

**DEPARTMENT EXECUTE**

**001822**

EXCLUSIVE  
FRANCHISE AGREEMENT

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

FOR  
PROVISION  
OF  
REFUSE, RECYCLABLES, AND GREEN WASTE

AUTOMATED CART SERVICES  
AT  
RESIDENTIAL PREMISES  
AND CERTAIN MULTIFAMILY AND COMMERCIAL PREMISES

FOR THE SERVICE AREA OF  
**NORTH WEST BAY AND MOUNTAIN**

**APRIL 1, 2008**

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THIS AGREEMENT is made and entered into on March 31, 2008, 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 private 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, and open-market, private operations, except in Garbage Disposal Districts where the Garbage Disposal Districts contract with private 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 private haulers. Article XI, § 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.

WHEREAS, California Public Resources Code § 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.

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

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 landfilling 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.

WHEREAS, the COUNTY'S Director of Public Works has determined to require franchises for Franchise Services. 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 of Public Works has determined to franchise MSW Management Services in portions of the COUNTY, under the terms of this AGREEMENT. The COUNTY gave the FRANCHISEE a 5-year notice under California Public Resources Code § 49520 of the COUNTY'S intent to authorize, among other options, the exclusive franchising of MSW Management Services in portions of the COUNTY.

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.

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 § 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.

WHEREAS, the COUNTY consulted with representatives of private 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.

WHEREAS, the FRANCHISEE has set its compensation (the Customer Service Charges) through competitive procurement. The COUNTY issued a Request for Proposals to provide 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. Under this AGREEMENT, the FRANCHISEE cannot charge more than the Customer Service Charges, which it bills and collects from its customers.

WHEREAS, the FRANCHISEE is awarded this AGREEMENT. The Board of Supervisors determines and finds pursuant to California Public Resources Code § 40059, that the public health, safety, and welfare require that FRANCHISEE be awarded this AGREEMENT for Franchise Services pursuant to Chapter 20.70 of the County Code.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

## **SECTION 1 - GRANT OF RIGHT AND PRIVILEGE TO PROVIDE FRANCHISE SERVICES**

**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.

**1. Grant of Exclusive Franchise for Collection in Carts.** COUNTY grants to FRANCHISEE the exclusive right and privilege together with the obligation to make and enter into independent arrangements with Customers for the provision of Franchise Services to Residential Premises, and any other rights and privileges provided in Exhibit 3A, subject to the exclusions in subsection B.

**2. Grant of Nonexclusive Franchise.**

**a. *Recyclables.*** COUNTY grants to FRANCHISEE the nonexclusive right and privilege together with the obligation to arrange to provide

Franchise Services with respect to Recyclables discarded by Customers if prescribed in Exhibit 3A. Notwithstanding the foregoing, however, Customers may donate or sell any or all of their Recyclables to Persons other than FRANCHISEE.

**B. Exclusions from Franchise.**

1. **Customer Self-Haul.** This Franchise excludes the right and privilege to Collect self-hauled Solid Waste. Owners and occupants of Residential Premises and other Persons performing services other than MSW Management Services (such as roofers and gardeners) at those Premises may collect in receptacles other than Containers 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 at Residential Premises.** This Franchise excludes the right and privilege to provide Collection of Solid Waste in Carts for any Residential Customer requesting Bins instead of Carts, or any other exclusions provided in Exhibit 3A. That Customer may arrange with FRANCHISEE or another Person to provide MSW Management Services in Bins.
4. **Collection of Solid Waste in Carts at Commercial Premises and Multifamily Premises.** As provided in Section 1A2b, this Franchise excludes the exclusive right and privilege to provide Collection of Solid Waste in Carts at Commercial Premises and Multifamily Premises.
5. **Rights Under California Public Resources Code § 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 § 49520 *et seq.* This

Franchise does not prohibit FRANCHISEE from executing separate agreements with those Persons to provide Franchise Services.

- C. **Definition of Rights.** FRANCHISEE acknowledges having received a timely notice from COUNTY under California Public Resources Code § 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 § 49520 and that FRANCHISEE does not have the right to make any claim under California Public Resources Code § 49520 but only under the terms of this AGREEMENT. Notwithstanding the foregoing, in accordance with California Public Resources Code § 49523, COUNTY and FRANCHISEE agree, based on the mutually satisfactory terms of providing Franchise Services set forth in this AGREEMENT and receipt of compensation therefor, 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 § 49520. FRANCHISEE'S agreement and acknowledgments in this AGREEMENT do not foreclose COUNTY from reprocurring agreements for MSW Management Services, including from FRANCHISEE, after termination of this AGREEMENT, by exclusive, 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. FRANCHISEE'S fees, charges, and other compensation from providing MSW Management Services to Residential Premises in Bins, as authorized but not required in Exhibit 3A, will not be included in the calculation of the Franchise Fee.

## **SECTION 2 – TERM**

- A. **Term.** This AGREEMENT commences on the date both parties have executed this AGREEMENT and expires on the Termination Date provided in Exhibit 3A.
- B. **Obligations Upon Expiration or Termination of AGREEMENT.** The following provisions will survive the expiration or termination of this AGREEMENT:
1. All acknowledgments, including those in the following Sections:

- Section 1C with respect to inapplicability of cited California Public Resources Code provisions
  - Section 3A with respect to COUNTY responsibility
  - Section 11A with respect to COUNTY'S need for Record maintenance
  - Section 12A with respect to AB 939 compliance
  - Section 21F with respect to FRANCHISEE choice and initiative
  - Section 23C3 with respect to child support
  - Section 23A with respect to a legal day's work
2. 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. All Indemnities
  4. 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 defined in Section 19C
    - Damages under Section 18D
  5. 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 and
    - Records of Disposal
    - Notice of destruction of Records of Disposal
    - Inspection and audit
  6. Any other provisions of this AGREEMENT and rights and obligations of the Parties stated to survive the Termination Date, including this subsection B with respect to removal of Containers.

If FRANCHISEE is not awarded an agreement to allow FRANCHISEE to continue to provide MSW Management Services substantially similar to Franchise 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. FRANCHISEE shall not remove a Container from any Premises until the earlier of: (1) the date any replacement Containers



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 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.** FRANCHISEE shall arrange to provide Franchise Services to Premises in the Service Area with any Person who requests them. Notwithstanding the foregoing, subject to meeting the minimum required scope of Franchise Services and 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 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.
- B. **County Notice.** 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 Services Standards, 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 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: 3/31/08 Director: Thomas W. Hoagland "

- 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: 3/31/08 Director: Thomas W. Hoagland "

#### **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, FRANCHISEE shall also clean up all litter within a 10-foot radius of the site from which FRANCHISEE Collected the Bulky Item. 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 § 12.08.520 - Refuse Collection Vehicles. FRANCHISEE shall perform Franchise Services so as to cause the least possible obstruction and inconvenience to public traffic or disruption to the peace and quiet of the area within which it performs Franchise Services.
  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.** FRANCHISEE shall use its best efforts to prevent damaging alleys, streets, and parking lots over which its Vehicles operate. FRANCHISEE shall obtain all approvals required to operate Vehicles on private alleys, streets, and parking lots. Subject to COUNTY review and approval and to Section 20C, FRANCHISEE may require Customers to sign a Subscription Order containing a waiver of liability and/or an indemnification in connection with subscribing for Franchise Services on private driveways or pavement.
- C. Non-Collection Notice.** 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 is not placed in a Container, *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. Containers, Bulky Items, E-waste or CEDs are not placed at the Set-Out Site;
  5. A Container 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 Container or Refuse or Recyclables in a Green Waste Container or any other material in Containers specified in Exhibit 3A;
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 Container, 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 surcharge to the Customer no later than 6 p.m. on the day it left the Non-Collection notice, if the Customer notifies Franchise by 3 p.m. that day that the Customer has corrected the condition justifying non-collection.

**D. Subscription Order.** 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 Containers, 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 Rates attributable to Solid Waste materials type, such as Refuse, Green Waste, Recyclables or manure;
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;
5. Delivery, pick up, exchange and replacement of Containers;
6. Any weight limitations of Containers;
7. Customers' 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 Office Hours and toll-free Customer service telephone number;
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; and
16. Any other information requested by the Director.

FRANCHISEE shall annually distribute to Customers a summary approved by COUNTY of the Customer's Subscription Order containing the general information described in items 1 through 15, 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 A2 of EXHIBIT 3A.
- F. **Nondiscrimination.** FRANCHISEE shall comply with Subchapter VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 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 Contract or under any project, program, or activity supported by this Contract.

- 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 Services and maintaining Records. All recycled-content paper that is distributed to Customers must be labeled to indicate recycled content.
- H. Customer Correspondence and Other Materials.** 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).
- 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 Services or indicate in its proposals and sales materials that it has been awarded this AGREEMENT to provide Franchise 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 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 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 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 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 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.** 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 container 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.

## **SECTION 5 - PRIVACY**

- 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 Containers 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. 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.** FRANCHISEE shall conspicuously label Containers with stickers, embossing, or other secure means, prohibiting Customers from discarding Unpermitted Waste and including illustrative examples.
- E. **Safe Disposal Customer Education Program.** 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.** 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 services in accordance with County Code § 20.72.160 and any additional provisions in Exhibit 3A.
- C. **Bilingual.** 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.**
  - 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 Container that it should have Collected, Franchisee shall Collect from that Container:

- 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. On the next day, if it receives the complaint after 3 p.m. Franchisee shall promptly resolve all other complaints.

2. **Complaint Logs.** FRANCHISEE shall enter, log and maintain Records of all complaints and their resolution in computerized format and in accordance with County Code § 20.72.160. At COUNTY'S request, FRANCHISEE shall immediately e-mail the following to COUNTY during County Office Hours: (1) those Records and (2) the complaining Customer's Customer Service Charge and Subscription Order. FRANCHISEE shall include a copy or summary of this log for the applicable month in its Monthly Report.

3. **County's Reimbursement Costs.** If COUNTY employees or agents spend either: (1) more than two hours in the aggregate resolving complaints from any single Customer that the Customer states have previously been filed with FRANCHISEE, or (2) more than one hour in any work week (Monday through Friday) resolving complaints from different Customers; then FRANCHISEE shall reimburse COUNTY its County's Reimbursement Costs incurred to resolve the complaint, as evidenced by an invoice indicating the name and address of the Customer, nature of complaint, amount of time spent, and hourly fees for employees involved and materials or other disbursements, including phone and postage costs.

## **SECTION 8 - OWNERSHIP OF SOLID WASTE**

This AGREEMENT does not purport to grant FRANCHISEE ownership over Solid Waste. The right to possession or ownership of Solid Waste placed at the Set-Out Site for Collection, including Green Waste and Recyclables, will be determined in accordance with Applicable Law and not as a result of this AGREEMENT. COUNTY acknowledges that it has no ownership rights in Solid Waste and that FRANCHISEE may provide for transfer of ownership in the Subscription Order.

## **SECTION 9 - DIVERSION**

FRANCHISEE agrees to use Reasonable Business Efforts to Divert all Recyclables, Green Waste (including holiday trees), Bulky Items, E-waste, and CEDs that it Collects, including implementing its Waste Diversion Program.

## **SECTION 10 - RATES AND CUSTOMER BILLING**

- A. Rates.** FRANCHISEE shall charge Customers no more than the Customer Service Charges provided in Attachment 2 (Rate Schedule) of Exhibit 10, and FRANCHISEE shall charge the same, uniform rates to all Customers receiving the same services listed in Attachment 2 of Exhibit 10.
- B. Billing.** FRANCHISEE shall include in its form of Customer invoice the following information:
1. Set-out times and places for Containers as required by the County Code and other County Code requirements as may be requested by County; and
  2. Franchisee's telephone number and 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 during the Term and for an additional period of not less than three 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, 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.
- 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), and copy all Records at FRANCHISEE'S Office during Franchisee Office Hours. FRANCHISEE may maintain Records outside of the COUNTY if it promptly provides copies thereof to COUNTY at COUNTY'S offices. 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 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; or information that FRANCHISEE submitted to COUNTY.

The Director may give Notice to FRANCHISEE identifying any shortfall, and if FRANCHISEE does not pay that shortfall within 30 days, including fees and charges for the late payment of Franchise Fees, that failure to pay will constitute a Franchisee Default in accordance with Section 17.

- D. Copies.** Franchise shall provide copies of Customers' names, addresses, and Franchise Services subscription levels to COUNTY upon request.

## **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 surcharge 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.

## **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:
  - 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) Collected by FRANCHISEE,
  - Materials recovered from those Recyclables and residual Refuse remaining after processing of Recyclables,
  - The final destination of that Refuse, and
  - 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** with a complete map of the 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.

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 Containers, respectively, together with Tonnage of Recyclables and Green Waste or other measurement of participation requested by COUNTY concerning these items; and
  - e. The Collection route maps and schedule with a complete map of the Service Area.
  - f. A summary of the number of Non-Collection notices issued and the reasons for issuance.
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 member 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 Containers 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.
4. **Reports of Violators.** 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, 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. The California Integrated Waste Management Board;
  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](http://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 Services and Liabilities further detailed in the following Indemnifications contained in subsections A2 through 5, but excluding any Liabilities arising from the following:
    - a. The sole active negligence of COUNTY, or
    - b. RCRA, CERCLA (specifically 42 U.S.C. § 9607(3)), or California Health and Safety Code § 25364.
  - 2. **Cal/OSHA.** Without limiting the operations Indemnity 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 Indemnity 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 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 Indemnity 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 at any place, site, or facility where FRANCHISEE or any of Franchisee's Related Parties 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 Indemnity, "**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 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.

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 with respect to COUNTY'S defense.

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

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, FRANCHISEE shall provide and maintain throughout the Term, the following programs of insurance. All insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY and FRANCHISEE shall provide and maintain it at FRANCHISEE'S own expense. 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 from sums due to 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.

**1. Evidence of Insurance.** On or before the Execution Date and thereafter prior to individual policy expiration 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;
- b. Clearly evidence all coverage required in this AGREEMENT, including policy forms or their equivalent;
- c. Contain the express condition that COUNTY is to be given written notice by mail at least 30 days (10 days for nonpayment of premium) in advance of cancellation for all policies evidenced on the certificate of insurance;
- d. Include a copy of the additional insured endorsements to the general liability policy, adding COUNTY, its Special Districts, its officers, and its employees as insured for all activities arising from this AGREEMENT;
- e. Identify any deductibles or self-insured retention for COUNTY'S approval. 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, guaranteeing payment of all retained losses and related costs, including expenses, or both, related to investigations, claims administrations, and legal defense. The bond or letter of credit must be executed by a corporate surety licensed to transact business in the State of California; and
- f. At COUNTY'S request, include documentation acceptable to COUNTY verifying that the individual signing or countersigning the certificates, policies, endorsements, or other evidence of coverage

is authorized to do so and identifies his or her company affiliation and title. COUNTY may require complete, certified copies of FRANCHISEE'S insurance policies at any time.

2. **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.
3. **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 Services involving injury or property damage that may result in the filing of an insurance claim, its legal claim, or lawsuit against FRANCHISEE and/or COUNTY;
  - b. Any third-party claim or lawsuit filed against FRANCHISEE arising from or related to Franchise Services; or
  - c. Any injury to a FRANCHISEE employee that occurs on COUNTY property. 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>.
4. **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 Aggregate:	\$4 million
Products/Completed Operations Aggregate:	\$4 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$2 million
  - 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 14B5b, "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. As an alternative to such a policy, FRANCHISEE'S general liability policy may be endorsed to provide the above described 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

- C. **Compensation for County Costs.** If FRANCHISEE fails to comply with any of the Indemnification or insurance requirements of this AGREEMENT and that failure results in any costs to COUNTY, FRANCHISEE shall pay full compensation for all County's Reimbursement Costs.

## 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**"). During the first Contract Year, the amount of the Performance Assurance must be in the sum established by COUNTY (see Exhibit 3A) to secure full and timely satisfaction of Performance Obligations, including payment of Franchise Fees, and any

liquidated damages. In all subsequent Contract Years, that amount must be not less than the sum of:

1. 15 percent of FRANCHISEE'S Gross Receipts minus Franchise Fees for the prior Contract Year;
2. 110 percent of the Franchise Fees paid by FRANCHISEE during the first six months of the prior Contract Year;
3. 110 percent of any liquidated damages assessed FRANCHISEE by COUNTY during the first six months of the prior Contract Year;
4. Up to \$50,000, at the discretion of the Director; and
5. Any additional amounts provided in Exhibit 3A.

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 Services but must provide for payment of moneys to COUNTY to secure substitute Franchise Services, remedy damages incurred, and ensure satisfaction of all Performance Obligations, including payment of Franchise Fees or liquidated damages to COUNTY, if 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. On or before the Execution Date and promptly upon 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 Right to Provide MSW Management Services.**

1. **Events.** COUNTY may perform, or contract for the performance of, any or all of FRANCHISE 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 Services, it will consider contracting with other COUNTY franchisees. COUNTY has no obligation to continue providing Franchise Services and may at any time, in its sole discretion, cease to provide Franchise Services. However COUNTY'S right to provide Franchise Services will continue until FRANCHISEE can demonstrate to COUNTY'S satisfaction that FRANCHISEE is ready, willing, and able to resume timely and full Franchise Services or until COUNTY can make alternative arrangements for providing MSW Management Services comparable to Franchise 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 Services, which notice is effective immediately, but must confirm oral notice with a Notice within 24 hours thereafter.

- 3. **Service Assets.**

- a. ***COUNTY Possession.*** Upon giving FRANCHISEE oral notice, COUNTY may take possession of any or all Service Assets necessary or convenient in providing Services, and FRANCHISEE shall fully cooperate with COUNTY to transfer possession of Service Assets to COUNTY. Customers' possession of Containers 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 service asset document described in Section 16A3b, or change in any service asset 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 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 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 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 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 therefor. 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. **Disaster Assistance.** FRANCHISEE shall make Reasonable Business Efforts to assist County in the event of major disaster, such as an earthquake, storm, riot, or civil disturbance, by providing Vehicles and drivers normally assigned to the Service Area to Collect any Solid Waste as requested by COUNTY, at

Customer Service Charges no greater than the Rates, unless the Director 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.

## **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; or
5. Failure to timely pay an Indemnification.

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. Seven consecutive days; or
  - b. Seven days in the aggregate from the Execution Date.
6. **Failure to Collect for More Than Seven Days.** 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):
  - 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 as described in Section 17A);
  - b. Section 23D1 Compliance with ILO Convention Concerning Minimum Age for Employment;
  - c. Section 23E Nondiscrimination; or
  - d. Section 23G County Lobbyist Ordinance.
- 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 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 Director 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 Director 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);
  - d. A Franchisee Default described in subsection B10 (improper consideration).
2. **Effective 30 days.** The Director may terminate this AGREEMENT effective 30 days after Notice by COUNTY to FRANCHISEE of any Franchisee Defaults other than the Franchisee Defaults listed in subsection C1 or termination events listed in subsection D.
3. **Effective 15 days.** The Director 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.

**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; or
  - b. COUNTY exercise of its right to suspend this AGREEMENT under Section 20J in the event of Criminal Activity of FRANCHISEE.

During that 45-day period FRANCHISEE shall have the opportunity to demonstrate to COUNTY that FRANCHISEE can once again fully perform Franchise 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 Director 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 Director 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 d 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 Director 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.

- E. **FRANCHISEE Responsibility and Debarment.** 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 § 2.200.020 of the County Code.

## **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; and



3. Assess damages under subsection D.

**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 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 Services for the price provided under this AGREEMENT, and to negotiate new agreements therefor; 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 Services; and

- 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 Services in excess of Customer Service Charges for the balance of the Term remaining if this AGREEMENT had not been terminated.

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.** The Parties acknowledge that 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 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. The Parties further recognize that 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. 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. 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 of the amount of 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 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. **Director 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 the Director's prior written consent, the exercise of which is in the Director'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 the Director's consent, at COUNTY'S option, will be null and void. The Director 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 therefor, 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 therefor.

## **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 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. Amendments and Changes.**

1. **Director's Changes.** 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 Services and Service Specifications and minimum Service Standards that do not result in a Rate adjustment in accordance with Section 3C;
- b. Changes to Exhibit 3D Franchisee Documentation;
- c. Changes to Exhibit 20G Authorized Representative of Director;
- d. Immaterial changes to immaterial Performance Obligations.

