service Program. In either event, FRANCHISEE shall immediately implement a written policy consistent with the Jury Service Program. COUNTY may also require, at any time during this AGREEMENT and at its sole discretion, that FRANCHISEE demonstrate to COUNTY's satisfaction that FRANCHISEE either continues to remain outside of the Jury Service Program's definition of "FRANCHISEE" and/or that FRANCHISEE continues to qualify for an exception to the Jury Service Program.
- d. FRANCHISEE's violation of this Section of this AGREEMENT may constitute a material breach of this AGREEMENT. In the event of such material breach, COUNTY may, in its sole discretion, suspend or terminate this AGREEMENT and/or bar FRANCHISEE from the

award of future COUNTY contracts for a period of time consistent with the seriousness of the breach.

M. Franchisee's Charitable Activities Compliance

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring FRANCHISEE's to complete the Charitable Contributions Certification (Form PW-12), COUNTY seeks to ensure that all COUNTY FRANCHISEE's which receive or raise charitable contributions comply with California law in order to protect COUNTY and its taxpayers. A FRANCHISEE which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination for default or debarment proceedings or both. (Los Angeles County Code Chapter 2.202)

N. Transitional Job Opportunities Preference Program

This AGREEMENT is subject to the provisions of the COUNTY's ordinance entitled Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.

FRANCHISEE shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining, retaining, or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.

FRANCHISEE shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a COUNTY official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunities vendor.

If FRANCHISEE has obtained COUNTY certification as a Transitional Job Opportunities vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this AGREEMENT to which it would not otherwise have been entitled, shall:

- a. Pay to the COUNTY any difference between the contract amount and what the COUNTY's costs would have been if the contract had been properly awarded;

- b. In addition to the amount described in subdivision (1), be assessed a penalty in the amount of not more than ten percent of the amount of this AGREEMENT; and
- c. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Nonresponsibility and Contractor Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification. However, if there is a change in their status and an entity fails to notify Public Works of this information prior to responding to a solicitation or accepting a contract award, they would no longer be eligible for certification.

O. Local Small Business Enterprise (SBE) Preference Program

This AGREEMENT is subject to the provisions of COUNTY's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

FRANCHISEE shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining, retaining, or attempting to obtain or retain certification as a Local Small Business Enterprise.

FRANCHISEE shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a COUNTY official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.

If FRANCHISEE has obtained COUNTY certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this AGREEMENT to which it would not otherwise have been entitled, shall:

- a. Pay to COUNTY any difference between this AGREEMENT amount and what COUNTY's costs would have been if this AGREEMENT had been properly awarded;
- b. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than ten percent of the amount of this AGREEMENT; and

- c. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Nonresponsibility and Contractor Debarment).

The above penalties shall also apply if FRANCHISEE is no longer eligible for certification as a result of a change of its status and FRANCHISEE failed to notify the State and County's Office of Affirmative Action Compliance of this information.

P. Franchisee Responsibility and Debarment

1. **Responsible Franchisee**

A responsible FRANCHISEE is a Contractor who has demonstrated the attribute of trustworthiness as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is COUNTY's policy to conduct business only with responsible Contractors.

2. **Chapter 2.202 of County Code**

FRANCHISEE is hereby notified that, in accordance with Chapter 2.202 of County Code, if COUNTY acquires information concerning the performance of FRANCHISEE on this or other contracts which indicates that FRANCHISEE is not responsible, COUNTY may, in addition to other remedies provided in this AGREEMENT, debar FRANCHISEE from bidding or proposing on, being awarded, and/or performing work on COUNTY contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and suspend or terminate any or all existing contracts FRANCHISEE may have with COUNTY.

3. **Nonresponsible Franchisee**

COUNTY may debar a FRANCHISEE if the Board finds, in its discretion, that FRANCHISEE has done any of the following: (1) violated any term of a contract with COUNTY or a nonprofit corporation created by COUNTY; (2) committed an act or omission which negatively reflects on FRANCHISEE's quality, fitness, or capacity to perform a contract with COUNTY, any other public entity, or a nonprofit corporation created by COUNTY, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against COUNTY or any other public entity.

4. Contractor Hearing Board

- a. If there is evidence that FRANCHISEE may be subject to debarment, Public Works will notify FRANCHISEE in writing of the evidence which is the basis for the proposed debarment and will advise FRANCHISEE of the scheduled date for a debarment hearing before Contractor Hearing Board.
- b. Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. FRANCHISEE and/or FRANCHISEE's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, Contractor Hearing Board will prepare a tentative proposed decision, which shall contain a recommendation regarding whether FRANCHISEE should be debarred, and, if so, the appropriate length of time of the debarment. FRANCHISEE and Public Works shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
- c. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of Contractor Hearing Board.
- d. If a FRANCHISEE has been debarred for a period longer than five years, that FRANCHISEE may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. COUNTY may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that FRANCHISEE has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of COUNTY.
- e. Contractor Hearing Board will consider a request for review of a debarment determination only where (1) FRANCHISEE has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, Contractor Hearing Board will provide notice of the hearing on the request. At

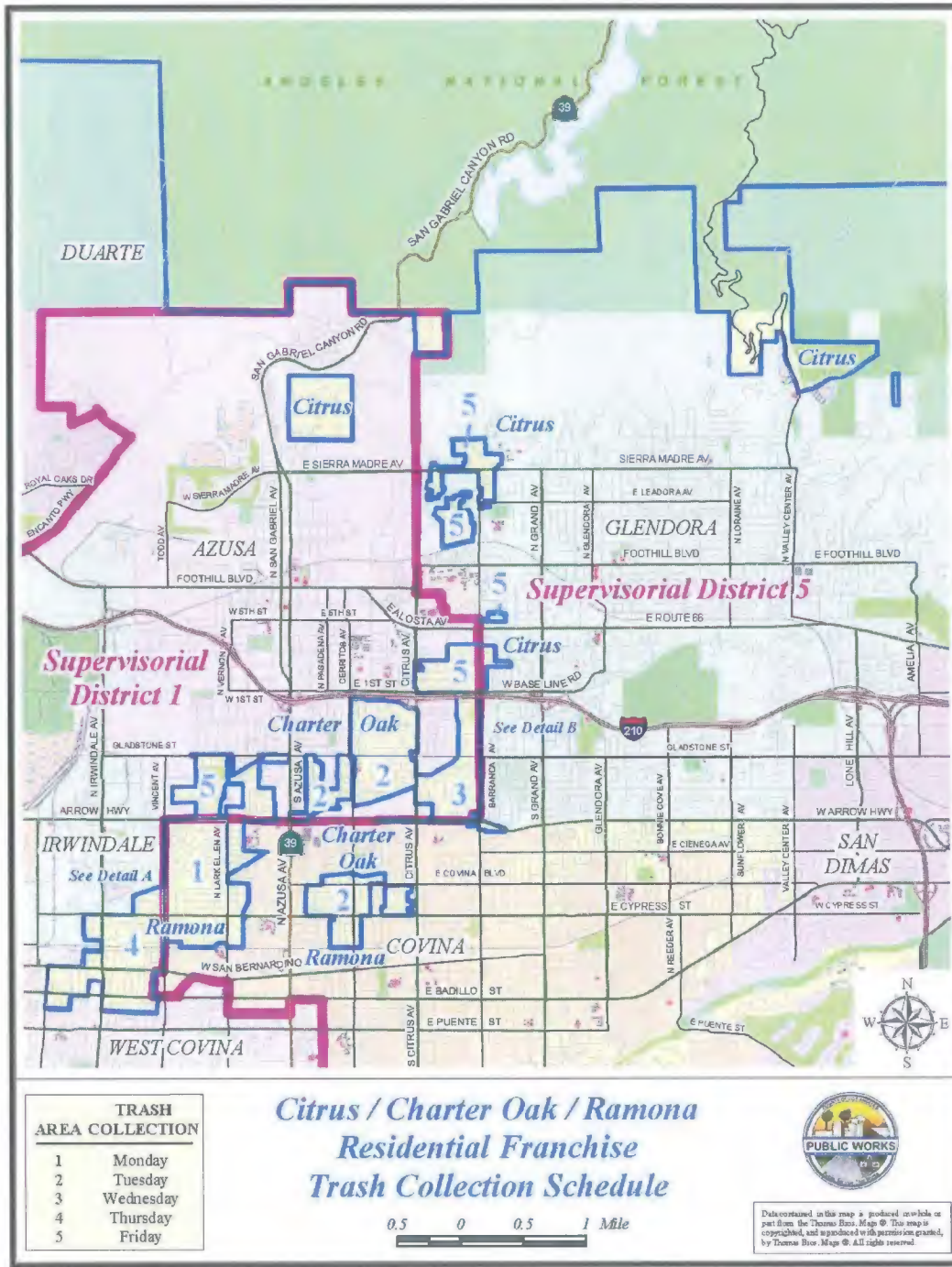
the hearing, Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by Contractor Hearing Board pursuant to the same procedure as for a debarment hearing.

- f. Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. Contractor Hearing Board shall present its proposed decision and recommendation to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of Contractor Hearing Board.

5. Subcontractors of Franchisee

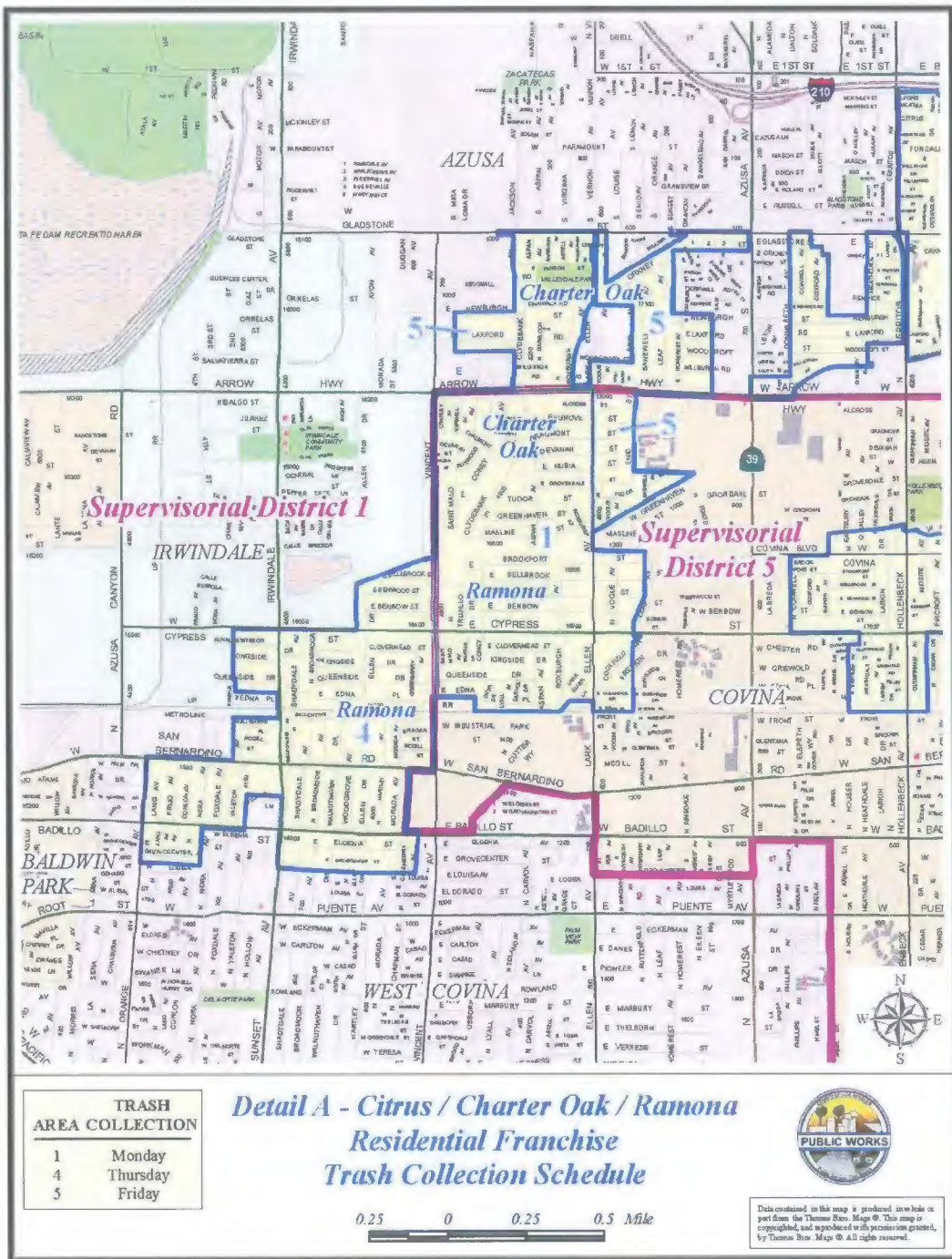
These terms shall also apply to Subcontractors of COUNTY Contractors.

ATTACHMENT 1—SERVICE AREA AND COLLECTION SCHEDULE
(Section B6)

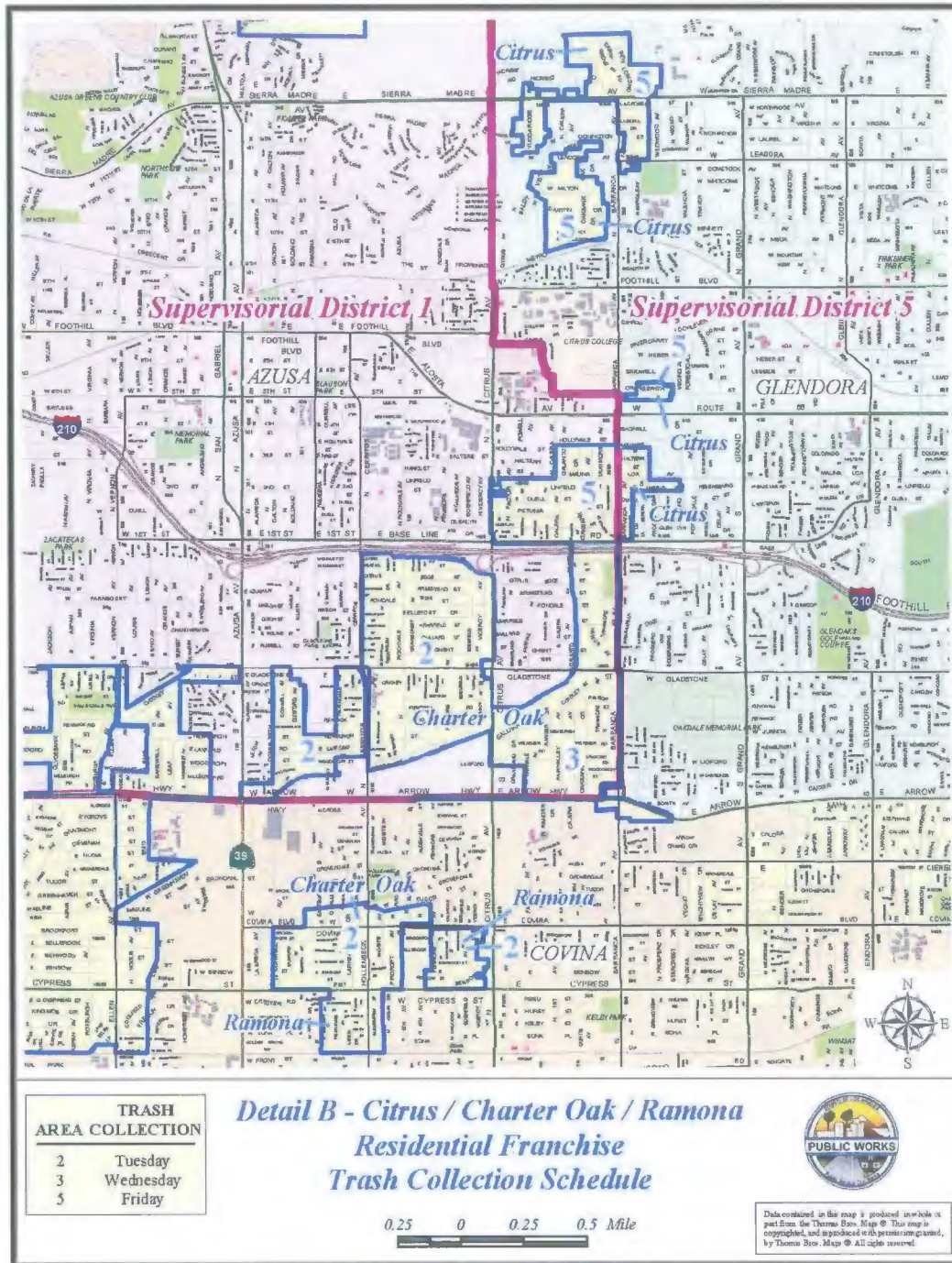


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Survey/Mapping & Property Management Division, Mapping & GIS Services Section



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Survey/Mapping & Property Management Division, Mapping & GIS Services Center

EXHIBIT 3D--FRANCHISEE DOCUMENTATION

[All documentation listed below to be attached to AGREEMENT as Exhibit 3D]

A. Notice to COUNTY Required.

1. **FRANCHISEE'S PERMIT AND PERMIT APPLICATION**, including all permits required by the County Code (such as a waste collector permit from the Los Angeles County Department of Health Services) or other Applicable Law.

2. **INVENTORY OF SERVICE ASSETS**, including all documents that encumber or limit FRANCHISEE's interest in Service Assets as described in Section 16A3b, which includes identifying serial numbers on Carts promptly upon acquisition.

CART SPECIFICATIONS, including Cart capacity options, container color, manufacturer's orders and invoices, label content and placement (Section 6D; Section B3d of Exhibit 3A).

VEHICLE SPECIFICATIONS, including vehicle identification number, model, make, year, purchase order (if applicable) and fuel type.

3. **BACKUP SERVICE PLAN** (Section 16C)

4. **ALL FRANCHISEE MANAGERS** (Section 20J5; see definition of "FRANCHISEE Manager" in Exhibit 21)

AUTHORIZED REPRESENTATIVE OF FRANCHISEE, with Notice contact information (name, address, phone numbers, fax numbers, e-mail address)

KEY PERSONNEL (Section 4L)

SERVICES SAFETY OFFICIAL (Section 23E1)

5. **ROUTE MAPS AND SCHEDULES** (Section B6 of Exhibit 3A).

6. **FACILITIES AND SOLID WASTE FACILITIES** designated by FRANCHISEE (Exhibit 3A: Sections C2 Refuse, D2 Recyclables, E2 Green Waste, F2 Bulky Items, CEDs. E-waste, and Excess Solid Waste), including the following information:








- a. Name, location, owner and operator, with telephone contact;
- b. Types of materials accepted and rejected;
- c. If applicable, methodology used by each Processing facility for allocating materials, including Disposed residue, to the Service Area, with sample reports.

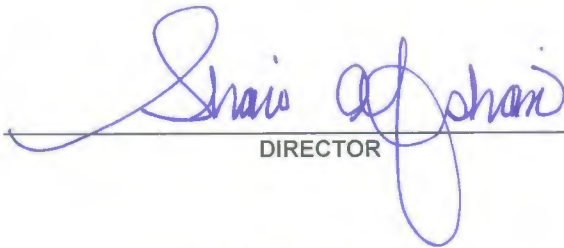
7. **SUBCONTRACTORS**, including Subcontractors' names, the amount of Goods or Services that each Subcontractor provides to FRANCHISEE, and a description of FRANCHISEE'S relationships to each Subcontractor, including ownership interests; but excluding COUNTY-approved Subcontractors (Section B5 of Exhibit 3A).

B. COUNTY Consent Required.

1. **FORM OF NON-COLLECTION NOTICE** including any Green Waste exclusions (Section 4C).
2. **FORM OF SUBSCRIPTION ORDER** (Section 4D), including form of any waiver of liability (Section 4B) and form of any indemnification (Section G of Exhibit 3A)
SUBSCRIPTION ORDER SUMMARY (Section 4D)
3. **UNPERMITTED WASTE SCREENING PROTOCOL** (Section 6; Section F4 of Exhibit 3A).
4. **OFFICE ADDRESS** (Section 7A) and FRANCHISEE Office Hours.
5. **ACKNOWLEDGMENT** of receipt of fact sheets relating to form of Nonemployee Injury Report (Section 14B6) and Safely Surrendered Baby Law (Section 23B2).
6. **INSURANCE AND PERFORMANCE ASSURANCE** (Sections 14 and 15).
7. **INTERNAL REVENUE SERVICE NOTICE 1015** (Section 23B1).
8. **FRANCHISEE'S EEO CERTIFICATION (FORM PW-7)** (Section 23D3).
9. **WASTE DIVERSION PROGRAM, including Customer Recyclables Diversion Education Program** (Sections B2 and J2 of Exhibit 3A).
10. **ALTERNATIVES TO FULLY AUTOMATED OR 96-GALLON CARTS** (Sections B3h, B3i and B3j of Exhibit 3A).
11. **COUNTY-APPROVED SUBCONTRACTORS**, including Subcontractors' names, the amount of Goods or Services that each Subcontractor provides to FRANCHISEE, and a description of FRANCHISEE'S relationships to each Subcontractor, including ownership interests (Section B5 of Exhibit 3A).
12. **ADDITIONAL FRANCHISEE COMMITMENTS MADE IN ITS PROPOSAL FOR PROCUREMENT OF THIS AGREEMENT** (Section J of Exhibit 3A).
13. **SHARPS COLLECTION** (Section F6 of Exhibit 3A).

EXCLUSIVE FRANCHISE AGREEMENT FOR THE AREA OF CITRUS/CHARTER OAK/RAMONA
 EXHIBIT 3D—FRANCHISEE DOCUMENTATION
 A. NOTICE TO COUNTY REQUIRED
 SIGNATURE PAGE 1 of 2

TITLE	TOTAL NO. OF PAGES	FRANCHISEE INITIALS	COUNTY INITIALS
A.1 Franchisee's Permits and Registrations	6	m.s.B	
A.2 Inventory of Service Assets <ul style="list-style-type: none"> • Cart Specifications • Vehicle Specifications 	7	m.s.B	
A.3 Back up Service Plan	3	m.s.B	
A.4 All Franchisee Managers <ul style="list-style-type: none"> • Authorized Representative of Franchisee • Key Personnel • Services Safety Official 	2	m.s.B	
A.5 Route Maps and Schedules	3	m.s.B	
A.6 Facilities and Solid Waste	9	m.s.B	
A.7 Subcontractors	2	m.s.B	



 DIRECTOR

10/30/2014

 DATE



 FRANCHISEE

10-28-14

 DATE

EXCLUSIVE FRANCHISE AGREEMENT FOR THE AREA OF CITRUS/CHARTER OAK/RAMONA
EXHIBIT 3D—FRANCHISEE DOCUMENTATION
B. COUNTY CONSENT REQUIRED
SIGNATURE PAGE 2 of 2

TITLE	TOTAL NO. OF PAGES	FRANCHISEE INITIALS	COUNTY INITIALS
B.1 Form of Non-Collection Notice	2	MSB	
B.2 Form of Subscription Order • Subscription Order Summary	3	MSB	
B.3 Unpermitted Waste Screening Protocol	4	MSB	
B.4 Office	2	MSB	
B.5 Acknowledgement (signature required on acknowledgement page)	2	MSB	
B.6 Insurance and Performance Assurance		MSB	
B.7 Internal Revenue Service Notice 1015	2	MSB	
B.8 Franchisee's EEO Certification (Form PW-7)	2	MSB	
B.9 Waste Diversion Program	11	MSB	
B.10 Alternatives to Fully Automated or 96-Gallon Carts	2	MSB	
B.11 County-Approved Subcontractors	2	MSB	
B.12 Additional Franchisee Commitments made in its proposal for procurement of this Agreement	2	MSB	
B.13 Sharps Collection	2	MSB	



DIRECTOR

10/30/14

DATE



FRANCHISEE

10-28-14

DATE

Exhibit 3D- Universal Waste Systems Inc.'s Documentation

Item A.1 – Universal Waste Systems Inc's PERMIT AND PERMIT APPLICATION

This item consists of 6 pages (including this page).