2. **Board's 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 Services and Service Standards that result in a Rate adjustment in accordance with Section 3C; 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. 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.** 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 Containers, 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.
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
  - b. Eliminate the participation in management of FRANCHISEE by that Franchisee Manager who is an individual or, with respect to FRANCHISEE or an Affiliate, the individual or individuals responsible for the Criminal Activity from any Position of Influence.
- 3. **County Remedies.** COUNTY may suspend or terminate this AGREEMENT or may impose other sanctions (which may include financial sanctions or any other condition deemed appropriate short of suspension or termination), as it deems proper, in either or both of the following events:
  - a. FRANCHISEE or any Affiliate fails to effectuate the cure described in subsection J2; or
  - b. The Criminal Activity is related to this AGREEMENT or occurring in the COUNTY.
- 4. **Limitations on Franchisee Manager.** No Franchisee Manager may have previously been convicted of a Criminal Activity or any plea of "guilty," "*nolo contendere*," or "no contest" to a Criminal Activity.
- 5. **Franchisee Documentation.** Franchisee shall list all Franchisee Managers in Franchisee Documentation.
- K. **Notice of Delay.** Within one day of learning that any actual or potential circumstance is delaying or threatening to delay the timely satisfaction of a Performance Obligation, FRANCHISEE shall give COUNTY a Notice of the delay, including all relevant information, such as identifying the particular Performance Obligation, circumstance, and duration of the delay, and whether or not FRANCHISEE believes that the delay is due to Uncontrollable Circumstances.
- L. **County's Quality Assurance Plan.** COUNTY or its agent will evaluate FRANCHISEE'S performance under this AGREEMENT on not less than an annual basis. The evaluation will include assessing FRANCHISEE'S compliance with all terms and performance standards of this AGREEMENT. FRANCHISEE deficiencies that COUNTY determines are severe or continuing and that may place performance of this AGREEMENT in jeopardy, if not corrected, will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by COUNTY and FRANCHISEE. If improvement does not occur consistent with the corrective action measures,



COUNTY may terminate this AGREEMENT or impose other penalties as specified in this AGREEMENT.

## **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 subsection 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 is inconsistent or conflicts with Sections 1 through 24 of this AGREEMENT or any other any Exhibits or Attachments to this AGREEMENT, then the provisions of Exhibit 3A 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), including Franchisee Documentation, then the provision of Sections 1 through 24 of this AGREEMENT will govern unless the Director determines that is contrary to the interest of the Parties.

**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 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 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 securing and maintaining all Permits. 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 A1d 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. § 653(a) and California Unemployment Insurance Code § 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 § 706.031 and California Family Code § 5246(b).

## **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. FRANCHISEE acknowledges that 8 hours labor constitutes a legal day's work under Applicable Law. FRANCHISEE shall require work in excess of 8 hours a day or 40 hours during anyone week only as authorized by California Labor Code § 1815. 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 § 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.

**B. 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.

**C. Notices to Employees.**

1. **Regarding the Federal Earned Income Credit.** FRANCHISEE shall notify its employees, and shall require each Subcontractor performing Franchise 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 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](http://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.

**D. 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 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.

**E. 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.

#### **F. 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 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 Franchise to cease providing Franchise 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 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





IN WITNESS WHEREOF, COUNTY has by order of its Board of Supervisors caused this AGREEMENT to be signed by the Director of Public Works, 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 Thomas W. Hoagland  
for Acting Director of Public Works

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.  
County Counsel

By [Signature]  
Deputy

UNIVERSAL WASTE SYSTEMS, INC.

By [Signature]  
President

Mark S. Blackburn  
Type or Print Name

[Signature]  
Secretary

Anne M. Blackburn  
Type or Print Name

# CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Los Angeles

On March 27, 2008 before me, Julie Woi, Notary Public  
(Here insert name and title of the officer)

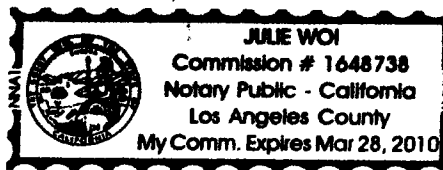
personally appeared Mark S. Blackburn and Anne Marie Blackburn

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.

Julie Woi  
Signature of Notary Public



(Notary Seal)

## 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 \_\_\_\_\_

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(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.

- 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

## EXHIBIT 3A - FRANCHISE SERVICES AND SERVICE SPECIFICATIONS

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 1A1 Grant of Exclusive Franchise for Collection in Carts.** COUNTY does not grant to FRANCHISEE any additional exclusive rights and privileges.
2. **Section 1B3 Collection of Solid Waste in Bins at Residential Premises.** This Franchise excludes the following right and privilege: none, other than the exclusions provided in Section 1B.
3. **Section 2A Termination Date.** The Termination Date is **May 31, 2015**. The Director in his or her sole discretion may extend the Termination Date for up to three one-year periods after Notice to FRANCHISEE no later than 90 days before the Termination Date. 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.
4. **Section 4C Non-Collection Notice item 8.** FRANCHISEE observes the **presence of Manure in a Refuse Container.**
5. **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.
6. **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. 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.

7. **Section 7C Bilingual.** FRANCHISEE shall respond to Customers in English and Spanish, as the Customer requests.
8. **Section 15 Amount of Performance Assurance.** FRANCHISEE shall provide performance assurance in the amount \$131,000.
9. **19A Director's Consent to Transfer.** The Director may condition consent to any Transfer, other than an Assignment to an Affiliate, on FRANCHISEE'S payment to COUNTY of \$5.00 per Customer.
10. **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 shall begin Collection on **April 1, 2008**, and Collect from all Customers during the succeeding week. Franchise shall Collect only between the hours of 6 a.m. and 6 p.m., Monday through Saturday, 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 § 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, 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, 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, including efforts to increase participation of Customer food retailers;
  - (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 newsletters;
  - (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.

FRANCHISEE shall use Reasonable Business Efforts to participate in other promotional activities to increase Diversion, including participation in local fairs, parades and civic events.

- b. **Distribution of Promotional Materials.** At least once each calendar year, FRANCHISEE shall distribute flyers, pamphlets, brochures, or other written information describing FRANCHISEE'S Recyclables services and other opportunities for Customers to reduce, reuse, recycle, and divert Solid Waste. FRANCHISEE shall submit the materials to COUNTY at least one month before mailing them for COUNTY review and approval. FRANCHISEE may combine this distribution with its Customer outreach for the Unpermitted Waste Screening Protocol as provided in Section 6E.
- c. **Diversion.** 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 and excess Solid Waste, E-waste and CEDs 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. **Containers.** *FRANCHISEE shall pay liquidated damages for Breach under this subsection B3 in accordance with Exhibit 18D2 Liquidated Damages.*

- a. ***Delivery and Exchanges.*** Within seven days after receiving a Customer's request for commencement or changes in Collection of Refuse, Recyclables, Green Waste, or Manure, FRANCHISEE shall deliver Containers of the Customer's requested capacity or replace existing Containers with substitute Containers of the Customer's requested capacity.
- b. ***Removal.*** 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 Containers from the Customer's Premises.
- c. ***Repair and Replacement.*** FRANCHISEE shall repair or replace Containers on or before the next Service Day after COUNTY'S or a Customer's request for repair or replacement, including providing and maintaining operable lids. FRANCHISEE shall repair or replace Containers, including Containers that are stolen, without surcharge, except that if the Customer does not report the theft of a Container 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 surcharge to Customers unless otherwise provided on the Rate Schedule. Reference in this AGREEMENT to “96 gallons” includes substantially similar capacity upon approval of the Director.

- e. **Upright.** FRANCHISEE shall return Carts upright.
- f. **Inventory.** FRANCHISEE shall maintain a Cart inventory of at least 10% of the total number of Carts of each type and capacity provided to all Customers
- g. **Graffiti.** FRANCHISEE shall remove graffiti from Containers within 5 days (weekends excepted) 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).
- h. **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 Containers 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 Containers having the same aggregate capacity, as FRANCHISEE would have provided to that Customer in Carts for the Rate surcharge provided in the Rate Schedule.
- i. **Alternatives to 96-Gallon Carts due to Space Restrictions.** If a Customer requests Containers other than 96-gallon Carts due to space restrictions for Cart storage or at the Set-Out Site, FRANCHISEE shall provide the type of Containers and method of Collection described in Franchisee Documentation. FRANCHISEE shall provide alternative Containers having the same aggregate capacity as FRANCHISEE would have provided to that Customer in Carts, without Rate discount or surcharge, if the Customer requests the same aggregate capacity.
- j. **32-Gallon Cart Alternatives to 96-Gallon Carts for elderly.** If an elderly Residential Customer described in Subsection G requests a 32-gallon Cart, FRANCHISEE shall provide a 32-gallon Cart so long as the elderly Customer can dispose of all or his or her Refuse inside the 32-gallon Cart and does not commingle Refuse in his or her Recyclables or Green Waste Carts.

4. **Vehicles.** Vehicles used for Collection must be fully automated unless permitted in subsection 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 Container Placement.** FRANCHISEE shall provide to the Director route maps and schedules indicating the day and approximate time of day (morning or afternoon) of Collection and Customers' names and addresses. FRANCHISEE shall schedule Collection one to two Service Days before streets are swept as provided in COUNTY'S schedule for street sweeping in the Service Area unless otherwise approved by the Director. For the convenience of the Parties, COUNTY'S current street sweeping schedule is attached as Exhibit 1, and the schedule may be amended by COUNTY after the Execution Date. Franchise shall use Reasonable Business Efforts to implement the Director's requests for route and schedule changes. FRANCHISEE shall return empty Containers 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 § 20.72.100.
7. **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.

**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 surcharge; and



- b. At the Customer's request, any number of additional 96-gallon Carts for the surcharge provided on the Rate Schedule.

FRANCHISEE shall Collect, transport and Dispose of Refuse discarded in tagged bags set next to a Customer's Refuse Cart without surcharge. Within one week of Customer request, FRANCHISEE shall provide that Customer two tags per Contract Year, substantially in the form included in Franchisee Documentation.

- 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.*

- 3. **Manure.** FRANCHISEE shall arrange to provide fully automated Collection, transportation and Disposal of Manure discarded by the Customer for whom Franchisee provides Collection of Refuse, on the day or days agreed with Customer, at least weekly, in each of the following events:

- a. the Customer requests that Franchise Service, or
- b. FRANCHISEE (1) observes manure discarded in that Customer's Refuse Container; (2) provides a Non-Collection Notice required under Section 4C9, explaining that Customer cannot discard Manure in Refuse Containers and must subscribe to Containers for discard of manure; and (3) subsequently again observes Manure discarded in that Customer's Refuse Container.

FRANCHISEE shall provide to that Customer a 64-gallon Cart (or other capacity Cart approved by the Director) for Collection of Manure and upon Customer request, additional 64-gallon Cart or Carts for the Customer Service Charges provided on the Rate Schedule.

At the request of any Customer, Franchisee shall provide roll-out, carry-out or push services described in subsection G with respect to Green Waste Carts containing Manure. However, Franchisee may charge a surcharge for these services as provided in the Rate Schedule regardless of whether the Customer is Elderly or Handicapped as defined in Subsection G.

FRANCHISEE'S fees, charges, and other compensation from providing Franchise Services to Premises with respect to Manure is included in the calculation of the Franchise Fee under Section 1D.

**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 to each of those Customers the following for Collection of Recyclables:
  - 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 surcharge; and
  - b. At the Customer's request, any number of additional 96-gallon Carts for the surcharge 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 beneficiaries. *FRANCHISEE shall pay liquidated damages for Breach under this subsection D2 in accordance with Exhibit 18D2 Liquidated Damages.*
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 § 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 § 41953; and

- b. Taking actions under County Code § 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 transformation 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, Franchise shall check all Customers' Recyclables Containers and Green Waste Containers) once to ascertain whether Customers are discarding only Recyclables in their Recyclables Containers and only Green Waste in Green Waste Containers. 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, Franchise shall check Recyclables Containers of 20 percent of its Customers annually on a rotating basis, such that all Customers' Recyclables Containers 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 Container and it shall leave a Non-Collection notice at the Premises.
- d. **Follow-Up.** Within two months, FRANCHISEE shall recheck Containers 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 Containers or Refuse and/or Recyclables in their Green Waste Containers, then the Director may direct FRANCHISEE to check additional Containers 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 that 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 surcharge; and
  - b. At the Customer's request, any number of additional 96-gallon Carts for the surcharge provided on the Rate Schedule.

In addition, FRANCHISEE shall Collect, up to four times each year without surcharge, 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.*

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

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.

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

- a. ***Annual Curbside Cleanup Event.*** FRANCHISEE shall Collect unlimited amounts of Residential Customers' Bulky Items, excess Solid Waste, E-waste and CEDs discarded at each Set-Out Site once each calendar year on a day approved by COUNTY, after no less than two weeks advance written notice to Residential Customers, without surcharge.
- b. ***Two On-Call Pickups Per Year without Surcharge 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 surcharge.
- c. ***Four On-Call Pickups Per Year without Surcharge for Multifamily Customers.*** 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 surcharge.

- d. **Additional On-Call Pickup with Surcharge.** 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 surcharges for additional calls listed on the Rate Schedule and surcharge for items listed in Franchisee Documentation.
- e. **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.
- f. **Required Registrations and Permits.** FRANCHISEE shall secure and maintain valid waste and used tire hauler registration therefor in accordance with California Public Resources Code § 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, excess Solid Waste, E-waste and CEDs, and FRANCHISEE'S charges for those Franchise Services.
- h. **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. *FRANCHISEE shall pay liquidated damages for Breach under this subsection F2 in accordance with Exhibit 18D2 Liquidated Damages.*

3. **Special Events Cleanup Services.** At the Director's request, FRANCHISEE shall provide Bins or portable containers 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 each of 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. FRANCHISEE shall provide all the necessary 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.
- 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 surcharge 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 from adjacent to a dwelling out to the curb.
- FRANCHISEE shall provide these services without additional charge or surcharge 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 Attachment 2 to Exhibit 10, "**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.

**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 32-gallon containers.

**I. Transition Roll-Out Plan.** FRANCHISEE shall provide 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 Container delivery from manufacturer;
3. Container (such as Cart) assembly;
4. Distributing Containers to Customers;
5. Public outreach and education activities;
6. Determining routes;
7. Training route drivers;
8. Collecting old Containers;
9. Commencement date of Collection.

FRANCHISEE shall use its best efforts to 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 best efforts to provide MSW Management Services to Customers who do not receive MSW Management Services from other providers.

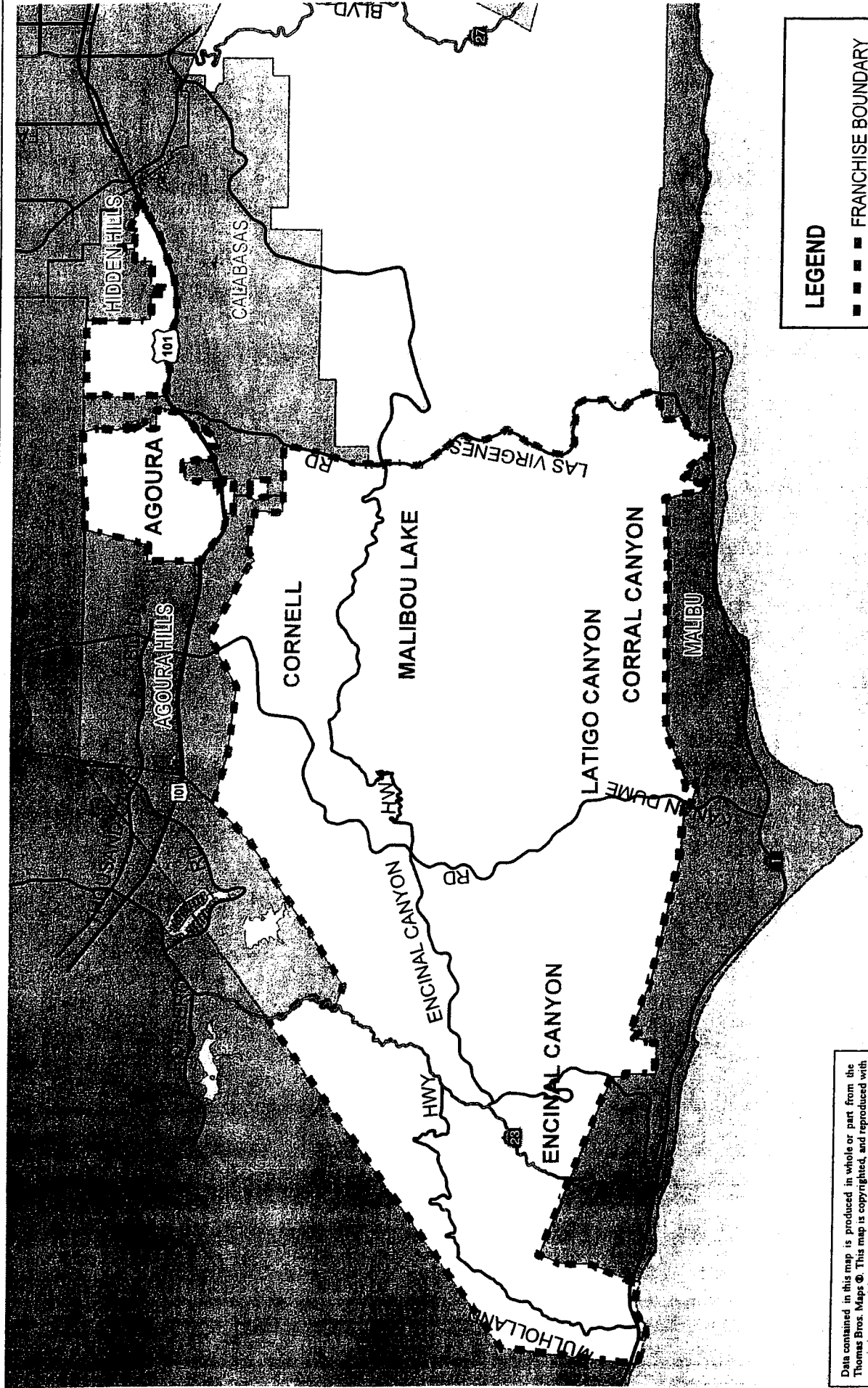
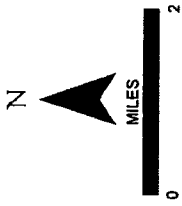
- J. FRANCHISEE Commitments Made in Its Proposal to COUNTY for Procurement of This AGREEMENT.** FRANCHISEE shall fully and timely satisfy any additional Performance Obligations set forth in item 20 of Section B of Exhibit 3D.
- K. MSW Management Services to Residential Premises and Multifamily Premises in Bins.** This Franchise does not prohibit FRANCHISEE from executing separate agreements with any Customer to provide MSW Management Services in Bins to Residential Premises for any Residential Customers and to Multifamily Premises for any Multifamily Customers who request FRANCHISEE to provide Bins for Refuse (including source-separated manure), Recyclables and/or Green Waste. In that event:
1. FRANCHISEE shall also provide all other Franchise Services (except Collection of Refuse, Recyclables, or Green Waste, as the case may be in Bins) to that Customer, including Collection of Recyclables and Green Waste and Customer service, in accordance with this AGREEMENT, without surcharge; and
  2. FRANCHISEE shall enter into a commercial franchise with COUNTY, if required in the Service Area.