Section A1: Universal Waste Systems Inc's Permits

Enclosed, please find the following Universal Waste Systems Inc. permits, as required.

- Universal Waste Systems Inc.'s County of Los Angeles Waste Collector Permit from the Los Angeles County Department of Health Services. The current Waste Collector Permit is operational for calendar year 2014 (NumberS0561);
- Universal Waste Systems Inc.'s California Integrated Waste Management Board Covered E-Waste & Recycling permit for calendar year 2014 (TPID #106293);
- Universal Waste Systems Inc.'s California Integrated Waste Management Board Waste Tire Hauler permit for calendar year 2014 (TPID #1540313);
- Universal Waste Systems Inc.'s Department of Toxic Substances Control EPA Number as a hazardous waste generator/handler (CAL00332615)



COUNTY OF LOS ANGELES

Department of Public Health - Solid Waste Program

Waste Collector Permit

Under Provisions of County Ordinance Title 20

2014

UNIVERSAL WASTE SYSTEMS INC.
P.O. BOX 3038
WHITTIER, CA 90605

COMPANY ID #	S0561
PERMIT FEE	\$1,142.00
VEHICLES PERMITTED	16
DATE OF ISSUE	12/12/2013
EXPIRATION DATE	12/31/2014

CHIEF, SOLID WASTE PROGRAM

STATE OF CALIFORNIA

DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

REGISTERED

WASTE TIRE HAULER

**Universal Waste Systems, Inc.
PO Box 3038
Whittier, CA 90605**

ISSUED BY:

Carol Mante

EXECUTIVE DIRECTOR

VEHICLE LICENSE PLATE NUMBER:

86998B1

DECAL SERIAL NUMBER:

14-06622

ISSUE DATE:

January 17, 2014

EXPIRATION DATE:

December 31, 2014

CALRECYCLE TPID NUMBER:

1540313

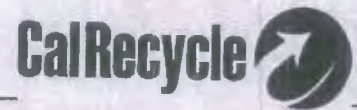
FOR QUESTIONS CONCERNING THIS REGISTRATION, PLEASE CALL (866) 896-0600

ONLY ORIGINAL REGISTRATION VALID

DO NOT COPY OR REPRODUCE



STATE OF CALIFORNIA
EDMUND G. BROWN, JR., GOVERNOR



DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

Proof of approval to participate as a

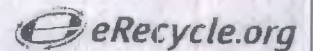
COLLECTOR

in the Covered Electronic Waste (CEW) Recovery and Recycling Payment System

Approval Issued to: Universal Waste Systems Inc
9016 Norwalk Blvd
Santa Fe Springs, CA 90670-2532

CEWID Number: 106293
Expiration Date: 10/2/2015

ELECTRONIC WASTE RECYCLING PROGRAM



2013 EPA ID NUMBER VERIFICATION QUESTIONNAIRE
RETURN WITHIN 30 DAYS TO AVOID SUSPENSION OF YOUR EPA ID NUMBER

Make changes to the pre-printed information on the lines provided. Please review the instructions on the back.

UNIVERSAL WASTE SYSTEMS INC
9016 NORWALK BLVD
SANTA FE SPRINGS, CA 90670-2532

Please type or print clearly and use only standard abbreviations.
Mailing Address: If no change, leave blank.

Address: _____

City/State/Zip: _____

DO NOT WRITE IN THIS BOX. If the information in this box is incorrect, call 1-877-454-4012.

- 1. EPA ID NUMBER: **CAL000332615**
- 2. LOCATION ADDRESS: 9016 NORWALK BLVD
SANTA FE SPRINGS, CA 90670-2532

n

If your business has moved, a new EPA ID Number is required. See instructions on back.

- 3. FEDERAL EMPLOYER ID NUMBER (FEIN) REQUIRED: 33-0194543 (Also called a Federal Tax ID.)
If you do not have a Federal Employer Identification Number, please provide your Social Security Number.
- 4. BOARD OF EQUALIZATION (BOE) Hazardous Waste Generator Fee Account Number: _____ (HG EF 36-xxxxxx)
Required ONLY if generating 5 or more tons of hazardous waste per year.
- 5. COMPANY OWNER INFO: **IMPORTANT** – If you are a new owner and this is a California EPA ID Number (CAL and some CAD prefixes) that belonged to the previous owner, do not enter new information on this form. Check Box 6 to cancel this ID Number. See instructions on the back to apply for your new EPA ID Number if you have not already done so.
Company Owner Info Change: If no change, please leave blank.

UNIVERSAL WASTE SYSTEMS INC
9016 NORWALK BLVD
SANTA FE SPRINGS, CA 90670-2532
(562) 941-4900
(562) 941-4915

Owner or Corp. Name: _____

Business Name Change Only (No Ownership Change)

Ownership Change* Date of Ownership Change*: _____

Address: _____

City/State/Zip: _____

Telephone: _____ Fax: _____

* Federal EPA ID Numbers Only. California EPA ID Numbers are not transferable.

- 6. CHECK TO CANCEL THE EPA ID NUMBER SHOWN ON LINE 1. ID NUMBER WILL BE CANCELED EFFECTIVE 6/30/2013.
If you checked this box in prior year(s) and did not manifest in 2012, please contact our office. (See back for more info.)

- 7. COMPANY NAME: If no change, leave blank.
UNIVERSAL WASTE SYSTEMS INC _____

- 8. CONTACT INFO: If no change, leave blank.
BILL TUBBS
9016 NORWALK BLVD
SANTA FE SPRINGS, CA 90670-2532
(562) 941-4900
(562) 941-4915
BILL@UWSCOMPANY.COM

Name/Title: _____

Address: _____

City/State/Zip: _____

Telephone: _____ Fax: _____

Business Email Address: _____

- 9. SIC CODE (4 digits): If printed SIC Code is incorrect, please enter correct Code.
9511 _____ See instructions on back for SIC Code information

10. I hereby certify under penalty of perjury that the information above and on the fee forms is true and correct.

Name (please print): Tina Tubbs

Title: Accounts Payable

Signature: Tina Tubbs

Date: 06-20-13

Exhibit 3D- Universal Waste Systems Inc. Documentation

Item A.2 – INVENTORY OF SERVICE ASSETS

This item consists of 7 pages (including this page).

Item A.2 Inventory of Service Assets

The automated CNG vehicles listed below are scheduled to perform services in the Citrus/ Charter Oak/ Ramona service area.

Collection Vehicles List for Citrus/ Charter Oak/ Ramona

Vehicle #	Fuel	Description	Year	Make	Material
324	CNG	Automated	2004	Freightliner	ALL
326	CNG	Automated	2004	Freightliner	ALL
328	CNG	Automated	2004	Freightliner	ALL
330	CNG	Automated	2004	Freightliner	ALL
332	CNG	Automated	2004	Freightliner	ALL
176	CNG	Rear Loader	2013	Mack	Bulky Item Task 2

The trucks are currently on site and being prepped for the route.

Cart Listing:

On Order: 7500 ea. 96 gallon
500 ea. 64 gallon
500 ea. 32 gallon
0 ea. 32 gallon (black, manure) if applicable

In Reserves:

Universal Waste Systems Inc. will begin taking delivery of CARTS from SSI Schaeffer on October 1, 2014 to satisfy the order. We estimate that this contract will require approximately 22,000 CARTS, leaving approximately 3,500 carts for reserves and backup.

CART Manufacturer

Schafer Systems International

John Fermanian
10021 Westlake Dr.
Charlotte, NC 28241

Office: 704-944-4500
Fax: 704-944-4569

Cost of goods – \$1,101,630.00

Relationship –Schafer Systems has contracted with Universal Waste Systems, Inc. to manufacture and deliver automated carts to residents of Citrus/ Charter Oak/ Ramona franchise area on behalf of Universal Waste Systems, Inc. by October 1st, 2014.

Ownership interest – None



SYSTEMS INTERNATIONAL, INC.

10021 Westlake Drive
PO Box 7009
Charlotte, NC 28241
Phone: (704) 944- 4500
Fax: (704-944-4569)
www.ssi-schaefer.us

March 21, 2014

Universal Waste Systems Inc.
PO Box 3038
Whittier CA 90605
Citrus/ Charter Oak/ Ramona Franchise

Dear Mr. Blackburn

Schaefer Systems International Inc. has been contracted by Universal Waste Systems to manufacture and deliver residential waste containers for the city of Citrus/ Charter Oak/ Ramona.

Our production schedules will allow for all contract timelines to be met by October 1st, 2014.

Schaefer has been manufacturing high quality injection molded semi-automated and fully automated carts in the United States for over 25 years meeting and exceeding all the standards set by ANSI and the industry.

Should you have any questions relating to our products please do not hesitate to contact me.

Best regards,

Maria Frizzell

Maria Frizzell
Executive Director, Sales and Operations
Waste Technology Division

SSI SCHAEFER

SSI Schaefer Systems International, Inc.

PO Box 7009
Charlotte, NC 28241
Phone: 704-944-4500
Fax: 704-588-1862

INVOICE

DATE: 10/1/2014
INVOICE # UWS CCOR 102
Customer ID
DATE DUE: 3/1/2014

BILL TO:

Universal Waste Systems Inc.
PO Box 3038
Whittier CA 90605

SHIP TO (if different):

Staging Yard

SALESPERSON	P.O. #	SHIP DATE	SHIP VIA	F.O.B.	TERMS
SALESPERSON		10/1/2014	LTL	SFS	180

ITEM #	DESCRIPTION	QTY	UNIT PRICE	TOTAL
Automated/Semiautomated	35 Gallon Black	500	\$ 34.31	\$ 17,155.00
Automated/Semiautomated	35 Gallon Blue	500	\$ 34.31	\$ 17,155.00
Automated/Semiautomated	35 Gallon Green	500	\$ 34.31	\$ 17,155.00
Automated/Semiautomated	65 Gallon Black	500	\$ 44.61	\$ 22,305.00
Automated/Semiautomated	65 Gallon Blue	500	\$ 44.61	\$ 22,305.00
Automated/Semiautomated	65 Gallon Green	500	\$ 44.61	\$ 22,305.00
Automated/Semiautomated	95 Gallon Black	7500	\$ 43.70	\$ 327,750.00
Automated/Semiautomated	95 Gallon Blue	7500	\$ 43.70	\$ 327,750.00
Automated/Semiautomated	95 Gallon Green	7500	\$ 43.70	\$ 327,750.00
SUBTOTAL				\$ 1,101,630.00

Other Comments or Special Instructions

Any account not paid by the end of the month following the month of billing will be subject to a FINANCE CHARGE of 1.5% per month on that portion of the unpaid balance which is more than 30 days past due. This is equivalent to an annual % rate of 18%.

TAX Include
S & H Include
OTHER 0.00
TOTAL \$ 1,101,630.00

If you have any questions about this invoice, please contact
Frankie Batts 704-944-4500 X3522

Make all checks payable to
Schaefer Systems International,
Inc.

Thank You For Your Business!

Please detach the portion below and return it with your payment.

Schaefer Systems International, Inc.

PO Box 7009
Charlotte, NC 28241
Phone: 704-944-4500
Fax: 704-588-1862

DATE 10/1/2014
INVOICE # UWS CCOR 102
Customer ID 0
DATE DUE: 3/1/2014

AMOUNT ENCLOSED \$ 1,101,630.00

GREEN WASTE ONLY / DESECHOS VERDES SOLAMENTE

ACCEPTABLE

Leaves
Grass Clippings
Branches
Brush
Saw Dust
Tree Trimmings

NOT ACCEPTABLE

Construction Debris
Garbage
Palm Tree Trimmings
Palm Fronds
Cactus
Rocks
Plastic or Paper Bags
Animal Waste
*Hazardous and
Electronic Waste

ACEPTABLES

Hojas
Recortes de Césped
Ramas
Arbusto
Aserrín
Recortes de árboles

NO ACEPTABLES

Residuos de construcción
Basura
Recortes de palmeras
Hojas de palmeras
Nopal
Piedra
Bolsas de plástico o papel
Desechos de mascotas
*Desechos peligrosos y
Electrodomésticos

*Antifreeze, Household Cleaners, Motor Oil, Paint Thinner, Paints; latex or oil-based, Televisions, Monitors, etc.

For more information about disposing these materials contact: 1 (888) CLEAN LA or CleanLA.com

To Request Replacement and/or Additional Cart(s) contact Universal Waste Systems Inc.: 1 (800) 631-7016

*Anticongelante, Limpiadores del hogar, Aceite de motor, Diluyente de pintura, Pinturas de látex o en base de aceite, televisores, monitores, etc.

Para más información acerca de la eliminación de estos materiales llame al: 1 (888) CLEAN LA o CleanLA.com

Para solicitar reemplazo de, y / o carritos adicionales, comuníquese con Universal Waste Systems Inc.: 1 (800) 631-7016

SCHAEFER SYSTEMS 1:1 #D163458 #6505RDD 7-15-14 DS MAC 2
DIE SIZE: 11"W X 4"H HOLES: 10.5"W X 3.5"H ART SIZE: 10"W X 3.44"H



RECYCLABLES ONLY / RECICLABLES SOLAMENTE



ACCEPTABLE

Paper
Aluminum
Metal
Cardboard
Plastic Bottles
Glass

NOT ACCEPTABLE

Garbage
Fluids
Batteries
Diapers
Green Waste
Styrofoam
*Hazardous and
Electronic Waste

ACEPTABLES

Papel
Aluminio
Metal
Cartón
Botellas de plástico
Vidrio

NO ACEPTABLES

Basura
Líquidos
Baterías
Pañales
Desechos verdes
Espuma de poliestireno
*Desechos peligrosos y
Electrodomésticos

*Antifreeze, Household Cleaners, Motor Oil, Paint Thinner, Paints; latex or oil-based, Televisions, Monitors, etc.

For more information about disposing these materials contact: 1(888) CLEAN LA or CleanLA.com

To request replacement and/or Additional Cart(s) contact: Universal Waste Systems, Inc. 1(800) 631-7016

*Anticongelante, Limpiadores del hogar, Aceite de motor, Diluyente de pintura, Pinturas de látex o en base de aceite, Televisores, Monitores, etc.

Para más información acerca de la eliminación de estos materiales llame al: 1(888) CLEAN LA o CleanLA.com

Para solicitar reemplazo de, y/o carritos adicionales, comuníquese con: Universal Waste Systems, Inc. 1(800) 631-7016

TRASH ONLY / BASURA SOLAMENTE

ACCEPTABLE

Palm Fronds
Household Waste

NOT ACCEPTABLE

Green Waste
Recyclables
Concrete
Construction Debris
*Hazardous and
Electronic Waste

ACEPTABLES

Hojas de palmeras
Residuos domésticos

NO ACEPTABLES

Deshechos verdes
Reciclables
Concreto
Residuos de construcción
*Desechos peligrosos y
Electrodomésticos

*Antifreeze, Household Cleaners, Motor Oil, Paint Thinner, Paints; latex or oil-based, Televisions, Monitors, etc.

For more information about disposing these materials contact: 1 (888) CLEAN LA or CleanLA.com

To Request Replacement and/or Additional Cart(s) contact Universal Waste Systems Inc.: 1 (800) 631-7016

*Anticongelante, Limpiadores del hogar, Aceite de motor, Diluyente de pintura, Pinturas de látex o en base de aceite, televisores, monitores, etc.

Para más información acerca de la eliminación de estos materiales llame al: 1 (888) CLEAN LA o CleanLA.com

Para solicitar reemplazo de, y / o carritos adicionales, comuníquese con Universal Waste Systems Inc.: 1 (800) 631-7016

Exhibit 3D-Universal Waste Systems Inc. Documentation

Item A.3 – BACKUP SERVICE PLAN

This item consists of 3 pages (including this page).

Backup Service Plan

Universal Waste Systems Inc. is prepared to handle any and all Uncontrollable Circumstances as defined in Exhibit 21 of the Agreement. In the event there is a protracted service disruption do to any cause, Universal Waste Systems Inc. will institute a number of proactive actions in order to sustain waste collection services.

1. Provide conveniently located bins or roll-off containers where Customers may discard Solid Waste Refuse and other putrescible Solid Waste:

Universal Waste Systems Inc. has an extensive inventory of commercial 3-yard bins and 40-yard roll-off boxes. Universal Waste Systems Inc. has on hand 50-100, 3-yard bins and 200-300, 40-yard roll-off boxes. In the event of a service disruption where curbside collection is no longer a viable option, Universal Waste Systems Inc. will place 50-100 3-yard and 40-yard containers throughout the community in key locations approved by the County of Los Angeles. Residents will be notified via local cable access channel, and print media as to key drop-off locations.

2. Offer Customers the option of self-hauling refuse and other putrescible solid waste to a transfer station or disposal facility.

In conjunction with key drop-off locations Universal Waste Systems Inc. will offer each Customer the option of direct hauling and disposing of their solid waste at our local transfer station at no cost to the Customer.

3. Inform customers of procedures for handling Refuse and other putrescible Solid Waste, preventing litter and discouraging vectors.

Universal Waste Systems Inc. guarantees the above service and disposal options will be made readily available to each Customer. Universal Waste Systems Inc. will provide Customers with information by the following means:

- Universal Waste Systems Inc. shall have a phone option on its customer service line to hear a taped looped message informing Customers of where and how to dispose of their waste.
- Universal Waste Systems Inc. shall produce a 30-second Public Service Announcement video and broadcast it on local cable access channels.
- Universal Waste Systems Inc. shall contact local print media and produce a press release informing the readers as to the locations and steps necessary to dispose of their waste.

4. The following refund policy for missed curbside collection.

In the case of an emergency situation where Universal Waste Systems Inc. is unable to offer curbside collection services but is able to maintain drop-off collection

services and transfer drop-off collection services, the following refund policy shall be instituted.

Universal Waste Systems Inc. shall only charge the Customer for disposal costs at a transfer station and waive all collection costs associated with this franchise. The disposal costs ratio shall be agreed upon in advance with County staff and only that fee shall be considered a charge to all customers, whether or not the Customer chooses to utilize the transfer option or the drop-off option for disposal.

5. Provide replacement drivers and other employees who are not providing Collection or other Franchise Services and security for those drivers and other employees.

Universal Waste Systems Inc. shall require all salaried employees, including all supervisors and management, to operate collection vehicles to maintain core disposal services. As described in the above paragraphs, Universal Waste Systems Inc. shall be properly staffed to provide drop-off services and transfer drop-off service for each Customer. In addition to Universal Waste Systems Inc. Staff, Universal Waste Systems Inc. shall import drivers from other operations and waste-hauling partners.

Finally, Universal Waste Systems Inc. shall work closely with the L.A. County Sheriffs' Department and a private security firm to guarantee a safe and consistent operation.

6. Identify customers that require priority service.

We shall contact the elderly and disabled customers with Roll-out service and shall make every possible effort to collect putrescible waste from their residence.

Exhibit 3D- Universal Waste Systems Inc. Documentation

Item A.4 – Universal Waste Systems Inc. Manager

This item consists of 2 pages (including this page).

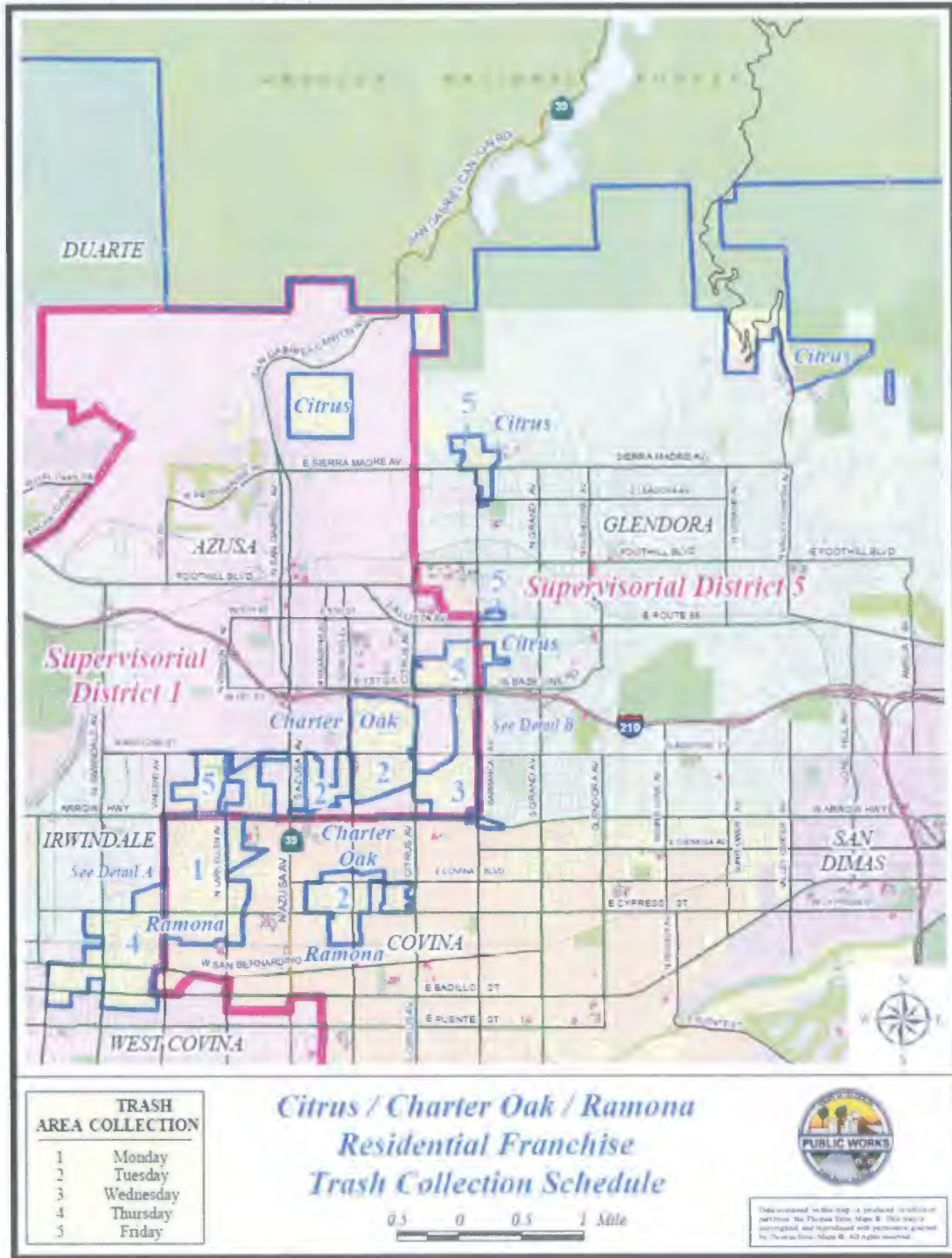
FRANCHISE MANAGERS	
<p>Mark Blackburn, President (562)695-8236 X 229 mark@uwscorporation.com</p> <p>Matt Blackburn, Vice President (562)695-8236 x226 matt@uwscorporation.com</p> <p>Carey Merrill, Special Projects (562)695-8236 x238 carey@uwscorporation.com</p> <p>Michelle Newsham, Administrative Assistant (562)695-8236 x231 michelle@uwscorporation.com</p> <p>Vera Mendoza, Human Resources (562)695-8236 x225 vera@uwscorporation.com</p> <p>Mike Blackburn, Field Supervisor (562)695-8236 mike@uwscorporation.com</p> <p>Mitch Blackburn, Field Supervisor (562)695-8236 mitch@uwscorporation.com</p>	<p>William Tubbs, Shop Supervisor (562)695-8236 x234 bill@uwscorporation.com</p> <p>Tina Tubbs, Accounts Payable (562)695-8236 x239 tina@uwscorporation.com</p> <p>Lorena Saldana, Billing Manager (562)695-8236 x240 lorena@uwscorporation.com</p> <p>Linda Allen, Customer Service Manager (562)695-8236 x227 linda@uwscorporation.com</p>
AUTHORIZED REPRESENTATIVES	
<p>Matt Blackburn, Vice President 9016 Norwalk Blvd. Santa Fe Springs, CA 90670 (562)695-8236 X 229 matt@uwscorporation.com</p>	<p>Mark Blackburn, President 9016 Norwalk Blvd. Santa Fe Springs, CA 90670 (562)695-8236 X 229 mark@uwscorporation.com</p>
KEY PERSONNEL	
Matt Blackburn, Primary Contact to County	Michelle Newsham, Reporting and Compliance
Linda Allen, Customer Service Representative	Lorena Saldana, Billing Manager
SERVICES SAFETY OFFICIAL	
<p>Travis French (562)695-8236 x234 travis@uwscorporation.com</p>	

Exhibit 3D-Franchisee Documentation

Item A.5 – ROUTE MAPS AND SCHEDULES

This item consists of 3 pages (including this page).