**ATTACHMENT 1 - SERVICE AREA AND STREET SWEEPING SCHEDULE  
(Section B6)**

**[INSERT APPROVED MAP OF SERVICE AREA AND SCHEDULE HERE]**



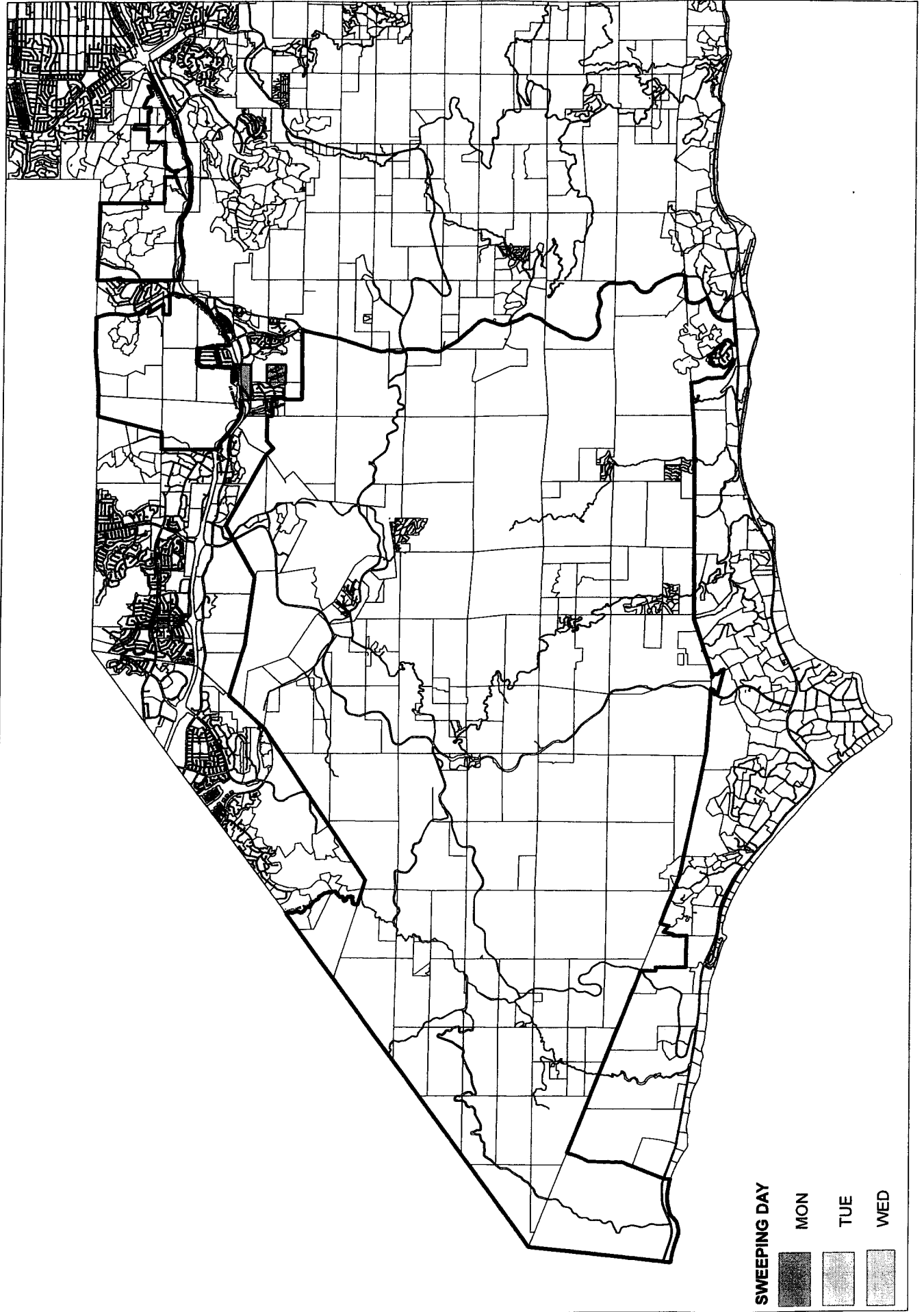
**North West Bay and Mountain Area**  
**Franchise includes Unincorporated Communities of:**  
**AGOURA / CORNELL / MALIBOU LAKE / CORRAL CANYON /**  
**LATIGO CANYON AND ENCINAL CANYON**



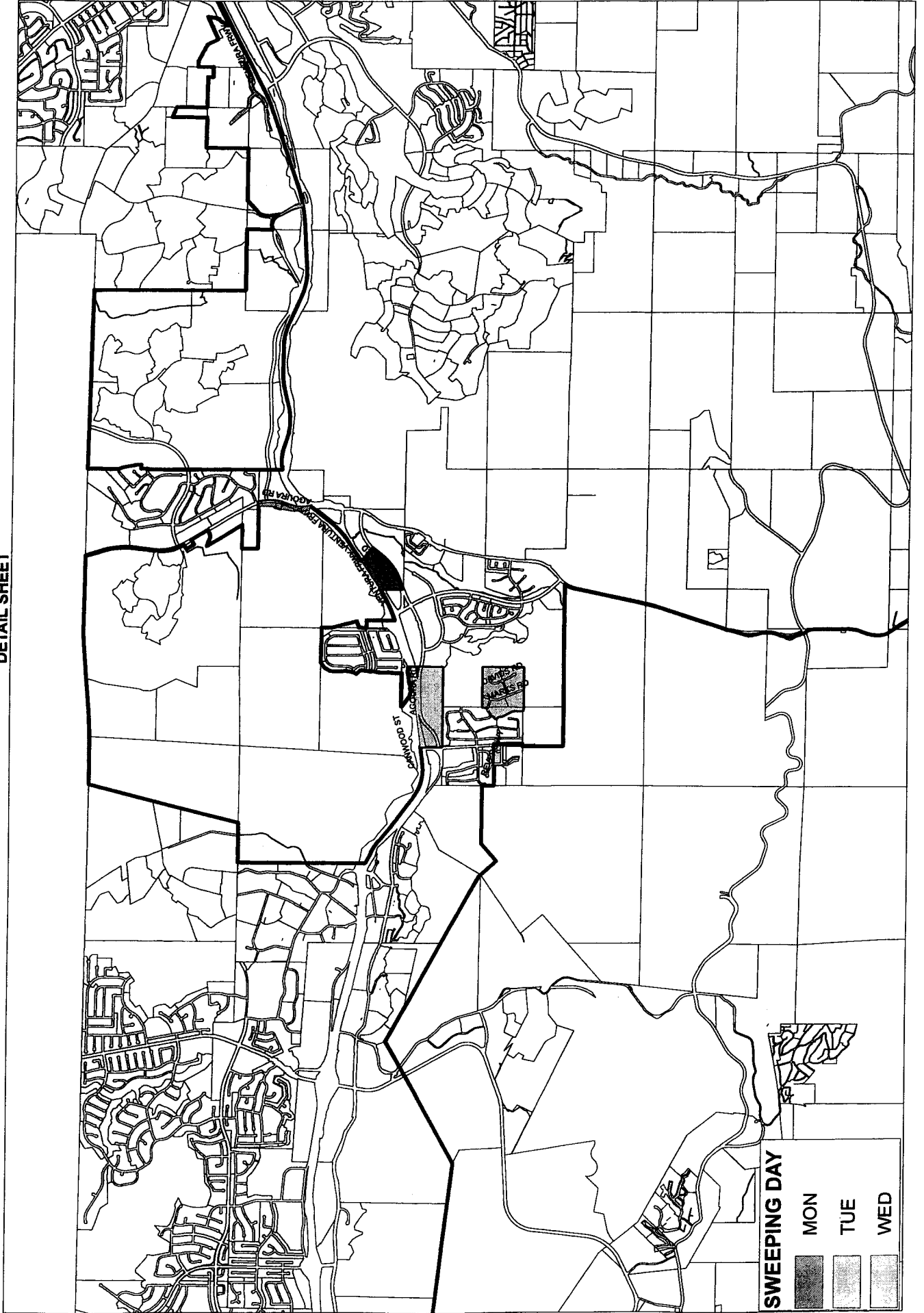
**LEGEND**  
--- FRANCHISE BOUNDARY

Data contained in this map is produced in whole or part from the Thomas Bros. Maps ©. This map is copyrighted, and reproduced with permission granted, by Thomas Bros. Maps ©. All rights reserved.

North West Bay and Mountain Area  
Franchise Includes Unincorporated Communities of:  
AGOURA / CORNELL / MALIBOU LAKE / CORRAL CANYON /  
LATIGO CANYON AND ENCINAL CANYON



North West Bay and Mountain Area  
 Franchise Includes Unincorporated Communities of:  
 AGOURA / CORNELL / MALIBOU LAKE / CORRAL CANYON /  
 LATIGO CANYON AND ENCINAL CANYON  
 DETAIL SHEET



**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 (Section 16A3c).
3. **ALL FRANCHISEE MANAGERS** (Section 20J5; see definition of "Franchisee Manager" in Exhibit 21).
4. **AUTHORIZED REPRESENTATIVE OF FRANCHISEE**, with Notice contact information (name, address, phone numbers, fax numbers, e-mail address).
5. **SERVICES SAFETY OFFICIAL** (Section 23F1).
6. **FACILITIES AND SOLID WASTE FACILITIES** designated by FRANCHISEE (Sections C2 Refuse, D2 Recyclables, E2 Green Waste, F2 Bulky Items of Exhibit 3A), 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. **NON-COLLECTION NOTICE** (Section 4C).
2. **FORM OF SUBSCRIPTION ORDER** (Section 4D) and summary thereof for annual distribution (Section 4D).

3. **KEY PERSONNEL** (Section 4L).
4. **UNPERMITTED WASTE SCREENING PROTOCOL** (Section 6; Section F4 of Exhibit 3A).
5. **OFFICE** address (Section 7A) and Franchisee Office Hours.
6. **ACKNOWLEDGMENT** of receipt of fact sheet relating to form of Non-employee Injury Report (Section 14B3).
7. **INSURANCE AND PERFORMANCE ASSURANCE** (Sections 14 and 15).
8. **INTERNAL REVENUE SERVICE NOTICE 1015** (Section 23C1).
9. **ACKNOWLEDGMENT** of receipt of fact sheet relating to Safely Surrendered Baby Law (Section 23C2).
10. **FRANCHISEE'S EEO CERTIFICATION (FORM PW-7)** (Section 23E3).
11. **HOLIDAY COLLECTION SCHEDULE** (Section B1 of Exhibit 3A).
12. **WASTE DIVERSION PROGRAM, including Customer Recyclables Diversion Education Program** (Sections B2and F4 of Exhibit 3A).
13. **CART SPECIFICATIONS**, including Cart capacity options, container color distinctions, identifying serial numbers, manufacturer's orders and invoices, label content and placement, and any documentation described in Section 16A3b. (Section B3d of Exhibit 3A).
14. **ALTERNATIVES TO FULLY AUTOMATED OR 96-GALLON CARTS** (Sections B3h, B3i and B3j of Exhibit 3A).
15. **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).
16. **FORM OF TWICE ANNUAL BAGGED REFUSE TAGS** (Section C1 of Exhibit 3A).
17. **COUNTY-APPROVED GREEN WASTE EXCLUSIONS** (Section E of Exhibit 3A; see definition of "Green Waste" in Exhibit 21).
18. **CHARGES FOR ADDITIONAL ON-CALL PICKUP OF BULKY ITEMS, E-WASTE AND CEDs** (Section F2d of Exhibit 3A).

- 19. TRANSITION ROLL-OUT PLAN (Section I of Exhibit 3A).**
- 20. ADDITIONAL FRANCHISEE COMMITMENTS MADE IN ITS PROPOSAL FOR PROCUREMENT OF THIS AGREEMENT (Section J of Exhibit 3A).**



**Exhibit 3D – Franchisee Documentation**

**Item A.1 – FRANCHISEE'S PERMIT AND PERMIT APPLICATION**

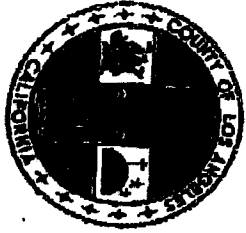
This item consists of 3 pages (including this page).

Initials: MSB Dated: 3/27/08 Initials: TNH Dated: 3/31/08  
FRANCHISEE COUNTY

Enclosed, please find Universal Waste Services, Inc.'s County of Los Angeles Waste Collector Permit from the Los Angeles County Department of Health Services.

Universal Waste Systems Inc. does not have a tire collector permit. We do not process or recycle used tires at any of our locations. UWS can collect 2 tires from residents without a permit. In the case of Annual Clean Up Events UWS can and will obtain a temporary permit.

Universal Waste Systems Inc. does not have a U Waste Permit. UWS does not collect, process, or transfer any U Waste materials.



# COUNTY OF LOS ANGELES

Department of Health Services - Solid Waste Management Program

## Waste Collector Permit

Under Provisions of County Ordinance Title 20

**2008**

COMPANY ID # S0561

PERMIT FEE \$1,534.00

VEHICLES PERMITTED 8

DATE OF ISSUE 02/04/2008

EXPIRATION DATE 12/31/08

*[Signature]*

CHIEF, SOLID WASTE MANAGEMENT PROGRAM

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



## Organization Details

New Search

**Universal Waste Systems Inc**

**CEWID: 106293**

**Approved As:** Collector

**Collector:** 05/11/2007

**Contact:** Mark Blackburn  
mblackburnuws@yahoo.com

### Physical Address:

9016 Norwalk Blvd  
Santa Fe Springs, CA 90670

Last Updated: Data updated continuously.  
Electronic Discards, <http://www.ciwmb.ca.gov/Electronics/ewaste@calepa.ca.gov> (916) 341-6000

### Approval

**Expires:**

5/11/2009

12:00:00 AM

**Renewal Due:**

2/10/2009

12:00:00 AM

**Phone:** (562)  
941-4900 x

### Mailing

**Address:**

P.O. Box 3038  
Whittier, CA  
90670

**Exhibit 3D – Franchisee Documentation**

**Item A.2 – INVENTORY OF SERVICE ASSETS**

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

Initials: M.S.B Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

Within 15 days after the Execution Date, Franchisee will provide updated inventory of service assets.

**Inventory of Service Assets****Vehicle Information**

Unit #	Fuel	Description	Year	Make	Material
200	Diesel / LNG	Automated Side Loader	1998	Crane Carrier	ALL
202	Diesel / LNG	Automated Side Loader	1998	Crane Carrier	ALL
204	Diesel / LNG	Automated Side Loader	1998	Crane Carrier	ALL
206	Diesel / LNG	Automated Side Loader	1998	Crane Carrier	ALL
208	Diesel / LNG	Automated Side Loader	1998	Crane Carrier	ALL
210	Diesel / LNG	Automated Side Loader	1998	Crane Carrier	ALL
98	Diesel	Rear Loader	1988	Mercedes	ALL
97	Diesel	Rear Loader	2000	Freightliner	ALL

**Carts Ordered**

Color	96	64	32
Brown	5000	200	200
Blue	5000	200	200
Green	5000	200	200
Manure		200	

**\*\*Carts have been received and delivered to the customers.**

**Cart Information**

Schaefer Systems International the contracted cart manufacturer supplying all carts for both franchise areas has 100 96-gallon containers in each color ready for delivery should it be necessary.

**Location of Customer Service Office and O&M Yard**

Universal Waste Systems, Inc.  
 9016 Norwalk Blvd.  
 Santa Fe Springs, CA 90670  
 Phone # (800) 631-7016  
 Fax # (562) 699-3614

**Routing and Customer Software**

**UWS Pro Waste 7.0 Computer Software and for maintaining client information records. The program is owned by UWS and maintained by the creator V-Group Inc. UWS does not use any type of computer software for creating the collection routes for the franchise.**

**Exhibit 3D – Franchisee Documentation**

**Item A.3 – ALL FRANCHISEE MANAGERS**

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

Initials: MSB Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

**Item A3: Franchisee Managers**

1. Franchisee Officers and Directors

Chief Executive Officer/President – Mark S. Blackburn  
Vice President – Mike Dye  
General Manager – Matt Blackburn

2. Officers and Directors of Parent Corporation and each successive parent corporation's parent corporation

*Does not apply*

3. The Franchisee representative named in franchise documentation:

Mark S. Blackburn,  
9016 Norwalk Blvd.  
Santa Fe Springs CA 90670  
Phone (562) 941-4900  
Fax (562) 941-4915  
E-mail: [msblackburn@uws-inc.com](mailto:msblackburn@uws-inc.com)

4. Any other persons, including affiliates and franchisees' or affiliates employees, officers or directors, in a position of influence.

*Not applicable*

5. Universal Waste Systems, Inc., will adhere to section 20J – Criminal Activity, 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 Franchise 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.



**Exhibit 3D – Franchisee Documentation**

**Item A.4 – AUTHORIZED REPRESENTATIVE OF FRANCHISEE**

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

Initials: MSB Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

**Item A4: Authorized Representative of Franchisee**

1. The Franchisee representative named in franchise documentation:

Mark S. Blackburn  
9016 Norwalk Blvd.  
Santa Fe Springs CA 90670  
Phone (562) 941-4900  
Fax (562) 941-4915  
E-mail: [msblackburn@uws-inc.com](mailto:msblackburn@uws-inc.com)

Matt Blackburn is the duly authorized representative for Universal Waste Systems, Inc. for the North West Bay and Mountain franchise area.

**Exhibit 3D – Franchisee Documentation**

**Item A.5 – SERVICES SAFETY OFFICIAL**

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

Initials: MSB Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

**Item A5: Services Safety Official**

**Mr. Mike Dye – Operations/Safety Manager**  
9016 Norwalk Blvd.  
Santa Fe Springs CA 90670  
Phone (562) 941-4900  
Fax (562) 941-4915  
Cell (909) 859-5545

**Exhibit 3D – Franchisee Documentation**

**Item A.6 – FACILITIES AND SOLID WASTE FACILITIES**

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

Initials: M.S.B Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

Within 15 days after the Execution Date, Franchisee will provide updated documentation of facilities and solid waste facilities.

**Facilities and Solid Waste Facilities**

Refuse will be taken to:

**Calabasas Landfill**

Sanitation Districts of Los Angeles County  
Solid Waste Management Department  
5300 Lost Hills Rd.  
Agoura, Ca. 91301  
Contact: Nancy Hayes  
Office: 562-699-7411 Ext 1120

Green Waste will be taken to:

**Calabasas Landfill**

Sanitation Districts of Los Angeles County  
Solid Waste Management Department  
5300 Lost Hills Rd.  
Agoura, Ca. 91301  
Contact: Nancy Hayes  
Office: 562-699-7411 Ext 1120

Recyclable Materials will be taken to:

**Allan Company**

2411 Delaware Ave.  
Santa Monica, CA 90404  
Contact: Adam Holt  
Office: 626-962-4047

CEDs will be brought to the UWS Santa Fe Springs Facility and then delivered to:

**Allan Company**

2411 Delaware Ave.  
Santa Monica, CA 90404  
Contact: Adam Holt  
Office: 626-962-4047

Bulky Items will be taken to:

**Calabasas Landfill**

Sanitation Districts of Los Angeles County  
Solid Waste Management Department  
5300 Lost Hills Rd.  
Agoura, Ca. 91301  
Contact: Nancy Hayes  
Office: 562-699-7411 Ext 1120

Location of UWS Santa Fe Springs Facility

**Universal Waste Systems Inc.**

9016 Norwalk Blvd.  
Santa Fe Springs CA 90670  
Contact: Matt Blackburn  
Office: (562) 941-4900

Horse Manure will be taken to:

**Gallos Nursery**

500 Portrero Grande  
Monterey Park, CA 91755  
Contact: Rafael Cruz  
Office: (323) 838-2422

### **Calabasas Landfill: Solid Waste and Green Waste Disposal**

The landfill is located on Lost Hills Road, just north of the 101 Freeway, next to the City of Calabasas. The landfill is open to the public from 8:00 a.m. to 5:00 p.m. The Calabasas Landfill is located on 505 acres with 416 acres designated for refuse disposal. The landfill is owned by Los Angeles County and operated by the Sanitation Districts. The landfill began operation in 1961 and has in excess of 20 million tons of refuse in place. The landfill has an expected remaining life of 30 years at the present disposal rate of 1,500 tons per day.

### **Allan Company: Commingled Recycling and Electronic Waste**

Allan Company has been servicing the recycling industry for over 40 years. Allan Company processes over 1.3 million tons of paper, plastics, aluminum cans, non-ferrous metals, and glass annually.

Allan Company accepts and process material such as aluminum cans, brochures, catalogs, newspapers, magazines, cardboard, paper, glass, plastic bottles. Allan company also accepts electronic waste such as computers, televisions, microwaves, keyboards, etc.



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17

## REFUSE DISPOSAL SYSTEM

## Account Transaction Summary

DECEMBER 2007

## 82848 - UNIVERSAL WASTE SYSTEMS

Report RDX026  
Page 37 of 59  
Date: 01/04/2008

Station	Transaction Date/Time	Transaction Number	Refuse Type	Order Weight	Order Weight	Net Weight	Amount
Puente Hills	12/01/2007 11:06 AM	106692046	Refuse	2.44	13.50	7.24	\$208.17
Puente Hills	12/01/2007 10:45 AM	106692045	Refuse	26.90	17.80	9.10	\$238.57
Puente Hills	12/01/2007 10:47 AM	106692045	Refuse	19.20	18.76	2.44	\$63.35
Puente Hills	12/01/2007 10:38 AM	106692042	Refuse	29.29	17.19	12.10	\$317.14
Puente Hills	12/01/2007 10:35 AM	106692045	Refuse	17.64	13.50	4.14	\$108.57
Puente Hills	12/01/2007 10:20 AM	106692042	Refuse	18.80	14.00	4.80	\$126.87
Puente Hills	12/01/2007 08:48 AM	106692744	Refuse	12.31	10.57	1.74	\$45.87
Puente Hills	12/01/2007 08:59 AM	106692704	Refuse	25.14	13.50	11.64	\$305.08
Puente Hills	12/01/2007 08:38 AM	106692875	Refuse	15.23	13.75	1.48	\$38.79
Puente Hills	12/01/2007 08:37 AM	106692871	Refuse	19.04	14.00	5.04	\$132.10
Puente Hills	12/01/2007 08:07 AM	106692875	Refuse	36.00	19.82	16.17	\$195.52
Puente Hills	12/01/2007 08:37 AM	106692874	Refuse	21.96	15.50	6.46	\$140.48
Puente Hills	12/01/2007 07:49 AM	106692877	Refuse	23.61	17.04	6.57	\$172.20
Puente Hills	12/01/2007 06:52 AM	106692821	Refuse	24.87	19.86	8.07	\$200.94
Puente Hills	12/01/2007 06:48 AM	106692813	Hard to Handle	39.13	19.98	19.17	\$679.57
Puente Hills	12/01/2007 06:28 AM	106692467	Refuse	23.41	15.04	8.37	\$218.36
Puente Hills	12/01/2007 06:25 AM	106692464	Refuse	30.60	13.84	4.50	\$121.95
Puente Hills	12/01/2007 06:23 AM	106692460	Refuse	29.20	18.06	8.14	\$213.33
Puente Hills	12/01/2007 06:47 AM	106692429	Refuse	23.86	15.47	7.49	\$196.37
Puente Hills	12/01/2007 06:42 AM	106692426	Refuse	16.40	13.50	2.98	\$78.37
Puente Hills	12/01/2007 05:33 AM	106692416	Refuse	33.83	18.23	15.70	\$411.50
Sub Totals:						11,660.00	\$294,287.37

County Sanitation Districts of Los Angeles County

**Exhibit 3D – Franchisee Documentation**

**Item A.7 – SUBCONTRACTORS (Excluding those listed in Item B.14)**

This item consists of 1 pages (including this page).

Initials: M.S.B Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

Franchisee will not use non-County approved subcontractors but will use County approved subcontractors as listed in Exhibit B-15 in performance of the franchise agreement.

**Exhibit 3D – Franchisee Documentation**

**Item B.1 – NON-COLLECTION NOTICE**

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

Initials: MSB Dated: 3/27/08 Initials: 3/31/TWH Dated: 3/31/08  
FRANCHISEE COUNTY

## Universal Waste Systems Inc.

### NON-COLLECTION NOTICE

Your container was not collected due to one of the following reasons. 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 your trash was not able to be collected.
- ☐ 2. Unpermitted waste such as tires, household hazardous waste, electronic waste, batteries, and fluorescent tubes were placed in containers. For more information on how to dispose unpermitted waste please call the LA County Hotline at 1-888-CleanLA.
- ☐ 3. ALL waste must be inside the containers provided to you with the exception of pre arranged bulky item pick-ups.
- ☐ 4. Your Containers, Bulky Items, or Electronic Waste were not placed at the collection set out site.
- ☐ 5. Your Container weighs in excess of the 250 lbs weight restriction.
- ☐ 6. Premises are not safely accessible to Vehicles.
- ☐ 7. Your **BLUE RECYCLE** container is contaminated with trash and or green waste.
- ☐ 8. Your **GREEN WASTE** container is contaminated with trash and or recycling.
- ☐ 9. You have Horse Manure in your refuse, recycle, or green waste container.
- ☐ 10. Your containers were not at the curbside collection site by 6:00 AM
- ☐ 11. Your Account is **Past Due**
- ☐ 12. Other: \_\_\_\_\_

**If the above is corrected today and you call customer service by 3 pm at (800) 631-7016, we will return and collect today before 6 pm at no additional 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.

Notes: \_\_\_\_\_

Route # \_\_\_\_\_ Driver Signature: \_\_\_\_\_

**Exhibit 3D – Franchisee Documentation**

**Item B.2 – FORM OF SUBSCRIPTION ORDER AND ANNUALLY DISTRIBUTED SUMMARY**

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

Initials: MSB Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

**Subscription Order****EXHIBIT 3D**

To Our Valued North East/North West Bay and Mountain Franchise Area Customer:

The County of Los Angeles Board of Supervisors awarded Universal Waste Systems, Inc. (UWS) a franchise to provide trash collection services in the North East/North West Bay and Mountain unincorporated communities commencing on April 1, 2008 and ending March 31, 2015. UWS 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 our customers the rates shown on this subscription order. Please take a moment to note the rates and services you will be offered below. The standard services and corresponding rates listed below are for services for which you are subscribed (on or after April 1, 2008). To request additional services or if you have any questions or concerns, please do not hesitate to call UWS customer service department, Monday thru Friday, 8am to 5pm or Saturday, 8am to 12pm, at 1-800-631-7016.

The term of your subscription order is 7 years from April 1, 2008 through March 31, 2015, unless it is terminated earlier as described in the enclosed Customer Bill of Rights or the franchise is terminated by the County. Your subscription is subject to the County's execution of the franchise agreement with UWS and it cannot be automatically renewed or extended.

**STANDARD SERVICES / billed quarterly:** **\$100.08/quarter (\$33.36/month)**

**25% Senior Discount:** For qualifying heads of household over 62: **\$75.06/quarter (\$25.02/month)**

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

**Standard services include:**

- ✓ Once-a-week automated trash and recycling collection service
- ✓ One 96 gallon refuse cart
- ✓ One 96 gallon green waste cart
- ✓ One 96 gallon commingled recyclables cart
- ✓ One extra green waste container or one extra recyclables container, or both, free of charge upon request
- ✓ Free Holiday Tree Collection Services
- ✓ Annual curbside clean-up events (including covered electronic devices)
- ✓ On-call collection of bulky items and covered electronic devices in unlimited quantities (twice per year)
- ✓ Multi Family Customers (3 or more units, Condominiums and Town Homes): On-call collection of bulky items and covered electronic devices with a 2 item per collection limit (four times per year)
- ✓ On-call bagged green waste collections in unlimited quantities (four times per year)
- ✓ On-call collection of two bags of excess trash (once per year)
- ✓ Four special community clean-up events per year
- ✓ Alternative to 96 gallon containers- Upon request, if you have space limitations, you may receive either 64 or 32 gallon containers
- ✓ Roll-out service- upon request, for qualifying elderly and disabled customers

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

**Additional collection of Covered Electronic Devices (CED's):** **No Charge**

**Scooter Service:** For any customer who requests this service or for difficult-to-service residential premises (such as some hills or cul-de-sacs where collection vehicles cannot safely drive): **\$25.02/quarter (\$18.77 with senior discount)**

**Roll-out/backyard service:** This service means UWS brings containers to the curb to be serviced by collection vehicle and returned to the back yard or other designated location for an additional fee of:

For qualifying customers:	<b>No Charge</b>
For all other customers:	<b>\$50.04/quarter (\$37.53 with senior discount)</b>
Designated location, if any:	_____

**Manure Collection:** You have the option to choose any provider or you may receive service from us. This service is available upon request, for an additional fee, by calling our customer service department at 1-800-631-7016.

**Residential Bin Rentals and Temporary Roll-Off Services:** Available upon request by calling our customer service department at 1-800-631-7016.

**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 covered 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. Covered electronic devices may be separately collected as described below. For additional safe and legal disposal options, call the HAZWASTE HOTLINE at (888) CLEAN-LA or visit [www.ciwmb.ca.gov/HHW/info](http://www.ciwmb.ca.gov/HHW/info).

**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, during a holiday week, collection will be delayed 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.

**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 Pick Up 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 (Scooter Service).** 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 = 300 lbs., 64 gallon cart = 200 lbs., 32 gallon cart = 100 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 will charge \$50.00 each 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 written 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 covered electronic devices free of charge. We will notify you of the annual Clean-Up Event two weeks in advance with a description of the types of items that will be collected.

**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 26<sup>th</sup> and January 14<sup>th</sup>. You must strip them of lights, ornaments, garlands, tinsel, flocking and stands.

**Two On-Call Bagged Green Waste Pickups:** We will collect extra green waste set out at the curb in bags, twice per year at no additional charge, on your next regularly scheduled pickup day if you call us at least 72 hours in advance.

**Two On-Call Pickups of Bulky Items And Covered Electronic Devices:** You may request 2 pickups of bulky items and covered electronic devices each year at no charge on your next regularly scheduled pickup day if you call us at least 24 hours in advance. Multi-family customers (3 or more units, Condominiums and Town Homes) will receive 4 total on-call bulky item collections, with a 2 item per collection limit. 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). We will accept the following electronic devices: cathode ray tube (CRT) devices (including televisions and computer monitors); LCD devices (desktop monitors, laptop computers and televisions); plasma televisions.

**Additional On-Call Pickups Of Bulky Item And Covered Electronic Devices:** You may also request pickups of bulky items and electronic devices, as described above, in excess of twice 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.

**Additional Customer Options Regarding Recyclables:** Customers may donate or sell any or all of their recyclables to persons other than UWS.

**When You Must Pay:** UWS 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, 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 a 10% APR on all outstanding balances will be charged. We may terminate your service if you do not timely pay your service fees. There will be a charge of \$25.00 for interruption and restart 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 or by giving us 30 days notice, 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 all or some of your waste in addition to, or 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 them. We will pay you interest on overcharges (other than advance payments for subsequently canceled services) at 10 percent per annum from the date of the overcharge 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 8:00 a.m. and 5:00 p.m. weekdays, except holidays and from 8:00 a.m. to 12:00 p.m. on Saturdays. You may come to our office located at 9016 Norwalk Blvd, Santa Fe Springs, California, 90670, or mail correspondence to our office address. If we do not satisfactorily resolve any complaint; you may call the County at (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 UWS to serve you!



**Exhibit 3D – Franchisee Documentation**

**Item B.3 – KEY PERSONNEL**

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

Initials: MSB Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

**Key Personnel**

**Mark Blackburn**  
CEO/President  
9016 Norwalk Blvd.  
Santa Fe Springs CA 90670  
Phone (562) 941-4900  
Fax (562) 941-4915  
E-mail: [uwsblackburn@yahoo.com](mailto:uwsblackburn@yahoo.com)

**Mike Dye**  
Vice President  
9016 Norwalk Blvd.  
Santa Fe Springs CA 90670  
Phone (562) 941-4900  
Fax (562) 941-4915

**Matt Blackburn**  
General Manager  
9016 Norwalk Blvd.  
Santa Fe Springs CA 90670  
Phone (562) 941-4900  
Fax (562) 941-4915  
E-mail: [mblackburnuws@yahoo.com](mailto:mblackburnuws@yahoo.com)

**Jerry Lizarraga**  
Route Foreman  
9016 Norwalk Blvd.  
Santa Fe Springs CA 90670  
Phone (562) 941-4900  
Fax (562) 941-4915

**Valerie A. Law**  
Sales  
9016 Norwalk Blvd.  
Santa Fe Springs CA 90670  
Phone (562) 941-4900  
Fax (562) 941-4915

**Tony Rodriguez**  
Dispatch  
9016 Norwalk Blvd.  
Santa Fe Springs CA 90670  
Phone (562) 941-4900  
Fax (562) 941-4915

**Michelle Newsham**  
Office Manager  
9016 Norwalk Blvd.  
Santa Fe Springs CA 90670  
Phone (562) 941-4900  
Fax (562) 941-4915

## Mark Blackburn CEO/President

### President

#### *Experience:*

Mark Blackburn worked for his father originally at Signal Hill Disposal, located in Signal Hill, CA. Working from the ground up and learning the ropes hands on. From routing, to driving a front-loader and roll-off truck, dealing with bins, boxes, portable toilets, handling employee's, the financial responsibility and learning the business on the civic side. Mr. Blackburn worked for his father up until he sold the business then Mark opened his own business with one truck. Experience includes franchise, non-franchise, residential, commercial, roll-off, construction, compactors, and hazardous materials.

#### *1986: Universal Waste Systems, Inc;*

U.W.S. opened with only one truck and a couple of employees back in 1986. Mr. Blackburn has taken his company from one (1) truck to over 50 trucks and up to 70 employees. We handle commercial, residential, demolition, construction, portable toilet rentals, and storage boxes in several county municipalities from Los Angeles to San Bernardino. Mr. Blackburn handles the financial responsibility of the company and direction in which we are growing. The following are a few target points of what he is working on:

- Recycling programs and alternative hauling. Working together with the L.A. County Sanitation, other haulers associated with California Disposal Association (C.D.A.) of which I am the President of, a group of haulers working together to strategize ideas and working programs to benefit all parties in all areas.
- Working on future planning of shipping trash by railcar to out of town landfills.
- Since the mandate of AB939 Mr. Blackburn has strived to achieve 50+% on diversion and filter our progress out with other haulers. We believe in recycling and diversion and are doing our part by educating our customers on what they can do to help in the fight.
- Working non-stop on developing ways to innovate, educate, develop and implement recycling programs. Want to be involved with the cities we do service and motivate recycling with residential, and commercial.

## Mike Dye Vice President

### Vice President

#### *Experience:*

**1994 – Present:            Universal Waste Systems, Inc.            Vice-President**

- Responsible for the sales department; reviews all proposals, contracts and leads.
- Handles all civic and P-R for the company.
- Very involved with community functions by participating and on chamber boards and committees.
- Attends city meetings that we are a part of.
- Oversees the safety program for our employees and assists with monthly meetings on safety.
- Helps organize our city clean-ups
- Always available to help in the schools by donating time to educate on recycling, participate in school functions as "Principle for a Day" program.

**1990 – 1993:            Waste Management            Sales**

- Handled sales in the following areas;
  - Construction
  - Bins, permanent and/or temporary
  - Portable toilets, trailers, and fencing
  - Cold calls, generate leads, stay in touch with customers
  - Account retention and collection

**1988 – 1990:            United Sanitation / B.F.I. Corporation Operation Mgr**

- Handled Portable Toilets; inventory, rentals, and permanent accounts.
- Dispatching of route drivers, delivery and pick up
- Yard maintenance
- Mechanics

**1980 – 1988:            Kart-A-Shed Co.            Manager**

Temporary Electrical Power Construction Project.

- Routing of crews

- Review layouts of projects
- Trouble shooting
- Sales, account retention
- Equipment ordering

## **Matt Blackburn General Manager**

### **General Manager**

#### ***Experience & Responsibilities:***

Matt Blackburn is a 3<sup>rd</sup> generation working in the family business. He has been a part of Universal Waste Systems growing up and working hands on from an early age. First, out in the yard with barrels, bins, portable toilets and learning about the vehicles. Like his father, he has been taught from the ground up, hands on training. Upon graduation from high school with honors, he immediately became a full time employee working with dispatching the vehicles, and routing trucks to various locations and learning to communicate with the staff and employees. Matt is a direct, honest person that has earned his position by merit. Not only is he an integral part of UWS, he continues to excel in the day-to-day operations of maintaining and operating the facility.

As business continues to grow Matt continues to grow with it, using the experience from his father, and grandfather, and also adding his own intuition to it. Combined with a solid foundation it is his personal goal to help UWS grow.

By mandate of the Sanitation Districts of Los Angeles County they have initiated a program called "Waste Disposal Origin Reporting Systems". Which all haulers have to record daily route pickups for Commercial and Residential refuse disposal. Daily haulers have to report the origin of the prior days hauling and dumping at the landfills within the Sanitation Districts of L.A. Co. Matt has initiated and administered a program with UWS to ensure that our reporting is as accurate as possible. He has taken our routes and remapped and rerouted stops not only for reporting purposes, but also to ensure that all stops not only service and satisfy our customers but that we are utilizing the best possible time management and economical strategy available.

Matt plans to continue his education with Business Management, Accounting and other valuable tools that will enhance and broaden the spectrum for UWS. He has an eagerness to learn and be a "Team Player" by showing that he can be a team member as well as lead the team.

**Jerry Lizarraga**

Route Foreman

**RESPONSIBILITIES**

Mr. Lizarraga oversees the day-today operations of vehicle maintenance, route scheduling, drivers, etc. Mr. Lizarraga is the liaison between the drivers and management. In the best interest of the company, he continues to develop an effective time management schedule to better service our customers.

**EXPERIENCE**

Mr. Lizarraga has been with UWS for over 20 years. Prior to working at UWS he was employed by Mr. Blackburn's father at Signal Hill Disposal and ventured out with his son (Mark Blackburn, Owner of) to start Universal Waste Systems, Inc.

**Tony Rodriguez**

Dispatch

**RESPONSIBILITIES**

Mr. Rodriguez is responsible for handling our roll-off fleet. He works out the best possible routes for the day and next day's work. With the landfills closing earlier he needs to stay on top of checking time, choosing alternative routes and yards to dump in. Verify loads in boxes to distribute the loads accordingly to what they are, C & D, green waste, dirt, rock or concrete or rubbish. He works closely with our drivers and management to ensure that all work is getting completed. Assists with our fleet maintenance records, fuel records, and drivers logs for daily work.

**EXPERIENCE**

Mr. Rodriguez has worked in the waste industry for over 25 years and has seen the automation of the waste industry first hand. He has worked for other haulers



**Michelle Newsham**

Office Manager

**RESPONSIBILITIES**

Mrs. Newsham is currently responsible for the day-to-day operations of Customer Service, Billing, assisting with Dispatch and handles all City Reporting. She assists with the daily scheduling of our fleet and dispatching of our drivers. On a monthly basis, she is able to accomplish in a timely manner, her responsibility to calculate city taxes and funds. AB 939 reporting is all calculated the same way, all numbers and tonnage are calculated monthly and reported however each city asks for it; some request monthly, and others quarterly. Mrs. Newsham is very detail oriented and works well with all city municipalities and does whatever necessary to accommodate the requests. All records and filing are kept in binders for each city and ready for any review by City, and or anyone they send in for an audit. Each month prior to billing, she verifies all roll-off accounts, extra pickups and new customers.

**EXPERIENCE**

Mrs. Newsham has been with Universal Waste Systems, Inc. for ten (10) years and plays a key roll in the training of new employees.

Prior to UWS, Mrs. Newsham worked as a Dental Assistant in Ontario, CA for 4 ½ years.

**EDUCATION**

Currently going to school to advance her education and achieve a degree in General Business Administration.

**Valarie Law**

Sales

**RESPONSIBILITIES**

Mrs. Law currently handles all sales for the greater L.A. area. Her sales are based on cold calls, referrals, canvassing the surrounding areas in which Universal Waste Systems, Inc. currently services. Mrs. Law handles her accounts thoroughly and oversees the delivery of her customers bin, or until services starts to ensure that the customer are handled in a professional manner. She then refers her customers to our customer service department for all special requests, billing questions, etc. We have a toll-free number, which is convenient for our customers to reach our office. Mrs. Law also helps with collections, reminders, and customer service when needed.

**EXPERIENCE**

Mrs. Law brings with her over 8 years of experience in sales. She worked for a refuse hauler in another state, which brought some interesting details with her on how we handle our business here. She did pretty much the same thing there handling new accounts, most of the service provided in that state was C & D with roll-off boxes. Mrs. Law has a gentle side to her that gives reassurance to her customers that they know they can count on her and count on Universal Waste Systems, Inc. to get the job done.

**Exhibit 3D – Franchisee Documentation**

**Item B.4 – UNPERMITTED WASTE SCREENING PROTOCOL**

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

Initials: M.B.B Dated: 3/27/08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

Within 15 days after the Execution Date, Franchisee will provide updated unpermitted waste screening protocol.

**Item B4: Unpermitted Waste Screening Protocol**

**Unpermitted Waste Screening Protocol**

**Unpermitted Waste Screening Protocol required by Section 6 of the franchise agreement.**

UWS drivers will be properly trained to identify any hazardous materials in containers. There will be mirrors in the packer compartment of the truck that will aid the driver in identifying the materials and unpermitted waste. UWS will also do daily random checks of containers with the help of its field supervisors checking both for hazardous materials and contamination. In the even of unpermitted waste, UWS will use several methods to resolve the situation with the customer.

**Drivers Protocol from the Field:**

- First occurrence
  - Cart will be red tagged
  - Customer service will notify customers
- Second occurrence
  - Cart will not be emptied
  - Cart will be red tagged
  - Field supervisor will meet resident to discuss the problem
- Third occurrence
  - Cart will not be emptied
  - Cart will be red tagged
  - Field supervisor will meet resident to discuss the problem
  - County will be notified and any further action will be their direction

In the even there are hazardous materials in the containers, if safe to handle, it will be removed and customer will be given the county's round up number for proper disposal. If it is unsafe, UWS will secure the services of a hazardous waste company to collect and properly containerize and dispose of hazardous materials.

**Hazardous Waste Training Customers and UWS staff:**

All customers and Universal Waste staff will go through yearly training and be update on new or changes to the following list of hazardous materials. The information listed below has been reviewed at community town haul meetings, customer out reach flyers, and reviewed in great detail with Universal Waste Systems Inc. staff at various levels from drivers and field representatives to customer service, dispatch, and upper management.