Item A.5 – ROUTE MAPS AND SCHEDULES



Container Placement



- Carts must be placed directly in front of the residence with wheels touching the curb
- Place carts at least 18" apart from each other
- Weight Limits
 - 96 gal = 336 lbs.
 - 64 gal = 227 lbs.
 - 32 gal = 122 lbs.

Note: based on cart specs

Exhibit 3D-Franchisee Documentation

Item A.6 – FACILITIES AND SOLID WASTE FACILITIES

This item consists of 9 pages (including this page).

Item A.6 – FACILITIES AND SOLID WASTE FACILITIES

Solid Waste Facilities

1. Puente Hills MRF

Owner/Operator: Sanitation Districts of Los Angeles County
Solid Waste Management Department
Address: 7721 N Figueroa St, Los Angeles, CA 90041
Contact: Ms. Maria Orta, 562-699-7411 Ext 1119

Acceptable Material: municipal solid waste, construction/demolition, green materials, inert, wood waste.

Unacceptable Materials: hazardous, radioactive, liquid, designated, or other waste requiring special treatment or handling.

Electronic Waste (CED's) Contractor

1. E-Recycling of California

Owner/Operator: E-Recycling of California
Address: 7230 Petterson Ln, Paramount, CA 90723-2022
Contact: Ms. Maureen Craine, 562-634-8372

Acceptable Material: televisions, computer monitors, printers, DVRs, vacuums, and other general household electronic items.

Unacceptable Materials: municipal solid waste, construction/demolition, green materials, wood waste, food waste, inert, hazardous, radioactive, liquid, designated, or other waste requiring special treatment or handling.

Recycling Facilities

All recyclables, bulky items and green waste will be processed at one of the facilities listed below.

1. Allan Company - recyclables

Owner/Operator: Allan Company
Address: 14618 Arrow Hwy, Baldwin Park, CA 91706
Contact: Ms. Sonia Cruz, 626-962-4047

Acceptable Material: separated and commingled recyclables to include aluminum cans, aluminum foil, brochures, catalogs, cardboard, computer paper, glass bottles and jars, junk mail, magazines, mixed paper, newspaper, paper tubes, phone books, #1-#7 plastic bottles,

plastic soda or water bottles, tissue boxes, and used envelopes, and metals.

Unacceptable Materials: municipal solid waste, construction/demolition, green waste, inerts, wood, hazardous, radioactive, medical, liquid, designated, sludge or other waste requiring special treatment or handling.

2. Puente Hills MRF

Owner/Operator: Sanitation Districts of Los Angeles County
Solid Waste Management Department
Address: 7721 N Figueroa St, Los Angeles, CA 90041
Contact: Ms. Maria Orta, 562-699-7411 Ext 1119

Acceptable Material: separated and commingled recyclables to include aluminum cans, aluminum foil, brochures, catalogs, cardboard, computer paper, glass bottles and jars, junk mail, magazines, mixed paper, newspaper, paper tubes, phone books, #1-#7 plastic bottles, plastic soda or water bottles, tissue boxes, and used envelopes, and metals.

Unacceptable Materials: municipal solid waste, construction/demolition, green waste, inerts, wood, hazardous, radioactive, medical, liquid, designated, sludge or other waste requiring special treatment or handling.

3. Green Wise Soil Technologies (GWS) – green waste

Owner/Operator: GWS/ Universal Waste Systems Inc
Address: 10120 Miller Way, South Gate CA
Contact: Mr. Matt Blackburn, 562-695-8236 Ext 226

Acceptable Material: green waste and wood waste

Unacceptable Materials: solid waste, construction debris, hazardous, radioactive, untreated medical, liquid, designated, sludge, large dead animals or other waste requiring special treatment or handling.

Methodology of Allocating Materials

Universal Waste Systems Inc. (UWS) shall haul all collected materials in the franchise area of Citrus/Charter Oak/Ramona to the facilities listed above.

As required by this contract, UWS does not commingle any materials with any other municipality, agency or jurisdiction. All materials collected are segregated by truck and route, no collected material is commingled with any other collected material. All materials collected are weighed in upon delivery at the respective facilities via certified scales and processed through either the material recovery facility or the landfill/transfer station.

Tare Weights

All vehicles utilizing the facilities are weighed empty and loaded into the scale software systems to determine the exact weights of the commodities being delivered. Each vehicle is individually identified by the truck number, route and tare weight. Periodically tare weights are re-verified to maintain accuracy.

Solid Waste

Solid waste materials are weighed at the certified scales before entering the disposal facility. The exact net weight of the material collected is assigned to Citrus/Charter Oak/Ramona. The municipal solid waste collected is unloaded at the tipping area and buried. On a monthly basis, UWS reconciles weight records against invoices and verifies jurisdictions of origin.

Green Waste

Green waste materials are weighed at the certified scales before entering the disposal facility. The exact net weight of the material collected is assigned to Citrus/Charter Oak/Ramona. The green waste collected is unloaded at the green waste processing area where the material is used ground and composted or mulched into a saleable product. On a monthly basis, UWS reconciles weight records against invoices and verifies jurisdictions of origin.

Commingled Recyclables

The recycling facility will conduct a waste characterization of the commingled blue cart recyclables delivered from Citrus/Charter Oak/Ramona. Each commodity collected in the collection process is segregated by weight and material classification. The waste characterization process is conducted on a random load of materials delivered from the respective jurisdiction. This process reveals the amount of contamination or non-recyclable material that is present in the total tonnage collected. Based on waste characterization data we are able to formulate strategies to target areas of improvement.

Commingled recyclable materials are weighed at the certified scales before entering. The exact net weight of the material collected is assigned to

Citrus/Charter Oak/Ramona. The recyclables collected are unloaded at the tipping area for further processing.

The facility reconciles the incoming and outgoing tonnages by weighing all materials recovered. Each outbound commodity weight is collected and reconciled with the waste characterization for the facility. All residue materials are carefully tracked based upon the waste characterization and allocated to the appropriate jurisdiction.

Reporting

UWS records all solid waste tonnage collection on a daily basis. The methodology includes categorizing the tonnage by material type, route, and collection day. At the end of each month this information is summarized in a Waste Generation and Diversion Report that specifies total tons by material type. All diverted materials tonnage (recyclables, green waste, metals, wood, e-waste, CEDs, etc) is totaled and compared to total solid waste collected and a diversion percentage is established for that month.

Miscellaneous Materials

Bulky items/Self Haul

Bulky items collected are tracked by jurisdiction and identified by material type to maximum diversion. All materials recovered are allocated based upon weight and jurisdiction of generation.

Electronic Waste

UWS is a licensed Electronic Waste Handler. All electronic waste materials collected are weighed and allocated by commodity type. All materials recovered under this program are carefully recorded and reported back to UWS and the State of California by E-Recycling.

SAMPLE INVOICE – TRASH – Puente Hills MRF
CONFIDENTIAL



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

THIS BILL IS NOW DUE AND PAYABLE

02/28/2014

Remittance Address:	Account No. 82848	Total due:	\$233,670.36
County Sanitation Districts of Los Angeles County	UNIVERSAL WASTE SYSTEMS	Amount Paid	_____
P.O. Box 4998	P O BOX 3038		
Whittier, CA 90607	13316 LEFFINGWELL ROAD		
Attn: Accounting	WHITTIER, CA 90605		

Please detach and return the top section with your check payable to County Sanitation Districts of Los Angeles County

Account No. 82848
Account Name UNIVERSAL WASTE SYSTEMS
For the month ending 02/28/2014

		Contract Tons	Other Tons	Total
Previous Charges	Amount of last statement	\$64,853.11	\$188,994.77	\$253,847.88
	Payment(s). Thank you.	<u>\$29,710.98</u>	<u>\$94,980.10</u>	<u>\$124,691.08</u>
	Balance	\$35,142.13	\$94,014.67	\$129,156.80
Current Charges	Tipping Fees	\$33,905.28	\$75,639.65	\$109,544.93
	Contract Rate Credit	-\$5,031.37		-\$5,031.37
	Adjustments	-	-	-
	Returned/NSF Payments	-	-	-
	Service Charge	-	-	-
	Interest	-	-	-
	Total Due	<u>\$54,016.04</u>	<u>\$169,654.32</u>	<u>\$233,670.36</u>

Aging - Contract Tonnage Only

Current Balance	30 Day Balance	60 Day Balance	90 Day Balance	120+ Day Balance	Service Charge	Interest
\$28,873.91	\$35,142.13	-	-	-	-	-
Payment must be received by this date to avoid Service Charges:						
May 15, 2014	April 15, 2014					

Aging - All Tonnage Only

Current Balance	30 Day Balance	60 Day Balance	90 Day Balance	120+ Day Balance	Service Charge	Interest
\$75,639.65	\$94,014.67	-	-	-	-	-
Payment must be received by this date to avoid Service Charges:						
April 30, 2014	March 31, 2014					

Whom to Call: Payment arrangements and billing questions: (562) 699-7411 ext 1119
Adding, modifying or transaction inquiries: (562) 699-7411 ext 1107

CR# 78460
03-24-14
104,513.56



SANITATION DISTRICTS OF LOS ANGELES COUNTY

REFUSE DISPOSAL SYSTEM
Account Transaction Summary
February 2014

Report RDX026
Page 8 of 20
Date: 03/04/2014

82848 - UNIVERSAL WASTE SYSTEMS

Facility	Transaction Date/Time	Transaction	Vehicle ID	Refuse Type	Gross Weight	Tare Weight	Net Weight	Gate Amount	Contract Amount	Contract Credit
Puente Hills MRF	02/06/2014 01:43 PM	900206203	86305H1	Refuse	29.11	18.79	10.32	\$472.14	\$438.08	(\$34.06)
Puente Hills MRF	02/07/2014 07:44 AM	900206209	42719M1	Refuse	28.14	17.90	10.24	\$488.48	\$434.69	(\$53.79)
Puente Hills MRF	02/07/2014 09:36 AM	900206295	13291G1	Refuse	17.30	14.47	2.83	\$129.47	\$120.13	(\$9.34)
Puente Hills MRF	02/07/2014 11:27 AM	900206593	86305H1	Refuse	31.43	16.79	14.64	\$578.28	\$536.57	(\$41.71)
Puente Hills MRF	02/07/2014 01:38 PM	900206455	7A96669	Refuse	16.78	14.10	2.68	\$122.61	\$113.77	(\$8.84)
Puente Hills MRF	02/07/2014 02:57 PM	900206563	42719M1	Refuse	25.19	17.90	7.29	\$333.57	\$309.46	(\$24.06)
Puente Hills MRF	02/08/2014 06:10 AM	900206533	60690K1	Refuse	20.86	18.73	2.13	\$97.45	\$90.42	(\$7.03)
Puente Hills MRF	02/08/2014 08:16 AM	900206715	86305H1	Refuse	29.91	18.79	11.12	\$508.74	\$472.04	(\$36.70)
Puente Hills MRF	02/08/2014 11:42 AM	900206561	60690K1	Refuse	28.43	18.73	9.70	\$443.78	\$411.76	(\$32.02)
Puente Hills MRF	02/10/2014 08:00 AM	900207128	42719M1	Refuse	28.10	17.90	10.20	\$466.68	\$432.99	(\$33.66)
Puente Hills MRF	02/10/2014 11:17 AM	900207325	86305H1	Refuse	30.43	18.74	11.64	\$532.53	\$494.12	(\$38.41)
Puente Hills MRF	02/10/2014 12:26 PM	900207394	13291G1	Refuse	15.84	14.21	1.63	\$74.57	\$69.19	(\$5.38)
Puente Hills MRF	02/10/2014 03:35 PM	900207571	42719M1	Refuse	25.14	17.90	7.24	\$331.23	\$307.34	(\$23.89)
Puente Hills MRF	02/11/2014 08:15 AM	900207741	42719M1	Refuse	26.43	17.90	8.53	\$390.24	\$362.10	(\$28.15)
Puente Hills MRF	02/11/2014 10:51 AM	900207889	60690K1	Refuse	27.72	18.73	9.02	\$449.27	\$416.86	(\$32.41)
Puente Hills MRF	02/11/2014 03:25 PM	900208168	42719M1	Refuse	23.90	18.79	5.17	\$238.53	\$219.47	(\$17.05)
Puente Hills MRF	02/11/2014 03:35 PM	900208175	60690K1	Refuse	24.89	18.79	6.10	\$279.08	\$258.94	(\$20.14)
Puente Hills MRF	02/12/2014 10:10 AM	900208434	86305H1	Refuse	30.01	18.79	11.21	\$554.03	\$514.97	(\$39.06)
Puente Hills MRF	02/12/2014 10:59 AM	900208463	42719M1	Refuse	26.10	18.79	7.31	\$334.43	\$310.31	(\$24.12)
Puente Hills MRF	02/12/2014 04:15 PM	900208811	86305H1	Refuse	24.69	17.90	6.79	\$310.64	\$288.24	(\$22.40)
Puente Hills MRF	02/12/2014 04:45 PM	900208826	42719M1	Refuse	16.24	14.64	1.60	\$73.23	\$67.92	(\$5.28)
Puente Hills MRF	02/13/2014 08:41 AM	900208959	67206J1	Refuse	18.16	14.42	3.74	\$171.11	\$158.76	(\$12.35)
Puente Hills MRF	02/13/2014 09:23 AM	900208984	67198J1	Refuse	20.22	14.91	5.31	\$242.83	\$225.41	(\$17.52)
Puente Hills MRF	02/13/2014 09:39 AM	900208900	67206J1	Refuse	31.37	18.73	12.64	\$578.24	\$536.57	(\$41.71)
Puente Hills MRF	02/13/2014 01:24 PM	900209228	60690K1	Refuse	30.21	18.79	11.42	\$522.47	\$464.78	(\$57.69)
Puente Hills MRF	02/13/2014 01:42 PM	900209252	86305H1	Refuse	21.65	17.90	3.75	\$171.36	\$159.19	(\$12.37)
Puente Hills MRF	02/14/2014 07:45 AM	900209498	42719M1	Refuse	30.73	18.79	11.94	\$546.26	\$505.85	(\$40.41)
Puente Hills MRF	02/14/2014 11:11 AM	900209597	86305H1	Refuse	26.15	17.90	8.25	\$377.44	\$350.21	(\$27.23)
Puente Hills MRF	02/14/2014 02:51 PM	900209503	42719M1	Refuse	19.65	16.80	2.85	\$139.54	\$129.47	(\$10.07)
Puente Hills MRF	02/15/2014 06:03 AM	900208588	88844E1	Refuse	27.05	18.79	8.26	\$377.90	\$350.64	(\$27.26)
Puente Hills MRF	02/15/2014 06:08 AM	900209599	86305H1	Refuse	31.54	18.79	12.75	\$683.31	\$641.24	(\$42.07)
Puente Hills MRF	02/15/2014 11:20 AM	900210234	86305H1	Refuse	25.63	17.90	7.73	\$353.65	\$326.14	(\$27.51)
Puente Hills MRF	02/17/2014 08:59 AM	900210420	42719M1	Refuse	30.07	18.76	11.28	\$516.06	\$478.84	(\$37.22)
Puente Hills MRF	02/17/2014 11:17 AM	900210639	86305H1	Refuse	20.25	14.84	5.41	\$247.51	\$229.65	(\$17.86)
Puente Hills MRF	02/17/2014 01:28 PM	900210755	66124B1	Refuse	25.00	17.90	7.10	\$324.83	\$301.39	(\$23.44)
Puente Hills MRF	02/17/2014 02:59 PM	900210816	42719M1	Refuse						

SAMPLE INVOICE – Allan Company
CONFIDENTIAL

Universal Waste Systems Inc. is currently utilizing the Puente Hills Landfill and DART MRF facilities. We are in the process of finalizing negotiations with Allan Company to process this material and don't have a copy of their invoices until after the contract starts.

SAMPLE INVOICE – GREEN WASTE – Green Wise Soil Technologies
CONFIDENTIAL

GWS Inc.
P.O. Box 1901
Norwalk, CA 90651

Invoice

Date	Invoice #
5/12/2014	4201

Bill To
Universal Waste Systems P.O. Box 3038 Whittier, CA 90605

Ship To

Terms	Due Date	Rep	Ship	Project
	5/12/2014		5/12/2014	

Quantity	Item Code	Description	Price Each	Amount
10.46	Green Waste	Green Waste Load	24.00	251.04
11.65	Green Waste	Green Waste Load	24.00	279.60
8.63	Green Waste	Green Waste Load	24.00	207.12
10.41	Green Waste	Green Waste Load	24.00	249.84
Total				987.60

Exhibit 3D- Universal Waste Systems Inc. Documentation

Item A.7 – SUBCONTRACTORS

This item consists of 2 pages (including this page).

Item A.7 – SUBCONTRACTORS

Universal Waste Systems Inc. will not be using sub contracts for this contract.

Exhibit 3D-Universal Waste Systems Inc. Documentation

Item B.1 – FORM ON NON-COLLECTION NOTICE

This item consists of 2 pages (including this page).



NON-COLLECTION NOTICE

Your container was not collected due to one of the following reasons checked below. Please contact Universal Waste Systems Inc. customer service when corrections have been made.

**Universal Waste Systems Inc. Customer Service (800) 631-7016
Customer Service Hours Mon-Fri 8AM - 5PM and Saturday 8AM - 12PM**

- 1. Due to unsafe service conditions.
- 2. ALL waste must be inside the containers provided to you with the exception of pre-arrange bulky item pick-ups.
- 3. Your Containers or Bulky Item waste was not placed at the collection set out site.
- 4. Your Container exceeds weight limitations (96 gallons=336 pounds; 64 gallons=227 pounds, 32 gallons=122 pounds)
- 5. Premises are not safely accessible to Vehicles.
- 6. Your **BLUE RECYCLE** container is contaminated with trash and/or green waste.
- 7. Your **GREEN WASTE** container is contaminated with trash and/or recycling.
- 8. Unpermitted waste such as household hazardous waste, electronic waste, batteries, fluorescent tubes were placed in the containers. Contact the LA hotline at 1 (888) CLEAN LA or visit their website at www.CleanLa.com for more information.
- 9. Your Account is **Past Due**
- 10. Other: _____

If the above is corrected by 3PM today, Please call our customer service department at (800) 631-7016 and we will return and collect before 6:00PM today at no charge.

Please separate and turn in bottom portion to the office upon completion of route.

Customer Address: _____

Service Day: _____

Reason for Non Collection: # _____ from above.

Exhibit 3D-Universal Waste Systems Inc. Documentation

Item B.2 – FORM OF SUBSCRIPTION ORDER

This item consists of 3 pages (including this page).

Item B.2 – FORM OF SUBSCRIPTION ORDER



Universal Waste Systems Inc. Citrus/ Charter Oak/ Ramona Franchise RESIDENTIAL SERVICE RATES

November 1, 2014

Subscription Order

To Our Valued Citrus/ Charter Oak/ Ramona Customer:

The County of Los Angeles Board of Supervisors has awarded Universal Waste Systems Inc. a franchise to provide trash collection services in the Citrus/Charter Oak/Ramona unincorporated community that will commence on November 1, 2014 and end on October 31, 2021. Universal Waste Systems Inc. takes great pride in the work we do to keep the environment clean and protected for our future. Your participation in waste reduction practices and buying products made from recycled content are integral components of a sustainable society, and we thank you for your efforts.

We will charge all residential customers of this community the rates shown on this subscription order. Please take a moment to note the rates and services offered below. The standard services and corresponding rates listed below are for services for which you subscribe beginning November 1, 2014. To request additional services or if you have any questions or concerns, please do not hesitate to call Universal Waste Systems Inc. customer service department at 1-800-631-7016 Monday thru Friday 7:00 am to 5:00 pm and Saturdays from 8: am to 12:00 pm. The term of your subscription order is 7 years commencing November 1, 2014, and ending October 31, 2021, unless it is terminated earlier as described in the enclosed Customer Bill of Rights. It cannot be longer than the term of Universal Waste Systems Inc. franchise with the County and cannot be automatically renewed or extended.

'Standard Services / billed quarterly:

\$56.64 /quarter (\$18.88 /month)

25 percent Senior Discount:

\$42.48/quarter(\$14.16/month)

For residents who meet the following criteria: head of household, over 62 and qualify for utility rate discounts based on financial need OR generate a small amount of waste and use a 32 gallon cart for refuse.

Standard household family services include:

- ✓ Once-a-week automated refuse, green waste, and recyclables collection service
- ✓ One 96 gallon refuse cart
- ✓ One 96 gallon green waste cart
- ✓ One 96 gallon commingled recyclables cart
- ✓ Alternative to 96 gallon containers- Upon request, if you have space limitations, you may receive either 64 or 32 gallon containers
- ✓ An extra green waste container and/or one extra recyclable container free of charge upon request
- ✓ Free Holiday Tree Collection Services
- ✓ Annual curbside clean-up events (including electronic waste)
- ✓ Annual used motor oil drop-off event
- ✓ Annual shred day event
- ✓ Semi-Annual drop-off event for certain electronic devices & clothing
- ✓ Free on-call bulky item and electronic waste collections in unlimited quantities (six per year)
- ✓ Free on-call electronic waste collections in unlimited quantities (unlimited)
- ✓ Free on-call bagged refuse collections in unlimited quantities (four per year)
- ✓ Free on-call bagged green waste collections in unlimited quantities (unlimited)
- ✓ Ten special community clean-up events per year
- ✓ Free SHARPS containers and disposal services (four per year)

ADDITIONAL SERVICES Available Upon Request

Additional Containers: Each:

\$15.00/quarter (\$11.25/quarter with senior discount)

Additional (more than two/year) on-call collection of
Bulky items and certain electronic devices:

\$25.00 per collection (\$18.75 with senior discount)

Scooter Service: For any customer who requests this service or for difficult to service residential premises (such as hills or cul-de-sacs where collection vehicles cannot safely drive):

\$23.60/quarter (\$17.70 with senior discount)

Roll-out/backyard service: This service means Universal Waste Systems Inc. brings containers to the curb to be serviced by collection vehicle and returned to the back yard or other designated location.