**What Are Household Hazardous Wastes?**

- **Any leftover product labeled toxic or poison, flammable combustible, or irritant**
  - Bug spray, fertilizer, pesticide/insecticide, fungicide, herbicide, weed killer
  - Old paint (latex, oil or water-based), turpentine, rust remover, paint thinner, varnish
  - Motor oil and filters, gasoline and diesel fuel, auto body repair products, antifreeze
- brake and transmission fluid, lead acid batteries, metal polish with solvent
- Cleaners, ammonia based, oven and drain cleaners, floor care products, window cleaners, aerosol cleaners, furniture polish, metal polishes
- and cleaners, tub, tile and toilet bowl cleaners
- Televisions, computers, cell phones, other electronic items
  - Batteries, fluorescent light bulbs, mercury thermometers, photo chemicals, lighter fluid, shoe polish, fiberglass epoxy, swimming pool chemicals, moth balls, glue
  - Beauty products, alcohol based lotions, isopropyl alcohol, medicine, nail polish and nail polish remover, hair dyes and permanents, products in aerosol cans

**Response to Spills:**

Universal Waste Systems Inc. drivers will immediately notify UWS dispatchers of any spills or excessive amount of hazardous materials. In the event of a spill all trucks will be equipped with Hazardous Waste Spill Kits containing an approved barrier to contain the spill and avoid the possibility of spreading the materials. UWS dispatchers will decide whether UWS staff can safely and legally handle the spill. If UWS staff can not resolve the issue in house the Los Angeles County Fire Department and HazMat team will be notified of the spill.

If the spill can be handled in house UWS will send a clean up crew to absorb the material and transport contaminated absorbent into steel case drums, the drums will then be transported to UWS maintenance facility and disposed of through an outside vendor. If the spill can't be completely cleaned by the use of absorbent UWS contracts with a steam washing company that will steam clean the affected area, contain the waste water, and bring it to UWS maintenance facility for proper disposal. UWS will forward all paper work verifying proper disposal to County representatives.

**Exhibit 3D – Franchisee Documentation**

**Item B.5 – OFFICE**

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

Initials: MSB Dated: 3/27/08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

Within 15 days after the Execution Date, Franchisee will provide updated information on office location.

**Item B5: Office Location and Office Hours**

Universal Waste Systems Inc.  
9016 Norwalk Blvd.  
Santa Fe Springs, CA 90670  
Monday – Friday 8:00AM – 5:00PM  
Saturday 8:00AM – 12:00PM

This facility will house all customer service representatives for the North East and North West Bay and Mountain Communities. The trucks and containers will be relocated to a new facility in the San Fernando Valley. Universal Waste is still in the process of securing a location for these vehicles and will notify the county immediately once the contracts are signed.

**Exhibit 3D – Franchisee Documentation**

**Item B.6 – ACKNOWLEDGMENT** of receipt of fact sheet relating to form of Non-employee Injury Report

This item consists of 1 pages (including this page).

Initials: M.S.B Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

Franchisee 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](http://ceo.lacounty.gov/RMB/pdf/Forms/cms1_044804.pdf).

  
Signature



**Exhibit 3D – Franchisee Documentation**

**Item B.7 – INSURANCE AND PERFORMANCE ASSURANCE**

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

Initials: MAB Dated: 3-27-08 Initials: TUH Dated: 3/31/08  
FRANCHISEE COUNTY

<b>ACORD CERTIFICATE OF LIABILITY INSURANCE</b>		OP ID PB UNIVE-1	DATE (MM/DD/YYYY) 02/11/08
<b>PRODUCER</b>  BCD Insurance Services, Inc. 3848 Carson Street, Suite 300 Torrance CA 90503 Phone: 310-316-5500 Fax: 310-316-5518		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
<b>INSURED</b>  Universal Waste Systems, Inc. P. O. Box 3038 Whittier CA 90605		<b>INSURERS AFFORDING COVERAGE</b>  INSURER A: <b>American International</b> INSURER B: <b>Commarco &amp; Industry Ins. Co.</b> INSURER C: <b>Insurance Company of the West</b> INSURER D: INSURER E:	<b>NAIC #</b>      

**COVERAGES**

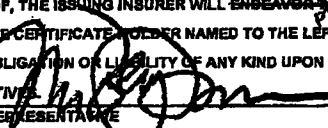
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES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

INSR	ADD'L LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		<b>GENERAL LIABILITY</b>	EG2334058	04/23/07	04/23/08	EACH OCCURRENCE \$ <b>1,000,000</b>
		<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b>				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ <b>300,000</b>
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> <b>OCCUR</b>				MED EXP (Any one person) \$ <b>10,000</b>
		<input checked="" type="checkbox"/> <b>Poll Legal Liab</b>				PERSONAL & ADV INJURY \$ <b>1,000,000</b>
		GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE \$ <b>2,000,000</b>
		<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				PRODUCTS - COM/PROP AGG \$ <b>2,000,000</b>
						Emp Ben \$ <b>1,000,000</b>
B		<b>AUTOMOBILE LIABILITY</b>	CA6561037	04/23/07	04/23/08	COMBINED SINGLE LIMIT (Ea accident) \$ <b>1,000,000</b>
		<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
		<input checked="" type="checkbox"/> HIRED AUTOS				
		<input checked="" type="checkbox"/> NON-OWNED AUTOS				
		<b>GARAGE LIABILITY</b>				AUTO ONLY - EA ACCIDENT \$
		<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC \$
						AUTO ONLY: AGG \$
A		<b>EXCESS/UMBRELLA LIABILITY</b>	EGU2334148	04/23/07	04/23/08	EACH OCCURRENCE \$ <b>4,000,000</b>
		<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$ <b>4,000,000</b>
		<input type="checkbox"/> DEDUCTIBLE				\$
		<input checked="" type="checkbox"/> RETENTION \$ <b>10,000</b>				\$
						\$
C		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>	WVE500016200	03/01/08	03/01/09	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT \$ <b>1,000,000</b>
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE \$ <b>1,000,000</b>
		OTHER				E.L. DISEASE - POLICY LIMIT \$ <b>1,000,000</b>

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS**

\*10 Days Notice of Cancellation if Cancelled for Non-Payment of Premium.  
 The County, its Special Districts, its officers and its employees as insured for all activities arising from the agreement. RE: The Exclusive Franchise Agreement for the Area North West Bay and Mountain.

**CERTIFICATE HOLDER****CANCELLATION**

County of Los Angeles Dept. of Public Works Environment Programs Div. 900 S. Fremont Annex Bldg 3rd Alhambra CA 91803	COULAPW	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE  Marc Bergman
--	---------	---

### **IMPORTANT**

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION 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).

### **DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

**AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY**

(A Capital Stock Company, herein called the Company)  
 70 Pine Street  
 New York, N.Y. 10270

**COVERAGE D AS PROVIDED IN THE "UNDERLYING INSURANCE" IS CLAIMS MADE.  
 PLEASE READ THIS POLICY CAREFULLY.**

**COMMERCIAL UMBRELLA DECLARATIONS**

POLICY NUMBER: EGU 2334148

RENEWAL OF: NEW

PRODUCER NAME: SELECT PROGRAMS INSURANCE SERVICES INC.  
 ADDRESS: 249 E OCEAN BLVD., STE 712  
 LONG BEACH, CA 90802

ITEM 1. NAMED INSURED: UNIVERSAL WASTE SYSTEMS, INC

ADDRESS: 9016 NORWALK BLVD.  
 SANTA FE SPRINGS, CA 90670

ITEM 2. POLICY PERIOD: From: April 23, 2007 To: April 23, 2008  
 AT 12:01 AM STANDARD TIME AT THE ADDRESS OF THE NAMED INSURED SHOWN ABOVE

## ITEM 3. LIMITS OF INSURANCE:

- a) Each Occurrence, Offense or Loss \$4,000,000 ✓  
 b) Self Insured Retention \$10,000 ✓  
 c) Aggregate Limits - Separately as respects:
- (i) Products Hazard and Completed Operations Hazard Combined \$4,000,000 ✓
  - (ii) All other Coverages Combined \$4,000,000 ✓  
 (Except Automobile Liability, which is not subject to aggregate limit)

ITEM 4. RETROACTIVE DATE FOR COVERAGE D OF  
 "UNDERLYING INSURANCE": D1 & D2 04/23/2007

## ITEM 5. POLICY PREMIUM:

ADVANCE PREMIUM	ANNUAL MINIMUM PREMIUM	MINIMUM EARNED PREMIUM AT INCEPTION
\$62,076.00	\$62,076.00	\$62,076.00

Premium for Certified Acts of Terrorism Coverage Under Terrorism Risk Insurance Act 2002:  
 Not Applicable, Coverage Rejected By Insured

CA Tax: \$1,862.28 Not Included in the Premium  
 SLA Fee: \$77.60 Not Included in the Premium

ITEM 6. SCHEDULE UNDERLYING INSURANCE: - SEE SCHEDULE #86802

ITEM 7. ENDORSEMENTS ATTACHED: SEE FORMS SCHEDULE

  
 AUTHORIZED REPRESENTATIVE  
 or countersignature (where required by law)

71153 (8/04)  
 CI2500

PAGE 1 OF 1

NOTICE: THIS INSURER IS NOT LICENSED IN THE STATE OF NEW YORK AND IS NOT SUBJECT TO ITS SUPERVISION

SCHEDULE OF UNDERLYING INSURANCECommercial General Liability and Pollution Legal Liability (EAGLE):

Carrier: American International Specialty Lines Insurance Company  
 Policy Period: April 23, 2007 TO: April 23, 2008  
 Policy Number: 2334058  
 Limits: \$1,000,000 Each Occurrence Limit  
 \$1,000,000 Each Loss Limit (Coverage D. Pollution Legal Liability)  
 \$2,000,000 General Aggregate Limit (Other than Products-Completed Operations)  
 \$2,000,000 Products-Completed Operations Aggregate Limit  
 \$1,000,000 Personal and Advertising Injury Limit

Employee Benefits:

Limits: \$1,000,000 Each Wrongful Act or Series of Related Wrongful Acts Limit  
 \$1,000,000 Annual Aggregate Limit

Auto Liability:

Carrier: Commerce & Industry Insurance Company  
 Policy Period: April 23, 2007 TO: April 23, 2008  
 Policy Number: 6561037  
 Limits: \$1,000,000 Combined Single Limit

Employers Liability, Coverage B:

Carrier: ~~Redwood Fire and Casualty Insurance Company~~ Insurance Co. of the West  
 Policy Period: March 1, 2007 ~~8~~ TO: March 1, 2008 ~~9~~  
 Policy Number: ~~W7336045~~ WVE3000162 00  
 Limits: \$1,000,000 Each Occurrence Limit  
 \$1,000,000 Aggregate Per Disease Limit  
 \$1,000,000 Per Person Limit

## ENDORSEMENT NO. 12

This endorsement, effective 12:01 AM, February 28, 2008

Forms a part of Policy No: EG 2334058

Issued to: UNIVERSAL WASTE SYSTEMS, INC.

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS.CO.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED PRIMARY AND NON-CONTRIBUTORY ENDORSEMENT -  
OWNERS, LESSEES OR CONTRACTORS - YOUR WORK**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY AND  
POLLUTION LEGAL LIABILITY POLICY**

**SCHEDULE**

**Name of Additional Insured Person(s) or Organization(s):**

COUNTY, Its' Special Districts, its officers, and its employees as insured for all activities arising from this Agreement

**Location(s) of Covered Operation(s):**

EXCLUSIVE FRANCHISE AGREEMENT FOR THE AREA OF NORTH WEST BAY AND MOUNTAIN

- I. Solely as respects **COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY, COVERAGE E-2 PRODUCTS POLLUTION AND EXPOSURE LIABILITY, and COVERAGE E-3 - CONTRACTORS POLLUTION LIABILITY, SECTION II - WHO IS AN INSURED** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for bodily injury, property damage, personal and advertising injury, or environmental damage caused, in whole or in part, by:
- A. Your acts or omissions; or
- B. The acts or omissions of those acting your behalf;
- in the performance of your work for the additional insured(s) at the location(s) designated above.
- II. As respects the coverage afforded the additional insured(s) scheduled above, this insurance is primary and non-contributory, and our obligations are not affected by any other insurance carried by such additional insured(s) whether primary, excess, contingent, or on any other basis.

All other terms, conditions and exclusions shall remain the same.



**AUTHORIZED REPRESENTATIVE**  
or countersignature (in states where applicable)

**GREAT AMERICAN INSURANCE COMPANY**  
Renewable Performance Bond

Bond No. MS2707916

KNOW ALL MEN BY THESE PRESENTS: That Universal Waste Systems, Inc.  
(hereinafter called the Principal), and GREAT AMERICAN  
INSURANCE COMPANY, 580 Walnut Street, Cincinnati, Ohio 45202 (hereinafter called the Surety), are held and  
firmly bound unto County of Los Angeles, Public Works (hereinafter called the Obligor), in the full  
and just penal sum of One Hundred Thirty One Thousand & no/100s (\$131,000 00 )  
dollars to the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, and  
each of their heirs, administrators, executors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bounden Principal has entered into a certain written contract with the above mentioned Obligor  
for Exclusive Franchise Agreement for North West Bay and Mountain  
which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein  
with annual renewal at Surety's discretion: and

NOW, THEREFORE, THE CONDITIONS OF THE ABOVE OBLIGATION IS SUCH, that if the above bounden  
Principal shall well and truly keep, do and perform, each and every, all and singular, the matters and things in said  
contract set forth and specified to be by the said Principal kept, done and performed, at the time and in the manner in  
said contract specified to be by the said Principal kept, done and performed, at the time and in the manner in said  
contract specified during the term of this bond, and shall pay over, and make good and reimburse to the above named  
Obligor, all loss and damage which said Obligor may sustain by reason of failure or default on the part of Principal,  
then this obligation shall be void otherwise to be and 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 April 1, 2008 and ending April 1, 2009.
2. In the event of a default by the Principal in the performance of the contract during the term of this bond, the  
Surety Shall be liable only for the loss to the Obligor due to actual excess costs of the contract up to the  
termination of this bond. The Surety, after investigation, shall with reasonable promptness determine the  
amount for which it may be liable to the Obligor as soon as practicable after the amount is determined, tender  
payment therefore to the Obligor, or find an acceptable principal to complete the contract upon the express  
written consent of the Obligor. This bond does not provide coverage to any indirect loss or costs incurred by  
the Obligor including, but not limited to legal fees, court costs, expert fees or interest except for the  
applicable fees and liquidated damages as set forth in the franchise agreement.
3. No claim, action suit or proceeding, except as hereinafter set forth, shall be had or maintained against the  
Surety on this instrument unless same be brought or instituted and process served upon the Surety within one  
year after the expiration of the stated term of this bond.
4. Neither the non-renewal by the Surety, nor failure, nor inability of the Principal to file a replacement bond  
shall constitute loss to the Obligor recoverable under this bond, notwithstanding any language in the contract  
to the contrary.
5. The bond may be extended for additional years, annually, to coincide with the terms of the franchise  
agreement at the option of the Surety, by Continuation Certificate executed by the Surety.
6. This bond shall not be cumulative. 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 Obligor named herein and this bond cannot be assigned to any other party without the written consent of  
the Surety.

Signed and sealed this 21st day of March, 20 08

Universal Waste Systems, Inc.

Principal

BY: 

Matthew Blackburn, VP  
Name and Title

GREAT AMERICAN INSURANCE CO.

BY: 

Attorney-in-Fact Margaret T. Thorsen

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of LOS ANGELESOn 3/21/08

Date

before me,

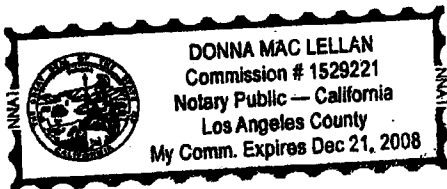
DONNA MAC LELLAN, NOTARY PUBLIC

Here Insert Name and Title of the Officer

personally appeared

MARGARETA T. THORSEN

Name(s) of Signer(s)



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

*Donna Mac Lellan*

Signature of Notary Public

Place Notary Seal Above

**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: \_\_\_\_\_

☐ Individual☐ Corporate Officer — Title(s): \_\_\_\_\_☐ Partner — ☐ Limited ☐ General☒ Attorney in Fact☐ Trustee☐ Guardian or Conservator☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

 RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb here

Signer's Name: \_\_\_\_\_

☐ Individual☐ Corporate Officer — Title(s): \_\_\_\_\_☐ Partner — ☐ Limited ☐ General☐ Attorney in Fact☐ Trustee☐ Guardian or Conservator☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

 RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb here



**GREAT AMERICAN INSURANCE COMPANY®**

Administrative Office: 580 WALNUT STREET • CINCINNATI, OHIO 45202 • 513-369-6000 • FAX 513-723-2740

The number of persons authorized by  
this power of attorney is not more than TWO

No. 0 14123

**POWER OF ATTORNEY**

**KNOW ALL MEN BY THESE PRESENTS:** That the GREAT AMERICAN INSURANCE COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Ohio, does hereby nominate, constitute and appoint the person or persons named below its true and lawful attorney-in-fact, for it and in its name, place and stead to execute in behalf of the said Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below.

Name	Address	Limit of Power
JOHN P. BROOKS MARGARETA T. THORSEN	BOTH OF PASADENA, CALIFORNIA	BOTH \$75,000,000.00

This Power of Attorney revokes all previous powers issued in behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF the GREAT AMERICAN INSURANCE COMPANY has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 2<sup>nd</sup> day of, AUGUST, 2006.

Attest

GREAT AMERICAN INSURANCE COMPANY

STATE OF OHIO, COUNTY OF HAMILTON - ss:

DAVID C. KITCHIN (513-369-3811)

On this 2<sup>nd</sup> day of AUGUST, 2006, before me personally appeared DAVID C. KITCHIN, to me known, being duly sworn, deposes and says that he resides in Cincinnati, Ohio, that he is the Divisional Senior Vice President of the Bond Division of Great American Insurance Company, the Company described in and which executed the above instrument; that he knows the seal of the said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company by unanimous written consent dated March 1, 1993.

*RESOLVED: That the Division President, the several Division Vice Presidents and Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.*

*RESOLVED FURTHER: That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract or suretyship, or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.*

**CERTIFICATION**

I, RONALD C. HAYES, Assistant Secretary of Great American Insurance Company, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of March 1, 1993 have not been revoked and are now in full force and effect.

Signed and sealed this 21<sup>st</sup> day of, March 2008.

**Exhibit 3D – Franchisee Documentation**

**Item B.8 – INTERNAL REVENUE SERVICE NOTICE 1015**

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

Initials: M.S.B Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

Universal Waste Systems, Inc. shall notify its employees, and shall require each Subcontractor to notify its employees, that they may be eligible for the federal Earned Income Credit under the federal income tax laws. The notice will be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.



Department of the Treasury  
Internal Revenue Service

## Notice 1015

(Rev. December 2006)

### 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 2006 are less than \$38,348 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, 2007.

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 the IRS website at [www.irs.gov](http://www.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 the 2006 instructions for Form 1040, 1040A, 1040EZ, or Pub. 596, Earned Income Credit (EIC).

#### How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2006 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 2006 and owes no tax but is eligible for a credit of \$824, he or she must file a 2006 tax return to get the \$824 refund.

#### How Do My Employees Get Advance EIC Payments?

Eligible employees who expect to have a qualifying child for 2007 can get part of the credit with their pay during the year by giving you a completed Form W-5, Earned Income Credit Advance Payment Certificate. You must include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see Pub. 15 (Circular E), Employer's Tax Guide.

Notice 1015 (Rev. 12-2006)  
Cat. No. 205991



Printed on recycled paper

**Exhibit 3D – Franchisee Documentation**

**Item B.9 – ACKNOWLEDGEMENT** of receipt of fact sheet relating to Safely Surrendered Baby Law

This item consists of 5 pages (including this page).

Initials: MSB Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

WASTE HAULER 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](http://www.babysafela.org)).

WASTE HAULER 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.

WASTE HAULER and its contractors will post posters of copies of County of Los Angeles posters regarding the Safely Surrender Baby Law at every facility where employees are present.

  
Signature

**No shame.  
No blame.  
No names.**

**Newborns can be safely given up  
at any Los Angeles County  
hospital emergency room or fire station.**



**In Los Angeles County:  
1-877-BABY SAFE  
1-877-222-9723  
[www.babysafela.org](http://www.babysafela.org)**



**State of California**  
Gray Davis, Governor

**Health and Human Services Agency**  
Grantland Johnson, Secretary

**Department of Social Services**  
Rita Saenz, Director



**Los Angeles County Board of Supervisors**  
Gloria Molina, Supervisor, First District  
Yvonne Brathwaite Burke, Supervisor, Second District  
Zev Yaroslavsky, Supervisor, Third District  
Don Knabe, Supervisor, Fourth District  
Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles.