For qualifying customers: **free**

For all other customers: **\$28.32/ quarter (\$21.24 with senior discount)**

Residential Bin Rentals (1.5 YD & 3 YD) and Temporary Roll-Off Services

Universal Waste Systems Inc. customer will receive a 10% discount on all temporary services for your residence.

CUSTOMER BILL OF RIGHTS

What We Will Collect. We will collect residential refuse, green waste, and commingled recyclables in carts we provide, within one week of your requesting services. You must place refuse, recyclable materials, and green waste in the appropriate carts. Materials placed outside of carts will not be picked up unless previous arrangements have been made as described below. Please remember that the County requires you to put out carts for collection no earlier than 5:00 pm on the day before scheduled collection and retrieve them no later than 8:00 pm on the day of collection or 2 hours after collection, whichever is later.

We Will Not Collect Hazardous Waste. *State law prohibits disposal of hazardous materials and certain electronic devices in your trash.* These include: most paints, pesticides, petroleum derivatives such as motor oil and solvents, electronic devices such as cathode ray tubes (as in TV and computer monitors), LCD and plasma screens. Other items banned from disposal include: batteries, thermostats, computers, telephones, answering machines, radios, stereo equipment, tape players/recorders, phonographs, videocassette players/recorders, calculators, aerosol cans, fluorescent lights, and certain mercury-containing devices. If these items are identified in your trash, your cart will be tagged and not collected. Certain electronic devices may be separately collected as described below. For additional safe and legal disposal options, call 1(888) CLEAN LA or visit www.CleanLA.com.

When We Will Collect. We will make collections once a week between the hours of 6:00 a.m. to 6:00 p.m. on the same day of the week indicated on your invoice (Monday through Friday) each week. If your scheduled collection day falls on or after a holiday, collection will be delayed during the holiday week by one day (Friday customers will have their collection on Saturday). The holidays we observe are Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas and New Year's Day. Should there be a permanent change in your scheduled collection day, we will notify you in advance. If we miss your collection, please call us and we will return to pick it up, without charge, on the same day if you call before 3:00 p.m. or on the next collection day if you call after 3:00 p.m. We will resolve any other complaints within the same time period.

How Much We Will Charge. We will charge all our customers the rates shown on the Subscription Order Form for standard services and any additional requested services.

Where We Will Pick Up. You must set your carts at the curb unless you have roll-out service. If we agreed to collect on private driveways or pavement, we will ask you to sign a waiver of damage liability and/or indemnification. We must repair or replace, to your satisfaction, damaged property, and reimburse you for cost of personal injury, caused by our negligence or willful acts or omissions. In addition to enforcing your rights under the franchise agreement, you may institute civil suits allowed under law.

We Can Bring Your Carts Out To The Pickup Point (Roll-Out Service). At no additional charge, for residential customers who certify they are not able-bodied or are elderly (over the age of 62) and have no able-bodied person residing in their household, we will provide roll-out services (on premise collection) of all weekly collection services: refuse, recyclable materials, and green waste collection, as well as the annual curbside clean-up event, holiday tree pick-ups, and additional on-call pickups. These services are also available to any other customer upon request at the charge listed on your subscription order.

Alternatives To Fully Automated Carts. If you have space restrictions at your container storage or set-out site, you may request alternatives to 96 gallon carts free of charge. For difficult to service areas, such as cul-de-sacs or hills, where automated collection vehicles cannot safely drive, we will provide manual scooter service and containers that are of the same capacity at the charge listed on your subscription order. We will also provide this service to any other customer upon request.

Weight Limitations Of Carts. The weight limit for each automated cart is as follows: 96 gallon cart = 336 lbs., 64 gallon cart = 227 lbs., 32 gallon cart = 122 lbs.

Replacement/Removal/Repair. At no charge, we will deliver or exchange containers within 7 days of your request, remove containers within 8 days of your request, and repair or replace damaged or stolen containers by the next service day after your request. (We may charge to replace a stolen cart if you do not report the theft to the police.) We will remove graffiti from containers within 5 days of your request, or within 48 hours if the graffiti consists of picture or verbal obscenities, weekends excepted.

Annual Curbside Clean-Up Event. We will conduct a Clean-Up Event once a year. We will collect unlimited amounts of bulky items, excess solid waste, up to 2 passenger car or pickup truck tires, and certain electronic devices free of charge. We will notify you of the annual Clean-Up Event no less than two weeks in advance.

Holiday Tree Pickups. At your request, we will collect your holiday trees (such as Christmas trees and Hanukkah bushes) placed at the curb on your regularly scheduled collection day between December 26th and January 14th. You must strip them of ornaments, garlands, tinsel, flocking and stands.

Unlimited On-Call Bagged Green Waste Pickups: We will collect extra green waste set out at the curb in bags at no additional charge, on your next regularly scheduled pickup day if you call us at least 24 hours in advance.

SHARPS Collection and Disposal: You may request up to four SHARPS containers per year, for storing and mailing sharps upon customer request without additional cost.

Four On-Call Bagged Refuse Pickups: We will collect extra refuse set out at the curb in bags, four times per year, at no additional charge, on your next regularly scheduled pickup day if you call us at least 24 hours in advance.

Semi-Annual Drop-off Events for Certain Electronic Devices and Clothing: twice per year we will collect without cost to you, unlimited amounts of Residential Customers' E-waste and clothing at a drop-off site in your community. We will notify you of the events no less than two weeks in advance.

Six On-Call Pickups Of Bulky Items (including E-waste): You may request six pickups of bulky items and electronic items at no charge on your next regularly scheduled pickup day if you call us at least 24 hours in advance. Examples of bulky items include discarded furniture (such as chairs, sofas, mattresses, box springs, and rugs); appliances (such as refrigerators, range, washers, dryers, water heaters, dishwashers, plumbing, and other similar items).

Additional On-Call Pickups Of Bulky Items: You may also request pickups of bulky items, as described above, in excess of six times a year on your next regularly scheduled pickup day, at the charges listed on your subscription order, if you call us at least 24 hours in advance.

Unlimited On-Call Pickups of Electronic Waste: You may request unlimited number of pickups of electronic items at no charge on your next regularly scheduled pickup day if you call us at least 24 hours in advance. Electronic waste is consumer electronic equipment that is no longer wanted (such as computers, printers, televisions, VCRs, cell phones, fax machines, stereos, and electronic games).

Additional Customer Options Regarding Recyclables: Customers may donate or sell any or all of their recyclables to persons other than Universal Waste Systems Inc.

When You Must Pay. Universal Waste Systems Inc. bills residential services three months in advance. We mail you your bill on or after the first day of your billing period, for example, on April 1 for the billing period of April, May, and June. Your bill is due no later than the last day of the first month, for example, on April 30. If we do not receive payment by the last day of the second month, for example, on May 31, your bill will become delinquent and an additional 10% fee will be added to the balance. We may terminate your service if you do not timely pay your service fees. There will be a charge of \$25.00 for interruption of service and a \$25.00 fee on returned checks.

Customer Termination Rights And Right To Self-Haul. You may terminate service without cause at any time by giving us 90 days' notice. You may also terminate service immediately in the event of certain emergencies and if we fail to provide service (such as missing pickup or failing to timely repair or replace containers) or we bill you incorrectly. You also have the right to self-haul your waste instead of subscribing to our service.

We Will Refund: any overcharges (including advance payments for services that you subsequently cancel) within 30 days after we receive your request. We will pay you interest on overcharges (other than advance payments for subsequently canceled services) at 10 percent per annum from the date the overcharged until the date refunded.

Where You Can Contact Us. You may call us regarding service or complaints toll free at 1-800-631-7016 between 7am and 5pm weekdays, except holidays and from 8am to 12pm on Saturday. You may come to our office located at 9016 Norwalk Blvd., Santa Fe Springs CA 90670 or you may mail correspondence to our office address. If we do not satisfactorily resolve any complaint, you may call the County at 1-800-993-5844.

We Do Not Discriminate. If you are entitled to service, we will not discriminate against you on account of race, creed, color, sex, gender, national origin, ancestry, religion, age, physical or mental disability, marital status, or political affiliation.

Rights Of Privacy. We will observe and protect your rights of privacy and trade secrets. Unless you give us permission, we will not reveal any information identifying you or the composition or contents of your solid waste to any person except the County or if required by law.

Thank You For Allowing Universal Waste Systems Inc. To Serve You!

Exhibit 3D-[Waste Hauler's Name] Documentation

Item B.3 – UN-PERMITTED WASTE SCREENING PROTOCOL

This item consists of 4 pages (including this page).

Universal Waste Systems Inc. shall develop and implement the Un-Permitted Waste Screening Protocol included in the Franchise documentation in compliance with Applicable Law and including at a minimum:

1. Ongoing Employee Training in Identification

As a part of Universal Waste Systems Inc. ongoing training program, all drivers, swappers and route personnel are required to attend monthly and quarterly tailgate safety meetings. During these meetings we also conduct training sessions to educate employees on our safety policies, notification procedures, and household hazardous waste. Drivers are trained in both identification procedures and notification procedures when Un-Permitted waste is discovered. Drivers discovering Un-Permitted waste are instructed to complete a Non-Collection notice, place one copy on the container (whenever safe) and file the second copy at the office.

2. Driver Inspection

Based on our experience, the automated curbside collection process can hamper visual identification of Un-Permitted waste. For this reason, Universal Waste Systems Inc. will install camera monitors on each automated vehicle. This additional step gives the driver/operator a clear visual of the contents of each container before it is commingled with the load.

3. Immediate Driver Response

While unloading the collection container into the holding hopper the driver has a clear view of the waste products as they are emptied and staged for compaction. All drivers are trained and prepared to segregate materials upon identification.

Un-Permitted materials such as U-Waste or Household Hazardous Waste or any suspicious unidentified materials shall be left at the service address and a Non-collection tag shall be affixed to the container.

Should any material appear to be dangerous in nature or a threat to the health and safety of the community or Universal Waste Systems Inc. personnel, the area route supervisor shall immediately notify the County fire department and the appropriate local agency for immediate resolution.

4. Driver Notification

All Universal Waste Systems Inc. drivers are trained and prepared to deal with any Un-Permitted waste issue. Universal Waste Systems Inc. personnel have been instructed to complete the non-collection tag and affix it to the offending container. The notification tag shall explain the violation and the proper means of disposal. All drivers are trained and prepared to segregate materials upon identification.

Each Un-Permitted disposal incident shall be reported to the dispatch center and the area route supervisor. The service address shall be monitored, if necessary, for additional disposal violations. Universal Waste Systems Inc. customer service shall

log each incident and supply a copy to the County of Los Angeles.

Should any material appear to be dangerous in nature or a threat to the health and safety of the community or Universal Waste Systems Inc. personnel, the area route supervisor will immediately notify the County fire department and the appropriate local agency for immediate resolution.

5. Notification of Appropriate Agency or Department

Universal Waste Systems Inc. shall maintain a complaint and incident log for the Citrus/ Charter Oak/ Ramona franchise area. Customer Service shall monitor and record all Un-Permitted waste violations/incidents identified by Universal Waste Systems Inc. personnel. All records shall be copied and supplied to the County of Los Angeles per the requirements of the franchise agreement. Universal Waste Systems Inc. shall report its observations to the Director in addition to notifying the offender. Habitual violators shall be reported to the County inspector and service may be suspended pending final resolution.

Should any material appear to be dangerous in nature or a threat to the health and safety of the community or Universal Waste Systems Inc. personnel, the area route supervisor will immediately notify the County fire department and the appropriate local agency for immediate resolution.

6. Appropriate Actions

Universal Waste Systems Inc. is committed to proper manifestation and management of Un-Permitted waste materials. In the event suspicious material is identified the area route supervisor will be immediately notified and proper containment materials will be applied. All collected materials will be properly containerized, removed, and transported by a license contractor in accordance with Applicable Law.

7. Compliance with Law

Universal Waste Systems Inc. will comply with all Local, State and Federal laws as outlined in on compliance standards defined in the Department of Transportation (DOT) (Title 49 CFR) and the United States Environmental Protection Agency Title 40 CFR, as well as with California EPA and DTSC regulations.

8. Form and Content of Labels

Each automated cart contains language and illustrations prohibiting customers from discarding Un-Permitted Waste in English and Spanish. The final content of this information has been approved by the County of Los Angeles and was paid for and distributed Universal Waste Systems and or its subcontractor.

B. Prohibition on Collection

Unless licensed in accordance with Applicable Law, Universal Waste Systems Inc. is prohibited from collecting Un-Permitted waste, other than in connection with providing collection of bulky items, CEDS, or E-waste as outlined in the Citrus/ Charter Oak/ Ramona Franchise Agreement. Universal Waste Systems Inc. will notify all persons required by Applicable Law of Unpermitted Wastes that it finds or observes in Solid Waste.

C. Reports to Director

Universal Waste Systems Inc., shall use Reasonable Business Efforts to report to the Director and the appropriate agency as required by Applicable Law any observance of suspicious materials it reasonably believes or suspects to contain Un-Permitted Waste being disposed of or released onto any County or any other public property, including storm drains, streets, or other public rights of way.

D. Labels

Universal Waste Systems Inc., shall affix labels to each automated cart used in the Citrus/ Charter Oak/ Ramona franchise area, with language and illustrations prohibiting customers from discarding Un-Permitted Waste in English, Mandarin and Spanish.

E. Safe Disposal Customer Education Program

As part of the Universal Waste Systems Inc. Un-Permitted Waste Screening Protocol, Universal Waste Systems Inc. shall develop and implement a customer education program to maximize exclusion of Un-Permitted Waste from disposal and promote safe handling of Un-Permitted Waste as stipulated in Part II Section 6. Universal Waste Systems Inc. shall distribute this education program in conjunction with its customer outreach for the Waste Diversion Program. Universal Waste Systems Inc. shall submit the materials to COUNTY at least one month prior to distributing them for the approval of format and content. Materials shall be developed and circulated once each calendar year in accordance with the terms and conditions outlined in Part II Section 6 of the Agreement.

Universal Waste Systems Inc. shall notify the subscribers regarding the safe handling of Un-Permitted Waste through our community outreach efforts. Unsafe disposal of Un-Permitted Waste will be strongly discouraged. Any items deemed to be hazardous waste, U-Waste, or E-Waste will not be collected in the regular cart collection program. Should such material be presented at the curb, a Non-Collection Notice will be affixed to the cart.

Exhibit 3D- Universal Waste Systems Inc Documentation

Item B.4 – OFFICE

This item consists of 2 pages (including this page).

Item B.4 – OFFICE

1. Universal Waste Systems Inc.
9016 Norwalk Blvd.
Santa Fe Springs, CA 90670

Phone (800) 631-7016

Hours: Monday through Friday – 7:00 a.m. to 5:00 p.m.
Saturday – 8:00 a.m. to 12:00 p.m.

2. Repair Shop
9016 Norwalk Blvd.
Santa Fe Springs, CA 90670

3. Mailing Address
PO Box 3038
Whittier, CA 90605

Exhibit 3D- Universal Waste Systems Inc. Documentation

Item B.5 – ACKNOWLEDGMENT

This item consists of 2 pages (including this page).

Item B.5 – ACKNOWLEDGMENT

Universal Waste Systems Inc., acknowledges that it has read and completely understands the program(s) related to the Safely Surrendered Baby Law as articulated in the bid documents and the County of Los Angeles website www.babysafela.org.

Universal Waste Systems Inc., agrees to provide each employee involved with the contract a copy of the "No Shame. No Blame. No Names." County program documentation, in both English and Spanish, as provided in the downloadable version on the County of Los Angeles website.

Universal Waste Systems Inc., and its contractors will post posters of copies of County of Los Angeles posters regarding the Safely Surrendered Baby Law in every facility where their employees are present.

And

Universal Waste Systems Inc. acknowledges receipt of fact sheet relating to the Non-Employee Injury Report form that is available on the County's website at: http://ceo.lacounty.gov/RMB/pdf/Forms/cms1_044804.pdf

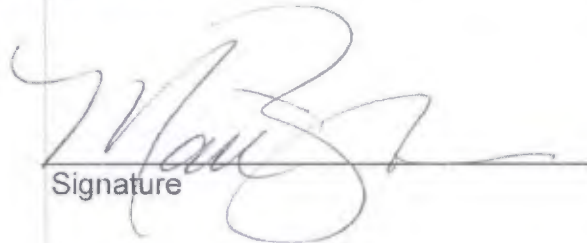

Signature

Exhibit 3D-Universal Waste Systems, Inc. Documentation

Item B.6 – INSURANCE AND PERFORMANCE ASSURANCE

This item consists of 10 pages (including this page).



UNIVWAS-01 KPELUSO

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/7/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURERS, AUTHORIZED REPRESENTATIVE OR PRODUCER AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If ENDORSEMENT IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Alliant Specialty Insurance Services, Inc. P.O. Box 509015 San Diego, CA 92160	CONTACT NAME: PHONE (AC, Ho, Ext): (858) 505-4000 FAX (AC, Ho, Ext): E-MAIL ADDRESS:												
INSURER Universal Waste Systems, Inc. c/o Whitehouse Sanitation c/o Mc-Way Oil & Oil Services, Inc. c/o Casey Specialty Bkt Rental P.O. Box 1018 Waukena, CA 90406	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Indemnity Insurance Company of N A</td> <td>43575</td> </tr> <tr> <td>INSURER B: ACE American Insurance Company</td> <td>22867</td> </tr> <tr> <td>INSURER C: Princeton Excess & Surplus Lines Ins Co</td> <td>10768</td> </tr> <tr> <td>INSURER D: Alaska National Insurance Company</td> <td>38733</td> </tr> <tr> <td>INSURER E: Navigators Insurance Company</td> <td>42307</td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Indemnity Insurance Company of N A	43575	INSURER B: ACE American Insurance Company	22867	INSURER C: Princeton Excess & Surplus Lines Ins Co	10768	INSURER D: Alaska National Insurance Company	38733	INSURER E: Navigators Insurance Company	42307
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COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL (INSR, PROD)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR (GEN'L AGGREGATE LIMIT APPLIES PER POLICY) <input type="checkbox"/> PRO <input type="checkbox"/> SECT <input type="checkbox"/> CO COMP:		D37505861	04/23/2014	04/23/2015	EACH OCCURRENCE \$ 1,000,000 DAILY TO \$500,000 PREMISES (per occurrence) \$ 100,000 MED EXP (per one person) \$ 5,000 PERSONAL & ADV. HELPS \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP. P. AIDS \$ 2,000,000 Employee Ben \$ 1,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OTHER AUTOS <input type="checkbox"/> BIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-SCHEDULED AUTOS		H08789228	04/23/2014	04/23/2015	COMBINED SINGLE LIMIT (per occurrence) \$ 1,000,000 BODILY INJURY (per person) \$ BODILY INJURY (per accident) \$ PROPERTY DAMAGE (per occurrence) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB CLAIMS MADE DEC <input checked="" type="checkbox"/> RETENTION \$ 10,000		82A3FF000118300	04/23/2014	04/23/2015	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 RXSURU00007603 \$ 7,000,000 <input checked="" type="checkbox"/> THIS POLICY IS SUBJECT TO THE POLICY
D	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS LIABILITY <input type="checkbox"/> ANY PROP. TO SEAR. IN EXECUTIVE OFFICER/EMERGENCY (Mandatory in CA) <input type="checkbox"/> PROP. TO SEAR. UNDER DESCRIPTION OF EMP. (SF 218) OR BELOW	Y/N N/A	14CW009609	03/01/2014	03/01/2015	-1 EACH EMPLOYEE \$ 1,000,000 -1 EMPHASIS - PERMANENT \$ 1,000,000 -1 JOB-SH. - PERMANENT \$ 1,000,000
E	Pollution Liability		SF14ECP598767C	04/23/2014	04/23/2015	Occurrence 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 104, Additional Remarks Schedule, may be attached if more space is required)
 Pollution Aggregate: \$4,000,000
 The county, its special districts, its officers and its employees are named as additional insured for all activities arising out of this agreement.
 RE: The exclusive Franchise agreement for the area of Citrus/Ramona/Chantrel Oak.

CERTIFICATE HOLDER County of Los Angeles Dept. of Public Works Environment Programs Div. 900 S. Fremont Annex Bldg 3rd Alhambra, CA 91803	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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ACORD 25 (04/14/01) The ACORD name and logo are registered marks of ACORD.

AGENCY CUSTOMER ID: UNIWAS-01

KPELUSD

LOC #: 1



ADDITIONAL REMARKS SCHEDULE

Page 1 of 1

AGENCY: Alliant Specialty Insurance Services, Inc.		Named Insured: Universal Waste Systems, Inc. c/o Whitehouse Sanitation c/o Nu-Way Bin Rentals, LLC c/o Casey-Specialty Bin Rentals P.O. Box 2336 Whittier, CA 90605	
POLICY NUMBER: SEE PAGE 1		EFFECTIVE DATE: SEE PAGE 1	
CLASSIFICATION: SEE PAGE 1	RISK CODE: SEE P 1		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM.
 FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

Remarks:

Named Insured
 Complete Named Insured:
 Universal Waste Systems, Inc.
 Universal Waste, Inc.
 White House Sanitation
 OH Casey
 Nu-Way Bin Rentals
 Green Wise Soil Technologies
 Specialty Bin Rentals

POLICY NUMBER: D37606881

ADDITIONAL INSURED -- WHERE REQUIRED UNDER CONTRACT OR AGREEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Section II - Who is an Insured, 1., is amended to add as an additional insured:

(f) Any person or organization to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of your operations or premises owned by or rented by you. However, the insurance provided will not exceed the lesser:

1. The coverage and/or limits of this policy, or
2. The coverage and/or limits required by said contract or agreement.

Authorized Agent

LD-1642 (04-04)

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Page 1 of 1

POLICY NUMBER: D37606881

NON-CONTRIBUTORY ENDORSEMENT FOR ADDITIONAL INSUREDS

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
COMMERCIAL GENERAL LIABILITY COVERAGE**

<u>Organization</u>	<u>Schedule</u>	<u>Additional Insured Endorsement</u>
Any person or organization with whom or with which you have agreed in writing in a contract or agreement that such person(s) or organization(s) shall be included as an additional insured on your policy.		LD16422 104/041

(If no information is filed in the schedule shall read: "All persons or entities added as additional insureds through an endorsement with the term "Additional Insured" in the title".

For organizations that are listed in the Schedule above that are also an Additional Insured under an endorsement attached to this policy, the following is added to Section IV.4 a:

If other insurance is available to an insured we cover under any of the endorsements listed or described above (the "Additional Insured") for a loss we cover under this policy, this insurance will apply to such loss on a primary basis and we will not seek contribution from the other insurance available to the Additional Insured.

Authorized Agent

LD16422 (05/05)

Page 1 of 1

BOND FOR FAITHFUL PERFORMANCE
Annually Renewable Performance and Payment Bond

KNOW ALL MEN BY THESE PRESENTS: That Universal Waste Systems, Inc.

(“Principal”) and Westchester Fire Insurance Company (“Surety”), are held and firmly bound unto the COUNTY OF LOS ANGELES, State of California (“Obligee”) in the penal sum of Four Hundred Thousand One Hundred Four and no/100s dollars for the payment of which sum the Principal and Surety bind themselves and each of their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the Principal has entered into a contract with the Obligee entitled (Title) Exclusive Franchise Agreement for the areas of Citrus/Charter Oak, Ramona (the “Franchise Agreement”) for the performance of the terms, conditions, covenants and obligations and services set forth in the Franchise Agreement, including but not limited to providing Franchise services in bins or dumpsters and roll-off boxes in the unincorporated areas of Los Angeles County and payment of the applicable franchise fee, and payment of any liquidated damages assessed pursuant to the Franchise Agreement, and

WHEREAS the Franchise Agreement is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein;

NOW THEREFORE, THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that if the Principal shall well and truly perform each and every covenant and obligation in the Franchise Agreement at the time and in the manner specified in the Franchise Agreement during the term of this bond, and shall reimburse the Obligee for all loss and damage which the Obligee may sustain by reason of failure or default on the part of the Principal, then this obligation shall be void, otherwise it shall remain in full force and effect.

PROVIDED, however that this bond is subject to the following conditions and provisions:

1. This bond is for the term beginning November 1, 2014 and ending November 1, 2015.
2. In the event of default by the Principal in the performance of the Franchise Agreement during the term of this bond, the Surety shall be liable only for the loss to the Obligee due to damages as described in Section 15 of the Franchise Agreement. The Surety, after investigation, shall with reasonable promptness determine the amount for which it may be liable to the Obligee as soon as practicable after the amount is determined and tender payments to the Obligee to secure substitute services, remedy damages incurred, and ensure satisfaction of all performance obligations as set forth in Section 15 of the Franchise Agreement and only for the purpose of enforcing such Franchise Agreement obligations as they pertain to this bond.
3. Except for a claim for compensatory damages as defined in Section 17, D of the Franchise Agreement, no claim, action, suit or proceeding, except as hereinafter set forth, shall be had or maintained against the Surety on this instrument unless it be brought or instituted and process served upon the Surety within two years after the expiration of the stated terms of this bond.
4. Neither non-renewal by the Surety, nor the failure or inability of the Principal to file a replacement bond in the event of non-renewal, shall itself constitute loss by the Obligee recoverable under this bond, notwithstanding any language in the Franchise Agreement to the contrary.
5. The bond may be extended for additional one-year terms at the option of the Surety, by Continuation Certificate executed by the Surety.
6. The liability of the Surety under this bond and all Continuation Certificates shall not be cumulative and under no circumstances shall the Surety's liability exceed the penal sum stated herein.
7. No right of action shall accrue on this bond to or for the use of any person, entity or corporation other than the Obligee and this bond cannot be assigned to any other party without the written consent of the Surety.
8. Other than the Surety's right to renew this bond to extend its termination date, the Surety stipulates and agrees that any change, extension of time, alteration or addition to the terms of the Contract, including alterations in the work to be done, or increase or decrease of the materials to be furnished, shall not in any way release either the Principal or Surety, and Surety hereby waives notice of any such change, extension of time, alteration or addition.

in the event that suit is brought against this bond, the Surety will pay, in addition to the penal sum herein, costs and reasonable expenses and fees, including reasonable attorney's fees, as awarded and fixed by the court.

Signed and sealed this 10th day of September, 2014

Universal Waste Systems, Inc

Westchester Fire Insurance Company

Principal

Surety

BY  (Seal)

BY  (Seal)

M. S. Fittman, President
Name and Title

Margaret E. Thomsen
Attorney-in-fact

BY _____

Name and Title

APPROVED AS TO FORM

JOHN F. RATTLI
County Counsel

BY: _____

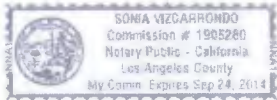
Deputy

See Attached CA All Purpose Acknowledgment

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
 County of Los Angeles
 On 9/10/14 before me, Sonia Vizcarrondo, Notary Public
 personally appeared Margareta T. Thorsen

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

Signature Sonia Vizcarrondo
 Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ <input type="checkbox"/> Corporate Officer — Title(s): _____ <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General <input type="checkbox"/> Attorney in Fact <input checked="" type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator <input type="checkbox"/> Other: _____ Signer is Representing: _____	RIGHT THUMBPRINT OF SIGNER (to be cut out after use)	Signer's Name: _____ <input type="checkbox"/> Corporate Officer — Title(s): _____ <input type="checkbox"/> Individual <input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General <input type="checkbox"/> Attorney in Fact <input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator <input type="checkbox"/> Other: _____ Signer is Representing: _____	RIGHT THUMBPRINT OF SIGNER (to be cut out after use)
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Power of Attorney

WESTCHESTER FIRE INSURANCE COMPANY

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2014, is: wit:

- RESOLVED, that the following authorizations relate to the execution, for use on behalf of the Company, of bonds, endorsements, recognitions, assignments and other written commitments of the Company (hereinafter the "written commitments"):
- (1) Each of the Chairman, the President and the Vice President of the Company is hereby authorized to execute any written commitment for and on behalf of the Company, under the seal of the Company, in the event that such action is authorized by the grant of powers provided for in such written commitment or such authority in fact;
 - (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any written commitment for and on behalf of the Company, under the seal of the Company, in the event that such action is authorized by the grant of powers provided for in such written commitment or such authority in fact;
 - (3) Each of the Chairman, the President and the Vice President of the Company is hereby authorized, for and on behalf of the Company, to execute in writing any power of attorney in fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company, any written commitment of the Company as may be specified in such written commitment, which specification may be by general grant of power of attorney or by specification of one or more particular written commitments;
 - (4) Each of the Chairman, the President and Vice President of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other authority of the Company, for and on behalf of the Company, under the Company's seal or otherwise, such written commitments of the Company as are specified in such written delegation, which specification may be by general grant of power of attorney or by specification of one or more particular written commitments;
 - (5) The signature of any officer or other person executing any written commitment or assignment pursuant to this Resolution, and the seal of the Company, may be affixed by electronic means to any written commitment or written assignment or assignment.
- FURTHER RESOLVED, that the foregoing Resolutions shall not be construed to be an exclusive statement of the powers and authority of officers, employees and other persons for and on behalf of the Company, and such Resolutions shall not be construed to be a limitation on the powers and authority of officers, employees and other persons for and on behalf of the Company.

Does hereby nominate, constitute and appoint Margaret T. Thossen, all of the City of PASADENA, California, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognitions, assignments and other writings in the nature thereof in penalties not exceeding Ten million dollars & zero cents (\$10,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 22 day of March 2013

WESTCHESTER FIRE INSURANCE COMPANY



Stephen M. Haney
Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

On this 28 day of March, AD, 2013 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the said affixed to the preceding instrument is the corporate seal of said Company, that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
KAREN E. BRANTLEY, Notary Public
City of Philadelphia, Phila. County
My Commission Expires September 28, 2014

Karen E. Brantley
Karen E. Brantley

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this 10 day of September 2014



William L. Kelly
William L. Kelly, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN EXPIRATION DATE AFTER March 28, 2015

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

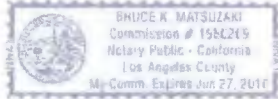
State of California

County of Los Angeles

On 09/22/2014 before me, Bruce K Matsuzaki, Notary Public

personally appeared Mark S Blackburn

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.

Signature: [Handwritten Signature]

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Bond for Faithful Performance

Document Date: September 10, 2014 Number of Pages: 2

Signer(s) Other Than Named Above: Margaret T Thorsen

Capacity(ies) Claimed by Signer(s)

- Signer's Name: [Blank] Signer's Name: [Blank]
Corporate Officer - Title(s) [Blank] Corporate Officer - Title(s) [Blank]
Individual [Blank] Individual [Blank]
Partner - Limited General [Blank] Partner - Limited General [Blank]
Attorney in Fact [Blank] Attorney in Fact [Blank]
Trustee [Blank] Trustee [Blank]
Guardian or Conservator [Blank] Guardian or Conservator [Blank]
Other [Blank] Other [Blank]

Signer is Representing [Blank] Signer is Representing [Blank]

Exhibit 3D- Universal Waste Systems Inc. Documentation

Item B.7 – INTERNAL REVENUE SERVICE NOTICE 1015

This item consists of 2 pages (including this page).

Item B.7 – INTERNAL REVENUE SERVICE NOTICE 1015



Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. December 2013)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What is the EIC?

The EIC is a refundable tax credit for certain workers.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Note. You are encouraged to notify each employee whose wages for 2013 are less than \$51,567 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must

notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2014.

You must hand the notice directly to the employee or send it by first-class mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice from IRS.gov or by calling 1-800-829-3676.

How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see Pub. 596, Earned Income Credit (EIC), or the instructions for Form 1040, 1040A, or 1040EZ.

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2013 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2013 and owes no tax but is eligible for a credit of \$800, he or she must file a 2013 tax return to get the \$800 refund.

Notice 1015 (Rev. 12-2013)
Cat. No. 205991

Item B.8 – Universal Waste Systems Inc. EEO CERTIFICATION

This item consists of 2 pages (including this page).

B8 – Universal Waste System Inc. EEO Certification (Form PW-7)

FORM PW-7

PROPOSER'S EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

Proposer's Name	Universal Waste Systems Inc.
Address	9016 Norwalk Blvd., Santa Fe Springs, CA 90670
Internal Revenue Service Employer Identification Number	33-0194543

In accordance with Los Angeles County Code Section 4.32.010, the Proposer certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

1.	The proposer has a written policy statement prohibiting any discrimination in all phases of employment.	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
2.	The proposer periodically conducts a self- analysis or utilization analysis of its work force.	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
3.	The proposer has a system for determining if its employment practices are discriminatory against protected groups.	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
4.	Where problem areas are identified in employment practices, the proposer has a system for taking reasonable corrective action to include establishment of goals and timetables.	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

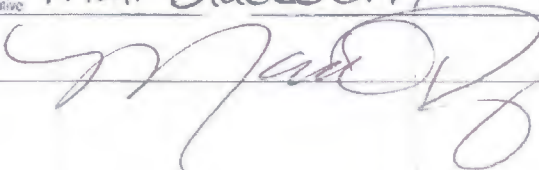
Authorized representative	Matt Blackburn
Signature	
Date	11-01-2013

Exhibit 3D- Universal Waste Systems Inc. Documentation

Item B.9 – WASTE DIVERSION PROGRAM

This item consists of 11 pages (including this page).

Waste Diversion Program

Universal Waste Systems Inc. shall develop and implement a Waste Diversion Program for all Residential Premises and Multifamily Premises, including Collection of Recyclables, Green Waste, Bulky Items, clothing, Sharps, E-waste, and CEDs; Customer education and outreach; Record keeping; and submission of Reports. Universal Waste Systems Inc. shall include a copy of its program in Universal Waste Systems Inc. Documentation. The Waste Diversion Program shall include, at a minimum, all of the following items:

a. ***Customer Recyclables Diversion Education Program.*** As part of its Waste Diversion Program, Universal Waste Systems Inc. shall develop and implement a Customer educational program to maximize Diversion of Recyclables, Green Waste, Bulky Items, clothing, Sharps, E-waste, and CEDs. The Customer educational program shall include, at a minimum, all of the following items:

- (i) Recycling and Diversion goals, including method and calculations used and measures that shall be used to determine how successful Universal Waste Systems Inc. is in meeting its waste diversion goals;
- (ii) Identifying Recycling and Diversion strategies and Customer options;
- (iii) Establishing program tasks, such as meeting with managers of Multifamily Premises, visiting schools, speaking at Chambers of Commerce, informing Customers of on-line recycling and diversion information sites, and mailing quarterly four-page newsletters in color;
- (iv) Timetable for program implementation; and
- (v) Developing and distributing literature in the form of fliers, cards, stickers, or otherwise as Universal Waste Systems Inc. determines to be the most effective means of increasing Recycling and Diversion by Customers.

b. ***Promotional Events and Activities***

To increase Diversion, Universal Waste Systems Inc. shall participate in at least 12 promotional activities such as: local fairs, parades and any other civic event requested by the Director during each Calendar Year. During these events Universal Waste Systems Inc. shall operate recycling information booths and provide Refuse or Recyclables Carts, if requested by the Director, and distribute fliers, promotional items, pamphlets, and other materials, in color, approved by the COUNTY to encourage area residents to recycle, reduce, reuse and/or divert Solid Waste. Universal Waste Systems Inc. shall develop and distribute literature, fliers, cards, or stickers specific to each event and activity.

c. ***Curbside Recycling Reward Program.***

No later than 3 months after the Execution Date and 3 months before the beginning of each following Contract Year, Universal Waste Systems Inc. shall

submit to the Director for approval a program plan for rewarding Customers who show an exemplary effort to recycle at the curbside in recycling Carts. Universal Waste Systems Inc. shall incorporate comments from the Director and implement the program, at no cost to the Customer and the COUNTY. Universal Waste Systems Inc. shall distribute rewards quarterly at an aggregate amount of \$2,500 for the program each Contract Year. Universal Waste Systems Inc. shall make its first award within 6 months after beginning Recyclables collection. Universal Waste Systems Inc. shall implement its approved plan each Contract Year.

d. *Mulch and Compost Giveaway Program.*

No later than 3 months after the Execution Date and 3 months before the beginning of each following Contract Year, Universal Waste Systems Inc. shall submit to the Director for approval a program plan for offering Customers free mulch and compost. Universal Waste Systems Inc. shall incorporate comments from the Director and implement the program, at no cost to the Customer and the COUNTY. Universal Waste Systems Inc. shall hold at least five events each Contract Year; Universal Waste Systems Inc. shall offer at least one ton of mulch and one ton of compost at each event without charge to Customers or COUNTY; and use Reasonable Business Efforts to offer mulch and compost that were produced from Green Waste generated in the Service Area. Universal Waste Systems Inc. shall hold its first giveaway event within six 6 months after beginning Green Waste collection. Universal Waste Systems Inc. shall implement its approved plan each Contract Year.

e. *Diversion.* Universal Waste Systems Inc. shall use Reasonable Business Efforts to Divert all materials that it Collects in accordance with this subsection B2, including the following:

- (i) Holiday trees that it collects in accordance with subsection F1;
- (ii) Bulky Items, CEDs, E-waste, and excess Solid Waste, that it Collects in accordance with subsection F2; and
- (iii) Refuse and Recyclables that it collects at special events in accordance with subsection F3.

Universal Waste Systems Inc. shall transport those materials only to the facility or facilities, including Solid Waste Facilities, that Universal Waste Systems Inc. has designated in Universal Waste Systems Inc. Documentation for Recycling, Processing, or Diversion and shall Dispose of those materials that it does not Divert to the Solid Waste Facility that Universal Waste Systems Inc. designates in Universal Waste Systems Inc. Documentation for Disposal.

i. Timetable for program implementation

Tasks	Universal Waste Systems Inc. or EPD	Date
Board of Supervisors awards franchise agreement		07/01/2014
Kick-Off Meeting	EPD/ Universal Waste Systems Inc.	07/08/2014
Mail County's announcement letters	Universal Waste Systems, Inc.	08/11/2014
Complete submission of outreach materials and all documents required to execute the agreement	Universal Waste Systems Inc.	8/25/2014
Review and approve materials	EPD/County Counsel	8/28/2014
Announcement notice mailed to residents	Universal Waste Systems Inc.	09/5/2014
Community Meetings	Universal Waste Systems, Inc.	09/25/2014 09/27/2014
Cart Delivery	Universal Waste Systems, Inc.	10/13/2014 through 10/28/2014
Cart Removal	Waste Management	10/13/2014 through 10/28/2014
Franchise service begins	Universal Waste Systems Inc.	11/01/2014



Universal Waste Systems Inc.
9016 Norwalk Blvd.
Santa Fe Springs, CA 90670
(800) 631-7016

Dear Customer:

The County of Los Angeles Board of Supervisors recently awarded an exclusive seven-year franchise agreement to Universal Waste Systems Inc. (UWS) to provide trash collection and recycling services in carts to all single-family and two-unit residential properties within the Citrus/Charter Oak/Ramona franchise area. Effective November 1, 2014, UWS will be the new waste hauler for your community. We look forward to providing you the highest quality of solid waste and recycling services.

Standard services will include three new 95-gallon carts: one black cart for household trash, one blue cart for recyclables, and one green cart for green waste at a monthly rate of \$18.88 per month, a savings of 33%. As a UWS customer, you are also entitled to free on-call bulky item collections six times per year, holiday tree collection, curbside community cleanups, and drop-off events. Senior residents may be eligible for a 25% discount if they meet the criteria. For a summary of your new services and rates, enclosed is the Subscription Order Form. Please contact our Customer Service Department for additional information or to request special services such as roll-out/back yard service, discounts (senior), smaller 64 or 32-gallon carts, or extra carts.

Your new 96-gallon carts will be delivered between the hours of 6:00 am to 6:00 pm on one of your trash collection days during the period of October 13, 2014 through October 28, 2014. Removal of your Waste Management (WM) carts will occur simultaneously the same day. If delivery and removal do not occur by 6:00 pm, please take in your WM carts and remember to continue taking them out and leaving them at curbside up to 6:00 pm on the following trash collection day until they are removed and new UWS carts are delivered. Please begin using your new UWS carts as you receive them and WM will service them until October 31, 2014. UWS will begin service under the new franchise agreement on November 1, 2014.

To better provide residents with information regarding services under the new franchise agreement and answer questions that residents may have, UWS will be conducting community information meetings. These meetings will be held at the Valleydale Park Community Room, located at 5525 North Lark Ellen Avenue, Azusa, CA, on the following dates:

- Thursday, September 25, 2014, at 6:00 p.m.
- Saturday, September 27, 2014, at 10:00 a.m.

Universal Waste Systems Inc. is a family owned and operated local solid waste and recycling company serving Southern California since 1986. Our ownership is three generations strong with a combined total of close to 100 years' experience in the waste and recycling industry, and we look forward to providing your solid waste and recycling needs. We greatly appreciate the opportunity to provide quality service in your community.

Should you have any questions or concerns, please contact us toll-free at 800-631-7016 Monday through Friday from 7:00 am to 5:00 pm and Saturdays from 8:00 am to 12:00 pm.

Sincerely,

Universal Waste Systems Inc.



**Universal Waste Systems Inc.
9016 Norwalk Blvd.
Santa Fe Springs, CA 90670
(800) 631-7016**

Senior Citizen Discount and Eligibility Application

Universal Waste Systems Inc. shall provide a 25% discount to customers meeting the following Los Angeles County requirements:

1. Customer is 62 years of age or older. (A copy of Driver's License or other document issued by a government entity as proof will be needed); and
2. Customer is head of household; and
3. Customer either qualifies for a discounted utility rate with the Edison Co., Gas Co., or Telephone. (A copy of the utility bill with your name and involved premises reflecting either CARE or LIFELINE rate will be needed). The name on the utility bill must match the name on the Universal Waste Systems Inc. accounts

or

4. Customer generates a small amount of waste and uses a 32 gallon trash cart.

If all requirements are met, please complete and return the following application and copies of required documents to Universal Waste Systems Inc.

***Senior discount will be effective the following month after your application has been approved.*

Name of Applicant (head of household):

Address of service location:

City: _____

Zip code: _____

Phone Number: _____

Date of birth: _____ Age of applicant: _____

For Office Use Only

Approved By: _____

Date: _____

Universal Waste Systems Inc.
Citrus/ Charter Oak/ Ramona Franchise
RESIDENTIAL SERVICE RATES

November 1, 2014

Subscription Order

To Our Valued Citrus/ Charter Oak/ Ramona Customer:

The County of Los Angeles Board of Supervisors has awarded Universal Waste Systems Inc. a franchise to provide trash collection services in the Citrus/Charter Oak/Ramona unincorporated community that will commence on November 1, 2014 and end on October 31, 2021. Universal Waste Systems Inc. takes great pride in the work we do to keep the environment clean and protected for our future. Your participation in waste reduction practices and buying products made from recycled content are integral components of a sustainable society, and we thank you for your efforts.

We will charge all residential customers of this community the rates shown on this subscription order. Please take a moment to note the rates and services offered below. The standard services and corresponding rates listed below are for services for which you subscribe beginning November 1, 2014. To request additional services or if you have any questions or concerns, please do not hesitate to call Universal Waste Systems Inc. customer service department at 1-800-631-7016 Monday thru Friday 7:00 am to 5:00 pm and Saturdays from 8:00 am to 12:00 pm.

The term of your subscription order is 7 years commencing November 1, 2014, and ending October 31, 2021, unless it is terminated earlier as described in the enclosed Customer Bill of Rights. It cannot be longer than the term of Universal Waste Systems Inc. franchise with the County and cannot be automatically renewed or extended.

'Standard Services / billed quarterly:

\$56.64 /quarter (\$18.88 /month)

25 percent Senior Discount:

\$42.48/quarter(\$14.16/month)

For residents who meet the following criteria: head of household, over 62 and qualify for utility rate discounts based on financial need OR generate a small amount of waste and use a 32 gallon cart for refuse.

Standard household family services include:

- ✓ Once-a-week automated refuse, green waste, and recyclables collection service
- ✓ One 96 gallon refuse cart
- ✓ One 96 gallon green waste cart
- ✓ One 96 gallon commingled recyclables cart
- ✓ Alternative to 96 gallon containers- Upon request, if you have space limitations, you may receive either 64 or 32 gallon containers
- ✓ An extra green waste container and/or one extra recyclable container free of charge upon request
- ✓ Free Holiday Tree Collection Services
- ✓ Annual curbside clean-up events (including electronic waste)
- ✓ Annual used motor oil drop-off event
- ✓ Annual shred day event
- ✓ Semi-Annual drop-off event for certain electronic devices & clothing
- ✓ Free on-call bulky item and electronic waste collections in unlimited quantities (six per year)
- ✓ Free on-call electronic waste collections in unlimited quantities (unlimited)
- ✓ Free on-call bagged refuse collections in unlimited quantities (four per year)
- ✓ Free on-call bagged green waste collections in unlimited quantities (unlimited)
- ✓ Ten special community clean-up events per year
- ✓ Free SHARPS containers and disposal services (four per year)

ADDITIONAL SERVICES Available Upon Request

Additional Containers: Each:

\$15.00/quarter (\$11.25/quarter with senior discount)

Additional (more than two/year) on-call collection of

Bulky items and certain electronic devices:

\$25.00 per collection (\$18.75 with senior discount)

Scooter Service: For any customer who requests this service or for difficult to service residential premises (such as hills or cul-de-sacs where collection vehicles cannot safely drive):

\$23.60/quarter (\$17.70 with senior discount)

Roll-out/backyard service: This service means Universal Waste Systems Inc. brings containers to the curb to be serviced by collection vehicle and returned to the back yard or other designated location.

For qualifying customers: **free**

For all other customers: **\$28.32/ quarter (\$21.24 with senior discount)**

Residential Bin Rentals (1.5 YD & 3 YD) and Temporary Roll-Off Services

Universal Waste Systems Inc. customer will receive a 10% discount on all temporary services for your residence.

CUSTOMER BILL OF RIGHTS

What We Will Collect. We will collect residential refuse, green waste, and commingled recyclables in carts we provide, within one week of your requesting services. You must place refuse, recyclable materials, and green waste in the appropriate carts. Materials placed outside of carts will not be picked up unless previous arrangements have been made as described below. Please remember that the County requires you to put out carts for collection no earlier than 5:00 pm on the day before scheduled collection and retrieve them no later than 8:00 pm on the day of collection or 2 hours after collection, whichever is later.

We Will Not Collect Hazardous Waste. *State law prohibits disposal of hazardous materials and certain electronic devices in your trash.* These include: most paints, pesticides, petroleum derivatives such as motor oil and solvents, electronic devices such as cathode ray tubes (as in TV and computer monitors), LCD and plasma screens. Other items banned from disposal include: batteries, thermostats, computers, telephones, answering machines, radios, stereo equipment, tape players/recorders, phonographs, videocassette players/recorders, calculators, aerosol cans, fluorescent lights, and certain mercury-containing devices. If these items are identified in your trash, your cart will be tagged and not collected. Certain electronic devices may be separately collected as described below. For additional safe and legal disposal options, call 1(888) CLEAN LA or visit www.CleanLA.com.