**What is the Safely Surrendered Baby Law?**

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

**How does it work?**

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

**What if a parent wants the baby back?**

Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

**Can only a parent bring in the baby?**

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

**Does the parent have to call before bringing in the baby?**

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

**Does a parent have to tell anything to the people taking the baby?**

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

**What happens to the baby?**

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

**What happens to the parent?**

Once the parent(s) has safely turned over the baby, they are free to go.

**Why is California doing this?**

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

**A baby's story**

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

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**Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.**

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*It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.*

# **Sin pena. Sin culpa. Sin peligro.**

**Los recién nacidos pueden ser entregados  
en forma segura en la sala de emergencia de  
cualquier hospital o en un cuartel de bomberos  
del Condado de Los Angeles.**



**En el Condado de Los Angeles:**  
**1-877-BABY SAFE**  
**1-877-222-9723**  
**[www.babysafela.org](http://www.babysafela.org)**



**Estado de California**  
Gray Davis, Gobernador

**Agencia de Salud y Servicios Humanos**  
(Health and Human Services Agency)  
Grantland Johnson, Secretario

**Departamento de Servicios Sociales**  
(Department of Social Services)  
Rita Saenz, Directora



**Consejo de Supervisores del Condado de Los Angeles**  
Gloria Molina, Supervisora, Primer Distrito  
Yvonne Brathwaite Burke, Supervisora, Segundo Distrito  
Zev Yaroslavsky, Supervisor, Tercer Distrito  
Don Knabe, Supervisor, Cuarto Distrito  
Michael D. Antonovich, Supervisor, Quinto Distrito

Esta Iniciativa tambien esta apollada por First 5 LA y INFO LINE de Los Angeles.

**¿Qué es la Ley de Entrega de Bebés Sin Peligro?**

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

**¿Cómo funciona?**

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura, dentro de los tres días del nacimiento. El bebé debe ser entregado a un empleado de una sala de emergencias o de un cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazaletes y el padre/madre recibirá un brazaletes igual.

**¿Qué pasa si el padre/madre desea recuperar a su bebé?**

Los padres que cambien de opinión pueden empezar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles, al 1-800-540-4000.

**¿Sólo los padres podrán llevar al recién nacido?**

En la mayoría de los casos, los padres son los que llevan al bebé. La ley permite que otras personas lleven al bebé si tienen la custodia legal del menor.

**¿Los padres deben llamar antes de llevar al bebé?**

No. El padre/madre puede llevar a su bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, mientras que entregue a su bebé a un empleado del hospital o de un cuartel de bomberos.

**¿Es necesario que el padre/madre diga algo a las personas que reciben al bebé?**

No. Sin embargo, el personal del hospital le pedirá que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para los cuidados que recibirá el bebé. Es recomendado llenar este cuestionario, pero no es obligatorio hacerlo.

**¿Qué ocurrirá con el bebé?**

El bebé será examinado y, de ser necesario, recibirá tratamiento médico. Luego el bebé se entregará a un hogar preadoptivo.

**¿Qué pasará con el padre/madre?**

Una vez que los padres hayan entregado a su bebé en forma segura, serán libres de irse.

**¿Por qué California hace esto?**

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés del abandono por parte de sus padres y de la posibilidad de que mueran o sufran daños. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Es posible que los padres que cometieron estos actos hayan estado atravesando dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus recién nacidos porque tenían miedo y no tenían adonde recurrir para obtener ayuda. El abandono de un recién nacido lo pone en una situación de peligro extremo. Además es ilegal. Muy a menudo el abandono provoca la muerte del bebé. Ahora, gracias a la Ley de Entrega de Bebés Sin Peligro, esta tragedia ya no debe suceder nunca más en California.

**Historia de un bebé**

A las 8:30 a.m. del jueves 25 de julio de 2002, se entregó un bebé recién nacido saludable en el St. Bernardine Medical Center en San Bernardino, en virtud de las disposiciones de la Ley de Entrega de Bebés Sin Peligro. Como lo establece la ley, la madre del bebé no se tuvo que identificar. Cuando el bebé llegó a la sala de emergencias, un pediatra lo revisó y determinó que el bebé estaba saludable y no tenía problemas. El bebé fue ubicado con una buena familia, mientras se iniciaban los trámites de adopción.

---

**Cada recién nacido merece una  
oportunidad de tener una vida saludable.  
Si alguien que usted conoce está pensando  
en abandonar a un recién nacido, infórmele  
qué otras opciones tiene.**

---

*Es mejor que las mujeres busquen ayuda para recibir atención médica y asesoramiento adecuado durante el embarazo. Pero al mismo tiempo, queremos asegurarles a los padres que optan por no quedarse con su bebé que no irán a la cárcel si dejan a sus bebés en buenas manos en cualquier sala de emergencia de un hospital o en un cuartel de bomberos del Condado de Los Angeles.*



**Exhibit 3D – Franchisee Documentation**

**Item B.10 – FRANCHISEE’S EEO CERTIFICATION (FORM PW-7)**

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


Initials: MSB Dated: 3/27/08 Initials: TLH Dated: 3/31/08  
FRANCHISEE COUNTY

## PROPOSER'S EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

Proposer's Name	Universal Waste Systems Inc.
Address	9011 Newark Blvd. Santa Fe Springs CA 90670
Internal Revenue Service Employer Identification Number	33-019-4643

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 Mark Blackburn	
Signature 	Date 1/11/2008

**Exhibit 3D – Franchisee Documentation**

**Item B.11 – HOLIDAY COLLECTION SCHEDULE**

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

Initials: M.S.B Dated: 3/27/08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

**Item B11: Holiday Collection Schedule**

UWS observes the following Holidays:

- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day
- New Years Day

During work weeks where any of the holidays listed above falls on a collection day, all customers from the observed holiday forward in the week will have their refuse, recyclables and green waste collected one day after their regularly scheduled collection day.

**Exhibit 3D – Franchisee Documentation**

**Item B.12 – WASTE DIVERSION PROGRAM, INCLUDING CUSTOMER RECYCLING  
AND SAFE DISPOSAL EDUCATION PROGRAM**

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

Initials: M.S.B Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

## **Waste Diversion Program**

Universal Waste has a goal to divert the maximum amount of recyclables, green waste, and manure waste from the landfills as possible. We have set our goals at 50% however will divert as much as possible using a 3 barrel automated system.

UWS will collect commingled recyclables in blue carts that will be labeled and have a list of acceptable materials hot stamped into the lids. The material will be transported to a Certified Recycling Station and waste characterized to report proper tonnages.

UWS will collect green waste in green carts that will be labeled and have a list of acceptable materials hot stamped into the lids. The material will be collected and transported to Calabasas Landfill to be used as alternative daily cover.

UWS will collect manure in gray carts that will be labeled and have a list of acceptable materials hot stamped in to the lids. The material will be collected and Transported to a composting facility to be recycled and diverted from the landfill.

UWS will support our customers with extensive education programs and information as out lined below:

- UWS held two community meetings prior to the start of the new service. Newsletters and information packets were provided to the residents as well as carts on display for the residents to see.
- UWS will have a slide show presentation to present to residents at town hall meetings, community group meetings, and HOA.
- UWS will deliver a packet of handouts upon delivery of the carts and stickers will be on the carts to easily identify acceptable materials.
- On a bi annual basis update letters will be sent to customers with diversion records and additional recycling programs and opportunities.
- UWS will also teach residents the importance of proper disposal of household hazardous waste materials and provide a list of appropriate local disposal sites. UWS will provide customer with instruction manuals upon delivery of the carts, and conduct random contamination audits. UWS will have be able to reeducate and talk with residents that are not using their recycle containers properly during contamination audits.

## A Guide To Your New Waste Collection Service

### WHAT IS DIFFERENT ABOUT THE NEW CARTS I WILL GET FROM UWS?

The UWS automated, remanufactured and recycling trucks must be compatible with the carts they pick up. The new carts are manufactured by Schneider Systems International, one of the leading cart manufacturers in North America. They are specially made to withstand years of use. The carts are also made to be user friendly for homeowners:

- They roll easily to the curb, so there's no heavy lifting when it's time to "take out the garbage."
- The carts have tight fitting lids to keep out animals and other pests while reducing the chance of windblown litter.
- Most importantly, Universal Waste will furnish the carts to homeowners at NO CHARGE. While the carts remain the property of Universal Waste, residents are expected to make reasonable efforts to keep them clean and treat them with care.

### HOW MANY CARTS WILL I GET AND WHEN?

Each household will receive three separate 95-gallon carts. The BROWN cart is to be used for household garbage, the BLUE cart for recyclables, and the GREEN cart for yard waste. You may request one additional green waste and/or recycle container free of charge. Additional garbage containers can be requested at the rate of \$10.00 per month.

Delivery of carts will begin in March. You will begin using them with your FIRST COLLECTION DAY IN APRIL. DO NOT USE YOUR OLD CONTAINER AFTER APRIL 1, 2008. The new trucks will not empty your old containers. In order to have your old containers picked up, please contact Waste Management or GI Rubbish.

### WILL MY COLLECTION DAYS CHANGE?

Please consult the map on the back page of this guide to determine your collection days with the new system. ALL THREE CARTS will be emptied on the your collection day.

### WHAT ARE MY RATES GOING TO BE?

Standard household service is \$100.08 per quarter. Qualifying seniors may receive a 25% discount. For residences that cannot be safely reached by the regular collection vehicle, sewer service may be required at an additional cost of \$25.00 per quarter. Roll-Curbsideyard service is also available for an additional \$50.00 per quarter. All fees are paid in advance, and are due no later than the last day of the first month of that quarter. Residential bin rentals and temporary roll-off containers are available by calling Customer Service, (800) 631-7016.

### WHEN DO I SET MY CARTS OUT?

Carts should be set out for collection by 6:00 a.m. on collection day. You may set your cart out the night before to ensure your cart is picked up, but no earlier than 5:00 p.m. After collection, you should remove your cart from the curb and store it in a convenient place near your house. The container

should be removed from the curb by 8:00 p.m. the day of collection. IF YOUR GARBAGE PICKUP IS MISSED, call us at (800) 631-7016 and we will return to pick it up 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.

### WHERE DO I SET MY CARTS OUT FOR COLLECTION?

Carts should be positioned in the edge of the street, against the curb. The handle of the cart should face your house. When your carts are delivered, they will be placed at the best location for pickup. After collection, roll your cart to a safe storage location. Do not leave the cart at the curb where it may be stolen or damaged.

### WHAT DO I PUT IN THE GARBAGE CART? WHAT DOESN'T GO IN THE CART?

Typical household garbage goes into the BROWN cart. It is recommended that the garbage be placed in plastic bags and sealed, to prevent litter and to help keep your cart clean. Plastic bags are not mandatory.

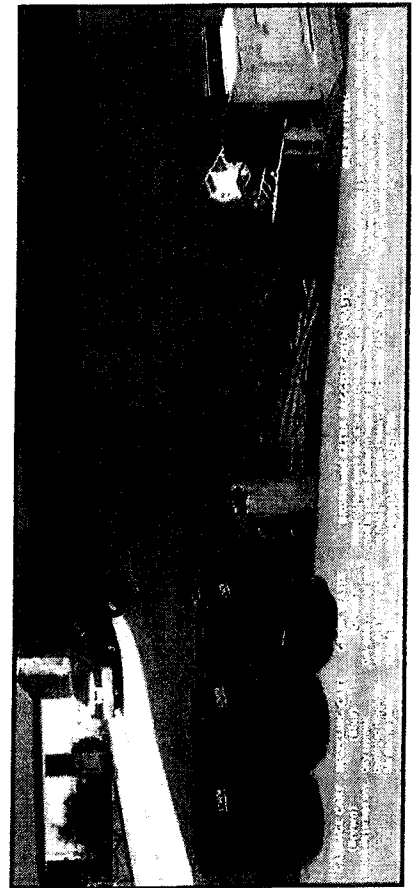
- Use the GREEN cart for yard waste such as grass clippings, leaves, or tree trimmings, as long as these items fit inside the cart. Do not stack yard waste outside the cart. It will not be collected on your regular collection day, with the exception of Christmas trees after the holiday season.
- DO NOT put lumber, stumps, roots, dirt, berreries, or old tires in the cart. Do not use the cart to dispose of Household Hazardous Wastes such as paint, motor oil, poisons or flammable liquids. Dispose of these at an HHW Collection Event or a Permanent HHW Collection Center.
- DO NOT place hot coals from your barbecue grill in the garbage cart. Although it is a tough cart, it could melt or catch on fire.

### TIPS FOR MOVING AND HANDLING THE CART

- Make sure the cart lid is closed before moving. Grab the handle and slowly tilt the cart towards you. You can push or pull the cart to roll it, but do not drag it. Always make sure the lid is closed before tilting or rolling the cart.
- When rolling the cart on a slope, it's easier and safer to PUSH the cart when going downhill, and PULL the cart when going uphill. Be extra careful when rolling your cart when the ground is slippery from rain, snow or ice.

Keep the lid closed when the cart is not in use. This keeps materials dry, reducing any unnecessary weight inside your cart, and keeps insects out.

If you are disabled and cannot handle the cart, please call (800) 631-7016 to request roll-off service.



### WHAT ABOUT BULKY TRASH THAT WON'T FIT IN THE CART?

ONLY ITEMS THAT ARE PLACED IN THE CART WILL BE COLLECTED by the automated truck. Items that are too big or bulky such as furniture, remodeling debris, lawn mowers, mattresses, sporting fencing, appliances, tires, etc. will be picked up once a year during the Annual Curbside Clean-Up Event. You will be notified of this annual Clean-Up event two weeks in advance, and it will take place on a regularly scheduled collection day.

You may request ADDITIONAL BULKY WASTE PICKUPS by calling (800) 631-7016 for an appointment. The first 2 Bulky Waste Pickups are FREE.

EXTRA YARD WASTE such as grass trimmings, brush and tree limbs will be picked up four times a year at no charge. The items must be bagged or bundled. Bundles must not exceed 30 lbs. per bundle and must not exceed 4-foot lengths. You must call (800) 631-7016 to schedule this pickup.

If you routinely have more household garbage than will fit in your cart, you will need to request an extra cart. The cost of an extra cart is \$5.00 per month.

### WHAT ABOUT MY RECYCLABLE ITEMS?

Los Angeles County residents do not have to separate recyclables into separate bins. Paper, aluminum cans, recyclable plastics and glass can be "mixed" or placed in one cart for collection. (Recyclables go in the Blue cart.) A special automated "split body" truck from Universal Waste Systems will come by on collection day to pick up the recycling and green waste carts at the same time. Because of the 2-compartment body on the truck, both commodities can be picked up by one truck, without mixing the recyclables and green waste. UWS has sophisticated sorting equipment at its facility to sort paper, plastics, cans, etc. that you recycle. See the guidelines below about what to place in the recycle cart.

### WHAT IF MY CART IS DAMAGED OR STOLEN?

The cart belongs to Universal Waste Systems, and we expect residents to take reasonable care of this property. It must not be painted, mutilated, altered or modified in any way. If the collection truck damages or destroys your cart, it will be replaced at no cost to you. If the responsibility for the damage of a cart cannot be determined, UWS will replace it at our expense. For free replacements of a stolen cart you must report the theft to the local Sheriff's Dept. and provide UWS with a copy of the police report. Otherwise, UWS may charge the customer the actual cost of replacement.

QUESTIONS? CALL 800-631-7016

## Guidelines for Los Angeles County Recyclables

### ACCEPTABLE

Aluminum & Tin Cans  
Aluminum Pail  
All Glass Bottles and Jars  
Cans, Colored and White Plastics  
Containers  
Newspapers  
Mixed Paper  
Junk Mail  
White Ledger Paper  
Corrugated Cardboard  
Mirrors  
Candle Boxes (with best removed)  
Telephone Books  
Plastic Bags  
Plastic Milk Containers  
All Plastics Labeled 1 thru 7

### NOT ACCEPTABLE

Sharp Metal  
Wetware or Safety Glass  
Mirrors  
Light Bulbs  
Pressurized Cans  
Syringes  
Wax Paper  
Ceramics (dishes, etc.)  
Folding Chairs  
Dinning Chairs  
Patio Furniture  
Food Waste  
Disposable Diapers

Place all RECYCLABLES in the BLUE container • Place containers on the curb with lid closed • Bags or boxes will NOT be picked up from the curb  
To Request Replacement and/or Additional Containers Contact: Universal Waste Systems, Inc. (800) 631-7016



### DIFFERENT CARTS FOR DIFFERENT TYPES OF WASTE Please Notice This Change in Carts, Colors and Their Use!

**BROWN CART**  
Household Garbage

**BLUE CART**  
Recyclables

**GREEN CART**  
Yard Waste

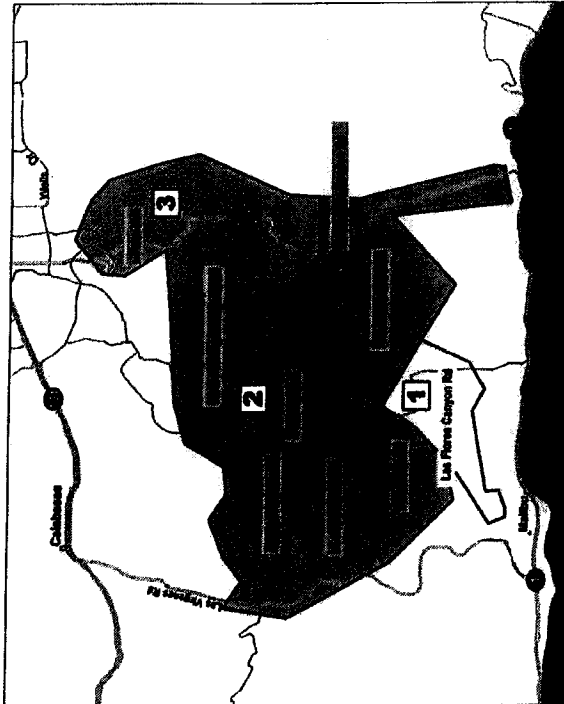
### DO I TAKE MY CART

#### WITH ME WHEN I MOVE?

The carts are issued to a specific address, and must not be moved from that address. If you are moving you must contact our office at (800) 631-7016 to arrange for the carts to be picked up.

# Your New Collection Days

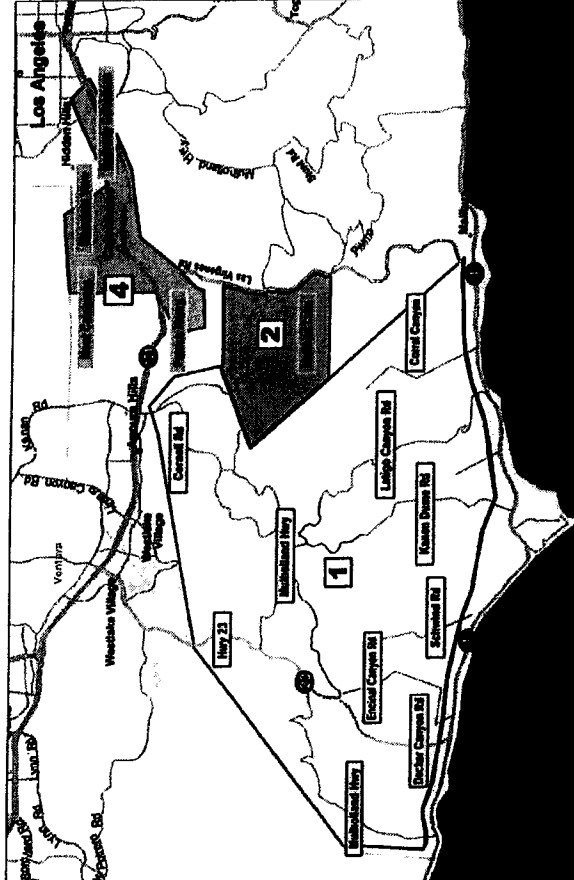
## NORTH EAST BAY AND MOUNTAIN



**HOLIDAY COLLECTION SCHEDULES**  
UWS observes the following holidays:  
Memorial Day,  
Independence Day,  
Thanksgiving, Christmas  
and New Year's Day. If  
your collection day falls  
ON OR AFTER a holiday  
during a holiday week,  
collection will be delayed  
one day.

LEGEND	
1	Monday
2	Wednesday
3	Thursday
4	Friday

## NORTH WEST BAY AND MOUNTAIN



March 1, 2008

LOS ANGELES COUNTY, CALIFORNIA

# PUBLIC NOTICE!

## Waste Collection Is Changing In Your Neighborhood, Beginning April 1

Waste Collection Companies Are Changing in North East Bay, North West Bay and Mountain; Your Collection Days May Change

Single family and two-unit properties in the unincorporated county areas of North East Bay, North West Bay and Mountain are about to see a significant change in one of their regular routines – how they take out the garbage.