When We Will Collect. We will make collections once a week between the hours of 6:00 a.m. to 6:00 p.m. on the same day of the week indicated on your invoice (Monday through Friday) each week. If your scheduled collection day falls on or after a holiday, collection will be delayed during the holiday week by one day (Friday customers will have their collection on Saturday). The holidays we observe are Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas and New Year's Day. Should there be a permanent change in your scheduled collection day, we will notify you in advance. If we miss your collection, please call us and we will return to pick it up, without charge, on the same day if you call before 3:00 p.m. or on the next collection day if you call after 3:00 p.m. We will resolve any other complaints within the same time period.

How Much We Will Charge. We will charge all our customers the rates shown on the Subscription Order Form for standard services and any additional requested services.

Where We Will Pick Up. You must set your carts at the curb unless you have roll-out service. If we agreed to collect on private driveways or pavement, we will ask you to sign a waiver of damage liability and/or indemnification. We must repair or replace, to your satisfaction, damaged property, and reimburse you for cost of personal injury, caused by our negligence or willful acts or omissions. In addition to enforcing your rights under the franchise agreement, you may institute civil suits allowed under law.

We Can Bring Your Carts Out To The Pickup Point (Roll-Out Service). At no additional charge, for residential customers who certify they are not able-bodied or are elderly (over the age of 62) and have no able-bodied person residing in their household, we will provide roll-out services (on premise collection) of all weekly collection services: refuse, recyclable materials, and green waste collection, as well as the annual curbside clean-up event, holiday tree pick-ups, and additional on-call pickups. These services are also available to any other customer upon request at the charge listed on your subscription order.

Alternatives To Fully Automated Carts. If you have space restrictions at your container storage or set-out site, you may request alternatives to 96 gallon carts free of charge. For difficult to service areas, such as cul-de-sacs or hills, where automated collection vehicles cannot safely drive, we will provide manual scooter service and containers that are of the same capacity at the charge listed on your subscription order. We will also provide this service to any other customer upon request.

Weight Limitations Of Carts. The weight limit for each automated cart is as follows: 96 gallon cart = 336 lbs., 64 gallon cart = 227 lbs., 32 gallon cart = 122 lbs.

Replacement/Removal/Repair. At no charge, we will deliver or exchange containers within 7 days of your request, remove containers within 8 days of your request, and repair or replace damaged or stolen containers by the next service day after your request. (We may charge to replace a stolen cart if you do not report the theft to the police.) We will remove graffiti from containers within 5 days of your request, or within 48 hours if the graffiti consists of picture or verbal obscenities, weekends excepted.

Annual Curbside Clean-Up Event. We will conduct a Clean-Up Event once a year. We will collect unlimited amounts of bulky items, excess solid waste, up to 2 passenger car or pickup truck tires, and certain electronic devices free of charge. We will notify you of the annual Clean-Up Event no less than two weeks in advance.

Holiday Tree Pickups. At your request, we will collect your holiday trees (such as Christmas trees and Hanukkah bushes) placed at the curb on your regularly scheduled collection day between December 26th and January 14th. You must strip them of ornaments, garlands, tinsel, flocking and stands.

Unlimited On-Call Bagged Green Waste Pickups: We will collect extra green waste set out at the curb in bags at no additional charge, on your next regularly scheduled pickup day if you call us at least 24 hours in advance.

SHARPS Collection and Disposal: You may request up to four SHARPS containers per year, for storing and mailing sharps upon customer request without additional cost.

Four On-Call Bagged Refuse Pickups: We will collect extra refuse set out at the curb in bags, four times per year, at no additional charge, on your next regularly scheduled pickup day if you call us at least 24 hours in advance

Semi-Annual Drop-off Events for Certain Electronic Devices and Clothing: twice per year we will collect without cost to you, unlimited amounts of Residential Customers' E-waste and clothing at a drop-off site in your community. We will notify you of the events no less than two weeks in advance.

Six On-Call Pickups Of Bulky Items (including E-waste): You may request six pickups of bulky items and electronic items at no charge on your next regularly scheduled pickup day if you call us at least 24 hours in advance. Examples of bulky items include discarded furniture (such as chairs, sofas, mattresses, box springs, and rugs); appliances (such as refrigerators, range, washers, dryers, water heaters, dishwashers, plumbing, and other similar items).

Additional On-Call Pickups Of Bulky Items: You may also request pickups of bulky items, as described above, in excess of six times a year on your next regularly scheduled pickup day, at the charges listed on your subscription order, if you call us at least 24 hours in advance.

Unlimited On-Call Pickups of Electronic Waste: You may request unlimited number of pickups of electronic items at no charge on your next regularly scheduled pickup day if you call us at least 24 hours in advance. Electronic waste is consumer electronic equipment that is no longer wanted (such as computers, printers, televisions, VCRs, cell phones, fax machines, stereos, and electronic games).

Additional Customer Options Regarding Recyclables: Customers may donate or sell any or all of their recyclables to persons other than Universal Waste Systems Inc.

When You Must Pay. Universal Waste Systems Inc. bills residential services three months in advance. We mail you your bill on or after the first day of your billing period, for example, on April 1 for the billing period of April, May, and June. Your bill is due no later than the last day of the first month, for example, on April 30. If we do not receive payment by the last day of the second month, for example, on May 31, your bill will become delinquent and an additional 10% fee will be added to the balance. We may terminate your service if you do not timely pay your service fees. There will be a charge of \$25.00 for interruption of service and a \$25.00 fee on returned checks.

Customer Termination Rights And Right To Self-Haul. You may terminate service without cause at any time by giving us 90 days' notice. You may also terminate service immediately in the event of certain emergencies and if we fail to provide service (such as missing pickup or failing to timely repair or replace containers) or we bill you incorrectly. You also have the right to self-haul your waste instead of subscribing to our service.

We Will Refund: any overcharges (including advance payments for services that you subsequently cancel) within 30 days after we receive your request. We will pay you interest on overcharges (other than advance payments for subsequently canceled services) at 10 percent per annum from the date the overcharged until the date refunded.

Where You Can Contact Us. You may call us regarding service or complaints toll free at 1-800-631-7016 between 7am and 5pm weekdays, except holidays and from 8am to 12pm on Saturday. You may come to our office located at 9016 Norwalk Blvd., Santa Fe Springs CA 90670 or you may mail correspondence to our office address. If we do not satisfactorily resolve any complaint, you may call the County at 1-800-993-5844.

We Do Not Discriminate. If you are entitled to service, we will not discriminate against you on account of race, creed, color, sex, gender, national origin, ancestry, religion, age, physical or mental disability, marital status, or political affiliation.

Rights Of Privacy. We will observe and protect your rights of privacy and trade secrets. Unless you give us permission, we will not reveal any information identifying you or the composition or contents of your solid waste to any person except the County or if required by law.

Thank You For Allowing Universal Waste Systems Inc. To Serve You!

Post Card

IMPORTANT REMINDER

The County of Los Angeles Board of Supervisors recently awarded Universal Waste Systems, Inc., (UWS) an exclusive seven-year franchise to provide trash collection and recycling services in carts to all single-family and two-unit residential properties within the unincorporated communities of Citrus/Charter Oak/Ramona commencing on November 1, 2014.

All residents in the community will receive 3 new UWS carts: One 96 gallon black cart for household trash, one 96 gallon blue cart for recyclable materials, and one green cart for yard waste. These carts will be delivered during the period of October 13, 2014 through October 28, 2014. Please remember the items listed below in order to ensure a smooth transition:

1. Carts will be delivered between the hours of 6:00 am to 6:00 pm on one of your trash collection days during this period.
2. Removal of your Waste Management (WM) carts will occur simultaneously the same day.
3. If delivery and removal do not occur by 6:00 pm, please take in your WM carts and remember to continue taking them out and leaving them at curbside up to 6:00 pm on your next trash collection day until they are removed and new UWS carts are delivered.
4. Begin using your new UWS carts as you receive them and WM will service them until October 31, 2014.

If smaller or additional carts are needed, please contact customer service *AFTER* November 1, 2014.

UWS Customer Service : (800) 631-7016



Universal Waste Systems Inc.
PO Box 3038
Whittier, CA 90605
(800) 631-7016

PLEASE
PLACE
STAMP
HERE

IMPORTANT INFORMATION REGARDING YOUR TRASH SERVICE

Large enough to service all of your disposal needs yet small enough to store.

Truck Sign

TOGETHER WE MAKE A DIFFERENCE

Reduce
Reuse
Recycle
Rethink

Apply the 4 R's to your lifestyle for a healthy, sustainable, and waste-free future
Learn more by visiting CleanLA.com

UWS
PUBLIC WORKS

Exhibit 3D-Universal Waste Systems Inc. Documentation

Item B.10 – ALTERNATIVES TO FULLY AUTOMATED OR 96-GALLON CARTS

This item consists of 2 pages (including this page).

Item B.10 – ALTERNATIVES TO FULLY AUTOMATED OR 96-GALLON CARTS

Alternatives to Fully Automated 96-Gallon Carts

In the event the subscriber lives in difficult to service area, Universal Waste Systems Inc. will use a manual or other form of collection for Refuse, Green Waste, and Recyclables to service customers deemed difficult to service by the County. Should alternative containers be provided to these Customers they shall have the same aggregate capacity as Universal Waste Systems Inc. would have provided to Customers in carts at the rate surcharge provided in its Rate Schedule.

Alternatives to 96-Gallon Carts due to Space Restrictions

In the event the subscriber is unable to store the 96-gallon containers due to space restrictions, Universal Waste Systems Inc. will provide alternative containers with the same aggregate capacity as outlined in the Agreement without rate discount or surcharge, if customers request the same aggregate capacity.

35-Gallon Cart Alternatives to 96-Gallon Carts

If an elderly Customer as defined in subsection G of the Agreement generates small amounts of waste requests a 35-gallon Cart or Carts, Universal Waste Systems Inc. will provide the same number of 35-gallon Carts as Universal Waste Systems Inc. would have provided to that Customer in 96-gallon Carts, without Rate surcharge.

Exhibit 3- Universal Waste Systems Inc Documentation

Item B.11 – COUNTY-APPROVED SUBCONTRACTORS

This item consists of 2 pages (including this page).

Item B.11 – COUNTY-APPROVED SUBCONTRACTORS

Universal Waste Systems Inc. will not be using sub contracts for this contract.

Exhibit 3D- Universal Waste Systems Inc. Documentation

**Item B.12 – ADDITIONAL UNIVERSAL WASTE SYSTEMS INC COMMITMENTS
MADE IN ITS PROPOSAL FOR PROCUREMENT OF THIS AGREEMENT**

This item consists of 2 pages (including this page).

**Item B.12 – ADDITIONAL UNIVERSAL WASTE SYSTEMS INC COMMITMENTS
MADE IN ITS PROPOSAL FOR PROCUREMENT OF THIS AGREEMENT**

- **6 curbside bulky item collections per year (currently 2 per year)**
 - *Service must be called in to customer service 24 hours prior to the collection day.*
 - *UWS has increased this by an additional 2 collections per year a savings of around \$50.00 per year to each resident in lieu of the annual prepay.*
- **Unlimited curbside collection of green waste per year (currently 8 bags per year)**
 - *Service must be called in to customer service 24 hours prior to the collection day.*
- **Unlimited curbside collection of electronic waste per year (currently 2 per year)**
 - *Service must be called in to customer service 24 hours prior to the collection day.*
- **Free used oil collection**
 - *UWS will coordinate a used oil drop off location 1 time per year in each franchise area in conjunction with the annual clean up event.*
- **Paper shred event**
 - *UWS will coordinate a paper shred event 1 time per year in each franchise area in conjunction with the annual clean up event.*

Exhibit 3D-Universal Waste Systems Inc. Documentation

Item B.13 – SHARPS COLLECTION

This item consists of 2 pages (including this page).

Item B.13 – SHARPS COLLECTION

Sharps Collection Program

Within one week after residential customers' request, Universal Waste Systems Inc will provide said subscription customer, at the customers' residential premises, without surcharge to the County or customer, an approved container for sharps disposal in accordance with Applicable Laws.

Universal Waste Systems Inc. will provide 1 gallon and/or 2 gallon SHARP containers pre-approved by the County of Los Angeles. Upon request by the subscriber, Universal Waste Systems Inc. personnel will personally and promptly deliver an empty Sharps container kit.

Each kit includes:

1. A government-approved plastic container specially-designed for sharps waste
2. Postage-prepaid mail-back shipping box
3. Pre-addressed shipping labels
4. Prepaid disposal

Universal Waste Systems Inc. has identified Stericycle as their container and autoclave vendor for sharps disposal. Stericycle is one of the nation's largest supplier and processor of medical and sharps waste.

Once the pre-approved container is full, the subscriber completes a simple tracking form and ships the container back to Stericycle in the mail-back box. Upon receipt, Stericycle documents the delivery and properly treats and destroys the sharps container and its contents. It's convenient, safe, and confidential.

Upon shipment to Stericycle, the subscriber shall be required to contact Universal Waste Systems Inc. for a new replacement container. Universal Waste Systems Inc. shall distribute the 1-gallon or 2-gallon containers to each subscriber up to four times per year. If multiple residents in the same dwelling require additional capacity, Universal Waste Systems Inc. may increase the container size and/or frequency upon mutual agreement with the subscriber, County staff and Universal Waste Systems Inc. management.

Universal Waste Systems Inc. will collect, transport and dispose of materials in accordance with Applicable Laws and will provide the following:

- a. Distribution of County approved Sharps containers (to include outreach efforts)
- b. Collections of Sharps containers
- c. Proper handling and disposal of containers in accordance with Applicable Laws.

EXHIBIT 10–RATES

A. Rates.

1. **Rate Schedule and Rate Adjustments.** FRANCHISEE shall charge Customer Service Charges in amounts less than or equal to the Rates set forth in the Rate Schedule. These Rates will be adjusted at FRANCHISEE'S request, submitted at least 60 days in advance of July 1, or at the Director's option, as the case may be, in any of the following events:
 - a. Annual changes in the CPI, DOE CNG, EIA LNG, or DOE Diesel in accordance with the Rate adjustment protocol in subsection A2 and examples in Tables 1, 2, and 3 of Attachment 1 of this Exhibit 10;
 - b. Change in FRANCHISEE'S costs of Disposal of Refuse at the Solid Waste Facility it has designated in FRANCHISEE Documentation as provided in the Rate adjustment protocol in subsection A3 and example in Section B of Attachment 1 of this Exhibit 10; or
 - c. Change in FRANCHISEE'S Direct Costs of providing Franchise Services due to Changes in Law or changes in Franchise Services or Franchise Standards as agreed to between FRANCHISEE and the Director.

All calculations are rounded to the nearest 1/100th decimal place (for example, 101.9656% to 101.97%, or 101.9637% to 101.96). The decimal 5 is rounded down (for example, 101.965% to 101.96%).

Adjustments in Customer Service Charges are rounded to the nearest penny (for example, \$25.34).

If any adjustments are made to Net Rates, then the amount of the Franchise Fee in effect at the time of adjustment will be re-calculated and added to the adjusted Net Rates. Cumulative adjustments to the Net Rates cannot exceed:

30 percent during the period commencing on date FRANCHISEE begins providing Franchise Services to Customers and ending on the initial Termination Date.

32, 34, and 36 percent respectively, during the period or periods commencing on the initial Termination Date and ending one, two or three years thereafter on any or all of three possible extended Termination Dates.

No adjustment will be effective until notice thereof has been provided to the Board of Supervisors. Net Rates will be adjusted only if there are no Breaches that have not been cured after Notice from the Director in accordance with Section 17A and no FRANCHISEE Defaults.

FRANCHISEE shall provide all Customers a minimum of 30-days' advance written notice of the implementation of changes in any Customer Service Charges or other notices directed by COUNTY.

Rates will not otherwise be adjusted, including for actual changes in the price of fuel or increases in Disposal tipping fees other than as described in the preceding items a and b, respectively, of this subsection A1. If FRANCHISEE and the Director fail to reach agreement to adjust the Rates as a result of Changes in Law or changes in Franchise Services or Franchise Standards as described in preceding item c of this subsection A1, COUNTY will have the option to terminate this AGREEMENT in accordance with Section 17D.

2. **Rate Adjustment for Annual Increase or Decrease in CPI, DOE CNG, EIA LNG or DOE Diesel.**

- a. ***Adjustment Due to Change in CPI.*** Beginning on July 1 in the second Calendar Year after commencement of Collection and thereafter on each succeeding July 1, the Service Component will be adjusted by 75 percent of the percent change, if any, between the following:
- the CPI during the 12-month period commencing April 1 of the previous year to March 31 of the current year, and
 - the CPI during the 12-month period commencing April 1 of the next previous year to March 31 of the previous year,
 - no greater than 5 percent, as confirmed by COUNTY'S Auditor-Controller.
- b. ***Adjustment Due to Change in DOE CNG, EIA LNG or DOE Diesel***

The DOE CNG rate adjustment will apply only to the percentage of Vehicles in a fleet that use compressed natural gas. The DOE LNG rate adjustment will apply only to the percentage of Vehicles in a fleet that use compressed liquefied natural gas. The DOE Diesel rate adjustment will apply only to the percentage of Vehicles in a fleet that use diesel.

- i. **Adjustment Due to Change in DOE CNG.** Beginning on July 1 in the second Calendar Year after commencement of Collection and thereafter on each succeeding July 1, the CNG Fuel Component will be adjusted by the percent change, if any, between the following:
 - the DOE CNG commencing April 1 of the previous year to March 31 of the current year , and
 - the DOE CNG published during the four quarter-period commencing in April of the next previous year and ending in January of the previous year as confirmed by COUNTY'S Auditor-Controller. (Table 2 in Attachment 1 of Exhibit 10).

- ii. **Adjustment Due to Change in Energy Information Administration (EIA) LNG.** Beginning on July 1 in the second Calendar Year after commencement of Collection and thereafter on each succeeding July 1, the EIA LNG Fuel Component will be adjusted by the percent change, if any, between the following:
 - The EIA LNG commencing April 1 of the previous year to March 31 of the current year , and
 - The EIA LNG published during the four quarter-period commencing in April of the next previous year and ending in January of the previous year as confirmed by COUNTY'S Auditor-Controller.

- iii. **Adjustment Due to Change in DOE Diesel.** Beginning on July 1 in the second Calendar Year after commencement of Collection and thereafter on each succeeding July 1, the Diesel Fuel Component will be adjusted by the percent change, if any, between the following:
 - the DOE Diesel during the 12-month period commencing April 1 of the previous year to March 31 of the current year, and
 - the DOE Diesel during the 12-month period commencing April 1 of the next previous year to March 31 of the previous year,

c. **Rate Adjustment Definitions.**

"CNG Fuel Component" means 5 percent of the Net Rate shown on the Rate Schedule times the percentage of Vehicles that use compressed natural gas.

"CPI" means the Consumer Price Index for all Urban Consumers (Los Angeles-Riverside-Orange County) (Not Seasonally Adjusted) All items, Series ID CWURA421SA0, Base Period 1982-84=100, published by the United States Department of Labor, Bureau of Labor Statistics at <http://data.bls.gov/cgi-bin/surveymost>.

"Diesel Fuel Component" means 5 percent of the Net Rate shown on the Rate Schedule times the percentage of Vehicles that use diesel.

"Disposal Component" means 30 percent of the Net Rate shown on the Rate Schedule.

"DOE CNG" means the Nationwide Average Price for Fuel – Compressed Natural Gas Average Prices by Region from Clean Cities Sources, published quarterly in Energy Efficiency and Renewable Energy/Clean Cities Alternative Fuel Price Report from the United States Department of Energy website, http://www.eere.energy.gov/afdc/price_report.html or if that is permanently discontinued, another CNG price published by a State or the Federal government selected by the Director.

"DOE DIESEL" means the Diesel (On Highway) – Product / All Types for Area / California (Period: Annual) price published monthly in the Official Energy Statistics from the United States Department of Energy website, http://tonto.eia.doe.gov/dnav/pet/pet_pri_gnd_dcus_sca_m.htm, or if that is permanently discontinued, Producers Price Index- Commodities Fuels and related products and power/No.2 diesel fuel Series Id: WPU057303 published by the United States Bureau of Labor Statistics at <http://data.bls.gov/cgi-bin/surveymost>.

"EIA LNG" means the average for fuel – Product / All Types for Area / California (Period: Annual) price published monthly in the Official Energy Statistics from the United States Energy Information Administration website, http://tonto.eia.doe.gov/dnav/ng/ng_pri_sum_dcu_sca_m.htm, or if that is permanently discontinued, another CNG price published by a State or the Federal government selected by the Director.

"LNG Fuel Component" means 5 percent of the Net Rate shown on the Rate Schedule times the percentage of Vehicles that use liquid natural gas.

"Net Rate" means Rate minus Franchise Fee.

"Service Component" means 65 percent of the Net Rate shown on the Rate Schedule.

"Weighted Rate Adjustment Percentage" means sum of the adjustments due to changes in the CPI, DOE CNG, EIA LNG, and DOE Diesel and disposal tipping fees calculated as provided in subsections A2a, A2b and 3, respectively.

- d. ***Net Rate Adjustment Calculation.*** The Weighted Rate Adjustment Percentage, times the prior Net Rate, is added to the prior Net Rate to yield the adjusted Net Rate. A sample calculation is included in Section C of Attachment 1 of this Exhibit 10.
- e. ***Temporarily Discontinued Indices.*** If a price or index is temporarily discontinued on the date of adjustment, the last available price or index for the required period of time (such as calendar year or other 12-month period) will be used.

- 3. **Rate Adjustment for Changes in Disposal Facility Fees.** Beginning on the first July 1 occurring at least 24 months after the commencement of Collection and thereafter on each succeeding July 1, the Disposal Component of Net Rates will be adjusted for any change in Disposal tipping fees charged FRANCHISEE by the Solid Waste Facility designated by FRANCHISEE in FRANCHISEE Documentation during the period commencing on April 1 of the prior year, as applicable, and ending on March 31 of the current year. FRANCHISEE must substantiate to the satisfaction of the Director that FRANCHISEE is experiencing that change in Disposal tipping fees. For example, FRANCHISEE may have independently contracted for Disposal at a cost lower than posted tipping fees at the Solid Waste Facility designated by FRANCHISEE in FRANCHISEE Documentation, or FRANCHISEE may own the Solid Waste Facility it designated for Disposal and consequently internalize Disposal costs lower than posted tipping fees at the Solid Waste Facility designated by FRANCHISEE in FRANCHISEE Documentation. If FRANCHISEE does not substantiate to the satisfaction of the Director that FRANCHISEE is experiencing that change in Disposal tipping fees, the Disposal Component will not be adjusted.

A sample calculation is attached in Section B of Attachment 1 of this Exhibit 10.

ATTACHMENT 1–RATE ADJUSTMENT EXAMPLES

A. Section A2 of Exhibit 10: Annual increase or decrease in CPI, DOE CNG, EIA LNG or DOE Diesel.

Table 1–Adjustment Due to Change in CPI (Section A2a of Exhibit 10).

Calculate percent change in CPI (12-month average, not month-to-month)	April 1, 2011-March 31, 2012	221.64
	April 1, 2012-March 31, 2013	228.59
	Percent Change	3.14% (not more than 5%)
Adjustment to Service Fee Component	75% of percent change in CPI	2.28%

Table 1A - Adjustment Due to Change in EIA LNG (Section A2b of Exhibit 10).

Calculate percent change in EIA LNG (12-month average, not month-to-month)	April 1, 2011 - March 31, 2012	121.63
	April 1, 2012 - March 31, 2013	153.01
	Percent Change	2.58% (not more than 5%)
Adjustment to Service Fee Component	75% of percent change in CPI	1.93%

Table 2–Adjustment Due to Change in DOE CNG (Section A2b of Exhibit 10).

Calculate percent change in DOE CNG (average of quarters in year – which may vary, not quarter-to-quarter)	June and October 2011 quarters and March 2012 quarter	$(2.30+1.99+2.06)/3=6.35/3=$ 2.12
	July and October 2012 quarters and January 2013 quarter	$(2.29+2.33+2.44)/3=7.06/3=$ 2.35
	Percent Change	$(2.35-2.12)/2.12=0.23/2.12=0.1085$ 10.85%
Adjustment to CNG Fuel Component	30% of percent change in DOE CNG (*3/10 Vehicles)*	$0.30 \times 10.85%=$ 3.25%

Table 3–Adjustment Due to Change in DOE Diesel (Section A2b of Exhibit 10).

Calculate percent change in DOE Diesel (12-month average, not month-to-month)	April 1, 2011 - March 31, 2012	271.66
	April 1, 2012 - March 31, 2013	317.55
	Percent Change	16.89%
Adjustment to Diesel Fuel Component	70% of percent change in DOE Diesel (7/10 Vehicles)*	11.82 %

*In this above example, the FRANCHISEE owns a total of 10 Vehicles, and 3 Vehicles use compressed natural gas and 7 Vehicles use diesel.

B. Section A1/A3 of Exhibit 10: Changes in Disposal tipping fees.

Table 4–Adjustment Due to Change in Disposal Tipping Fees

Disposal tipping fee charges on April 1, 2012	\$24.00
Disposal tipping fee charges on March 31, 2013	\$35.00
Percent change	45.83%

C. Weighted Rate Adjustment Percentage (Section A2a, b and c of Exhibit 10).

Table 5–Sum of Adjustments

Rate Component	Relative weight of Net Rate	Adjustment due to change in indices/change in disposal tipping fees	Weighted Rate Adjustment Percentage
Service Component (CPI)	65% of Net Rate	2.35% (CPI)	1.53%
Fuel Component	5% of Net Rate	3.25%	0.16%
CNG Fuel Component		11.82%	0.59%
Diesel Fuel Component			
Disposal Component	30% of Net Rate	45.83%	13.75%
Weighted Rate Adjustment Percentage			16.03%

D. Adjusted Net Rate / Rate: Section A1, 2 and 3 (Annual increase or decrease in CPI /DOE Diesel/DOE CNG), (Changes in Disposal tipping fees).

If the Weighted Rate Adjustment Percentage is 16.03% percent, then a hypothetical Net Rate of \$17.00 would be adjusted as follows:

$$\$17.00 + [16.03\% \times \$17.00] = \$17.00 + \$2.72 = \mathbf{\$19.72 = \text{adjusted Net Rate}}$$

The Franchise Fee is 10 percent; the adjusted (gross) Rate and the Franchise Fee would be calculated as follows:

{Adjusted Net Rate / [100% - Franchise Fee %] = adjusted (gross) Rate

{\$19.72 / [100% -10%]} = \$21.91

\$ 21.91 = adjusted Rate

Adjusted Rate – adjusted Net Rate = Franchise Fee

\$21.91 - \$19.72 = \$2.19

ATTACHMENT 2– RATE SCHEDULE

FORM PW-18.5

THE EXCLUSIVE RESIDENTIAL FRANCHISE AGREEMENT FOR THE AREA OF
CITRUS/CHARTEROAK/RAMONA (2013-FA012)

RATE SCHEDULE (Customer Service Charges)

Proposer must provide a rate for each item indicated below. Failure to do so may result in the proposal being rejected as nonresponsive.

	Monthly Rate Per Customer	Senior-Small Generator 25% Discounted Rate <small>(Deduct 25% from Monthly Rate Per Customer)</small>
MONTHLY RATE FOR BASIC SERVICE PER CUSTOMER INCLUDES: <ul style="list-style-type: none"> • One 96-gallon Refuse Cart, and • Up to two (2) 96-gallon Recyclables Carts, and • Up to two (2) 96-gallon Green Waste Carts 		
List Monthly Rate Per Customer (Item 2) from Form PW-2.5, Proposed Net Rate:	\$ <u>18.88</u>	\$ <u>14.16</u>
SURCHARGES:		
1. Additional 96-gallon Carts in excess of Basic Service	\$ <u>5.00</u>	\$ <u>3.75</u>
2. Alternatives to fully automated Carts for difficult-to-service Premises (B3h of Exhibit 3A); not greater than 25 percent of Customer's monthly Rate (<u>25</u> % Surcharge)	\$ <u>23.60</u>	\$ <u>17.70</u>
3. Roll-out Services (other than Elderly or Disabled) (Section G of Exhibit 3A); not greater than 50 percent of Customer's monthly Rate	\$ <u>28.32</u>	\$ <u>21.24</u>

If the amount arrived at by multiplying an established percentage for a particular item is not calculated correctly, the correctly calculated amount will be considered as representing the Proposer's intentions. Failure to provide a rate may result in the proposal being rejected as nonresponsive.

PROPOSERS ARE RESPONSIBLE FOR INDEPENDENTLY INVESTIGATING SERVICE CONDITIONS IN THE SERVICE AREA PRIOR TO PROPOSAL SUBMISSION.

Mark Blackburn
Proposer's Printed Name

Proposer's Signature

11-01-2013
Date

ATTACHMENT 3– BULKY ITEM COLLECTION RATES

FORM PW-19.5

THE EXCLUSIVE RESIDENTIAL FRANCHISE AGREEMENT FOR THE AREA OF
CITRUS/CHARTER OAK/RAMONA (2013-FA012)
BULKY ITEM COLLECTION RATES

Proposer must provide a rate for each item indicated below. Failure to do so may result in the proposal being rejected as nonresponsive.

BULKY ITEM COLLECTION RATES	Bulky Item Collection Rate	Senior-Small Generator 25% Discounted Rate <small>(Deduct 25% from Bulky Item Collection Rate)</small>
1. Each additional on-call pickup in excess of twice each Year for Residential Premises and any charges for Proposer-specified items (Part II, Franchise Agreement, Exhibit 3A, Section F2d)	\$ <u>25.00</u>	\$ <u>18.75</u>
2. Each additional on-call pickup in excess of four times each year for Multifamily Premises and any charges for Proposer-specified items (Part II, Franchise Agreement, Exhibit 3A, Section F2d)	\$ <u>25.00</u>	\$ <u>18.75</u>

Mark Blackburn
Proposer's Printed Name

Proposer's Signature

11-01-2013
Date

EXHIBIT 18D2–LIQUIDATED DAMAGES

Reference to "failure" refers to each occurrence of specified Breach (such as for each Customer and each Customer's Collection site, Record entry, or complaint) and not for aggregate occurrences of those Breaches (such as for all Customers on a given route or day).

1	For each failure over five during any Contract Year (1) to clean up litter in accordance with Section 4A1 or (2) comply with Section 4A2 (spills) or A3 (liquid leaks), respectively.	\$150
2	For each occurrence over 12 occurrences during any Contract Year of excessive noise in contravention of Section 4A4.	\$300
3	Failure to maintain an emergency number or make staff available thereat in accordance with Section 4A5.	\$75/day
4	Failure to provide documentation for review or comment by COUNTY or obtain any approval, consent or other permission of COUNTY required under this AGREEMENT, including any failure to timely submit, <ul style="list-style-type: none"> • Customer correspondence under Section 4H • Publicity materials under section 4I1; • News releases and trade journal articles related to Franchise Services, under Section 4I2 • Customer outreach materials under Section 6E and Exhibit 3A, Section B2b. 	\$300 for each failure per occurrence or each day before retraction or correction of misinformation identified by COUNTY
5	Each failure over one during any calendar month to return COUNTY calls in accordance with Section 4J.	\$500
6	Each failure over one during any Contract Year to timely meet with COUNTY in accordance with Section 4J.	\$500
7	Commingling materials from outside the Service Area with Solid Waste that FRANCHISEE Collects inside the Service Area, in contravention of Section 4K.	\$400/ Vehicle-Occurrence
8	Marketing or distributing mailing lists with the names and addresses of Customers, in contravention of Section 5B	\$10 per customer per occurrence
9	For each failure to follow its Unpermitted Waste Screening Protocol in accordance with Section 6A.	\$500
10	For each failure to mark any Cart with discard prohibitions in accordance with Section 6D.	\$50
11	Failure to maintain telephone service in accordance with Section 7B.	\$75/day
12	For each failure to timely address Customer complaints in accordance with Section 7D1.	\$100

13	For each failure over five occurrences during any Contract Year to timely Collect from missed Carts in accordance with Section 7D1.	\$300
14	For each failure to enter log of and maintain and supply Records of complaints in accordance with Section 7D2.	\$100
15	For each failure over 5 occurrences during any Contract Year to E-mail complaint information to COUNTY in accordance with Section 7D2.	\$100
16	For each occurrence of charging any Customer more than the Customer owes for Franchise Services (such as for the wrong level of Franchise Services) or charging any Customer in excess of scheduled Rates (such as the incorrect dollars/Cart), in Breach of Section 10.	\$100
17	Failure to timely allow COUNTY to inspect, audit or copy Records in accordance with Section 11C.	\$150
18	Failure to timely submit AB 939 Records in format required by COUNTY in accordance with Section 12B.	\$150
19	For each occurrence over five occurrences during any Contract Year of damage to private property in contravention of Section 20C.	\$150
20	If FRANCHISEE violates the nondiscrimination provisions of this AGREEMENT, including Section 23D.	\$500
21	Failure of any Vehicle to deliver Solid Waste to the Solid Waste Facilities designated by FRANCHISEE in accordance with Exhibit 3A and FRANCHISEE Documentation C2, D2, E2, .	\$300/ Vehicle-day
22	For each occurrence over five occurrences during any Contract Year of Collecting any Solid Waste during unauthorized hours prohibited under Section B1 of Exhibit 3A.	\$250
23	For each failure over 5 occurrences during any Contract Year to timely respond to Cart service requests (including delivery and exchanges, removal, repair and replacement) in accordance with Section B3a, b, and c of Exhibit 3A.	\$300
24	For each failure over 12 occurrences during any Contract Year to equip Carts with operable lids or return Carts upright in breach of Section B3c and e of Exhibit 3A.	\$150
25	For each failure to timely remove graffiti in accordance with Section B3g of Exhibit 3A.	\$150
26	For each failure to timely repair or replace carts in accordance with Section B3c of Exhibit 3A.	\$35
27	For each occurrence over 10 during any Contract Year of failing to return emptied Carts to their Set-Out Sites, or placing Carts in site that impedes pedestrian or vehicular traffic in contravention of Section B6 of Exhibit 3A.	\$150

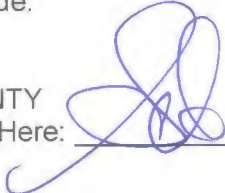
28	For each failure over 3 during any Contract Year to provide Recyclables or Green Waste services to any Customer in accordance with Sections D and E of Exhibit 3A.	\$100
29	For each occurrence of disposing of Recyclables or mixing Recyclables with Refuse in Breach of Section D5 in Exhibit 3A.	\$100
30	For each failure to maintain any Vehicle in accordance with Applicable Law	\$150 per Vehicle per day
31	Any other liquidated damage in Exhibit 3A and Exhibit 3A2.	As scheduled in Exhibit 3A and Exhibit 3A2

Reporting. If FRANCHISEE does not timely submit the applicable information, documentation or complete report or incorporate comments, additions and corrections made by COUNTY within five days of receipt of those comments, additions and corrections, it shall pay the following liquidated damages. COUNTY may assess the following amounts of liquidated damages for each late day.

1	Monthly reports in accordance with Section 13A1, B, D, and E.	\$100/day
2	Quarterly reports in accordance with Section 13A2, B, D, and E.	\$200/day
3	Annual reports in accordance with Section 13A3, B, D, and E	\$300/day
4	Failure to report adverse information in accordance with Section 13C, B, D, and E.	\$300/ occurrence
5	Failure to deliver Route maps and schedules in accordance with Section B6 of Exhibit 3A.	\$100/ day

By placing initials below at the places provided, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of liquidated damage provisions of the time that this AGREEMENT was made.

FRANCHISEE
Initial Here: MSB

COUNTY
Initial Here: 

**EXHIBIT 20G—AUTHORIZED REPRESENTATIVE OF
COUNTY'S DIRECTOR**

Name: Steven Milewski

Telephone Number: (626) 458-3573

Facsimile Number: (626) 458-3593

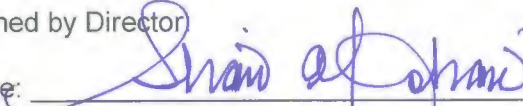
E-mail Address: smilewski@dpw.lacounty.gov

Address for Notices by Mail:

County of Los Angeles Department of Public Works
Environmental Programs Division
900 South Fremont Avenue
Alhambra, California 91803
Facsimile Number: (626) 458-3593
E-mail:

County Office Hours: 7 a.m. to 5:30 p.m. Monday - Thursday

Established by Director

Signature: 

Printed Name: Shari Afshari

Date: 10/30/14

Acknowledged by FRANCHISEE:

Signature: 

Printed Name and Title: Mark S. Buchanan, President

Date: 10-28-14

EXHIBIT 20H—FRANCHISEE'S REPRESENTATIONS AND WARRANTIES

1. **Status.** FRANCHISEE is [INSERT DESCRIPTION OF FRANCHISEE ENTITY, E.G. CORPORATION] duly organized, validly existing and in good standing under the laws of and is qualified to do business in the State of California with full power and authority to execute and deliver this AGREEMENT and to perform the its Performance Obligations. This AGREEMENT has been duly executed and delivered by FRANCHISEE and constitutes a legal, valid and binding obligation of FRANCHISEE enforceable against FRANCHISEE in accordance with its terms.
2. **Statements and Information.** All information and documentation compiled, drafted, made or otherwise delivered to COUNTY by or on behalf of FRANCHISEE in connection with this AGREEMENT, including its procurement, is correct and complete in all material respects as of the Execution Date and at the time originally submitted by FRANCHISEE to COUNTY.
3. **No Conflicts.** Neither the execution or delivery by FRANCHISEE of this AGREEMENT, the performance by FRANCHISEE of Franchise Services, nor the fulfillment by FRANCHISEE of the terms and conditions of this AGREEMENT: (1) conflicts with, violates or results in a breach of any Applicable Law; (2) conflicts with, violates or results in a breach of any term or condition of any judgment, order or decree of any court, administrative agency or other governmental authority, or any agreement or instrument to which FRANCHISEE is a party or by which FRANCHISEE properties or assets are bound, or constitutes a default .
4. **No Approvals Required.** FRANCHISEE has obtained and maintains all Permits in full force and effect during the Term. No other approval, authorization, license, permit, order, or consent of, or declaration, registration, or filing with any governmental or administrative authority, commission, board, agency or instrumentality is required for the valid execution and delivery of this AGREEMENT by FRANCHISEE, except those as have been duly obtained from its governing body, FRANCHISEE shall immediately provide Notice to the Director of any notice of violation, revocation or suspension of any permit.
5. **No Litigation.** As of the Execution Date, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency or instrumentality pending or, to the best of FRANCHISEE'S knowledge, threatened, against FRANCHISEE wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by FRANCHISEE of its obligations under this AGREEMENT or in connection with the transactions contemplated by this AGREEMENT, or which, in any way, would adversely affect the validity or enforce ability of this AGREEMENT or any other agreement or instrument entered into by FRANCHISEE in connection with the transactions contemplated by this AGREEMENT.

6. **Due Diligence.** As of the Execution Date, FRANCHISEE has made an independent investigation, examination and research satisfactory to it of the conditions and circumstances surrounding this AGREEMENT and best and proper method of providing Franchise Services (including Franchise Services types) and labor, equipment, and materials for the volume of Franchise Services to be provided. FRANCHISEE agrees that it shall make no claim against COUNTY based on any estimates, statements or interpretations made by any officer, employee, agent, or consultant of COUNTY in connection with the procurement of this AGREEMENT, which proves to be in any respect erroneous.
7. **Compliance with Applicable Law.** As of the Execution Date, FRANCHISEE has fully complied with all Applicable Law, including (1) law relating to conflicts of interest and County Lobbyist Ordinance, in the course of procuring this AGREEMENT, and (2) the County Defaulted Property Tax Reduction Program.
8. **Ability to Perform.** FRANCHISEE possesses the business, professional and technical capabilities to provide Franchise Services; and possesses the equipment, facility and employee resources required to fully and timely perform Franchise Services.
9. **Contingent Fees.** No Person, including a selling agency, has been employed or retained to solicit or secure this AGREEMENT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by FRANCHISEE for the purpose of securing business.
10. **Opportunity to Comment.** FRANCHISEE had the opportunity to submit comments and recommended changes during the procurement process, during meetings convoked by COUNTY with the denominated "Working Group" whose members received copies of the drafts of the form of agreement or during the procurement of this AGREEMENT.
11. **Solid Waste Facilities.**
 - a. The Solid Waste Facility or Facilities that FRANCHISEE designates in FRANCHISEE Documentation for Disposal is a disposal facility that is permitted to accept and process Refuse in accordance with Applicable Law.
 - b. The facility or facilities that FRANCHISEE designates in FRANCHISEE Documentation for delivery of Recyclables is a materials recovery facility that is permitted to accept and process Recyclables in accordance with Applicable Law.

- c. The facility or facilities that FRANCHISEE designates in FRANCHISEE Documentation for delivery of Green Waste is a facility that is permitted to accept and process Green Waste in accordance with Applicable Law.
12. **FRANCHISEE Documentation.** As of the Execution Date, the Franchisee has submitted all FRANCHISEE Documentation in accordance with Exhibit 3D.
13. **Personnel.** FRANCHISEE fully complies with all Federal and State statutes and regulations regarding employment of aliens and others, and all of its employees performing Franchise Services meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations.

EXHIBIT 21-DEFINITIONS

Abandoned Waste means "Abandoned Waste" defined in Section C1 of Exhibit 3A2

AB 939 means the California Integrated Waste Management Act of 1989, California Public Resources Code Section 40000 *et seq.*

Affiliate means a Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with FRANCHISEE. For the purpose of this definition, the meaning of the term "control" will be governed by Rule 144 of the Securities Act of 1993.

AGREEMENT means this agreement, including all exhibits and other attachments, which exhibits and other attachments are incorporated in this agreement by reference.

Annual Report is described in Section 13A3.

Applicable Law means all laws, statutes, rules, regulations, guidelines, Permits, actions, determinations, orders, or requirements of the United States, State of California, COUNTY (including its County Code together with rules and regulations promulgated there under and COUNTY'S Integrated Waste Management Plan), the Local Enforcement Agency, California Highway Patrol, South Coast Air Quality Management District, and other regional or local government authorities, agencies, boards, commissions, courts, or other bodies having applicable jurisdiction, that from time to time apply to or govern Franchise Services or the performance of the Parties' respective obligations under this AGREEMENT, including those that concern health, safety, fire, mitigation monitoring plans, building codes, and zoning, and further including the following:

1. **Vehicles:**

- a. California Health and Safety Code Section 43000 *et seq.*, with respect to air emissions (smog checks);
- b. California Vehicle Code Section 27456b, with respect to tires;
- c. California Vehicle Code Section 34500 *et seq.*, with respect to documentation through its maintenance log or otherwise of a safety compliance report issued under Division 14.8 of the California Vehicle Code as applicable to each Vehicle, including bi-annual "BIT" inspections conducted by the California Highway Patrol;
- d. Rules and regulations promulgated under the California Vehicle Code with respect to Vehicle highway lighting, flashing and warning lights, clearance lights, and warning flags;

- e. Rules and regulations of the California Department of Motor Vehicles with respect to Vehicle registration;
- f. Vehicle weight limits;
- g. The appropriate class of drivers' licenses issued by the California Department of Motor Vehicles;
- h. Control Measure for Diesel Particulate Matter from On-road Heavy- Duty Residential and Commercial Solid Waste Collection Vehicles, 13 CCR 2020 et seq.; and
- i. 14 CCR 17341, 17342, 17343 and 17344, with respect to equipment construction, safety, and parking and identification of operating equipment;

2. Carts:

- a. 14 CCR 17314, with respect to maintenance and placement of Carts; and
- b. 14 CCR 17317, with respect to placing identifying name and telephone number on Carts;

3. Labor:

- a. Drug and alcohol testing;
- b. Occupational Safety and Health Act (29 U.S.C. Section 651 *et seq.*), including the Solid Waste Disposal Facility Criteria promulgated by the U.S. EPA on October 9, 1991 (40 C.F.R., Parts 257 and 258); and California Occupational Safety and Health Act (California Labor Code, Division 5, Parts 1-10, Section 6300 *et seq.*), and rules and regulations of California Division of Occupational Safety and Health; and
- c. Immigration Reform and Control Act of 1986 (PL.99-603);

4. Environmental Protection:

- a. CERCLA;
- b. RCRA;
- c. Clean Air Act (42 U.S.C. Section 1351 *et seq.*, 42 U.S.C. Section 7401-7642); and California Clean Air Act (California Health and Safety Code Section 39000 *et seq.*);

- d. California Hazardous Waste Control Act (California Health & Safety Code Section 25100 *et seq.*);
- e. California Hazardous Materials Release Response Plan and Inventory Act (California Health & Safety Code, Division 20, Chapter 6.95, Section 25500 *et seq.*);
- f. Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health & Safety Code Section 25300 *et seq.*); and
- g. Emergency Planning and Community Right to Know Act (42 U.S.C. Section 11001 *et seq.*); and

5. **Miscellaneous:**

- a. County Lobbyist Ordinance;
- b. County Defaulted Property Tax Reduction Ordinance.
- b. Civil Rights Act of 1964 (Subchapter VI of Chapter 21 of Title 42); and
- c. AB 939.

Reference to Applicable Law includes future amendments and supplements to or replacement, restatement, or recodification thereof.

Approved Sharps Containers means receptacles approved by COUNTY for discard of Sharps at Residential Premises.

Bin means a container for storage of solid waste that is usually collected with front end loading vehicles, such as those having a 1- to 8-cubic yard capacity, commonly referred to as a dumpster.

Board of Supervisors means the Board of Supervisors of the County of Los Angeles.

Breach means FRANCHISEE'S failure to fully and timely meet one or more Performance Obligations.

Bulky Item means any large item of Solid Waste that can be safely lifted by two individuals using a dolly, including the following:

1. Discarded furniture (such as chairs, sofas, mattresses, and rugs);
2. Appliances (such as refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, and other similar items commonly known as "white goods"); and

3. Up to two tires per Set-Out Site from passenger cars or pickup trucks.

Calendar Year means a year of 12 consecutive months beginning January 1 and ending December 31.

Notwithstanding the foregoing, **Bulky Item** does not include tires from semi-trucks or Universal Waste.

Cart means a wheeled container provided by FRANCHISEE for storage of solid waste that is collected (semi) automatically. Examples include 32, 64, and 96 gallon plastic Containers.

CED means a covered electronic device as defined in California Public Resources Code Section 42463 and includes the following:

- Cathode ray tube (CRT) device (including television and computer monitor);
- LCD desktop monitor;
- Laptop computer with LCD display;
- LCD television;
- Plasma television;
- Any other covered electronic devices listed in the regulations adopted by the California Department of Toxic Substances Control pursuant to California Health and Safety Code Section 25214.10.1(b).

CERCLA means the Comprehensive Environmental Response, Compensation and Liability Act of 1982 (42 U.S.C. Section 9601 et seq.).