Beginning April 1, 2008 Universal Waste Systems (UWS) will provide exclusive automated waste collection and recycling services in Los Angeles County for the North East and North West Bay and Mountain areas. UWS was recently awarded the franchise by the County of Los Angeles. UWS already provides waste collection services for West Whittier and several other communities in southern California.

Collection of waste and recyclables, as well as yard waste, will take place once a week, and collection days will change for some neighborhoods. A detailed route map is included on the back page of this guide.

Under the new system, county residents will use specialized wheeled carts furnished by UWS to place their garbage, green waste, and recyclables. All three containers will be collected on the same day, which also means that collection of recyclable items will be increased to weekly service.

Universal Waste will invest in a fleet of new trucks to service the area, including automated side loaders with robotic arms for some garbage routes, and rear loaders for other routes.

A different type of automated side loader will be used to collect recyclables and green waste. This truck has been specially designed with a split body to keep green waste and recyclables separate, allowing UWS to service both kinds of non-garbage waste with a single truck, reducing wear and tear on roads while improving the level of service.

New recycling trucks will have a SPLIT BODY to allow collection of recyclables and green waste at the same time. This new collection method will save wear and tear on roads.

As before, recyclable materials can be mixed together, and placed in the single recycling cart instead of separated into bins at the curb. Universal Waste Services has the latest in recycling equipment that can separate the mixed recyclable materials at the recycling facility. It will be easy for residents to recycle because plastics, glass, paper, woods and cardboard can all be placed in the same blue recycling cart. Garbage will be placed in a brown cart, and a green cart will be used for yard waste. Residents should note the change in cart colors for the different types of waste.



UWS automated side loaders like this one, as well as semi-automated rear load trucks will soon be collecting waste in North East Bay, North West Bay and Mountain areas.

"Automated refuse collection has become the standard in more and more cities in California and across the country," according to Mark Blackburn, president of Universal Waste Systems.

"While it's new for some of our county residents, it is a proven technology and a logical solution to controlling costs and improving service in one of our most vital public services," Blackburn added.

Semi-automated rear loader trucks will also be used in some areas, because of accessibility and other factors.

This Start-Up Guide should answer most questions about the changes in your waste collection service. Guidelines for recycling are also included here.

For questions not covered in this guide, please call (800) 631-7016.



The BLUE Carts are to be used for RECYCLABLE items under the new service. Residents will receive BROWN carts for household garbage.

EXHIBIT 3D



**Exhibit 3D – Franchisee Documentation**

**Item B.13 – CART SPECIFICATIONS**

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

Initials: M.S.B Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

## Cart Specifications

- Cart Capacity Options: 96 gallon, 64 gallon, 32 gallon.
- Container Colors: Dark Brown (Trash), Dark Blue (Recycle), Dark Green (Green Waste), Light Brown (Manure).
- Serial Numbers will be located on the back side of all carts under the handles.
- Please see attached Order for Schaeffer Systems Inc.

The label below will be placed on the lid of the brown cart:

### TRASH / BASURA

#### NOT ACCEPTABLE

Concrete  
Dirt  
Large Appliances  
Yard Waste

Construction Debris  
Refrigerators  
Refrigerators  
Hazardous Waste\*

THE FOLLOWING HOUSEHOLD HAZARDOUS WASTE MATERIALS ARE NOT ACCEPTABLE:  
\*(Antifreeze, Household Cleaners, Motor Oil, Paint Thinner, Paints, Inkjet or Oil-based)  
FOR MORE INFORMATION ABOUT HOW TO DISPOSE OF HOUSEHOLD HAZARDOUS WASTE MATERIALS CALL 1 (888) CLEAN LA  
To Request Replacement and/or Additional Container(s) Contact: Universal Waste Systems, Inc. (562) 941-4900

#### NO SE ACEPTAN

Concrete  
Tierra y Piedras  
Appliances Voluminosos  
Residuos de Pisos y Jardines

Residuos de Construcción  
Muebles  
Refrigeradores  
Residuos Peligrosos\*

DESECHOS PELIGROSOS DOMÉSTICOS INCLUYE TODO LO CLASIFICADO COMO TÓXICO, FLAMABLE O IRRITANTE:  
\*(Anticongelante, Líquidos para Limpieza Doméstica, Aceite de Automóvil, Disolventes de Pintura, Pinturas, Tinta y bases de aceite)  
PARA MÁS INFORMACIÓN DE DESECHOS DOMÉSTICOS PELIGROSOS POR FAVOR LLAME A 1 (888) CLEAN LA  
Para Reemplazar y/o pedir Bote(s) Adicional(es) Llame a: Universal Waste Systems, Inc. (562) 941-4900

The label below will be placed on the lid of the blue cart:

### RECYCLABLES / RECICLABLES

#### ACCEPTABLE

Aluminum & Tin Cans  
Aluminum Foil  
All Glass Bottle and Jars  
Clear, Colored & White Plastic  
Containers  
Newspapers  
Mixed Paper  
Junk Mail  
White Ledger Paper  
Corrugated Cardboard  
Magazines  
Cereal Boxes (with liners removed)  
Telephone Books  
Plastic Bags  
Plastic Milk Containers  
All Plastics Labeled 1 & 2

#### NOT ACCEPTABLE

Sharp Metal  
Windows or Safety Glass  
Mirrors  
Light Bulbs  
Styrofoam  
Wax Paper  
Ceramics  
Clothing  
Drinking Glasses  
Plastic Wrap  
Food Waste  
Disposable Diapers

#### SE ACEPTAN

Botes de aluminio y lata  
Papel Aluminio  
Todas las botellas y tarros de vidrio  
Los recipientes de plástico, blancos y de color  
Residuos  
Todos los de papel  
Cartas de propaganda  
Revistas  
Papel blanco  
Cartón corrugado  
Cajas de cereal (sin los forros)  
Directorios telefónicos  
Boques de plástico  
Recipientes de leche  
Todos los plásticos clasificados 1 y 2

#### NO SE ACEPTAN

Desechos de metal  
Vidrio de ventanas o seguridad  
Espejos  
Focos  
Plástico esponjoso  
Papel encerado  
Papel  
Cerámica  
Vasos de beber  
Envases plásticos  
Botas de basura  
Paquetes desechables

- 1) Place all RECYCLABLES in the BLUE container.
- 2) Place container on the curb with lid closed.
- 3) Bags or boxes will NOT be picked up from the curb.

To Request Replacement and/or Additional Containers Contact:  
Universal Waste Systems, Inc. (562) 941-4900

- 1) Ponga todo MATERIAL RECICLABLE en el recipiente AZUL.
- 2) Ponga los recipientes en la banqueta con las tapas cerradas.
- 3) Todos los materiales deben colocarse apropiadamente dentro de los recipientes.
- 4) Materiales puestos en la banqueta dentro de cajas o bolsas NO serán recogidos.

Para Reemplazar y/o pedir Recipientes Adicionales Llame a:  
Universal Waste Systems, Inc. (562) 941-4900

This label will be placed on the lid of the green cart:

## GREEN WASTE / DESECHOS VERDES

### ACCEPTABLE

Grass Clippings  
Leaves  
Brush  
Shrubby Prunings  
Small Branches  
Sawdust  
Tree Trimmings  
Tree Limbs, 4" Diameter  
Maximum

### NOT ACCEPTABLE

Palm Tree Trimmings  
Palm Fronds  
Cactus  
Dirt and Rocks  
Plastic or Paper Bags  
Animal Waste  
Food Waste  
Trash

### RECEPTAN

Recortes de zacate  
Hojas  
Matorrales  
Recortes de arbustos  
Ramitas pequeñas  
Aserrín  
Recortes de árboles  
Ramitas de árboles, máximo de  
4 Pulgadas de diámetro

### NO RECEPTAN

Recortes de palmeras  
Hojas de palmeras  
Cactus  
Tierra y rocas  
Bolsas de plástico o de papel  
Saqueos de animales  
Sobras de comida

1) Place all GREEN WASTE in the GREEN container.  
2) Place containers on the curb with the lid closed.  
3) Bags or boxes will NOT be picked up from the curb.  
To Request Replacement and/or Additional Container(s) Contact:  
Universal Waste Systems, Inc. (862) 641-4900

1) Ponga todos los DESECHOS VERDES en el recipiente VERDE.  
2) Ponga los recipientes en la banqueta con las tapas cerradas.  
3) Desechos verdes puestos en la banqueta dentro de cajas o bolsas NO serán recogidos.  
Para Reemplazar y/o pedir Recipientes(s) Adicionales Llame a:  
Universal Waste Systems, Inc. (862) 641-4900

This label will be placed on both sides of all carts.



# 800-631-7016

**Exhibit 3D – Franchisee Documentation**

**Item B.14 – ALTERNATIVES TO FULLY AUTOMATED OR 96-GALLON CARTS**

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

Initials: MSB Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

**Item B14: Alternatives to Fully Automated or 96-Gallon Carts (Sections B3h, B3i and B3j of Exhibit 3A)**

Universal Waste Systems Inc. will provide bin service to any residents that would prefer to use bin service in place of automated collection.

Any residents upon company and county approval that do not have room for automated cart, are physically incapable of using automated carts, and customers who do not have adequate access for automated collection will be offered either manual collection or smaller carts in either 32 or 64 gallon sizes.

Customers requesting to use different size carts will be charged at the same rate as customers using basic service. If a customer would like they can order enough carts in smaller size to equal the same capacity as a 96 gallon cart. If a senior citizen over the age of 62 years old chooses to use (3) 32 gallon carts, one for each commodity, they will receive a 25% discount.

Universal Waste Systems has arranged to use two axel vehicles in hard to access areas in order to provide every home owner with the best possible service. Customers with difficult to access properties will be able to request that our service representatives come to their homes and access the situation. If UWS can accommodate there needs using these two axel vehicles we will.

**Exhibit 3D – Franchisee Documentation**

**Item B.15 – COUNTY-APPROVED SUBCONTRACTORS**

This item consists of 8 pages (including this page).

Initials: MSB Dated: 3-22-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

**Subcontractor**

***CART Manufacturer***

SSI Schaefer will be manufacturing and delivering all of the carts. This agreement will end after all carts have been delivered to UWS and the residents of North East and North West Bay and Mountain.

Cost of goods – \$909,000.00 plus tax  
(also \$625.00 shipping charge per truckload)

Relationship – Professional; provides carts. SSI Schaefer has agreed to supply Universal Waste Systems with automated carts as presented in the RFP. Per the attached agreement with SSI Schaefer, carts will be manufactured and supplied to Universal Waste Systems in March 2008.

Ownership interest – None

**SSI SCHAEFER****Quotation**

Quotation Confirmation Number: 7443-07-1

Date: November 6, 2007

10021 Westlake Drive  
Charlotte, NC 28273  
(704) 944-4500  
Fax: (704) 944-4569BILL TO:  
Universal Waste Systems  
P.O. Box 3038  
Whittier, California 90605  
TEL: 562-692-0659  
FAX: 562-941-4915

SHIP TO:

**\*\*Please Provide Complete Shipping Address\*\***  
North & East Bay County Contract

QUOTE DATE	REQUESTED BY	LEAD TIME	F.O.B.	TERMS
11-6-07	Matt Blackburn	March 2008 delivery	Lodi, CA	Quarterly Payments beginning June 2008

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
4,500 <del>6,000</del> mb	95-Gallon Schaefer Refuse Container, Model Number USD95B, with 12" Plastic Snap-on Wheels, Color-Black	\$50.50	\$227,250.00
4,500 <del>6,000</del> mb	95-Gallon Schaefer Refuse Container, Model Number USD95B, with 12" Plastic Snap-on Wheels, Color-Blue	\$50.50	\$227,250.00
4,500 <del>6,000</del> mb	95-Gallon Schaefer Refuse Container, Model Number USD95B, with 12" Plastic Snap-on Wheels, Color-Green	\$50.50	\$227,250.00

**SALES TAX:** Sales Tax will be charged on your final invoice, unless a tax-exempt certificate is on file at Schaefer Systems.**MARKING:** All container lids shall be embossed with:  
SSI Schaefer/No Hot Ashes  
Instructions for Use  
Body Hot Stamping: On File (same as Whittier carts)**FREIGHT:** From Lodi, CA to Whittier, CA is \$615.00 per truckload



EXHIBIT 3D

**SSI SCHAEFER**

## Quotation

Quotation Confirmation Number: 7443-07-1

Date: November 6, 2007

10021 Westlake Drive  
Charlotte, NC 28273  
(704) 944-4500  
(704) 944-4569

### IMPORTANT

**NOTE:** Both pages of signed Quotation/Order Confirmation, along with any artwork, (and down payment if applicable) must be received before order can be processed.

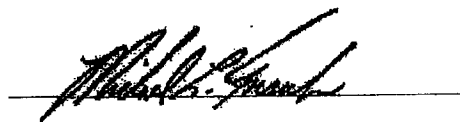
**THIS QUOTE IS VALID FOR 14 DAYS FROM THE ABOVE DATE.**

**ASSEMBLY:** Assembly is required for wheels, axles and lower bars. Assembly is to be provided by Universal Waste Systems. Schaefer Systems will provide instructional assistance for the assembly.

### TERMS OF

**SALE:** Schaefer Systems International, Inc. is pleased to solicit your order to purchase the goods described in this quotation. Please forward a signed copy of proposal indicating your acceptance to our office in Charlotte, NC. Should you have any questions regarding this agreement, please contact our sales office at (704) 944-4500. Orders with custom hot stamping are *non-cancelable*. All merchandise remains the property of SSI Schaefer until payment in full.

**AGREED AND ACCEPTED BY:**  
Schaefer Systems International, Inc.



Michael L. Knaub  
Senior Vice President  
Waste Technology Division

**AGREED AND ACCEPTED BY:**  
Universal Waste Systems

Name & Title: mark bench BROW PRESIDENT

Signature: [Signature]

Date: 11-15-07

**SSI SCHAEFER****Quotation**

Quotation Confirmation Number: 7590-08-1

Date: January 30, 2008

10021 Westlake Drive  
Charlotte, NC 28273  
(704) 944-4500  
Fax: (704) 944-4569

**BILL TO:**  
 Universal Waste Systems  
 P.O. Box 3038  
 Whittier, California 90605  
 TEL: 562-692-0659  
 FAX: 562-941-4915

**SHIP TO:**

**\*\*Please Provide Complete Shipping Address\*\***  
 North & East Bay County Contract

QUOTE DATE	REQUESTED BY	LEAD TIME	F.O.B.	TERMS
1-30-08	Matt Blackburn	March 2008 delivery	Lodi, CA	Quarterly payments beginning June 2008

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
200	65-Gallon Schaefer Refuse Container, Model Number USD65B, with 10" Plastic Snap-on Wheels, Color-Brown for manure	\$44.75	\$8,900.00

**SALES TAX:** Sales Tax will be charged on your final invoice, unless a tax-exempt certificate is on file at Schaefer Systems.

**MARKING:** All container lids shall be embossed with:  
 SSI Schaefer/No Hot Ashes  
 Instructions for Use  
 Body Hot Stamping: On File

**FREIGHT:** From Lodi, CA to Whittier, CA is \$590.00

**IMPORTANT**

**NOTE:** Both pages of signed Quotation/Order Confirmation, along with any artwork, (and down payment if applicable) must be received before order can be processed.

**THIS QUOTE IS VALID FOR 14 DAYS FROM THE ABOVE DATE.**



# Quotation

Quotation Confirmation Number: 7590-08-1

Date: January 30, 2008

10021 Westlake Drive  
Charlotte, NC 28273  
(704) 944-4500  
(704) 944-4569

**ASSEMBLY:** Assembly is required for wheels, axles and lower bars. Assembly is to be provided by Universal Waste. Schaefer Systems will provide instructional assistance for the assembly.

## TERMS OF

**SALE:** Schaefer Systems International, Inc. is pleased to solicit your order to purchase the goods described in this quotation. Please forward a signed copy of proposal indicating your acceptance to our office in Charlotte, NC. Should you have any questions regarding this agreement, please contact our sales office at (704) 944-4500. Orders with custom hot stamping are non-cancelable. All merchandise remains the property of SSI Schaefer until payment in full.

**AGREED AND ACCEPTED BY:**  
Schaefer Systems International, Inc.

Michael L. Knaub  
Senior Vice President  
Waste Technology Division

**AGREED AND ACCEPTED BY:**  
Universal Waste Systems

Name & Title: Matt Blackburn

Signature:

Date: 11/30/08

# SSI SCHAEFER

## Quotation

Quotation Confirmation Number: 7585-08-1

Date: January 30, 2008

10021 Westlake Drive  
Charlotte, NC 28273  
(704) 944-4500  
Fax: (704) 944-4569

**BILL TO:**  
Universal Waste Systems  
P.O. Box 3038  
Whittier, California 90605  
TEL: 562-692-0659  
FAX: 562-941-4915

**SHIP TO:**

**\*\*Please Provide Complete Shipping Address\*\***  
North & East Bay County Contract

QUOTE DATE	REQUESTED BY	LEAD TIME	F.O.B.	TERMS
1-30-08	Matt Blackburn	March 2008 delivery	Lodi, CA	Quarterly payments beginning June 2008

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
600 200 each color	35-Gallon Schaefer Refuse Container, Model Number USD35B, with 8" Plastic Snap-on Wheels, Color-Dark Brown, Navy, Dark Green	\$35.00	\$21,000.00
600 200 each color	65-Gallon Schaefer Refuse Container, Model Number USD65B, with 10" Plastic Snap-on Wheels, Color-Dark Brown, Navy, Dark Green	\$44.75	\$26,850.00

**SALES TAX:** Sales Tax will be charged on your final invoice, unless a tax-exempt certificate is on file at Schaefer Systems.

**MARKING:** All container lids shall be embossed with:  
SSI Schaefer/No Hot Ashes  
Instructions for Use  
Body Hot Stamping: On File

**FREIGHT:** From Lodi, CA to Whittier, CA is \$590.00 per truckload

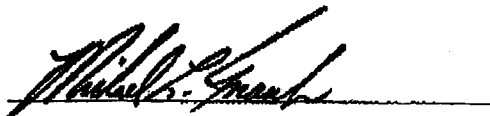
**IMPORTANT NOTE:** Both pages of signed Quotation/Order Confirmation, along with any artwork, (and down payment if applicable) must be received before order can be processed.

**THIS QUOTE IS VALID FOR 14 DAYS FROM THE ABOVE DATE.**

**SSI SCHAEFER****Quotation**

Quotation Confirmation Number: 7584-08-1

Date: January 30, 2008

10021 Westlake Drive  
Charlotte, NC 28273  
(704) 944-4500  
(704) 944-4569**IMPORTANT****NOTE:** Both pages of signed Quotation/Order Confirmation, along with any artwork, (and down payment if applicable) must be received before order can be processed.**THIS QUOTE IS VALID FOR 14 DAYS FROM THE ABOVE DATE.****ASSEMBLY:** Assembly is required for wheels, axles and lower bars. Assembly is to be provided by Universal Waste Systems. Schaefer Systems will provide instructional assistance for the assembly.**TERMS OF****SALE:**Schaefer Systems International, Inc. is pleased to solicit your order to purchase the goods described in this quotation. Please forward a signed copy of proposal indicating your acceptance to our office in Charlotte, NC. Should you have any questions regarding this agreement, please contact our sales office at (704) 944-4500. Orders with custom hot stamping are *non-cancelable*. All merchandise remains the property of SSI Schaefer until payment in full.**AGREED AND ACCEPTED BY:**  
Schaefer Systems International, Inc.Michael L. Knaub  
Senior Vice President  
Waste Technology Division**AGREED AND ACCEPTED BY:**  
Universal Waste Systems

Name &amp; Title: Matt Blackburn

Signature: 

Date: 1/30/08

**Exhibit 3D – Franchisee Documentation**

**Item B.16 – FORM OF TWICE ANNUAL BAGGED REFUSE TAGS**

This item consists of 1 pages (including this page).

Initials: M.S.B Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

Universal Waste Systems Inc. plans to handle the two additional trash bags as we would a special bulky item or green waste collection. The customer will call our customer service department a minimum of 24 hours in advance of their regular collection and the additional bags will be collected with their regular collection. Our customer service department will log all requests on the customer's accounts.

**Exhibit 3D – Franchisee Documentation**

**Item B.17 – COUNTY-APPROVED GREEN WASTE EXCLUSIONS**

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

Initials: MSB Dated: 3/27/08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

**Item B17: County-Approved Green Waste Exclusions**

Universal Waste Systems, Inc. includes the following items to be included as part of the County-approved green waste exclusions:

- Palm Fronds
- Palm Trimmings
- Cactus
- Dirt and Rock
- Plastic and Paper Bags
- Animal Waste
- Food
- Trash
- Construction Material



**Exhibit 3D – Franchisee Documentation**

**Item B.18 – CHARGES FOR ADDITIONAL ON-CALL PICKUP OF BULKY ITEM, E-WASTE AND CEDs**

This item consists of 1 pages (including this page).

Initials: M.S.B Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

There is no charge for additional collection of E-Waste and CEDs.  
There is a \$25.00 charge for additional bulky item pickups.

**Exhibit 3D – Franchisee Documentation**

**Item B.19 – TRANSITION ROLL-OUT PLAN**

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

Initials: M.S.B Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

**Item B19: Transition Roll-Out Plan**

1. **Ordering Vehicles and Containers-** All vehicles are on site and route ready as of February 1, 2008. All containers were ordered on November 15, 2007.
2. **Vehicle and or Container Delivery-** All containers are have been delivered to the residents and the remaining containers are onsite for additional cart requests.
3. **Container Assembly-** All carts will come to our facility completely assembled with the exception of the wheels which will be installed in the field as they are delivered.
4. **Distributing Containers to Customers-** Universal Waste plans to hire a professional assembly and delivery company that will place all carts. The company will be responsible for assembling the wheels, delivering the carts, and providing a detailed list of cart numbers at each address. The delivery company will be delivering approximately 700 carts per day and should be able to complete delivery within 3 weeks. Commencing on March 1<sup>st</sup>, 2008. All carts lids will be taped down and read "Do not use until April 1<sup>st</sup>" to avoid confusion as new carts will be delivered before Universal Waste start servicing. This has been completed and the customers are ready for service beginning April 1, 2008.
5. **Public Outreach and Education Activities-** All customers will receive an education newsletter that will inform them of all aspects of the contract. The newsletter will have routing information, customer pricing, container options, services options, acceptable materials, and contact information. Universal Waste will also host and conduct two public education meetings and prepare a slide show to review program details in person with customers. The draft newsletter and slide show will be ready by the end of January. This has been completed and the customers are ready for service beginning April 1, 2008.
6. **Determining Routes-** Universal Waste has completed and submitted all route maps and collection schedules.
7. **Training Route Drivers-** All route drivers will begin working in the area two weeks prior to contract commencement. The drivers have started driving the routes with Supervisors to familiarize them selves with the routes prior to collection.
8. **Collecting old Containers-** Universal Waste plans that the majority of the containers will be collected by the existing hauler who owns the carts. Any carts not collected by the current hauler will be collected by our staff after the first month of service. All customers that have their own trash cans will be provided with a tag that reads "take me" they will apply the tag to the cart and Universal

Waste staff will remove the carts during the first month of collection and on call there after. Universal Waste plans to work with the existing hauler to provide the routing schedules and maps so they can follow our trucks and collect the cart on the customer's service days.

9. Universal Waste will commence collection on Tuesday April 1<sup>st</sup>, 2008.

Dear Valued Customer,

The County of Los Angeles Board of Supervisors has awarded Universal Waste Systems, Inc. (UWS), a seven-year franchise to provide residential trash collection and recycling services for the North East Bay and Mountain, and North West Bay and Mountain communities beginning on April 1, 2008. Please refer to the enclosed newsletter and subscription form for your service rates, new collection day and additional services offered. We are honored to be selected as your waste hauler and we look forward to servicing you and your community.

As part of your basic service, you will be provided three 96-gallon carts: one brown cart for household trash, one blue cart for recyclables, and one green cart for green waste. Customers have the option to request smaller size containers, and one additional green waste and/or recycling container at no charge. We ask that you please wait until April 10 to begin making requests for different size and/or additional containers.

Also, we will be offering separate manure collection service. The collected manure will be recycled at a composting facility instead of being dumped at a landfill. If you are interested in manure recycling, please don't hesitate to contact our customer service department at (800) 631-7016. You have the option to continue utilizing your current provider or switch to Universal Waste Systems, Inc. for this service.

We ask that you not start using your new containers until April 1<sup>st</sup>, 2008. If you currently have containers from another service company they will be collected beginning April 1<sup>st</sup>. If they are not collected by the end of April please contact GI Rubbish/Waste Management to arrange pick up. Universal Waste Systems Inc. will not be able to service or pick up those containers for you.

We would like to thank you in advance for your participation in the new franchise waste collection system in your community. By working together we hope to increase recycling, help preserve landfill space, and protect our valuable natural resources. If you should have any questions, please call our Customer Service Department Monday thru Friday, 8am to 5pm or Saturday, 8am to 12pm, at 1-800-631-7016.

Sincerely,

Mark Blackburn  
President/CEO

**Exhibit 3D – Franchisee Documentation**

**Item B.20 – ADDITIONAL FRANCHISEE COMMITMENTS MADE IN ITS PROPOSAL  
FOR PROCUREMENT OF THIS AGREEMENT**

This item consists of 1 pages (including this page).

Initials: MSB Dated: 3-27-08 Initials: TWH Dated: 3/31/08  
FRANCHISEE COUNTY

UWS will not charge customers for CED collections.

## 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, or at the Director's option, as the case may be, in any of the following events:

- a. Annual changes in the CPI or DOE Diesel in accordance with the Rate adjustment protocol in subsection A2 and example in Attachment 1A 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 Attachment 1B 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 1/100<sup>th</sup> decimal place (for example, 101.96% or 0.0196). 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.

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 or DOE Diesel.**

a. ***Adjustment Due to Change in CPI.*** Beginning on July 1 of the second calendar year of the Term and thereafter on each succeeding July 1, the Service Component will be adjusted by 75 percent of the average percent change, if any, in the CPI during the period commencing April 1 of the previous year to March 31 of the current year, no greater than 5 percent, as confirmed by COUNTY'S Auditor-Controller.

b. ***Adjustment Due to Change in DOE Diesel.*** Beginning on July 1 of the second calendar year of the Term and thereafter on each succeeding July 1, the Fuel Component will be adjusted by the percent change, if any, between the DOE Diesel for the previous calendar year and the for the calendar year prior to that year, as confirmed by COUNTY'S Auditor-Controller.

c. ***Rate Adjustment Definitions.***

"CPI" means the Consumer Price Index for all Urban Consumers (Los Angeles-Riverside-Orange County) as published by the United States Department of Labor, Bureau of Labor Statistics.

"Disposal Component" means 30 percent of the Net Rate shown on the Rate Schedule.

"Fuel Component" means 5 percent of the Net Rate shown on the Rate Schedule.

"Net Rate" means Rate minus Franchise Fee.

"DOE DIESEL" means annual Diesel (On Highway) price published 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](http://tonto.eia.doe.gov/dnav/pet/pet_pri_gnd_dcus_sca_m.htm).

"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 and the PPI and disposal tipping fees calculated as provided in subsections A2a, A2b and 4A3, 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 D of Attachment 10A.

3. **Rate Adjustment for Changes in Disposal Facility Fees.** Beginning on July 1 in the second full calendar year of the Term and thereafter on each 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. 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, FRANCHISEE'S Net Rates will not be adjusted.)

A sample calculation is attached in Section B of Attachment 1.

**ATTACHMENT 1 - RATE ADJUSTMENT EXAMPLES****A. Section A1/A2 of Exhibit 10: Annual increase or decrease in CPI 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, 2003 - March 31, 2004	173.5
	April 1, 2004 - March 31, 2005	177.0
	Percent Change	2.0% (not more than 5%)
Relative weight of Net Rate	75% of percent change in CPI	1.5%

**Table 2 - Adjustment Due to Change in PPI (Section A2b of Exhibit 10).**

Calculate percent change in DOE Diesel (12-month average, not month-to-month)	April 1, 2003 - March 31, 2004	86.2
	April 1, 2004 - March 31, 2005	90.5
	Percent Change	5.0%
Relative weight of Net Rate	100% of percent change in DOE Diesel	5.0%

**Table 3 - Weighted Rate Adjustment Percentage (Section A2a, b and c of Exhibit 10).**

Rate Component	Relative weight of Net Rate	Adjustment due to change in indices/change in disposal tipping fees	Weighted Rate Adjustment Percentage
Service Component	65% of Net Rate	1.5% (CPI)	0.975%
Fuel Component	5% of Net Rate	5.0% (PPI)	0.25%
Disposal Component	30% of Net Rate	45.8%	13.74%
Weighted Rate Adjustment Percentage			14.96%

**B. Section A1/A3 of Exhibit 10: Changes in Disposal tipping fees.**

Disposal tipping fee charges on Execution Date or last prior adjustment date	\$24.00
Disposal tipping fee charges on adjustment date	\$35.00
Percent change	45.8%

**C. Adjusted Net Rate / Rate: Section A1, 2 and 3 (Annual increase or decrease in CPI /DOE Diesel), (Changes in Disposal tipping fees).**

If the Weighted Rate Adjustment Percentage is 14.96 percent, then a hypothetical net Rate of \$15.00 would be adjusted as follows:

$$\begin{aligned} \$15.00 + [0.1396 \times \$15.00] &= \$15.00 + \$2.24 = \\ \mathbf{\$17.24} &= \text{adjusted Net Rate} \end{aligned}$$

If the Franchise Fee is a hypothetical 7 percent, the adjusted Rate would be:  
 adjusted Net Rate / [100% - Franchise Fee %] =  $\$17.24 / [100\% - 7\%] =$   
 $\$17.24 / 0.93 =$   
 $\mathbf{\$18.54} = \text{adjusted Rate}$

## ATTACHMENT 2 - RATE SCHEDULE (Customer Service Charges)

	RATE/NET RATE
MONTHLY RATE PER CUSTOMER FOR RESIDENTIAL PREMISES AND MULTIFAMILY PREMISES <sup>1</sup>	\$33.36/\$30.02
1. One 96-gallon Refuse Cart, and	
2. Up to two 96-gallon Recyclables Carts, and	
3. Up to two 96-gallon Green Waste Carts.	
4. Senior Basic Service (25 percent discount)	\$25.02/\$22.52
ADDITIONAL SERVICE:	
1. Additional 96-gallon Carts in excess of Basic Service: \$5/Cart	\$5.00/\$4.50
SURCHARGES:	
1. Alternatives to fully automated Carts for difficult-to-service Residential Premises (B3h of Exhibit 3A): 25 percent of Customer's monthly Net Rate.	\$8.34/\$7.51
2. Each additional on-call pickup in excess of twice each year (F2c of Exhibit 3A): \$25	\$25.00
3. Manual Cart roll-out (other than elderly or disabled) (G of Exhibit 3A): 50 percent of Customer's monthly Net Rate.	\$16.68/\$15.01
4. CEDs on-call pickup in excess of twice	No Charge

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<sup>1</sup> For each single-family home or unit in a duplex.

**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"> <li>• Customer correspondence under Section 4H</li> <li>• Publicity materials under section 4I1;</li> <li>• News releases and trade journal articles related to Franchise Services, under Section 4I2</li> <li>• Customer outreach materials under Section 6E and Exhibit 3A, Section B2b.</li> </ul>	\$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	For each failure to follow its Unpermitted Waste Screening Protocol in accordance with Section 6A.	\$500
9	For each failure to mark any Container with discard prohibitions in accordance with Section 6D.	\$50
10	Failure to maintain telephone service in accordance with Section 7B.	\$75/day
11	For each failure to timely address Customer complaints in accordance with Section 7D1.	\$100

12	For each failure over five occurrences during any Contract Year to timely Collect from missed Containers in accordance with Section 7D1.	\$300
13	For each failure to enter log of and maintain and supply Records of complaints in accordance with Section 7D2.	\$100
14	For each failure over 5 occurrences during any Contract Year to E-mail complaint information to COUNTY in accordance with Section 7D2.	\$100
15	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/Container), in Breach of Section 10.	\$100
16	Failure to timely allow COUNTY to inspect, audit or copy Records in accordance with Section 11C.	\$150
17	Failure to timely submit AB 939 Records in format required by COUNTY in accordance with Section 12B.	\$150
18	For each occurrence over five occurrences during any Contract Year of damage to private property in contravention of Section 20C.	\$150
19	If FRANCHISEE violates the nondiscrimination provisions of this AGREEMENT, including Section 23E.	\$500
20	Failure of any Vehicle to deliver Solid Waste to the Solid Waste Facilities designated by FRANCHISEE in accordance with Exhibit 3A and Franchisee Documentation.	\$300/ Vehicle-day
21	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
22	For each failure over 5 occurrences during any Contract Year to timely respond to Container service requests (including delivery and exchanges, removal, repair and replacement) in accordance with Section B3a, b, and c of Exhibit 3A.	\$300
23	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
24	For each failure to timely remove graffiti in accordance with Section B3g of Exhibit 3A.	\$150
25	For each failure to timely repair or replace carts in accordance with Section B3c of Exhibit 3A.	\$35
26	For each occurrence over 10 during any Contract Year of failing to return emptied Containers to their Set-Out Sites, or placing Containers in site that impedes pedestrian or vehicular traffic in contravention of Section B6 of Exhibit 3A.	\$150
27	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

28	For each occurrence of disposing of Recyclables or mixing Recyclables with Refuse in Breach of Section D6 in Exhibit 3A.	\$100
29	Any other liquidated damage in Exhibit 3A.	As scheduled in Exhibit 3A

**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: TWH



**EXHIBIT 20G - AUTHORIZED REPRESENTATIVE OF  
COUNTY'S DIRECTOR OF PUBLIC WORKS**

Name: Virginia Maloles

Telephone Number: (626) 458-3562

Facsimile Number: (626) 458-3593

E-mail Address: vmaloles@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: 7:00 a.m. to 5:30 p.m.

Established by Director:

Signature: Thomas W. Hoagland

Printed Name: Thomas W. Hoagland

Date: 3/31/08

Acknowledged by FRANCHISEE:

Signature: 

Printed Name and Title: Mark S. Buntburn, President

Date: 3-27-08

## **EXHIBIT 20H - FRANCHISEE'S REPRESENTATIONS AND WARRANTIES**

1. **Status.** FRANCHISEE is a California 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 thereunder.
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 law relating to conflicts of interest and County Lobbyist Ordinance, in the course of procuring this AGREEMENT.
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 Franchise 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

**AB 939** means the California Integrated Waste Management Act of 1989, California Public Resources Code § 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 thereunder 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 § 43000 *et seq.*, with respect to air emissions (smog checks);
- b. California Vehicle Code § 27456b, with respect to tires;
- c. California Vehicle Code § 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. Containers:**

- a. 14 CCR 17314, with respect to maintenance and placement of containers; and
- b. 14 CCR 17317, with respect to placing identifying name and telephone number on containers;

**3. Labor:**

- a. Drug and alcohol testing;
- b. Occupational Safety and Health Act (29 U.S.C. § 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, § 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. § 1351 *et seq.*, 42 U.S.C. §§ 7401-7642); and California Clean Air Act (California Health and Safety Code § 39000 *et seq.*);
- d. California Hazardous Waste Control Act (California Health & Safety Code § 25100 *et seq.*);

- e. California Hazardous Materials Release Response Plan and Inventory Act (California Health & Safety Code, Division 20, Chapter 6.95, § 25500 *et seq.*);
- f. Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health & Safety Code § 25300 *et seq.*); and
- g. Emergency Planning and Community Right to Know Act (42 U.S.C. § 11001 *et seq.*); and

**5. Miscellaneous:**

- a. County Lobbyist Ordinance;
- b. Civil Rights Act of 1964 (Sub chapter 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.

**Assign or Assignment** means any of the following:

- 1. Selling, exchanging, or otherwise transferring Ownership or control of FRANCHISEE (through sale, exchange, or other transfer of outstanding stock, equity interest, or otherwise);
- 2. Issuing new stock or selling, exchanging, or otherwise transferring 20 percent or more of the then outstanding common stock of or equity interest in FRANCHISEE;
- 3. Any dissolution, reorganization, consolidation, merger, recapitalization, stock issuance, or reissuance, voting trust, pooling agreement, escrow arrangement, liquidation, or other transaction, which results in a change of Ownership or control of FRANCHISEE;
- 4. Any assignment by operation of law, including 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;
- 5. Any sale or other transfer of 50 percent or more of the value of assets of FRANCHISEE except for sales or transfers to parents, grandparents, siblings, children, and grandchildren of individuals having a shareholder or other equity interest in Franchise as of the date of this AGREEMENT ("Immediate Family") or trust created primarily to benefit members of the Immediate Family;

6. Substitution by a surety company providing any performance bond in accordance with Section 15 of another Person for FRANCHISEE to perform Franchise Services; or
7. Any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any transfer or change of Ownership or control of FRANCHISEE or the assumption, assignment, delegation, takeover or performance of any of FRANCHISEE'S Performance Obligations, duties, or responsibilities by any Person other than FRANCHISEE, whether through assignment, subcontract (except as provided in Exhibit 3A), delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever.

**Bin** means any container capable of Collection with front end loading vehicles, such as those having a 3- to 8-yard capacity.

**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.

Notwithstanding the foregoing, **Bulky Item** does not include tires from semi-trucks or Universal Waste.

**Cart** means any wheeled container capable of Collection by either semi or fully automated vehicles.

**CED** means any of the following:

1. Cathode ray tube (CRT) device (including television and computer monitor);
2. LCD desktop monitor;
3. Laptop computer with LCD display;
4. LCD television;
5. Plasma television;
6. Any other consumer electronic devices listed under Applicable law.



**CERCLA** means the Comprehensive Environmental Response, Compensation and Liability Act of 1982 (42 U.S.C. § 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.

**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 year or portion of a year during the Term commencing July 1 and ending June 30.

**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 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'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 Collection from FRANCHISEE.

**Customer Service Charge** means the rates, fees, charges, and other compensation that FRANCHISEE bills a Customer for providing Collection.

**day** means calendar day.

**Debarment** or **Debar** has the meaning assigned in County Code § 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 § 40192, of refuse at a solid waste facility.

**Disposal** or **Dispose** means disposal, as defined in California Public Resources Code § 40192, at a Solid Waste Facility of Refuse that FRANCHISEE has collected.

**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 § 41780).

**Diversión** 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 § 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 FRANCHISEE.

**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 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.

**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; and
2. Yucca or palm fronds, unless FRANCHISEE is able to Divert those excluded materials that may not be suitable for composting.
3. Other items listed in Section B16 of Exhibit 3D, Franchisee Documentation.

**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** means 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 § 20.56.030.

**"Manure"** means Refuse 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 handled in accordance with Applicable Law (such as tires in excess of load limits certain E-waste or CEDs collected as part of a Collection program for Bulky Items described in Exhibit 3A); or
2. Arranging for disposal of that solid waste or Unpermitted Waste.

**Multifamily** means related to dwellings with three or more dwelling units (such as apartments, condominiums, and town homes), each with separate cooking and bathing facilities.

**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.

**Ownership** has the meaning provided in the constructive ownership provisions of the Internal Revenue Code of 1986 § 318(a) as in effect on the Execution Date, except that (1) 10 percent is substituted for 50 percent in § 318(a)(2)(C) and in § 318(a)(3)(C) thereof; (2) § 318(a)(5)(C) is disregarded, and (3) ownership interest of less than 10 percent is disregarded and percentage interests is determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

**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 with habitable buildings 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 § 40116.

**Processing** means the reduction, separation, recovery, conversion or Recycling of Solid Waste, including creating "compost" as defined in California Public Resources Code § 40116.

**prompt** or **promptly** means as soon as practicable, but in no event more than two days.

**Quarterly Report** is described in Section 13A2.

**Rates** means the amounts listed on the Rate Schedule.

**Rate Schedule** means Attachment 1 to Exhibit 10.

**RCRA** means the Resource Conservation and Recovery Act (42 U.S.C. § 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.

**Recyclables** means 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 § 40201.

**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 § 40201.

**refuse** means solid waste that is not diverted.

**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.

**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 Exhibit 1.

**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 Saturday, Holidays excepted.

**Service Specifications** means Performance Obligations prescribed in Exhibit 3A.

**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 § 20.72.100, where Customers must place their Solid Waste for Collection.

**solid waste** means solid waste as defined in California Public Resources Code § 40191, including green waste, recyclables and refuse, but excluding Unpermitted Waste.

**Solid Waste** means solid waste as defined in California Public Resources Code § 40191 that is Collected in the Service Area, including Green Waste, Recyclables and Refuse, but excluding Unpermitted Waste.

**solid waste facility** means solid waste facility as defined in California Public Resources Code § 40194 (and any other types of facilities named by COUNTY).

**Solid Waste Facility** means solid waste facility as defined in California Public Resources Code § 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.

**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 Assign, transfer, convey, sublet, license, hypothecate, encumber, or otherwise transfer or dispose of.

**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, 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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