Change in Law means the occurrence of any event or change in Applicable Law as follows:

1. The adoption, promulgation, modification, or change in Applicable Law or in judicial or administrative interpretation thereof occurring after the Execution Date other than laws with respect to taxes based on or measured by net income, or any unincorporated business, payroll, franchise taxes levied by any tax board (other than Franchise Fees levied by COUNTY) or employment taxes;
2. Any order or judgment of any federal, state, or local court or Regulatory Agency issued after the Execution Date hereof if:
 - a. That order or judgment is not also the result of the willful misconduct or negligent action or inaction of the Party relying thereon or of any third party for whom the Party relying thereon is directly responsible; and
 - b. The Party relying thereon, unless excused in writing from so doing by the other Party, will make or have made, or will cause or have caused to be made, Reasonable Business Efforts to contest that order or judgment (it

being understood that the contesting in good faith of that an order or judgment will not constitute or be construed as a willful misconduct or negligent action of that Party);

3. The imposition by a Regulatory Agency of any new or different material conditions in connection with the issuance, renewal, or modification of any Permit after the Execution Date; or
4. The failure of a Regulatory Agency to issue or renew, or delay in the issuance or renewal of, or the suspension, interruption or termination of, any Permit after the Execution Date; provided that the failure to issue or the suspension or termination of any Permit is not the result of the willful misconduct or negligent action or inaction of the Party relying thereon or any third party for whom the Party relying thereon is directly responsible.

Collect, Collection, or Collecting means Solid Waste pickup(s) made by FRANCHISEE required by and in accordance with this AGREEMENT, including Abandoned Waste.

Commercial means Person or thing that is not Residential or Multifamily.

Commercial Customer means Customer who owns or occupies Commercial Premises.

Commercial Premises means Premises that are not Residential Premises or Multifamily Premises, including stores; offices; industrial plants; private schools; restaurants; rooming houses; hotels; motels; manufacturing, processing, or assembly shops or plants; and hospitals, clinics, convalescent centers and nursing homes (with respect to nonmedical waste only).

Container means any Bin, Cart, compactor or other receptacle used to provide Collection.

Contract Year means each 12-month period commencing on the first day FRANCHISEE Collects solid waste from any Customer, unless provided otherwise in Exhibit 3A.

Conversion means an array of emerging technologies capable of converting the organic or carbon-containing materials portion of post-recycling residual solid waste and turning it into useful products, including renewable and environmentally benign fuels, chemicals, and other sources of clean energy.

COUNTY means the County of Los Angeles.

County Business Day means any day on which COUNTY'S Department of Public Works is open to do business with the public.

County Code means the Los Angeles County Code.

County Defaulted Property Tax Reduction Program or **County Defaulted Property Tax Reduction Ordinance** means County Code Chapter 2.206.

County Lobbyist Ordinance means County Code Chapter 2.160.

County Office Hours means hours that COUNTY is open to do business as indicated in Exhibit 20G.

County Service means all Performance Obligations prescribed in Exhibit 3A2 and Section 4E.

County Service Charges means FRANCHISEE's compensation for providing County Services/Task 2, expressed in dollars/Ton.

County's Reimbursement Costs means Direct Costs of COUNTY plus 35 percent thereof.

County's Related Parties means political subdivisions, agencies, entities, or organizations for which the Board of Supervisors is the governing body, their agents, officers, and employees, elected officials, assigns, volunteers, and special districts (including Garbage Disposal Districts) and each and every one of them. County's Related Parties are third party beneficiaries of provisions in this AGREEMENT that reference them.

Criminal Activity means any of the following:

1. Fraud or criminal felony offenses in connection with obtaining, attempting to obtain, procuring, or performing a public or private agreement related to recyclables, green waste or MSW Management Services of any kind (including collection, hauling, transfer, processing, composting, or disposal), including this AGREEMENT;
2. Bribery or attempting to bribe a public officer or employee of a local, state, or federal agency;
3. Embezzlement, extortion, racketeering, false claims, false statements, forgery, falsification or destruction of records, obstruction of justice, knowingly receiving stolen property, theft, or misprision (failure to disclose) of a felony;
4. Unlawful disposal of hazardous, designated or other waste; or
5. Violation of securities laws or antitrust laws, including laws relating to price-fixing, bid rigging and sales and market allocation, and of unfair and anticompetitive trade practice laws, including with respect to inflation of waste collection, hauling or disposal fees.

Customer means a Person who subscribes for Franchise Services from FRANCHISEE.

Customer Service Charge means the rates, fees, charges, and other compensation that FRANCHISEE bills a Customer for providing Collection with respect to Franchise Services (Task 1).

day means calendar day.

Debarment or **Debar** has the meaning assigned in County Code Section 2.202.020.

Direct Costs means the sum of the following:

1. Payroll costs directly related to the performance, management or supervision of any obligation under this AGREEMENT, comprised of compensation and fringe benefits, including vacation, sick leave, holidays, retirement, workers compensation insurance, federal and state unemployment taxes and all medical and health insurance benefits, plus;
2. The costs of materials, services, direct rental costs and supplies, plus;
3. Travel and subsistence costs, plus;
4. The reasonable costs of any payments to Subcontractors (with respect to FRANCHISEE) or contractors (with respect to COUNTY) or third parties necessary to and in connection with Performance Obligations, plus;
5. Any other cost or expense which is directly or normally associated with the task performed; which Direct Costs are substantiated by (i) a certificate signed by the principal financial officer of FRANCHISEE or the authorized representative of COUNTY, as the case may be, setting forth the amount of that cost and the reason why that cost is properly chargeable to COUNTY or FRANCHISEE, as the case may be, and stating that the cost is a competitive price, if there are competitive prices, secured in an arm's length transaction for the service or materials supplied; and (ii) if COUNTY or FRANCHISEE, as the case may be, requests that additional backup documentation as may be available to reasonably substantiate any Direct Costs, including invoices from suppliers, Subcontractors and contractors.

Direct Costs excludes profit or return on investment.

Director means the County of Los Angeles Director of Public Works or his or her authorized representative, including the authorized representative named in Exhibit 20G.

Disposal or **Dispose** means disposal, as defined in California Public Resources Code Section 40192, at a Solid Waste Facility of Refuse that FRANCHISEE has Collected.

District means Los Angeles County Flood Control District, or Los Angeles County Waterworks Districts, or Los Angeles County Consolidated Sewer Maintenance District, or Garbage Disposal District.

diversion or divert means activities that reduce or eliminate the amount of solid waste from disposal for the purposes of Division 13 of the California Public Resources Code, including Article 1 (commencing with Section 41780).

Diversion or Divert means activities that reduce or eliminate the amount of Solid Waste from Disposal for the purposes of Division 13 of the California Public Resources Code, including Article 1 (commencing with Section 41780).

E-waste means waste that is powered by batteries or electricity, such as computers, telephones, answering machines, radios, stereo equipment, tape players/recorders, phonographs, videocassette players/recorders, compact disc players/recorders, and calculators.

Execution Date means the date this AGREEMENT is signed by both the COUNTY and FRANCHISEE.

Fiscal Year means the 12 month period beginning July 1st and ending the following June 30th.

Franchise means the right and privilege granted by this AGREEMENT in Section 1.

FRANCHISEE means the Person executing this AGREEMENT and any assignee of FRANCHISEE consented to by COUNTY in accordance with Section 19. FRANCHISEE includes FRANCHISEE'S Subcontractors unless explicitly provided otherwise. References to all FRANCHISEE'S actions and Performance Obligations under this AGREEMENT include reference to Subcontractors' actions under this AGREEMENT, as applicable, without specifying in each instance that FRANCHISEE shall directly take those actions itself, or cause its Subcontractors to take those actions on FRANCHISEE'S behalf.

FRANCHISEE Default is described in Section 17.

FRANCHISEE Documentation means Exhibit 3D.

FRANCHISEE Manager means any of the following:

1. FRANCHISEE'S officers and directors;
2. The officers and directors of FRANCHISEE'S parent corporation and of each successive parent corporation's parent corporation;
3. The authorized representative of FRANCHISEE named in FRANCHISEE Documentation; and

4. Any other Persons, including Affiliates and FRANCHISEE'S or Affiliates' employees, officers or directors, in a Position of Influence.

FRANCHISEE Office Hours means 8:00 a.m. to 5:00 p.m. Monday through Friday, and 8:00 a.m. to 12:00 noon on Saturdays, Holidays excepted.

Franchise Fee means the fee described in Section 1D.

Franchise/County Services means Franchise Services and County Services, together.

Franchise Services means all Performance Obligations prescribed in Exhibit 3A, Section 4D, E, and F, and Section 7.

FRANCHISEE's Related Parties means FRANCHISEE'S partners, officers, directors, agents, employees, Subcontractors, consultants, licensees, invitees, and Affiliates.

Garbage Disposal District means a district created under County Code Chapter 20.90.

Goods or Services means goods or services used in providing Franchise Services, including labor; leases; subleases; equipment; supplies; capital; insurance, bonds or other performance security if the insurer, surety or other provider is an Affiliate or a captive of FRANCHISEE or any Affiliate; and legal, risk management, general, and administrative services.

Green Waste means Solid Waste comprised of leaves, grass clippings, brush, branches, and other forms of organic matter generated from landscapes and gardens and separated from other forms of Solid Waste, including holiday trees and bushes, but excluding:

1. Stumps or branches exceeding 4 inches in diameter or 4 feet in length;
2. Yucca or palm fronds, unless FRANCHISEE is able to Divert those excluded materials that may not be suitable for composting; and
3. Other County-approved items listed in the Subscription Order.

Gross Receipts means fees, charges, and other compensation that FRANCHISEE or FRANCHISEE's Related Parties receive directly or indirectly from Customers in connection with Franchise Services before any deduction for costs or expenses such as the Franchise Fee. **Gross Receipts** does not mean fees, charges, and other compensation that FRANCHISEE or FRANCHISEE's Related Parties receive in connection with the sale of Recyclables.

Holidays means January 1, Memorial Day, 4th of July, Labor Day, Thanksgiving, and December 25 and any other holidays designated by COUNTY in Notice to FRANCHISEE.

Including or **include** or variations thereof, when used in this AGREEMENT, means "including without limitation", "including, but not limited to," and "including, at a minimum."

Indemnities or **Indemnification** means all defenses, indemnities, and releases under this AGREEMENT, including under Section 14A (generally, and with respect to the Immigration Reform and Control Act and Cal/OSHA).

Liabilities mean any of the following:

1. Liabilities;
2. Lawsuits;
3. Claims;
4. Complaints;
5. Cause of actions;
6. Citations;
7. Investigations;
8. Judgments;
9. Demands;
10. Cleanup orders;
11. Damages (whether in contract or tort, including:
 - a. Personal injury to or death of, at any time, FRANCHISEE'S employees, Subcontractors, COUNTY employees or third parties; and
 - b. Property damage of FRANCHISEE, Subcontractors, COUNTY employees or third parties);
12. Costs and expenses, (including all costs and expenses of litigation, mediation or arbitration, attorneys' fees, whether COUNTY'S or FRANCHISEE'S staff attorneys or outside attorneys, and court costs);
13. Losses;
14. Fines;
15. Penalties; and
16. Other detriments of every nature and description whatsoever, whether under State of California or federal law.

Local Enforcement Agency means the enforcement agency defined in County Code Section 20.56.030.

Manure means Solid Waste comprised of animal dung or excrement, and may include straw or other absorbent.

Monthly Report is described in Section 13A1.

MSW Management Services means any of the following:

1. Collection, transportation, storage, transfer, or processing of:
 - a. solid waste; or
 - b. Unpermitted Waste that is collected as part of a Collection program for Bulky Items, CEDs, and E-waste described in Exhibit 3A and handled in accordance with Applicable Law (such as tires in excess of load limits, CEDs and certain E-waste); or
2. Arranging for disposal of that solid waste or Unpermitted Waste.

Multifamily means related to (1) dwellings with three or more attached dwelling units (such as apartments), each with separate cooking and bathing facilities, (2) townhouses, and (3) condominiums, whether attached or detached.

Multifamily Customer means Customer who owns or occupies Multifamily Premises.

Multifamily Premises means Premises containing a Multifamily building.

Non-Collection notice means the notice in the form included in FRANCHISEE Documentation in accordance with Section 4C.

Notice means notice given in accordance with Section 20F.

Office means FRANCHISEE'S offices required by Section 7A to be identified in FRANCHISEE Documentation.

Party or **Parties** means COUNTY and FRANCHISEE, individually and together, respectively.

Performance Obligations means each and every obligation and liability of FRANCHISEE under this AGREEMENT.

Permit means any federal, state, county, other local, and any other governmental unit permit, order, license, approval, authorization, consent, or entitlement of whatever kind and however described that Applicable Law requires to be obtained or maintained with respect to the satisfaction of Performance Obligations, as renewed or amended from time to time, including the waste collector permit issued by the Los Angeles County Department of Health Services.

Person means any individual, firm, association, organization, partnership, corporation, trust, joint venture, state, county, municipality, special purpose district, the United States or any other entity.

Position of Influence means a position of authority or responsibility to directly or indirectly administer, manage, direct, supervise or oversee the Franchise Services or this AGREEMENT, including the following: (1) serving as director of the board of directors of FRANCHISEE or an Affiliate, (2) serving as an officer of FRANCHISEE or an Affiliate, (3) reviewing or negotiating FRANCHISEE'S contracts (including this AGREEMENT), (4) providing in-house legal services, and (5) providing insurance or other performance security if the provider is an Affiliate or is a captive of FRANCHISEE or an Affiliate; but excluding the following: (1) monitoring FRANCHISEE'S performance, (2) supervising FRANCHISEE'S finance and capital budget decisions, and (3) articulating general policies and procedures not related to a Criminal Activity.

Premises means a tract of land located in the Service Area and which is safely accessible by Vehicles.

processing means the reduction, separation, recovery, conversion or recycling of solid waste, including creating "compost" as defined in California Public Resources Code Section 40116.

Processing means the reduction, separation, recovery, conversion or Recycling of Solid Waste, including creating "compost" as defined in California Public Resources Code Section 40116.

prompt or **promptly** means as soon as practicable, but in no event more than two days.

Public Right-of-Way means "Public Right-of-Way" defined in Section C1 of Exhibit 3A2.

Quarterly Report is described in Section 13A2.

Rates means the amounts listed on the Rate Schedule.

Rate Schedule means Attachment 2 to Exhibit 10.

RCRA means the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 *et seq.*).

Reasonable Business Efforts means those good faith efforts a reasonably prudent business Person would expend under the same or similar circumstances in the exercise of that Person's business judgment, intending to take steps calculated to satisfy the obligation, which that Person has undertaken to satisfy.

Records means documentation relating to Franchise Services and other Performance Obligations, including ledgers, books of account, invoices, vouchers, canceled checks, logs, correspondence, computations, files, plans, correspondence, reports, drawings, designs (other than those respecting facilities or facility operations not involving Collection), data and photographs prepared by or possessed by FRANCHISEE, including the following:

1. Customer Subscription Order and Franchise Services information (including Customers' names and addresses), billing records, complaint logs, route maps, schedules, and correspondence with Customers;
2. Weight tickets, invoices, bills of lading, and receipts from Solid Waste Facilities for types and amounts of Solid Waste that FRANCHISEE Collects, transports and delivers to those Solid Waste Facilities;
3. AB 939 records, including documentation from Recyclables and Green Waste transporters, shippers, brokers, beneficiators, remanufacturers, and purchasers or other users of Recyclables and Green Waste; any reports on Processing of Recyclables or Green Waste residual that Solid Waste Facilities may make to the California Integrated Waste Management Board;
4. Vehicle maintenance, driver Permits and driver testing records;
5. Gross revenues and receipts, including Gross Receipts;
6. Franchise Fees paid to COUNTY; and
7. Records that may be relevant in the event of an action under CERCLA or similar claims.

Recyclables means Solid Waste that may potentially be diverted for disposal, including but not limited to any of the following materials:

1. Aluminum and metal cans;
2. Newspaper;
3. Glass jars and bottles;
4. Tin cans;
5. Plastic soda bottles;
6. Plastic milk and water jugs;
7. Plastic bags (e.g., bread, frozen food, grocery bags);
8. Type No. 1 plastic containers (PET-polyethylene terephthalate);
9. Type No. 2 plastic containers (HDPE-high density polyethylene);
10. All types of paper (e.g., office paper, junk mail, magazines, telephone books);

11. Corrugated cardboard;
12. White goods (such as those listed in the definition of **Bulky Items**); or
13. Additional (or deleted) items that COUNTY directs after Notice to FRANCHISEE, without adjustment of Rates unless the modification requires Franchise Services at the Set-Out Sites separate and distinct from previously Collected Recyclables.

Recycle or Recycling means the process of collecting, sorting, cleansing, treating, and reconstituting materials (including Recyclables and Green Waste) that would otherwise become Solid Waste and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products that meet the quality standards necessary to be used in the market place. **Recycling** does not include transformation, as defined in California Public Resources Code Section 40201.

Refuse means Solid Waste that FRANCHISEE does not divert.

Regulatory Agency means any federal, state or local governmental agency that regulates Collection and transportation of Solid Waste (including California Department of Transportation, California Department of Motor Vehicles, EDD, U.S. Immigration and Naturalization Services, or other health and safety department thereof; COUNTY; and Local Enforcement Agency applicable to Franchise Services).

Report means Monthly Report, Quarterly Report, Annual Report and any AB 939 or other report FRANCHISEE is required to submit in accordance with this AGREEMENT.

Residential means related to detached, single family homes or duplexes, other than condominiums or townhouses.

Residential Customer means Customer who owns or occupies a detached, single family home or a unit in a duplex.

Residential Premises means Premises containing a Residential building.

Service Area means the area described on Attachment 1 of Exhibit 3A.

Service Assets means all property of FRANCHISEE used directly or indirectly in performing Franchise Services, including Vehicles, Containers, maintenance equipment and facilities, and administrative equipment and software, both tangible and intangible (such as facility leases or equipment installment purchase agreements).

Service Day means any day Monday through Friday, excluding Holidays.

Service Specifications means Performance Obligations prescribed in Exhibit 3A and Exhibit 3A2.

Service Standards means each and every obligation of FRANCHISEE prescribed in Section 4.

Set-Out Site means the place designated in the Subscription Order in accordance with Section 4D and County Code Section 20.72.100, where Customers must place their Solid Waste for Collection.

Sharps means any item generated by a Residential Customer at his or her Residential Premise having corners, edges, or projections capable of cutting or piercing the skin to deliver injections or for medical purposes, such as needles (hypodermic, pen or intravenous), needles with syringes, needles from vacutainers, needles with attached tubing, and lancets.

Solid Waste means solid waste as defined in California Public Resources Code Section 40191 that is Collected in the Service Area, including Green Waste, Recyclables, Refuse and Abandoned Waste (except for any CEDs or E-waste in Abandoned Waste), but excluding Unpermitted Waste.

Solid Waste Facility means solid waste facility as defined in California Public Resources Code Section 40194 (and any other types of facilities named by COUNTY) and designated by FRANCHISEE in FRANCHISEE Documentation.

Subscription Order is described in Section 4D.

Subcontractor means any Person that provides Goods or Services related to Collection, transportation or storage of Solid Waste or related to Service Assets, including their operation, maintenance and repair, to or on behalf of FRANCHISEE whether pursuant to any arrangement, formal or informal, written or merely in practice.

Subcontractor does not include a Person that provides Goods or Services related to Processing, Diversion or Disposal.

Task 1 means Franchise Services.

Task 2 means County Services.

Term means the period determined under Section 2 of this AGREEMENT.

Termination Date means the date this AGREEMENT expires as provided in Exhibit 3A in accordance with Section 2A or as earlier terminated in accordance with Section 17D.

Ton or **Tonnage** means a short ton of 2,000 pounds avoirdupois.

Transfer means an action (or inaction), including assignment, transfer, exchange, divestment, conveyance, subcontract, sublease, licensing, hypothecation, encumbrance and disposal) that has any of the following direct (or indirect) effects:

- (1) **Control or Ownership Interest:** changing either of the following:
- the control; or more than 10% ownership interest (actual or constructive) of FRANCHISEE (including buyout, merger, acquisition, consolidation, recapitalization, reorganization, stock (re)issuance, voting trust, pooling agreement, escrow arrangement, dissolution or liquidation) except to the following:
 - parents, grandparents, siblings, children, and grandchildren of individuals having a shareholder or other equity interest in FRANCHISEE as of the date of this Agreement ("**Immediate Family**") or
 - trust created primarily to benefit members of the Immediate Family, subject to FRANCHISEE proving to satisfaction of COUNTY that 10 percent or less ownership interest has *not* changed.
- (2) **Value of assets:** changing the control or ownership (actual or constructive) of more than 50 percent of the value of assets used to provide Franchise/County Services, except for sales or transfers to the following:
- the Immediate Family or
 - trust created primarily to benefit the Immediate Family,
- subject* to FRANCHISEE proving to satisfaction of COUNTY that ownership or control of 50 percent or less value of the assets has *not* changed.
- (3) **Substitute for FRANCHISEE:** resulting in someone other than FRANCHISEE performing Franchise/County Services or assuming the obligation to provide Franchise/County Services (including substitution of someone else by a surety company providing a performance bond; subcontract; or delegation).

For purposes of this definition, an action (or inaction) includes assignment by operation of law, such as insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment of an execution, or appointment of a receiver taking possession of any of FRANCHISEE'S tangible or intangible property.

Transfer Costs means County's Reimbursement Costs of considering and reviewing FRANCHISEE'S request for Transfer, investigating the suitability of the transferee, and determining whether or not to give consent to the Transfer, including fees of consultants and attorneys necessary to analyze the application and to prepare documents to effectuate the Transfer as well as COUNTY staff costs.

Transfer Deposit means the amount equal to COUNTY'S anticipated Transfer Costs.

Uncontrollable Circumstances means any of the following events:

1. Riots, war, or emergency affecting the Country declared by the President of the United States or Congress of the United States, the Governor of California, or the Board of Supervisors;
2. Sabotage, civil disturbance, insurrection, explosion;
3. Natural disasters such as floods, earthquakes, landslides and fires;
4. Strikes, lockouts and other labor disturbances; or
5. Other catastrophic events that are beyond the reasonable control of FRANCHISEE despite FRANCHISEE'S exercise of due diligence, excluding (i) the financial inability of FRANCHISEE to satisfy its Performance Obligations, or (ii) failure of FRANCHISEE to obtain any necessary Permits or the right to use the facilities of any public entity.

Universal Waste means hazardous waste that the California Department of Toxic Substances Control considers universal waste, including materials listed in 22 CCR 66261.9, such as batteries, thermostats, lamps, cathode ray tubes, computers, telephones, answering machines, radios, stereo equipment, tape players/recorders, phonographs, video cassette players/recorders, compact disc players/recorders, calculators, some appliances, aerosol cans and certain mercury-containing devices.

Unpermitted Waste means

1. Materials that are not Solid Waste, including Universal Waste, household hazardous waste and other hazardous waste, unauthorized medical waste, radioactive waste;
2. Waste tires in excess of the limitations prescribed in 14 CCR 17355(b) or reduced in volume as required in 14 CCR 17355(A);
3. Any other materials that cannot be disposed of in class II sanitary landfills described in 27 CCR 20250.

Unpermitted Waste Screening Protocol means the protocol prescribed in Section 6 and included in FRANCHISEE Documentation.

Vehicle means any truck used by FRANCHISEE to provide Franchise Services.

Violation of Applicable Law means any noncompliance with Applicable Law as evidenced by notice, assessment or determination of any Regulatory Agency to FRANCHISEE, whether or not a fine or penalty is included, assessed, levied or attached.

Waste Diversion Program means that program required by Section B2 of Exhibit 3A and included in FRANCHISEE Documentation.

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